



# CODE OF ETHICS



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IL TUO MENÙ  
E PERSONALIZZATO  
COME VOI TU!

MENÙ 3  
MY FRUIT & GELATO O CORTESATO  
MY TRANCIO DI PIZZA  
MY SANGRIA & BEVANDA  
MY CAFFÈ

MENÙ 4  
MY FRUIT & GELATO O CORTESATO  
MY TRANCIO DI PIZZA  
MY SANGRIA & BEVANDA  
MY CAFFÈ

## CHAIRMAN'S LETTER

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*Ever since I founded Pellegrini in 1965, I strongly intended it to be based upon values which I believe can provide a strong and solid foundation. These values are there to guide the men and women of this company in their daily actions and decisions.*


*For this reason, I am proud to present you with the second edition of our Code of Ethics, shared by the whole of our organisation, by the Board of Directors, the Supervisory Body and all stakeholders.*

*Values such as integrity, fairness and respect have always inspired our decisions and those of our collaborators, setting joint standards of behaviour for all of us, both within the company and in our relations with the society in which we operate and are very much a part of.*

*The Code lists the fundamental ethical principles and rules pursued by Pellegrini and through which one can fall in step with our company and its ideals. We are also very respectful of the environment that surrounds us, the local area which we strive to respect and preserve for future generations and the community, which we support through the engagement the Ernesto Pellegrini Not for Profit Foundation.*

*Lastly, at the core of Pellegrini's approach is its unwavering respect for its human resources.*

*By complying with the Code of Ethics, we aim to be a paragon of business excellence, not just in terms of production, but also in terms how we behave. The Code is not merely a list of principles and rules to be respected, it is a fundamental fulcrum around which all of Pellegrini's present and future actions revolve, in the interests of our customers and of everyone involved in the production process.*

  
**Ernesto Pellegrini**  
Chairman of Pellegrini Sp.A.  
Member of the Order  
of Merit for Labour

## INTRODUCTION. RECIPIENTS AND SCOPE OF APPLICATION OF THE CODE OF ETHICS

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The Code of Ethics outlines the set of rights, duties, ethical principles and rules of conduct that govern, and above all, guide Pellegrini S.p.A. (hereafter, also, "**Pellegrini**" or the "**Company**") and its employees in the performance of their activities and in relationships with everyone it has dealings with, whether it's a partner, a customer or an employee.

The Code of Ethics has been voluntarily adopted by Pellegrini with a deed of its Board of Directors.

The following persons are required to comply with this Code of Ethics:

- a) Chairman and Managing Director;
  - b) members of the Board of Directors;
  - c) members of the Board of Auditors, whether statutory or alternate;
  - d) members of the Supervisory Body;
  - e) senior management;
  - f) Company employees and/or collaborators, whether managers, white or blue collar workers or freelance collaborators;
  - g) its shareholders;
- (hereafter, the "**Recipients**").

The Code represents and expresses the values on which the Company is built: ***integrity, fairness and respect*** which apply to the whole Group and act as points of reference within the social context in which it operates.

Respect for the Code of Ethics must be considered an essential part of the contractual obligations to which the Company is a party. Any violation of the principles and contents of the Code may constitute a breach of the primary obligations of the employment relationship or a disciplinary offence, with all ensuing legal consequences even with regard to the preservation of the employment relationship and could entail compensation for damages incurred as a result.









## **FUNDAMENTAL ETHICAL PRINCIPLES AND RULES**

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Pellegrini aims to maintain and develop a trusting relationship with all its stakeholders, namely with those categories of individuals, groups or institutions whose contribution is required if Pellegrini is to achieve its corporate purpose or who an interest in its pursuit.

Our stakeholders also include those making investments connected to Pellegrini's activities and, therefore, our customers, suppliers and business partners. The same consideration goes to all individuals or groups, as well as the organisations and institutions that represent them, whose interests are affected by the direct and indirect effects of Pellegrini's activities.

### **UNETHICAL BEHAVIOUR**

In business, unethical behaviour compromises the relationship of trust between Pellegrini and its stakeholders.

Anyone, whether an individual or an organisation, who seeks to misappropriate the benefits of collaboration with others by exploiting positions of contractual strength, is engaging in unethical conduct.

### **THE VALUE OF REPUTATION AND BONDS OF TRUST**

A good reputation, for Pellegrini, is a fundamental asset, because it encourages shareholder investment, customer loyalty, attracts the best human

resources, provides supplier peace of mind and creditor reliability. It enables decisions to be made and implemented without conflicts within the company and work to be organised without bureaucratic oversight or an excessive exercise of authority.

### **VALUE OF RECIPROCITY**

Relationships with the Recipients of this Code of Ethics, along with those with third parties (customers, suppliers, external collaborators, partners, competitors, the media, the national and international civil and economic context) must be based upon integrity and fairness to protect business interests.

Integrity and fairness must similarly be demanded of third parties.

### **IMPARTIALITY**

In decisions that affect relationships with stakeholders, whether it's the selection of customers to be served, relationships with shareholders, the management of personnel and/or the organisation of labour, the selection and management of suppliers, relationships with the surrounding community and the institutions that represent it, Pellegrini does not engage in, but in fact forbids and prevents all forms of discrimination based on age, gender, state of health, race, nationality, political opinions and religious beliefs.

## **CONFLICTS OF INTEREST**

In managing any activity, situations must always be avoided where the entities involved in the transactions are, or may even just appear to be, in a conflict of interest. By this we here refer to the case where the Recipient pursues interests that are in contrast with Pellegrini's directives or may benefit "personally" from Pellegrini's business opportunities, and any instance where the representatives of customers, suppliers or public institutions act in contrast with the fiduciary duties their role requires. If Recipients, in the performance of their activities, pertinent to the corporate purpose and in line with company policies, find themselves in situations that may affect, or that they believe may potentially affect, owing to a potential conflict or concordance of personal interests, or merely influence, or appear to influence, relationships with third parties, they must immediately inform the Board of Directors and/or their hierarchical superior as well as the Supervisory Body in writing, respectively.

## **CONFIDENTIALITY AND USE OF INFORMATION**

All information that is not in the public domain relating to its own or other Pellegrini Entities or to its activities or business, that a Recipient becomes aware of as a result of the functions performed or even its administrative and/or working relationship, must be considered confidential and must only be used to fulfil the administrative and/or working activity in question. The Recipients must take every pre-

caution to avoid the undue dissemination of said information. To this end, Pellegrini protects the confidentiality of the information in its possession and refrains from seeking and/or processing confidential information, unless granted express and informed authorisation; in which case Pellegrini shall strictly comply with all current legal provisions.

## **RELATIONSHIPS WITH SHAREHOLDERS**

The shareholder, even if only potential, is not merely a source of financing but is an entity with opinions and personal beliefs of various kinds.

In order to make investment decisions and participate in corporate resolutions, the shareholder must therefore have access to all relevant information available. Pellegrini creates the conditions to ensure that the participation of shareholders in decisions under their remit is widespread and informed, promoting fair access to information; it also protects the interest of the Company and its shareholders in general from initiatives implemented by shareholder coalitions aimed at ensuring their particular interests prevail.

Pellegrini takes steps to ensure that its economic-financial performances safeguard and increase the value of the business, in order to adequately remunerate the risk that the shareholders take on by investing their capital in the company.

## **VALUE OF RESOURCES**

Pellegrini values its resources, which are essential to achieving its corporate purpose.

To this end, Pellegrini promotes the value of resources to improve and increase the scope and competitiveness of the skills at its disposal.

### **EXERCISING AUTHORITY**

In its formal and management approach to contractual relationships that involve hierarchical relationships, particularly where employees and collaborators are involved, Pellegrini is committed to ensuring that such authority is exercised fairly and correctly, avoiding any form of abuse.

Pellegrini prevents authority being transformed into a power exercise, which might be harmful to the dignity and independence of its employees and/or collaborators and ensures that decisions on the organisation of work safeguard the value of the same.

### **PERSONAL INTEGRITY**

Pellegrini considers the physical and moral integrity of its employees and collaborators as a priority, and thus is committed to providing working conditions that are respectful of individual dignity, as well as being safe and hygienic.

Therefore, any requests or threats aimed at inducing people to act against the law or the Code of Ethics or to adopt behaviour that may be harmful to the opinions and personal beliefs of any individual will not be tolerated.

### **TRANSPARENCY AND COMPLETENESS OF INFORMATION**

The Recipients are required to provide complete, transparent, comprehensi-

ble and accurate information so that, in establishing relationships with the company and the various stakeholders, they are able to make autonomous decisions that take into account the interests involved, the alternatives and the relevant consequences.

Pellegrini asks all persons who use the company's financial resources to act according to criteria based upon legality and correctness and to inform, where necessary, the Supervisory Body on the use of the same.

The Recipients are obliged to report any falsifications of the accounts or of the respective documentation to their superior and to the control bodies.

In preparing contracts, Pellegrini clearly and comprehensibly specifies to the contracting party the conduct expected of it in all envisaged circumstances.

### **GOOD FAITH AND CORRECTNESS IN IMPLEMENTING PERFORMANCES AND CONTRACTS**

Contracts and work assignments must be executed and performed according to principles of good faith and correctness, avoiding any undue advantage. It is therefore prohibited to exploit contractual loopholes or unforeseen events to renegotiate contracts and/or assignments for the sole purpose of exploiting the other party's position of dependence or weakness.

### **QUALITY OF SERVICES AND PRODUCTS**

The Company bases its activity on the satisfaction and protection of customers, taking into account any requests

that may lead to an improvement in product and service quality.

The Company's research, development and marketing activities are focused on achieving high quality standards for its services and products.

### **FAIR COMPETITION**

The Company recognises the value and economic and social function of competition implemented within the limits established by law, and therefore refrains from any collusive behaviour and/or abuse of dominating positions. Pellegrini undertakes to report to the institutionally competent bodies all practices aimed at reducing free competition on the market.

### **RESPONSIBILITY TOWARDS THE COMMUNITY**

Pellegrini is aware of the influence that its activities may have on the conditions and general wellbeing of the community and its operations must thus comply with a strict programme of self-regulation and internal control.

### **ENVIRONMENTAL PROTECTION**

Pellegrini respects the laws and regulations in force on environmental matters in every country in which it performs its activities.



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## CODE OF BEHAVIOUR: IN GENERAL

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### DATA PROCESSING

Data on anyone who has dealings with the company are processed by Pellegrini in full compliance with the confidentiality and privacy of the data subjects.

To this end, specific data protection policies and procedures are applied and constantly updated.

In particular, Pellegrini:

- has established a data processing organisation that guarantees the correct separation of roles and responsibilities;
- classifies data according to increasing levels of criticality and adopts appropriate countermeasures at each processing phase;
- requires third parties involved in data processing to sign confidentiality agreements.

### GIFTS, PRESENTS AND BENEFITS

Any form of gift that may even only be seen as exceeding the limits of normal commercial practice or courtesy or that could, in any case, be designed to acquire preferential treatment in the conduct of any activity linked to Pellegrini should not be made.

In particular, any form of gift to Italian or foreign public officials or their relatives that may influence their independence of judgment or incite them to provide any advantage, even if not of an economic nature, is forbidden.

This rule, which may not be circumvented even in countries where offering valuable gifts to commercial partners is standard practice, also applies to the promise or offer of gifts and to gifts received; for clarity's sake, a gift is any type of undue benefit.

In any case, Pellegrini refrains from practices not permitted by law, business customs or codes of ethics - if known - of companies or entities with which it has relations.

Any gifts offered - except those of small value - must be adequately documented so as to facilitate verifications and must be authorised by the head of department, who must inform Pellegrini's Supervisory Body.

Recipients who receive gifts or benefits not envisaged by the permitted circumstances must, in line with the provisions of company procedures, inform Pellegrini's Supervisory Body which will assess their amount and value and will, if deemed necessary, notify the sender of Pellegrini's policy on this matter.

### PRIVACY

Pellegrini undertakes to protect the data of its employees and/or collaborators and/or any third parties that it may become privy to as part of its business dealings.

Pellegrini prohibits any improper use of said information.

Pellegrini aims to guarantee that the processing of personal data within its organisation occurs in respect of rights and fundamental freedoms, as well as the dignity of the data subjects, as required by current regulations. Personal data must be processed lawfully and fairly and in respect of the regulatory provisions applicable at the time. The data must only be collected and registered only if it is required for specific, explicit and legitimate purposes. The data are stored for a period not exceeding that deemed necessary to fulfil the purpose for which they were collected. The Company adopts suitable and preventive security measures to protect all databases in which personal data are collected and stored, so as to avoid the risk of destruction and loss or unauthorised accesses or processing that is not permitted.

The data acquired are stored and filed so as to prevent unauthorised persons becoming privy to them.

## EXTERNAL COMMUNICATIONS

All information released by company must be true, transparent and consistent with Company policies.

Relations with the media and with stakeholders may only be held by the company functions in charge of this area or with their authorisation.

Recipients that are called upon to release information to the public that do not hold the required powers, must obtain prior authorisation from the company functions responsible for this area in order to agree on its contents, in line with company policies.

Subject to the foregoing, Pellegrini's communication to its stakeholders:

- is based upon compliance with the right to information; under no circumstance will the disclosure of false or misleading information or comments be tolerated;
- complies with the laws, rules and standards of professional conduct;
- must be clear, transparent and prompt, safeguarding, inter alia, "price sensitive" information and trade secrets.

Any form of pressure or attempt to gain favourable coverage from the media must be avoided.



## **CODE OF BEHAVIOUR: RELATIONSHIPS WITH EMPLOYEES AND COLLABORATORS**

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### **PERSONNEL SELECTION**

The recruitment of personnel is carried out by assessing candidate profiles in relation to the business requirements while guaranteeing equal opportunities for all subjects undergoing selection. The information requested from candidates is strictly linked to the verification of the professional and mental-attitudinal profile, without impinging on the private sphere and opinions of the subject. The Human Resources Department, within the limits of the available information, adopts appropriate measures to avoid favouritism, nepotism or patronage practices during the selection and recruitment phases.

### **ESTABLISHMENT OF EMPLOYMENT RELATIONSHIP**

Personnel are recruited under a standard employment contract. Any form of irregular employment is prohibited. When establishing the employment relationship, even with freelance personnel, each employee and/or collaborator receives accurate information concerning:

- the characteristics of the function, duties and/or assignments to be performed;
- the regulatory and remunerative elements, as governed by the national collective bargaining agreement and/or the criteria for establishing the fee;

- the rules and procedures adopted in order to avoid any health risks connected to the working activity and/or the assignment to be performed as well as those adopted to prevent the commission of so-called relevant crimes;
- the contents of Pellegrini's Code of Ethics, also by delivering an extract of the same, as an integral part of the documentation related to the subordinate or freelance employment relationship.

This information is presented to employees and/or collaborators so that their acceptance of the employment contract and/or assignment is based upon an actual understanding of the aforementioned information.

### **PERSONNEL MANAGEMENT**

The Company avoids any form of discrimination in relations with its employees and collaborators.

As part of the personnel management and development processes, as in the selection phase, decisions are based upon the correspondence between the expected profiles and the profiles of the interested parties and/or on merit considerations.

The recruitment and/or granting of assignments are also based on skills and capacities; provided general work efficiency is safeguarded, work is organ-

ised in such a way as to facilitate maternity leave and childcare in general.

Employees are assessed by the competent business function, with the involvement of management, the Human Resources Department and, insofar as possible, all persons who come into contact with the person under assessment. Within the limits of the available information and the protection of privacy, the Human Resources Department strives to prevent all forms of nepotism.

### **RESOURCE DEVELOPMENT AND TRAINING**

The management uses and exploits to the full all professional skills available within the company by activating all available tools to encourage the professional development and growth of their collaborators.

Managers are required to identify the individual characteristics of employees and collaborators and promote the development of their potential and their talent.

In this field, particular importance is assigned to managers communicating to employees their particular strengths and weaknesses, so that the latter may strive to improve their skills even thanks to specific training. Each manager is required to ensure that relationships between employees and collaborators are based upon the values of integrity, fairness, mutual respect and courtesy, avoiding situations that may require employees and collaborators to act against the Code of Ethics or legal provisions.

The Company provides all employees

with informative and training tools, in order to develop and increase the specific professional skills of its staff.

Regular training sessions are scheduled at given moments in the employee's life within the company, and refresher courses are provided to operational staff.

### **MANAGEMENT OF EMPLOYEE WORKING HOURS**

Each manager is required to use employee working hours to the full and expect work performances consistent with the employee's duties and with work organisation plans.

Any request for personal favours or conduct that constitutes a violation of this Code of Ethics, implemented through an exploitation of a hierarchical position, is to be considered an abuse of a position of authority.

### **EMPLOYEES AND COLLABORATOR INVOLVEMENT**

Employees and collaborators must be involved in the conduct of the work and/or assignment, and time should be scheduled for them to take part in discussions and decisions functional to achieving the corporate purposes.

Employees and/or collaborators participate in these sessions in a spirit of collaboration and independence of judgment. Listening to the various points of view, while bearing in mind company requirements, allows managers to reach the final decisions; employees and/or collaborators must, however, always contribute to implementing the established activities.



## **CHANGES IN THE ORGANISATION OF WORK**

In the event of work reorganisations, the value of human resources is safeguarded by foreseeing, where possible, training and/or professional requalification actions.

In these instances, bearing in mind organisational and production requirements, Pellegrini pursues the following purposes:

- the occupational repercussions of work reorganisations must be distributed as uniformly as possible among all employees, in line with the effective and efficient exercise of business activities;
- if new or unforeseen events take place, that can be objectively verified, employees may be assigned to different duties and/or assignments from those previously performed, provided that they are in line with their professional status.

## **HEALTH AND SAFETY**

The Company respects and ensures respect of the regulations in force regarding workplace health and safety, spreading and consolidating a culture of safety, developing risk awareness, promoting responsible behaviour by all employees and collaborators and preserving, mainly through preventive actions, the health and safety of workers and the interest of all other stakeholders.

To that end, the internal structure, with an eye on developments in reference scenarios and possible changes to potential risk situations, implements technical and organisational actions, by:

- introducing a risk and safety management system;
- providing continuous analyses of the risks and criticalities of the processes and resources to be protected;
- adopting the best technologies;
- checking and updating working methods;
- providing training and information.

## **PRIVACY PROTECTION**

The privacy of employees and collaborators is protected by adopting standards that specify the data that Pellegrini requests from them and how the data are processed and stored.

Any enquiries into the ideas, preferences, personal tastes and private life of collaborators is prohibited.

These standards, unless required by law, also forbid the communication/dissemination of personal data without the prior consent of the data subject and set out rules on how each employee and/or collaborator can verify the privacy protection rules.

When processing sensitive data, the Company adopts all necessary precautions and complies with all legal requirements.

## **PERSONAL INTEGRITY AND PROTECTION**

The Company undertakes to protect the moral integrity of its employees and collaborators, guaranteeing the right to working conditions that are respectful of individual dignity.

For this reason, it safeguards workers from acts of psychological violence and combats any discriminatory attitudes or

conduct harmful to the individual and his/her beliefs and preferences.

Any form of sexual harassment, even of a verbal nature, and any other conduct that may affect the sensitivity of an individual is prohibited.

In addition, the Company aims to encourage the integration and training of foreign workers possessing a valid permit to stay, while avoiding phenomena of undeclared work and illegal immigration. If employees and/or collaborators believe that they have been subjected to harassment or have been discriminated against for reasons connected to their age, gender, race, state of health, nationality, political opinions or religious beliefs, they must report this to their line manager, who will inform the Supervisory Body which will then assess the actual violation of the Code of Ethics.

## **DUTIES OF EMPLOYEES AND COLLABORATORS**

In accordance with and for the effects of the legal and contractual provisions, employees and/or collaborators must provide their performances while complying with the principles of good faith, diligence, efficiency, fairness and honesty, using their tools and available time in the best possible way, shouldering the responsibilities connected to the fulfilment of their role while avoiding performing any activities that may, even only potentially, be in conflict of interest with the Company. In addition, employees and/or collaborators must liaise with other colleagues while respecting the values of civil coexistence and respect towards others and avoiding any

form of discrimination. All employees and/or collaborators are required to preserve the company assets with all due diligence and to behave, on a daily basis, so as to respect the environment, also from an ecological perspective.

## **INFORMATION MANAGEMENT**

Employees and/or collaborators must know and implement the provisions of the company policies on information security to ensure its integrity, confidentiality and availability. They must draft documents using clear, objective and complete language, facilitating any verifications by colleagues, managers or authorised external persons who make such a request.

## **CONFLICT OF INTERESTS**

All Company employees and collaborators are required to avoid situations in which conflicts of interest may arise and to refrain from taking personal advantage of business opportunities of which they become aware during the conduct of their functions and/or assignments.

By way of example and without limitation, the following situations may lead to conflicts of interest:

- holding a top management position while having economic interests with suppliers, customers or competitors even through one's own or other people's relatives;
- entertaining relationships with suppliers while being involved in working activities, even through relatives, with the same suppliers;
- accepting cash or favours from per-

sons or companies that are in or intend to enter into business relationships with Pellegrini.

If even just the appearance of a conflict of interest arises, employees and/or collaborators must inform their managers and/or representatives, who, according to the established procedures, shall inform the Supervisory Body which will assess, on a case by case basis, the actual existence and significance of the conflict of interests.

Employees and/or collaborators are also required to provide information on activities performed outside working hours, if said activities may harbour a conflict of interest with the Company.

### **USE OF COMPANY ASSETS**

All employees and/or collaborators are required to act with diligence to protect the company assets, through responsible behaviour in line with the operating procedures in place to regulate their use, by carefully documenting said use. In particular, employees and collaborators must:

- use the assets assigned to them scrupulously and sparingly, paying particular attention to the Company's financial resources they command and/or, in any case, which is at their disposal;
- avoid improper use of company assets which may cause damage or reduce efficiency or be in contrast with the company's interest.

All employees and/or collaborators are responsible for protecting the resources entrusted to them and must promptly inform their superiors of any threat-

ening or damaging events for Pellegrini. The Company reserves the right to prevent unpermitted and/or improper use of its assets and infrastructures through the use of accounting, financial control, reporting and risk analysis and prevention systems, without prejudice to any current legal provisions.

As regards IT applications, all employees and/or collaborators are required to:

- scrupulously adopt the provisions set out in the company's security policies, in order to avoid compromising the functionality and security of the IT systems;
- use Pellegrini's IT equipment exclusively for work purposes in the Company's interest and to improve their technical expertise with regard to the duties and/or assignments assigned or entrusted to them;
- avoid using Pellegrini's IT tools to access internet websites that are not related to the activities performed or that are immoral and/or contrary to decency and avoid using those tools to disseminate personal and confidential information or any other material belonging to Pellegrini, without the required authorisations.



## **CODE OF BEHAVIOUR: RELATIONSHIPS WITH CUSTOMERS**

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### **IMPARTIALITY**

Pellegrini does not arbitrarily discriminate among its customers.

### **CONTRACTS AND COMMUNICATIONS TO CUSTOMERS**

Contracts and communications to customers, including advertising messages and the content of the company website, should be:

- clear and simple, using language similar to that normally used by the stakeholders;
- compliant with existing regulations, without resorting to elusive or incorrect practices;
- complete, so that no significant element that may influence the client's decision is overlooked. The purposes and recipients of the communications determine, in each case, the choice of the most suitable contact channel for content distribution, without resorting to pressure and/or solicitations or using misleading or untrue advertising tools.

Pellegrini guarantees the prompt communication of any information relating to:

- any contractual changes;
- any changes in the economic or technical terms of provision of the service and/or sale of the products;
- outcomes of checks carried out in accordance with standards required by the supervisory authorities.

### **CONDUCT OF EMPLOYEES AND COLLABORATORS**

The conduct of the Company's employees and collaborators towards the customer should be open, respectful and polite, with a view to establishing a collaborative and highly professional relationship.

In their dealings with customers, within the scope of their remit and in relation to the assignments entrusted to them, recipients shall not arbitrarily discriminate among the customers, shall respect the commitments and obligations they have taken on and provide accurate, complete and true information. Any communication relating to advertising or other matter shall be truthful and all misleading, elusive or incorrect practices shall be avoided.

### **QUALITY CONTROL**

Pellegrini guarantees adequate quality standards for its services/products in accordance with pre-established quality levels and is sure to check perceived quality on a regular basis.

The Company aims to satisfy the expectations of its customers by providing high quality products and/or services while complying with the rules in place to protect competition and the market and ensuring that its conduct is aligned with the values of correctness, honesty and professional decorum.



## **CUSTOMER INVOLVEMENT**

Pellegrini is always quick to react to suggestions and complaints by customers and associations working in their defence, using suitable and prompt communication systems.

The Company is responsible for informing customers of the receipt of their communications and the time required for them to receive an answer, which must, in any case, be short.

To guarantee compliance with these standards of conduct, the procedures regulating relationships with customers are monitored on a regular basis.

## **MANAGEMENT OF CREDIT POSITIONS**

Pellegrini does not abuse its credit positions in relation to its customers in order to obtain an advantage or any other utility. In recovering credits, Pellegrini acts according to objective and documentable criteria:

- by launching recovery procedures starting with the oldest credit positions;
- by informing the debtor in advance of their indebted position and the amount of credit claimed;
- by seeking, in any case, to resolve these in the most amicable fashion possible.



## **CODE OF BEHAVIOUR: RELATIONSHIPS WITH SUPPLIERS AND COLLABORATORS**

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### **SELECTION OF SUPPLIERS AND EXTERNAL COLLABORATORS**

The choice of suppliers and external collaborators (including consultants, agents, etc.) for the provision of goods and services is based upon assessments of proven quality, integrity, reliability and cost-effectiveness.

The purchase processes are designed to guarantee the greatest competitive advantage for Pellegrini while ensuring equal opportunities for all suppliers, along with integrity and impartiality.

In particular, employees in charge of those processes are required:

- not to rule anyone, in possession of the necessary requirements, out of the chance to compete for the assignments and/or contracts, while adopting objective and documentable criteria in the selection of candidates;
- to guarantee sufficient competition.

For some product categories, Pellegrini has a list of suppliers whose qualification criteria act as an access barrier.

For Pellegrini relevant requirements for the selection of suppliers are:

- the appropriately documented availability of adequate and suitable means, even of a financial nature, appropriate organisational structures, skills, design resources and know-how;
- the existence and effective implementation of the appropriate business quality systems whenever foreseen by specific provisions issued by Pellegrini;
- if the supply contract includes third party know-how or rights, ensuring that the supplier is awarded a significant share of added value.

Pellegrini reserves the right, without prejudice to other possible suppliers, to establish privileged relationships with all entities that adopt rules of conduct in line with those adopted by Pellegrini with this Code of Ethics.

In its contractual relationships with its suppliers, the Company expects a commitment to share and respect the principles illustrated by this Code. Any violation of the principles established in the Code constitutes a breach determining the termination of the existing relationship.

## **INTEGRITY AND INDEPENDENCE IN RELATIONSHIPS**

Relationships with suppliers and collaborators are regulated by common principles and are constantly monitored by the Company, with the help of the Supervisory Body.

Any contract stipulated with a supplier and/or collaborator must always be based upon extremely clear relationships, avoiding any form of hierarchical dependence and/or subjugation to disciplinary power.

To guarantee the maximum transparency and efficiency of the purchase process, the Company implements procedures which envisage:

- a rotation, usually every three years, of the employees and/or collaborators in charge of purchases, with simultaneous attribution to the same of duties and/or assignments in line with those previously performed;
- the separation of roles between the unit requesting the supply and the unit stipulating the contract;
- adequate traceability of the decisions adopted.



## **CODE OF BEHAVIOUR: INTERGROUP RELATIONSHIPS AND RELATED PARTIES**

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All intergroup relationships are managed in compliance with existing regulations, as well as the principles illustrated in this Code of Ethics.

The relationships between Group Companies and the information of each Company used to draft the consolidated financial statements must comply with criteria of transparency, correctness, effectiveness and traceability of the underlying economic relationships and the respective financial flows.

The Company pays particular attention to transactions with related parties, including intergroup transactions, which must be undertaken in full respect of principles of objectiveness, transparency and truthfulness, as well as ensuring compliance with the internal company procedure adopted by the Board of Directors.

All Company shareholders are treated equally and the Company undertakes to encourage and facilitate the broadest possible participation of the shareholders at Shareholders' Meetings.

External communications must be both transparent and clear and information must be published using methods that guarantee its broadest dissemination, including its availability on the Company website. The Company promotes constant dialogue with the financial community; information is provided promptly, accurately and completely, according to existing rules on corporate information.

The relationships with shareholders are exclusively managed by the company functions assigned these responsibilities.



## **CODE OF BEHAVIOUR: RELATIONSHIPS WITH THE COMMUNITY**

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### **GRANTS AND SPONSORSHIPS**

Pellegrini may accept requests for grants limited to proposals from entities and associations declared to be not for profit and with regular by-laws and articles of association, which have proven cultural or charitable goals and national relevance or, in any case, involve a significant number of citizens.

The sponsorship activities, which may concern social, environmental, sporting or artistic contexts, must provide appropriate guarantees in terms of quality or involve Pellegrini at the planning level, so as to guarantee their originality and effectiveness.

In choosing which proposals to accept, Pellegrini pays particular attention to avoiding any possible conflict of interests of a personal or business nature. To guarantee the consistency of the grants and sponsorships, their management is regulated by a specific procedure.

### **RELATIONSHIPS WITH INSTITUTIONS**

All relationships with institutions, including international ones, exclusively involve forms of communication aimed at assessing the implications of legislative and administrative activities and how they affect Pellegrini, to respond to informal requests or requests to carry out inspections or, in any case, to broadcast Pellegrini's position on significant issues.

To this end, the Company undertakes to:

- establish, without discrimination, stable channels of communication with all institutional stakeholders at international, community and local level;
- represent the interests and positions of Group Companies transparently, consistently and coherently, while avoiding all forms of collusive behaviour.

In order to guarantee the maximum clarity in its relationships, contacts with institutional stakeholders are held exclusively through representatives who have received an explicit mandate from Pellegrini's senior management.

## **ANTITRUST AND REGULATORY BODIES**

The Company fully and scrupulously complies with antitrust regulations and the provisions issued by the Authorities responsible for market oversight.

The Group Companies are required to communicate to Pellegrini's institutional business function all relevant anti-trust initiatives they may undertake.

Pellegrini's competent function provides guidelines on competition policy to all Group Companies and provides the necessary support to management.

Pellegrini does not deny, conceal or delay any information requested by the antitrust authority and the other regulatory bodies in the performance of their inspective duties, and actively collaborates during all investigation procedures.

To guarantee the maximum transparency, Pellegrini strives not to find itself in situations of conflict of interests with authority employees or their relatives.



## IMPLEMENTATION OF THE CODE OF ETHICS: MONITORING AND CONTROL

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Pellegrini's management and employees must:

- refrain from behaviour that is contrary to those principles, contents and procedures;
- carefully select their collaborators, to the extent that falls within their powers, and ensure they fully comply with the Code of Ethics;
- require that third parties with which Pellegrini enters into relationships provide due confirmation of having become conversant with the Code of Ethics;
- promptly report to their superiors or to the department they belong to and to the Supervisory Body, any findings or information related to possible cases of, or requests to violate the Code of Ethics; reports of possible violations may even be sent in a confidential or anonymous form - provided they comply with specifically established procedures;
- collaborate with the Authority and with the functions responsible for the specific procedures in verifying possible violations; adopt immediate corrective measures when the situation calls for them and prevent any form of retaliation.

This Code of Ethics is also an integral part of the Organisation Model adopted by the Company in accordance with Italian Legislative Decree 231/2001. Any reports of instances of crime or violations, with particular reference to the predicate of-

fences listed in Italian Legislative Decree 231/2001, must be sent to the specifically appointed Supervisory Body, using the email address [vigilanza@gruppopellegrini.it](mailto:vigilanza@gruppopellegrini.it) or by standard mail to: Supervisory Body c/o Pellegrini S.p.A. - Via Lorenteggio, 255 - 20152 Milan. Reports may also be made anonymously and sent to the attention of the Company's Supervisory Body. Whatever communication channel is used by the reporter, the Company undertakes to treat every report received as confidential and reserved, in line with current regulatory provisions, and to safeguard the anonymity of the reporter, guaranteeing that the same is not subject to any form of retaliation.

Compliance with the Code of Ethics is an integral part of the contractual obligations of employees, collaborators and generally speaking all recipients. The Company will apply sanctions for any violations, modulated as to their severity and within the limits of the regulatory framework in force. In relation to employees, the breach may determine disciplinary proceedings and sanctions, or even the termination of the employment relationship and, for the Company's directors and auditors, the suspension from or revocation of their role.

Any breach by external entities may determine the termination of the contract, assignment or in general the relationship with the Company, as well as - if appropriate - compensation for damages.

## FINAL PROVISIONS

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The Company's Board of Directors has passed a resolution approving this Code of Ethics, along with any substantial amendment/addition made thereto.

The Board of Directors is responsible for updating and revising the Code of Ethics and must assess any proposals of amendment/addition made by the Supervisory Body.

The Group Companies also adopt the Code of Ethics through their own board resolution, adjusting it, where necessary, to the specific nature of each business situation in coherence with their managerial and organisational autonomy.

This Code of Ethics can be consulted on the Company Website.







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