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L.R.FLAVOURS&FRAGRANCESINDUSTRIESS.p.A. CODE OF ETHICS



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1. INTRODUCTION

The company L.R. Flavours & Fragrances Industries S.p.A. has adopted this Code of Ethics, which integrates the framework of the rules at the basis of its Corporate Governance system, by adopting the indications of the Legislative Decree 231/2001 and subsequent amendments and additions, with regard to the implementation of an organisational and management model suitable to prevent and contrast criminal conducts referred to in the decree itself.

This Code is adopted by the Administrative Body of the Company on a self-regulatory basis and can therefore be amended and updated at any time.

The policy of L.R. Flavours & Fragrances Industries S.p.A. is always to pursue business activities with honesty and integrity, in compliance with high moral and ethical principles. In order to ensure full compliance with these principles, they have been set out in this Code, which applies to all employees and partners, as well as to associated companies that share its spirit and aims.

The development of this Code is therefore intended to summarise in a unified normative corpus the rules of conduct that L.R. Flavours & Fragrances Industries S.p.A. has always placed at the basis of the operation of its business in order to promote them among its employees, collaborators and partners with the aim of creating widespread awareness.

This Code of Ethics sets out the commitments and responsibilities of the Company's management and employees in the conduct of business and in the management of relations with its stakeholders (employees, customers, suppliers, business partners of the Company, shareholders, etc.)



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Such principles of conduct must be acknowledged and adopted in the performance of daily operational activities; they may not in any way be interpreted as derogating or limiting the rules of law or collective bargaining, which directors, employees and collaborators are in any case required to know and observe. Unethical behaviour affects the image of the Company, encouraging hostile attitudes towards it and compromising the relationship of trust with stakeholders.

Therefore, any conduct in open violation of the principles contained in this Code and any attitude aimed at appropriating benefits by exploiting positions of strength, shall be considered unethical, worthy of disapproval and expressly sanctioned.

2. APPLICATION OF THE CODE OF ETHICS

Legislative Decree no. 231 of 8 June 2001 (hereinafter referred to as Legislative Decree 231/01) laying down "Provisions on the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law no. 300 of 29 September 2000" establishes, by introducing it for the first time in the Italian legal system, the principle of the administrative or "parapenal" liability of Companies and other Entities upon the occurrence of a certain fact/offence committed by certain persons in its interest or to its advantage.

Legislative Decree 231/01, moreover, attributes "exempting" effectiveness (i.e. capable of excluding the punishability of an act/offence) to the construction and effective implementation of prevention models aimed at preventing "relevant offences" from being committed.



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The concrete and effective implementation of such models will in fact be able to exempt the Company from administrative liability, without prejudice, however, to the criminal liability of the natural persons (top management or employees) who have acted, a liability which will be all the more likely the more these natural persons have deviated from compliance with the aforementioned models/procedures.

The adoption of this Code of Ethics therefore takes place alongside the separate organisational model structured by the Company to oversee the activities "at risk of offence" in the cases identified by Legislative Decree 231/01; in order to share its aims, the contents of this Code are therefore binding in the Company's organisation.

Infringement of the rules of this Code may certainly constitute a serious breach of the obligations arising from the employment contract and a source of tort, with any resulting personal liability.

Compliance with the rules of the Code of Ethics is considered an integral part of the contractual obligations assumed by employees pursuant to Articles 2104 and 2105 of the Civil Code.

The rules of conduct expressed herein are also intended to guide the conduct of all collaborators (agents, distributors, consultants, etc.) acting in the interest of the Company.

Administrators and employees are therefore called upon to demand compliance with these rules also from their collaborators (agents, distributors, consultants, business partners, etc.) where they are contractually bound to do so.

All employees and collaborators of L.R. Flavours & Fragrances Industries S.p.A, at any hierarchical level or functional responsibility, are required to scrupulously comply with the norms and rules of conduct



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contained in this Code.

3. CHARTER OF COMPANY VALUES

The primary objective of L.R. Flavours & Fragrances Industries S.p.A. is to be a "strategic player" on the national and international territory in the creation, production and marketing of fragrances for industrial use in detergents, cosmetics, perfumes, soaps, etc. Creation, production and marketing of natural and synthetic flavourings for the food industry. Import and marketing of natural essential oils and aromatic chemicals. Today, L.R. Flavours & Fragrances Industries S.p.A. plays a leading role in the sector and has a significant market share.

By capitalising on entrepreneurial and organisational skills, technical and financial know-how, risk management skills, and the ability to optimise time and costs, the company has a wealth of expertise and professionalism of the highest order.

The quality and accuracy of the finished product, the punctuality of its delivery and the degree to which the product is known are crucial to the pursuit of excellence on the market.

At the same time as this code, a "Charter of Company Values" is drawn up, expressing the values that constitute the "inalienable points of reference" of the company and its organisation.

All the addressees of this Code of Ethics shall therefore ensure that their actions are in line with the following principles:

PERSONAL INTEGRITY (INDIVIDUAL VALUE) defined as consistency, reliability, honesty, confidentiality, respect for rules;



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COLLABORATION(TEAM SPIRIT):defined as internal and external customer orientation and sharing of departmental results as corporate results;

KINDNESS:i.e. politeness, friendliness to customers and colleagues, knowing how to listen and giving advice;

ENTUSIASM:i.e. the willingness to act promptly and with dedication, the desire to succeed and to measure oneself against increasingly ambitious and exciting goals;

ORGANIZATION:defined as a rational approach to problems and the ability to structure work and evaluate suggestions and improvements;

TRADITION:i.e. the ability to use past experience and the willingness to grow internally.

4. ETHICAL BEHAVIOUR IN STAKEHOLDER RELATION

This paragraph sets out the criteria of conduct adopted by the company and to which it must comply in its relations with all classes of stakeholders in order to prevent the risk of unethical behaviour.

4.1. GOVERNANCE

L.R. Flavours & Fragrances Industries S.p.A., as a joint-stock company with a restricted shareholders base, adopts a governance system based on a Board of Directors composed of three members: a Chairman of the Board of Directors and two Directors, one of whom is a delegated director.

The structure of the Administrative Body allows the company to operate according to the criteria of maximum efficiency and transparency.



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In relation to these principles, by the way:

- the board of directors and the directors in general shall refrain from any act which might knowingly cause damage to the company's assets;
- the board of directors and the directors in general shall refrain from performing any act, simulated or fraudulent, intended to influence the will of the members of the shareholders' meeting, in order to obtain the irregular constitution of a majority and/or a resolution different from that which would otherwise have been produced;
- the board of directors and the directors in general shall refrain from carrying out any type of corporate transaction likely to cause damage to creditors.

4.2. VALUE CREATION

The primary objective of the Company is the value creation that allows an adequate remuneration of the entrepreneurial risk; however, this objective is pursued through a policy aimed at safeguarding the company's solidity while promoting economic competitiveness, a targeted investment policy and respect for the ecosystem.

4.3. ACCOUNTING ACCURACY

It is an absolute prerogative of the company to ensure strict accounting transparency



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The accounting records must accurately reflect the transactions carried out by the company and must be supported by the relevant verifiable documentation.

Financial resources must be managed in accordance with the approval and authorisation procedures defined for this purpose.

Employees and collaborators are required to act in a transparent way towards the individuals in charge of auditing and the auditors and to provide them with the full cooperation in carrying out their verification and control activities.

The administrative body shall refrain from acting or omitting to act in such a way as to prevent control by the board of auditors or the shareholders.

The entire share capital and reserves that cannot be distributed by law must be guaranteed.

4.4. INFORMATION PROCESSING

The Company complies with the regulations set out in European Regulation No. 679/2016 (GDPR) on the processing of personal data.

Information concerning stakeholders (in particular employees, customers and suppliers) in the Company's possession is treated in such a way as to ensure full respect for confidentiality and privacy.

For this purpose, the Company defines and enforces the implementation of policies and procedures aimed at ensuring the protection of information in terms of confidentiality, integrity and availability.

In particular, it undertakes to take all necessary steps to avoid the risks of loss or destruction of the data,



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unauthorised access or processing that is not permitted or does not comply with the purposes for which the data were collected.

For this purpose, the Company has adopted appropriate procedures to define security policies on the processing of personal data, as well as the technical and organisational criteria for their implementation.

In particular, information to the Public Administration on obtaining contributions, grants, concessions, authorisations, registrations, formal opinions, must be truthful, correct and transparent and must be produced and disclosed in accordance with corporate organisational procedures and the relevant authorisation flows.

As regards the management or use of data and information by computer, employees and collaborators must comply with the provisions of the company's computer security policies, in order not to compromise the functionality and protection of computer systems. In particular, it is forbidden to forge any data or computer program related to the company's activities.

4.5. OUTWARD COMMUNICATION

The Company's communication with its stakeholders is based on respect for the right to information; it is therefore not permitted to disseminate false or biased news or statements under any circumstances.

All external communications comply with laws, regulations and professional conduct practices and are made in a clear, transparent and timely manner.



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In order to guarantee the fullest fairness and consistency of information, the Company's relations with

mass-media are reserved exclusively to the relevant department, if any.

5. PERSONNEL RELATIONS

5.1. CRITERIA ADOPTED IN PERSONNEL MANAGEMENT

Human resources are an essential and fundamental element for the company's existence. The dedication and professionalism of employees are the main values and conditions for achieving the company's objectives.

L.R. Flavours & Fragrances Industries S.p.A. is focused on developing the skills and abilities of each employee so that the positivity of each one is fully expressed to achieve their potential.

The Company provides all employees, according to each category, with the same job and career opportunities, ensuring that everyone is treated fairly, based on merit and without discrimination.

The Company's policy is to promote an internal working environment in which each employee interacts with colleagues with honesty and mutual respect in a harmonious and mutually supportive atmosphere for the synergistic pursuit of the Company's mission.

Each employee is required to carry out their tasks in a responsible, honest and diligent manner, in accordance with company policies, procedures and rules. Consequently, it is a duty of every worker to avoid situations of conflict of interest and/or other situations that may be injurious to the company.



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5.2. THE SELECTION AND RECRUITMENT OF PERSONNEL

Employees are evaluated on the basis of whether the candidates' profiles match the expected profiles and the company's needs. The selection and recruiting phase is aimed at investigating the character, motivational and professional aspects of the candidate and verifying the correspondence between their aspirations and the company's needs and plans.

During the job interviews, in addition to assessing the candidate's reliability, experience, knowledge, interpersonal skills and motivation, it is important to judge the candidate's fit or adaptability to the company's culture and values. L.R. Flavours & Fragrances Industries S.p.A. guarantees equal treatment to all candidates in the recruitment and selection of personnel.

Staff shall always be hired with the relevant formal employment agreement; in no way shall any form of irregular employment be tolerated. When establishing the employment relationship, the new employee will be informed of the "Charter of Company Values" referred to in this Code of Ethics. In addition, he/she will be provided with the relevant engagement letter, information on the regulatory and remuneration elements of the Collective Agreement as well as all useful/needed documents and tools in accordance with company procedures. Within the framework of personnel management and development processes, career advancement decisions are based on the correspondence between the profile possessed and the expected profile and on merit considerations.



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Managers use and fully enhance all the professional skills within the structure by activating motivational tools and levers aimed at facilitating professional development and growth.

5.3. PERSONNEL MANAGEMENT

In compliance with the provisions of Legislative Decree 231/01, L.R. Flavours & Fragrances Industries S.p.A. commits itself to safeguarding the physical and moral integrity of its employees, guaranteeing the right to working conditions compliant with the dignity of the individual and to fair treatment, based on merit criteria and equal opportunities as regards access to work, assignment of qualifications and career progression.

Sexual harassment and *mobbing*, as well as any attitude or behaviour that may offend a person's sensibilities, are therefore to be severely condemned. The Company does not tolerate discrimination on the basis of age, sex, racial or ethnic origin, religion, political or trade union opinions, physical condition, nationality, marital status or sexual orientation.

L.R. Flavours & Fragrances Industries S.p.A. ensures that no harassment, understood as such, takes place in internal and external working relations:

- the creation of an intimidating and/or hostile working atmosphere;
- the obstacle to other people's individual job perspectives because of personal competitiveness;
- the situation in which business decisions relating to the recipient's working life are made conditional on the acceptance of sexual favours;



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- proposals for private interpersonal relations which, insofar as they are conducted in spite of an express and evident unwelcome have the capacity to disturb the recipient's peace of mind with objective work implications.

The company also agrees to require its suppliers to comply with current labour legislation, with particular attention to the protection of child labour and health and safety provisions.

5.4. HEALTH AND SAFETY OF WORKERS

L.R. Flavours & Fragrances Industries S.p.A. is well aware that the problem of workers' safety is of primary importance, especially with reference to the sector in which it operates; to this end, it is therefore committed to spreading and consolidating an aware safety culture, through adequate and constant training on the nature of risks and promoting responsible behaviour by all employees and collaborators.

It also works to preserve, through preventive actions, the health and safety of workers. The company provides appropriate working methods and support infrastructures to encourage staff involvement and thus improve the working environment. Particular attention is focused on compliance with safety and environmental regulations.

The operations, environments and work equipment are subject to constant assessment carried out and documented in accordance with the provisions of Legislative Decree 81/2008 and subsequent amendments. For this purpose specific powers have been conferred.



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5.5. MANAGEMENT OF PERSONNEL RECORDS

All data relating to employees must be adequately archived to allow easy retrieval of information, but also to ensure respect for personal privacy in accordance with current legislation.

The correct management of C.V.'s sent to the company is ensured by the application of a specific procedure which also defines the criteria for their archiving.

Each employee has a folder in the personnel archive where, in accordance with company procedures, all documents relating to selection, recruitment and working life within the company and any delegations are filed. For the protection of privacy, these documents are only accessible to the employees of the relevant department and, in any case, to the Company's *management*.

5.6. MEANS OF INTERNAL COMMUNICATION

The Company's communication and information systems must be used exclusively for communication and the exchange of service documents; they may not be used to create, store or transmit material with sexually explicit, defamatory, obscene or offensive or subversive content or anything else that could be considered harassment or discrimination.

In particular, pursuant to Legislative Decree 231/01, it is forbidden to possess and transmit child pornography and the dissemination of messages suitable for the pursuit of criminal activities for the purposes of terrorism or subversion of the democratic order.



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5.7. DEVELOPMENT AND TRAINING OF RESOURCES

The training of internal staff is considered a fundamental element for the development of the company.

The management aims at empowering staff, with both technical and managerial tasks, with the objective of obtaining greater care in carrying out activities and encouraging the contribution of innovative ideas and contributions in solving any problems.

Training for new staff is carried out using the teaching method based on the performance of activities, with some theoretical explanations alternating with operational moments alongside more experienced staff.

6. DUTIES OF EMPLOYEES

Each employee and collaborator must act loyally, comply with legal obligations and those stipulated in the employment contract.

It shall also conform its conduct to the provisions of this Code of Ethics, company procedures and internal regulations, ensuring the required services. Under no circumstance may the pursuit of the interest of L.R. Flavours & Fragrances Industries S.p.A. justify conduct in breach of these rules.



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6.1. IN RELATIONS WITH COLLEAGUES

The working context of L.R. Flavours & Fragrances Industries S.p.A. is characterised by a peaceful climate that encourages communication and cooperation among colleagues and between superiors and subordinates.

The person in charge designated for this purpose will be responsible for ensuring that there is a general ban on smoking in the workplace, with the exception of specially identified and marked areas, where established. This prohibition also refers to collaborators, agents, suppliers, customers and all persons with whom business relations are maintained in the context of meetings held on the Company's premises.

6.2. HANDLING OF INFORMATION AND USE OF COMPANY RESOURCES AND ASSETS

Each employee is responsible for the protection of the resources assigned to him/her and is required to work diligently to protect the company's tangible and intangible assets.

Computers, computer applications and communication systems, technical instruments and manual equipment are provided to staff for the exclusive purpose of supporting the performance of company activities and may only and exclusively be used for purposes related to work duties.

Employees shall therefore not carry out any activities on their own behalf or on behalf of third parties during working hours and shall not be entitled or authorised to use company equipment to carry out such activities.

Employees must be vigilant to avoid the disclosure of confidential information and must make every



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effort

to

safeguard

the

company's

public

image



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6.3. IN SITUATION OF CONFLICT OF INTERESTS

All employees are responsible for avoiding situations in which conflicts of interest may arise and for refraining from taking personal advantage of business opportunities of which they become aware in the course of their duties.

Employees must consider the company's interests as a top priority and avoid any action that could harm or disadvantage the company.

If a conflict of interest situation arises, the employee must inform his/her manager.

6.4. GIFTS, GRATUITIES AND BENEFITS

Regarding relations with representatives/officials of the Public Administration, it is absolutely forbidden to give money, grant benefits and distribute gifts or presents.

Exceptional cases will be assessed by the administrative body, which will determine the manner of payment and notify the internal control body, if any, or the Supervisory Board.

Accepting gifts privately may mean a definitive and irreparable loss of trust for the company, the employee and the third party involved, so only the company, in its sole discretion, may accept gifts.

In particular, employees are allowed to accept, even on a personal basis, only small gadgets in accordance with company procedures and by informing their direct supervisor.



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The payment of bribes or other forms of unlawful benefits to public officials are strictly prohibited and unacceptable practices and are not tolerated by the Company.

All payments from the Company, whether made directly or through intermediaries, must therefore be made lawfully and in compliance with the rules in force.

In case of doubts as to the correct conduct to be adopted, the internal control body, if any, or the Supervisory Board must be consulted.

7. RELATIONS WITH SUPPLIERS AND CONSULTANTS

The Company bases its conduct in relations with suppliers on the principles of transparency, equality, fairness and competition.

In particular, the employees of L.R. Flavours & Fragrances Industries S.p.A. must:

- strictly observe internal procedures relating to the selection and management of relations with suppliers;
- observe and comply with the applicable legal provisions and contractual conditions in supply relationships;
- observe the principles of transparency and completeness of information in correspondence with suppliers;
- avoid receiving money or other benefits or advantages from suppliers (or anyone other than L.R. Flavours & Fragrances Industries S.p.A.) for the performance of an act of their office or contrary to their official duties;
- avoid giving or receiving, directly or indirectly, gifts, gratuities, hospitality, or other advantages, except for small courtesy gifts or customary gifts such as those used on anniversaries and holidays.



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Any employee who receives gifts or any other form of benefit from suppliers which are not directly related to normal courteous relations shall take all appropriate steps to refuse such gift or other form of benefit and inform his/her direct superior or the Chief Executive Officer thereof.

7.1. SELECTION OF SUPPLIER

The purchasing process are based on the research of the maximum qualitative and quantitative advantage For L.R. Flavours & Fragrances Industries S.p.A. and the protection of the company's image.

To this end, employees involved in these processes must:

- giving qualified suppliers equal opportunities to participate in the selection process;
- refrain from dealing with suppliers who are known not to meet subjective requirements regarding professionalism and reputation;
- verify, also through appropriate documentation, that the suppliers participating in the selection have the means, including financial ones, organisational structures, skills, know-how, quality systems and resources adequate to the needs and image of L.R. Flavours & Fragrances Industries S.p.A.

In particular, in the contracts with suppliers, contractual clauses must be introduced which, depending on the case, may provide for:

- statements by the supplier on the possession of the above-mentioned subjective and organisational requirements, know-how and resources appropriate to the Company's needs and image, as well as on the existence and effective implementation of adequate corporate quality systems;



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- the possibility to carry out inspections at the production units or operating sites of the supplier company in order to verify the fulfilment of these requirements.

7.2. INTEGRITY AND INDEPENDENCE IN RELATIONS WITH SUPPLIERS

Relations with all suppliers are governed by the same general principles and are constantly monitored by L.R. Flavours & Fragrances Industries S.p.A.

Inparticular:

- independence from individual suppliers should be pursued, avoiding, where not strictly necessary, exclusive and/or long-term relationships;
- consultancy contracts for which an analysis of actual business needs has not been carried out should be avoided;
- consultancy contracts must in any case provide for evaluation of the effectiveness and quality of the service rendered, at the end of each service provided by the supplier;
- it is not considered correct to induce a supplier to enter into a contract which is unfavourable to him by giving him the impression of a subsequent more advantageous contract.

In order to ensure maximum transparency and efficiency of the purchasing process, the Company prepares:

- the division of roles,where it is practically possible,between the unit requesting the supply and the unit concluding the relevant contract;
- company provisions governing the duty to adequately document the choices made (so-called "traceability");



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- the storage of information and official documents relating to the selection of suppliers, however named, as well as contractual documents for the periods laid down by the regulations in force and referred to in internal purchasing procedures;
- operating instructions governing the cases in which payments may be made to parties other than those who supplied the goods or services, as well as the cases in which payments may be made to foreign parties or to current accounts with foreign credit institutions.

L.R. Flavours & Fragrances Industries S.p.A. informs its main suppliers of the content of this Code of Ethics, through the initiatives included in the communication and dissemination programme.

Violations of the general principles of the Code of Ethics by suppliers will entitle L.R. Flavours & Fragrances Industries S.p.A. to activate express termination clauses included in the individual supply contracts together with the provision of specific declarations concerning the knowledge of the principles contained in the Code of Ethics and the assumption of the obligation to comply with such principles.

7.3 CONFIDENTIALITY OF INFORMATION

The Company commits itself to maintaining total confidentiality on information concerning its suppliers and to using such information only for strictly professional reasons.

Suppliers are also required to ensure the confidentiality of information, documents and personal data relating to the Company and its employees.



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7.4 WAYS OF RECURRING TO EXTERNAL EXPERTS

The use of the professional activity of consultants, agents and external experts must be justified by the applicant, and must be consistent with company procedures.

Each employee shall, in relation to his or her duties, take care to:

- scrupulously observe the internal procedures relating to the selection and management of relations with the Company's external collaborators, however named (collaborators, consultants, representatives, agents, business brokers);
- avoid selecting people and companies known to lack the characteristics of exemplary moral integrity;
- promptly contact their direct superior or the Sole Director in the event of any violation of the Code of Ethics by the Company's collaborators;
- expressly mention, in all collaboration contracts, however named (collaboration, consultancy, agency, business procurement) the obligation to comply with the principles of the Code of Ethics, sanctioning any failure to comply with these principles with the provision of the right for L.R. Flavours & Fragrances Industries S.p.A to terminate the contract.

Collaborators, however named, are required to comply with the principles contained in the Code of Ethics.

7.5. PARTNERSHIP AGREEMENTS

L.R. Flavours & Fragrances Industries S.p.A. reserves the right to develop partnerships with suppliers who, providing guarantees of reliability, professionalism and technical suitability for the performance of

the services requested, are able to ensure better satisfaction of the needs of the end customer and of the



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Company itself.

The association agreements with the Partners must be defined in writing, highlighting all the conditions of the agreement itself, and it must be clear from them that the parties mutually undertake to adopt behaviours aimed at implementing the common initiative, in compliance with the principles of fairness and transparency and in strict compliance with the provisions of the law.

Particular attention will be paid to the conclusion of agreements with foreign companies, providing for selection criteria aimed at identifying partners who meet the requirements of reliability, honourableness and professionalism, checking in advance their presence in the list of the FIU (Financial Intelligence Unit).

7.6. PROIBITION OF BRIBES

It's L.R. Flavours & Fragrances Industries S.p.A.'s policy to guarantee maximum transparency in the decision-making processes concerning the awarding of orders and supplies, ensuring that the phases and moments are characterised by objectivity of judgment and absolute compliance with laws and regulations.

In accordance with the provisions of Legislative Decree 231/01, it is strictly forbidden for employees, suppliers, consultants and business partners to offer or accept bribes in any form or manner whatsoever.

8. CUSTOMER RELATIONS

The primary objective of L.R. Flavours & Fragrances Industries S.p.A. is to satisfy the needs and



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Expectations of its customers, while respecting the interests of the company.

The company conducts its relations with customers in accordance with the principles of legality, transparency, correctness, reliability, responsibility and quality.

The employees and collaborators of L.R. Flavours & Fragrances Industries S.p.A., therefore, within the scope of their assigned duties, shall:

- scrupulously observe all legal and regulatory provisions, the provisions of this Code of Ethics and internal procedures relating to the management of customer relations;
- provide the customer with all information on the conditions and terms of contracts relating to the products and services offered, so that the customer is fully aware of them when concluding the agreement, in strict compliance with the relevant company procedures;
- comply with the truth in advertising communications, rejecting any misleading practices;
- adopt a behaviour based on availability, respect and courtesy, in line with the standards of L.R. Flavours & Fragrances Industries S.p.A., characterised by the highest professional competence;
- paying particular attention to customer satisfaction activities, with a view to continually improving the quality of the products and services offered, kindly collecting any suggestions or complaints from customers;
- preserving its own independence from both internal and external influences.

When entering into business relations with new customers, and when managing existing relations, concerning the provision of banking and other financial services (e.g. disbursement of funds in any form), employees must carry out an appropriate and documented preliminary investigation that allows adequate knowledge of the customers, in accordance with corporate procedures.

It is expressly prohibited to:



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- having business relations with persons involved in criminal activities such as, but not limited to: arms dealing, drug trafficking, money laundering and terrorism;
- in any event, entertain relations with persons who do not, as far as is known, meet the necessary requirements of integrity, seriousness and reliability;
- entertain business relations with persons who, even indirectly, perform conduct contrary to the freedom and personality of the individual and/or violate or contribute to violating the fundamental rights of the person (e.g. exploiting child labour, promoting sex tourism, child pornography, etc.);
- receive money or other benefits or advantages from customers (or from anyone other than L.R. Flavours & Fragrances Industries S.p.A.) for the performance of an act of their office or contrary to their official duties;
- giving or receiving, directly or indirectly, gifts, gratuities, hospitality, or other benefits, except for small courtesy gifts or customary gifts such as those used on anniversaries or holiday.

Any employee who receives gifts or other benefits from customers that are not directly attributable to normal courteous relations shall take all appropriate steps to refuse such gifts or other benefits and inform his or her direct superior or the Chief Executive Officer.

8.1. QUALITY, PERFORMANCE AND RELIABILITY

The company's success is based above all on its ability to meet customer expectations while maintaining high levels of quality, performance and reliability.

In this regard, it is a priority for the company to identify its customers' needs, making the best use of



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the resources at its disposal and committing itself to maintaining an open and honest dialogue.

8.2. NEGOTIATED COMPETITION AND CONTRACTUAL FAIRNESS

L.R. Flavours & Fragrances Industries S.p.A. stipulates contracts with its customers in a correct, complete and transparent manner.

Even when unforeseen events or situations occur, the Company respects the client's expectations, executing contracts fairly, without exploiting any conditions of weakness or ignorance of the counterparty.

8.3. CONFIDENTIALITY OF INFORMATION

L.R. Flavours & Fragrances Industries S.p.A. commits itself to maintaining total confidentiality on reserved information concerning its customers, with particular reference to information of a strategic nature.

9. RELATIONS WITH PUBLIC ADMINISTRATION

L.R. Flavours & Fragrances Industries S.p.A. pays particular attention to all relations with the Public Administration. In particular, the company is aware that it may incur special liability, pursuant to the provisions of Legislative Decree 231/01, in the event of participation in procedures for obtaining contributions or funding from Public Administration bodies.

In particular, in order to ensure maximum transparency in relations with the Public Administration, it is expressly forbidden:

a) to make monetary donations or grant advantages of any kind to managers, officials or employees of



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the Public Administration;

- b) distributing gifts or presents in order to influence the independence of judgement of managers, officials or employees of the Public Administration;
- c) to offer or accept any object, service or benefit of value in order to obtain more favourable treatment in relation to any relationship with the Public Administration;
- d) to examine or offer employment and/or business opportunities that might benefit employees of the Public Administration personally or even their friends, family members or acquaintances;
- e) submitting untrue declarations to national or Community public bodies in order to obtain public grants, contributions or subsidised loans;
- f) to use sums received from national or Community public bodies by way of grants, contributions or loans for purposes other than those for which they were intended.
- g) inducing another person by means of violence, threat or offer of money or other benefits not to make statements to the judicial authority or to make false statements to the same authority.

The above behaviours are considered acts of corruption both if carried out by the Corporate Bodies or employees and if carried out through persons acting on behalf of the Company, such as consultants, collaborators, agents, proxies and third parties linked to L.R. Flavours & Fragrances Industries S.p.A.

by

similar or equivalent relationships.

The Company is inspired by and adapts its conduct to the respect of impartiality and good performance required by the Public Administration.



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10. RELATIONS WITH OTHER PARTIES

10.1. RELATIONS WITH COMPETITORS

L.R. Flavours & Fragrances Industries S.p.A. adopts a favourable commercial policy to ensure competitiveness on the market, operating in compliance with the laws and regulations in force on competition and prohibiting the adoption of unfair competition methods.

In general, the Company does not approve opportunities for contact with competitors that may create risk situations. It is therefore necessary to involve the administrative body in advance for the examination of any proposals involving forms of cooperation with competitors.

In contacts with competing companies, moreover, personnel must necessarily avoid discussing issues such as prices or other terms and conditions of the Company's offer, costs, production plans and commercial policies or other proprietary or confidential information whose communication is not strictly relevant and necessary to the specific negotiation.

Agreements with competitors may violate antitrust law, so it is always necessary to consult legal counsel in advance.

10.2. RELATIONS WITH INSTITUTIONS AND STAKEHOLDER ASSOCIATIONS

L.R. Flavours & Fragrances Industries S.p.A. develops a relationship of absolute transparency with the associations representing its stakeholders (e.g. trade unions), considering the establishment of a constructive dialogue with them as an important factor in consolidating its image and success on the



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market, in order to cooperate in respect of mutual interests and prevent conflict situations.

In order to ensure the greatest possible transparency in relations and to avoid collusive attitudes, contacts with institutional interlocutors take place exclusively through contacts who have obtained an explicit mandate from the Management.

10.3. ECONOMIC RELATIONS WITH POLITICAL PARTIES

The Company does not finance political parties or their candidates, either in Italy or abroad, and refrains from any form of direct or indirect pressure on political representatives.

10.4. SPONSORSHIP ACTIVITIES

The Company may join sponsorship requests that may relate to social, environmental, sports and entertainment issues.

10.5. EXTERNAL COMMUNICATIONS

The disclosure of data or information concerning L.R. Flavours & Fragrances Industries S.p.A., also through the mass media, may only take place in compliance with the company procedures relating to the single subjects dealt with and by the officers appointed for this purpose. The choice of contact channel will be determined on a case-by-case basis according to the purposes and recipients of the communication, ensuring coherence with corporate objectives. In any case, in accordance with the



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provisions of Legislative Decree 231/01, external communication is based on respect for the right to information and must therefore be truthful, complete and not tendentious.

Any form of pressure on the media with a view to obtaining favourable attitudes on their part as well as the use of misleading advertising tools is prohibited.

11. COMMITMENTS TO THE ENVIRONMENT

The Company manages its activities by pursuing excellence in the field of environmental protection, setting as its objective the continuous improvement of its performance in this field. L.R. Flavours & Fragrances Industries S.p.A. undertakes, in compliance with the contractual provisions:

the use of processes, technologies and materials that reduce the consumption of natural resources and have the least environmental impact;

the limitation of waste production through, where possible, its reuse;

to involve and motivate all staff, through information and training actions on environmental issues.

12. IMPLEMENTATION OF THE CODE OF ETHICS

This Code of Ethics will be brought to the attention of all staff through the company's ordinary means of communication.

This document is published on the notice boards at headquarters by the various managers. The version of the Organisation, Management and Control Model(OMC) is available on the company website www.lrindustries.it. Company personnel, collaborators, consultants, suppliers and all other stakeholders



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of L.R. Flavours & Fragrances Industries S.p.A. are obliged to directly contact the Supervisory Body - according to the rules defined by the OMC - to report violations of the OMC and the Code of Ethics.

To this end, the Company adopts appropriate measures to ensure that the identity of the person who

communicates informations to the Supervisory Board is always kept confidential.

Reports of violations of the OMC and the Code of Ethics - relating to criminal profiles relevant to Legislative Decree 231/01 - may be sent in the following ways:

- e-mail: amministrazione@lrindustries.it
- letter: Supervisory Board, L.R. Flavours & Fragrances Industries S.p.A. Via Pantano, 24 Contrada Valcorrente-95032 Belpasso (CT).

Each employee will be required, in accordance with the procedures defined in a specific procedure, to make a formal commitment to read the Code of Ethics and to comply with the obligations contained therein.

Any employee who commits a breach of the rules of conduct prescribed in this Code of Ethics shall be subject to disciplinary action. Disciplinary measures and sanctions are commensurate with the seriousness of the violation committed and are taken in accordance with the laws and regulations of the applicable legal system and the contractual regulations in force.

The administrative body is responsible for monitoring and controlling the application of the rules of this Code of Ethics.

In particular, the person in charge of supervising the application of the Code of Ethics shall:

- verifying the application of and compliance with the code of ethics through an analysis and



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evaluation of "ethical" risk control processes;

- monitoring initiatives for the dissemination of knowledge and understanding of the code of ethics, ensuring in particular the development of communication and "ethical training" activities, and analysing proposals for the revision of corporate policies and procedures that have an impact on corporate ethics;
- receive, analyse and evaluate reports of breaches of the rules of conduct;
- propose amendments and additions to be made to the code of ethics itself.

Any employee who becomes aware of conduct that is not in line with the rules of conduct contained in this Code of Ethics or of circumstances that may lead to a breach thereof shall promptly notify his/her immediate superior, or whoever is otherwise identified as the contact person, who shall assess whether to report the incident to the person in charge.

Every employee is required to cooperate and fully comply with the principle and indications contained in this Code of Ethics. The publication of this Code gives strength and effectiveness to the company's desire to operate and achieve its business objectives while ensuring full compliance with applicable regulations.



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info@lrindustries.it – www.lrindustries.it

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