



**- CARAPELLI'S S.P.A. ETHICAL CODE -**

**Carapelli Firenze S.p.A.**

LEGAL DEPARTMENT IN TAVERNELLE VAL DI PESA (FLORENCE – ITALY), VIA LEONARDO DA VINCI 31  
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## **PREAMBLE**

Carapelli Firenze S.p. A (from now on “Carapelli” or “the Company ”) was created on the 25<sup>th</sup> of November 2005. Its business is based on the production, commercialization and export of olive oil, extra virgin olive oil, seeds oil, vinegar and olive pat .

The Company is determined to base all its actions on correctness in order to safeguard its public image and reputation and therefore complies itself with the Italian legislative decree 8, June 2001,n  231 ( discipline which regulates the administrative responsibility of legal entities, Companies and associations lacking of legal entity contained in the 11<sup>th</sup> article of 29<sup>th</sup> September law 2000 n 300) This law regulates the administrative responsibility of legal entities by introducing predefined illicit penal standards that have to be respected by representative, administrative and directional corps as well as by subordinate to direction and responsible for supervision.

The Company in order to promote the standards and rules of behavior has decided to adopt the following ethical code that has to be respected by its collaborators, dependents and administrators and by all which independently of their legal link to the Company are also expected to respect and follow it.

Carapelli believes that establishing a series of fundamental values in which everybody has to inspire to achieve its business aims is of high importance for the development of its own activity and also represents a valid support of the organizational model ( from now on “model”)The present document has been approved by the Board of Directors of the Company which will endeavor to promote and guarantee its diffusion. Its monitoring will be assured by a controlling body of the Company (from now on “Supervisory body”) in consideration with the previous mentioned legislative decree.

## **FIRST SECTION**

### **1. GENERAL DISPOSITIONS**

#### **1.1 Receivers**

The Company's activity is inspired by its ethical principles and rules of conduct and so are its actions, operations, rapports and transactions regarding the different social activities.

The present ethical code binds everybody within the Company that carries out representative, administrative and directive duties and also those who realize de facto management and control over it. It also binds all employees without exception, collaborators such as; consultants, suppliers, intermediaries, etc. (from now on known “receivers”) and whoever engages in business affairs with it

The receivers are required to comply with the dispositions contained in the ethical code from the moment they accept an assignment, sign a contractual agreement and in any case from the

beginning if the collaboration with the Company till the end of the activities carried out within the Company and on behalf of the Company's own interests

In particular, the Company's executives should inspire themselves in the principles of the ethical code when defining the Company's objectives, proposing investments, developing projects and when undertaking any decision or action related to the management of the Company. When carrying out concrete duties regarding the direction of the Company the executives officers should inspire their decisions on the ethical principles. This should be valid for their activity within the Company, which reinforces the internal cohesion and spirit of reciprocal collaborations as well as for their relation towards third parties.

The Company will endeavor to assure the maximum diffusion of the present Code of Ethics by using adequate cognitive instruments in order to train and sensitize in full its contents.

## **1.2 Employees and Collaborators responsibilities**

The employees attaches to the ethical code while carrying out their duties and are required to:

- to follow the dispositions of the ethical code and abstain of wrong doing against it;
- transmit to the supervisory body any kind of violation taken place in the context of the Company related to the present ethical code;
- to offer maximum collaboration when checking for non conformity or alleged violations of the present ethical code
- inform the third parties involved in the Company's affairs about the prescriptions contained in the ethical code and urge them to comply.
- demand the respect of the dispositions of the ethical code for subjects carrying out activities concerning the Company
- report to the control body of the Company contrary or signs of possible contradictory behavior regarding the interaction of the Company and third parties and in case of wrong doing against the ethical code adopt the punitive measures contained in the ethical code.

Collaboration, loyalty, honesty and reciprocal respect characterize the rapport between employees of all ranks and third parties.

Carapelli's collaborators such as, consultants, intermediaries, etc. and everyone involved in its activities is complied to respect the principles contained in the ethical code.

The Company commits by publishing on its note-board in intranet to divulge as much as possible the ethical code

## **SECOND SECTION**

### **2. ETHICAL PRINCIPLES OF THE MODEL**

#### **2.1 Ethical principles**

Carapelli shares, accepts and resigns itself to the ethical principles (from now one "Principles") here stated:

- legality
- equality and impartiality
- transparency, correctness and professionalism
- Privacy
- Human values and human resources
- Security safeguard
- Environmental protection
- Consumer guidance and satisfaction
- Competition

#### **2.2 Legality**

The receivers behavior has to respect the actual rules and laws.

It is the receivers duty to comply with the law and avoid contrary behavior that could implicate the Company in illegal, immoral and illegitimate actions in any given situation and is not allowed to handle for the interests of the Company buy disrespecting the law.

#### **2.3 Equality and impartiality**

Carapelli preserves and promotes the respect for human dignity and opposes against discrimination based on age, sex, sexual orientation, personal and social conditions, race, language, nationality, political opinion and unionism and religious beliefs. Non discriminatory behavior will be tolerated.

Further more it is foreseen that in the social activity and decision making process like for example: management of personal, labor organization, relations with the community and representative institutions, the receivers have to act with impartiality.

#### **2.4 Transparency, correctness and professionalism**

All actions, operations, negotiations and in a more general way the receivers behavior are based on transparency and correctness. During the management of their activities receivers are required to provide transparent, truthful, complete and accurate information.

The development of the Company's activities is based on professional criteria, commitment and diligence adequate to the nature of the duties and responsibilities entrusted to them.

## **2.5 Privacy**

Privacy is an essential rule of all kind of conduct. The Company assures the confidentiality of all owned information and complies to not misuse private data only with the express consent and authorization and always in strict conformity with the rules and regulations that safeguards personal data.

Privacy is also required in all information concerning the Company and its clients, suppliers and all subject that maintains business relationships with the Company.

Regarding the various relationships of the Company and its delegates the receivers should avoid the misuse of private data and information of public knowledge acquired during the fulfillment of their duties and should not use them in their own private interest, specially al matters regarding the business and professional label activity of the Company.

Employees and collaborators should not use their privileged positions in the Company in order to obtain directly or indirectly personal and patrimonial reasons by using confidential information. The sharing of information with third parties should exclusively be allowed by authorized personal and according to the Company policy. When sharing information with third parties which is allowed only for professional reasons the Company insists on the confidential character of the communications and expects the strict observation and respect of privacy by the third parties.

In case of electronic information protected by password only designated subjects may have access to those passwords and have the obligation of not publishing, release them and protect them.

## **2.6 Human values and human resources**

Human resources represent an indispensable value for the growth and development of the Company.

In order to increase human capital and competences of each individual the Company has established a series of promotion criteria looking forward to create equal access to opportunities. As a consequence management of human resources improves and general capacities increase.

The Company organization is designed to avoid any situation of oppression and or psychological violence.

Working conditions are guaranteed so that the development of the activities within the Company take place in a climate of respect and serenity.

Carapelli commits itself to exercise its authority equally and correctly and avoiding all kind of abuse and particularly authority should never transform into an exercise of power which is detrimental to the dignity and autonomy of the employees and collaborators. This should be interpreted in a very wide sense.

## **2.7 Security safeguard**

The Company promotes health and safety for all its employees and collaborators and guarantees a safe working environment while carrying out their duties and at the working place.

The Company commits itself to guarantee fair working conditions that respect the dignity of each individual and save working environment. Through the promotion of a safe working culture Carapelli has created a safe and healthy conscience of the risks, promotes responsible behaviors and respect towards the Company's adopted security system.

Employees, collaborators and any other persons that for any reason have access to the Company's structure are invited to follow and participate in maintaining a safe environment.

Following this point of view Carapelli commits itself to:

- develop activities in a safe and healthy environment for its employees and for all the persons that have access to its offices and productive establishments;
- guarantee that all employees are aware, informed and trained about the risks associated while carrying out their duties. Carapelli provides its employees with all means and mechanisms for the individual protections contained in the actual regulation according to the type of activity developed;
- review periodically the performance and efficiency of its system of risk assessments in order to maintain safe working environments and guarantee the safeguard of all the persons involved in the Company's activities.

## **2.8 Environmental protection**

The Company respects our environment, as a resource that should be protected, with benefit to the entire community and future generations, in the same way we commits to generate an economic development compatible with sustained development, guaranteeing a prosper and healthy environment.

The Company's activities are set out taking into account environmental criteria aimed at preventing contaminations and control the use of natural resources in order to minimize the negative impact in the environment.

Therefore the receivers of the present ethical code should:

- promote the respect and preservation of the environment;
- introduce new technologies aiming at the reduction of gases emissions, waste and acoustic contamination;



- implement and promote the use of recycling and recovery programs;
- restrict the use of resources by encouraging saving systems.

## **2.9 Consumer guidance and satisfaction**

Carapelli selects its olive oil from previous carefully selected suppliers in order to offer different brands and satisfy the clients needs.

The Company recognizes that the appreciation shown by those that demand its products is of vital importance for its success and therefore commits itself to:

- offer with efficiency products of high quality that satisfy or exceed the reasonable expectations of the client;
- offer clear and complete information related to the products in a manner that the client can take its decisions consciously;
- guarantee high standards of quality of the products , services offered;
- remain truthful when publicized and marketing its products.

## **2.10 Competition**

It is of fundamental importance for the Company to operate in a market based on legal, correct and fair competition therefore it commits itself to:

- follow the laws that regulate this subject;
- cooperate with the ruling authorities of the market;
- avoid proceedings and attitudes that promote unfair competition.

## **THIRD SECTION**

### **3. CODE OF CONDUCT**

#### **3.1 Control System**

The control system is a fundamental instrument for the management and control of all Company activities. Therefore the Company promotes and disseminates, in all levels the control culture, to raise awareness about the importance of the internal control system and respect, development of all activities, and the actual laws.

By internal control, we should understand all necessary instruments or useful to direct, manage, and control all the activities, in order to guarantee the respect of all the laws and policies and procedures of the Company to protect its goods, to manage in a efficient manner all activities and

provide accountable, clear and complete financial data.

All personal, within their complete roles, are responsible for the definition and smooth running of the internal control systems, through the line of control, formed by a combination of controlled activities undertaken by the operational unities upon their process.

The employees and collaborators, within their competence are required to:

- cooperate actively in the correct and efficient running of the internal control systems;
- protect all Company's property and its goods, material or immaterial, instrumental on the completion of their roles, without improper use;

To all the established organs of the Company and the Surveillance team, the Company guarantees free access to, all date, documentation and any useful information to development of the control activities.

### **3.2 Company's information**

Each action, operation or transaction should be registered in the Company's accounting system according to the criteria indicated by the law and the generally accepted accounting principles and should also be properly authorized , verifiable, legitimate, coherent and congruent.

In order to comply with the accountability requirements of truthfulness, completeness and transparency of the recorded data each operation has to be registered in an adequate and complete way saving all supportive documentation concerned with the Company's activity so to achieve:

- a clear accountable register:
- the immediate determination of the characteristics properties and the motivations based on the same operation;
- an easy formal and chronological reconstruction of the entire operation;
- the verification of process of decision, authorization and realization, as well as the determination of different level of responsibility.

Each employee performs, within his/her field of competence, so the final result related with the management of Company is recorded in the correct accountability. Each accountable base should reflect the results from the support document. Therefore, the personnel responsible should ensure that the documentation is easily available and in the right order, following logical criteria.

The circulation of information for the report of all the accounts and to guarantee a clear and truthful representation of the economic situation, patrimonial and financial of the Company, should follow the principles of truth, integrity and transparency

### **3.3 Company's communications**

The communication to the media plays an important role to give value to the Company's image and to the creation /maintenance of open and transparent dialogue channels with the interested 3<sup>rd</sup> parties.

Furthermore, all information regarding the Company should be published in a punctual manner, truthful and transparent tending to give a positive image of the Company to the exterior, not only in terms of business subject, but also as a subject that respects the integrity and conservation of the environment.

Taking into account every subject we have enunciated, each release of documents and other information to the exterior, referring to Carapelli, the shareholders, and or other subjects with whom the Company has relations with, should take place with respect, according with the laws and regulations, and current code of professional conduct. In any case is forbidden:

- the release of false material or news related to the Company, the Shareholders or any other individuals, with whom the Company maintains any business relations;
- any form of pressure with the objective of obtaining aptitudes favorable to Company's from the media;
- with specific reference to the information of financial nature, the release of confidential information obtained during the development of business activities.

To guarantee the integrity and coherence of the information, the management of the Company's relations is exclusively reserved to the personnel in charge: therefore, the Company's employees cannot release or provide any information of any type to the press or media, nor maintain any kind of contact with the aim to divulge any Company information, without previous authorization from the personnel in charge.

### **3.4 Prevention of conflict of interests.**

During the exercise of their activities, the receivers should avoid situations which might create a conflict of interest, on business transactions.

By conflict of interest we understand that the receiver is pursuing an interest, different from the Company's mission statement or conduct any activities that can interfere with his/her ability to make decisions, that are exclusive in the Company's interest, or obtains personal advantages in terms of business opportunities.

As an example and without further details, the following conducts are part of the conflict of interest situation:

- ownership, including indirect, from participation or assumption of economical or financial interests in Companies that are suppliers, clients or dependents from the Company,

- assumption of social posts or development of labor activities, of any type, for the suppliers.

The receivers will not act against the interests of the Company and will not pursue them by misusing and contradicting the Company's ethical code. In case of conflict of interests the receiver is compelled to inform the responsible corporate body and will respect its decision.

### **3.5 Prevention of money laundering**

The receivers should while carrying out their different duties for the Company never get involved under any circumstance on any activity concerning money laundering coming from criminal activities and the receiving of goods and other items from illicit source.

The Company's employees and collaborators before getting engaged in further business partnerships should be sure by considering the given and available information about the moral integrity, reputation of the other party.

It is compulsory to respect all national and international norms and dispositions when fighting against money laundering.

## **FOURTH SECTION**

### **4. DEALING WITH THIRD PARTIES**

#### **4.1 Rapport with costumers**

Carapelli establishes its activities and conduct its business based on quality which means not only appreciating its products but also focusing on particular demands of its customers, on professionalism, availability and cares about solving business dealings and undertakes regular assessments of the complaints procedures in order to fully satisfy its clients.

Regarding its relations towards customers the receiver should adopt a correct and clear attitude, giving priority when possible to the written form in order to avoid misunderstanding or misconception about the content of the commercial relationships.

#### **4.2 Rapport with the Public Administration**

Relations with public institutions in any level (local, regional, national) as well as public officials or civil servants, representatives, agents, exponents, members, employees, consultants, representatives of public functions and of public institutions from the supervisory authorities and other independent administrative authorities and any public character must always be inspired by the strictest observation regarding the law which is applicable to principles of transparency, honesty and fairness and can never compromise the integrity and the reputation of the Company.

The Company commits itself to maintain with the mentioned subjects, with whom shares a constant business activities an attitude of full cooperation marked by transparency and fairness. It is strictly forbidden for the receivers, in the sphere of the activities developed by Caparelli, to give

or promise gifts, money, benefits and any kind of other utilities for its own benefit within its activities in the Company, that could raise suspicion of acting in its own interest when dealing with a third neutral party, with the exception of standard gifts of normal relations of courtesy or commercial practice.

Expecting gifts of modest value attributable to normal relations of courtesy or business practices should not compromise the integrity and the reputation of any part and should be in any case authorized.

The management of the relationships with members of the public administration is reserved exclusively for business function from which the Company takes care and is authorized.

While dealing with the public administrations the receivers should not influence improperly their activity. Particularly the officials who treat or decide in the name of the Company.

### **4.3 Rapport with suppliers**

The Company maintains relationships exclusively with suppliers and subcontractors who observe the law regarding human rights, labour and environmental rights. Therefore the Company controls the ethical behaviour of its suppliers and subcontractors and in the case of detecting unethical conduct proceeds to implement sanctions for them. The Company bases its relationship with suppliers and subcontractors on strict trust, through the common management of technology, information and formation in order to encourage the process of innovation, creation and generation of values.

The relationships with suppliers are managed with loyalty, honesty, professionalism and based on the encouragement of continuous collaboration and relation of solid and durable trust.

The selection of suppliers and determination of the conditions of purchase of goods and services happen and are based on objectiveness and impartiality, evaluation and also based on, quality, price and provided guarantees.

Particularly the employees should follow the next principles:

- the competition criteria, loyalty, skills, economic transparency, fairness, professionalism in the selection of suppliers/professionals and management of the relationship with the same parts;
- the principles of equity in the provision of all fees and/or sum paid for supplies/professional assignments or tasks on the base of objective and impartial evaluations, as well as adequate traceability of the documentation of related offers;
- impartiality when selecting suppliers/professional sits and about the determination of the conditions of purchase of goods and services;
- it is not admitted any kind of reciprocity with suppliers, goods and services searched by the Company are going to be preliminary selected and purchased exclusively based on their

value in terms of price and quality;

- any kind of negotiation taken place with suppliers, actual or potential, should refer exclusively to goods and services which are subjects of the negotiations with the suppliers
- the employees who are designed for the acquisition of goods and services should not undergo any kind of pressure from the supplier for the donations of materials, products, and/or sum of money in favor of charity or solidarity of the association or similar cases.

The assumption of obligations and management of relationships with suppliers, actual or potential, should be conducted in compliance of directives of the conflict of interests.

#### **4.4 Rapport with political, social and union organizations**

Carapelli contributes to the welfare and growth of the community in which it operates, by promoting dialog with local committees and public institutions which represent them and unions associations or other kinds.

The relationship with political parties and their representatives follow the rigorous compliance with current regulations and corporate guidelines.

The Company promotes and supports social, humanitarian and cultural initiatives, eventually by contributing to the financing of foundation institutes, organizations or bodies dedicated to social progress and cultural activities, that are responsible for the improvement of life conditions and promotion of peace and solidarity culture. The concession of these contributions has to be according to the dispositions of the current law and should be registered in a correct and adequate way.

The Company does not promote nor maintain relationships with organizations, associations or activities which follow, directly or indirectly illicit purposes or prohibited by law.

The Company's relationship with private entities such as, ONLLUS and other non profit entities should be inspired by the most rigorous observance of the legal dispositions and cannot compromise its integrity and reputation.

It is forbidden to maintain relations with organizations, associations or movements which follow, directly or indirectly illegal criminal purposes or that are forbidden by law.

## **FIFTH SECTION**

### **5 FINAL DISPOSITIONS**

#### **5.1 Sanction policy**

Employees and collaborators when noticing eventual violations of the ethical code, should inform expressly their supervisory body which has been established in accordance of the legislative decree without any delay.

This body will proceed in fact, to verify the validity of the declaration of eventual violations and if necessary will proceed to interrogate the person that gave the signal, and/or the eventual author. The imposed sanctions by the corporate body will be proportional to the gravity of the committed violations and in any case will be in accordance with the current provision regarding labor relations.

The information about the official acts should be also compulsory transmitted to the supervisory body consequently after the failure of the standards of the decree.

The observance of these orders from the actual ethical code should be considered the essential part of the contractual obligations of the employees under the effects of art.2104 of the Italian Civil Code.

Any eventual violation of the ethical code represents the nonfulfillment of the labor relations, and illicit disciplinary in order to proceed expected by art. 7 of the labor statute and from the applicable collective bargaining and with every legal consequence of the law, looking forward to the preservation of labor relations and can cause the compensation of the service made by them.

The respect of these principles on the current ethical code represents the part of contractual obligations for employees, consultants and other subjects with the same business relations. As a result of the eventual violation of the provisions there contained will lead to the nonfulfillment of the contractual obligations, with consequences regarding the law for the resolution of the contract and orders and compensation of the damaged causes.

#### **5.2 Adoption of the ethical code and changes**

The present ethical code has been adopted by the administrative body and Board of Directors. Eventual changes and/or updates, will be approved by the same and quickly communicated to the recipients receivers.