

Code of Ethics



CAVIRO DISTILLERIE Srl

Code of Ethics

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1. INTRODUCTION

This Code of Ethics (hereinafter the "Code of Ethics" or simply the "Code") explains the obligations and ethical responsibilities assumed by the employees (hereinafter the "Employees") of CAVIRO DISTILLERIE s.r.l. (hereinafter "CAVIRO DISTILLERIE" or "the Partnership") when managing/conducting corporate affairs and activities, in all senses of such company.

1.1. CAVIRO DISTILLERIE MISSION

Value the by-products of Italian agro-industrial sectors, by applying the best technologies and process know-how, while pursuing excellence to protect the environment.

1.2. A CO-OPERATIVE APPROACH TOWARDS STAKEHOLDERS

CAVIRO DISTILLERIE aspires to keep and develop a fiduciary relationship with its stakeholders, that is, with those categories of individuals, groups or institutions whose contribution is required to fulfil CAVIRO DISTILLERIE mission, or which have an interest at stake when pursuing their activities.

A stakeholder is a person who makes investments related to the activities of CAVIRO DISTILLERIE, shareholders first and then employees, customers, suppliers and CAVIRO DISTILLERIE partners.

In a broad sense, stakeholders are also individuals or groups, as well as organisations and bodies representing them, whose interests are influenced by the direct or indirect effects of CAVIRO DISTILLERIE activities, such as local and national communities in which CAVIRO DISTILLERIE conducts business (hereinafter the "stakeholders").

1.3. UNETHICAL BEHAVIOUR

When the affairs of the company are conducted, unethical behaviour compromises the fiduciary relationship between CAVIRO DISTILLERIE and its stakeholders.

Should anyone, be it an individual or organisation, behave trying to take for him/herself somebody else's collaboration benefits and taking advantage of a position of power, such conduct is considered unethical, and favours prejudiced and hostile attitudes towards the company.

1.4. THE VALUE OF REPUTATION AND FIDUCIARY DUTIES

A good reputation is an intangible, essential asset for CAVIRO DISTILLERIE. Outside the company, it favours social approval, attracts the best human resources, instils customers' loyalty, suppliers' confidence and third parties' reliability in general.

Within the company, it contributes to take and implement decisions without frictions and to organise work without bureaucratic controls and excessive exercise of authority.

The Code of Ethics explains the specific duties of CAVIRO DISTILLERIE towards stakeholders (fiduciary duties).

1.5. THE VALUE OF RECIPROCITY

This Code of Ethics is based on a principle of co-operation in view of a reciprocal advantage between the parties involved, respecting each one's role.

Thus, CAVIRO DISTILLERIE asks that each stakeholder acts according to the principles and rules inspired by a shared idea of ethical conduct.

1.6. CODE OF ETHICS – ITS STRUCTURE

This Code of Ethics includes:

- the general principles regarding relationships with stakeholders, which define, in an abstract manner, the reference values for CAVIRO DISTILLERIE activities;
- the criteria of conduct towards every class of stakeholder, which in particular provide the guidelines and standards which CAVIRO DISTILLERIE Employees are required to observe in order to comply with the general principles and to prevent any risk of unethical behaviour;
- the implementation mechanisms, which describe the control system aimed at observing and improving the Code of Ethics.

1.7. TARGET SUBJECTS AND FIELDS OF APPLICATION OF THE CODE OF ETHICS

The Code of Ethics is applicable to CAVIRO DISTILLERIE and therefore, binding to its employees, who are required, without any distinction or exception, to observe and enforce the principles enumerated below.

Under no circumstance does acting in the conviction that some action is done for the benefit of the Partnership justify adopting conducts contrary to these principles.

The Code of Ethics is valid both in Italy and abroad, considering the cultural, social, economic and legal diversity of the different Countries where CAVIRO DISTILLERIE operates or should operate.

2. GENERAL PRINCIPLES

2.1. NEUTRALITY

In the decisions that influence the relationship with its stakeholders (relationships with shareholders, personnel selection and management, work organisation, management of customers to serve, supplier selection and management, relationships with the community where it acts and the institutions representing it), CAVIRO DISTILLERIE does not discriminate on the basis of age, gender, sexual orientation, state of health, race, nationality, political opinion or religious belief.

2.2. HONESTY

While developing its activities and in relationships of any kind and nature, CAVIRO DISTILLERIE Employees are required to strictly observe the regulations in force, the code of ethics, and the internal procedures and rules.

Under no circumstance can the pursuit of interests or benefit of CAVIRO DISTILLERIE justify an operation against honest behaviour.

2.3. FAIRNESS IN CASE OF POTENTIAL CONFLICTS OF INTERESTS

When conducting any activity, avoid any situation in which the subjects involved in the transactions are, or just may seem to be, in conflict of interests.

This shall mean the case where an employee pursues some interest different from that of the company and from the balance of the stakeholders' interests, or takes "for him/herself" potential company's business opportunities, and the case where the representatives of the customers or suppliers, or public institutions, act opposite to the fiduciary duties related to their position, in their relationships with CAVIRO DISTILLERIE.

2.4. CONFIDENTIALITY

CAVIRO DISTILLERIE guarantees confidentiality to the data held by it- incorrect use of the data is avoided- and abstains from collecting confidential data, except the case of express and informed authorisation and in conformity to the legal regulations in force.

Moreover, CAVIRO DISTILLERIE Employees are required not to use confidential information for purposes not related to the practice of their activities.

2.5. RELATIONSHIP WITH SHAREHOLDERS

CAVIRO DISTILLERIE is based on the democratic participation of shareholders in the exercise of the corporate property and control.

CAVIRO DISTILLERIE is therefore committed to that purpose so that all shareholders are recognised the right to receive equal information in order to foster the widespread and conscious participation of the shareholders in the decisions of their competence.

2.6. ENHANCEMENT OF SHAREHOLDERS' PARTICIPATION

In order to realize the mutual principle, CAVIRO DISTILLERIE focuses its activities on satisfying and safeguarding its shareholders, exerting itself so that the economic performance protects and enhances the company's value in order to increase the profits shareholders receive from their participation in the Partnership.

2.7. VALUE OF HUMAN RESOURCES

CAVIRO DISTILLERIE employees are an essential factor for the company's success and the realization of its mission.

On that account, CAVIRO DISTILLERIE safeguards and promotes the value of human resources in order to maximise the degree of satisfaction and to improve and enrich the resources of the competences each employee possesses.

2.8. EQUITY OF AUTHORITY

When managing the relationships that are implied when establishing hierarchical relationships— particularly with employees - CAVIRO DISTILLERIE commits itself to ensure that authority is exercised with equity and fairness, and avoiding any potential abuse.

In particular, CAVIRO DISTILLERIE guarantees that authority shall not become the abusive exercise of power harmful to an employee's dignity and autonomy, and that the structures chosen to organise work shall safeguard the value of employees.

2.9. PERSONAL DIGNITY AND RESPECT

CAVIRO DISTILLERIE guarantees the physical and moral integrity of its employees, the working conditions that respect individual dignity, and safe and healthy workplaces.

Thus, requests or threats that may induce a person to act against the Law or the Code of Ethics or to adopt any behaviour detrimental to somebody else's moral and personal convictions are not tolerated.

2.10. DATA TRANSPARENCY AND INTEGRITY

CAVIRO DISTILLERIE employees are required to provide full, transparent, understandable and accurate information so that, when establishing relationships with the company, the stakeholders can take decisions, independent and aware of the interests involved, as well as the alternatives and the consequences that may result from such decisions.

In particular, when drafting any kind of agreement, CAVIRO DISTILLERIE makes sure to specifically inform the contracting party, in a clear and understandable manner, of the conducts to follow in the course of the relationship established.

2.11. PRECISION AND ACCURACY WHEN DRAFTING AND PERFORMING AGREEMENTS

When drafting agreements, CAVIRO DISTILLERIE makes sure to specifically inform the contracting party, in a clear and understandable manner, of the conducts to follow in the course of the relationship established.

Agreements and work assignments must be performed as knowingly established by the parties.

CAVIRO DISTILLERIE agrees not to take advantage of its counterparts' ignorance or incapacity.

2.12. QUALITY OF SERVICES AND PRODUCTS

CAVIRO DISTILLERIE focuses its actions on the full satisfaction of its customers, by listening to any demand that may improve the quality of products and services.

On that account, CAVIRO DISTILLERIE directs its research, development and marketing activities to high-quality services and product standards.

2.13. FAIR COMPETITION

CAVIRO DISTILLERIE aims at safeguarding the value of fair competition by not engaging in collusive, predator behaviour and abuse of a dominant position.

2.14. RESPONSIBILITY TOWARDS THE COMMUNITY

CAVIRO DISTILLERIE is aware of the influence, even if indirect, that its activities may have on the conditions, the economic and social development, and the general well-being of the community, as well as of the importance of the social acceptance of the community within which it operates.

On that account, CAVIRO DISTILLERIE intends to conduct activities aimed at achieving the social object for social recognition while respecting local and national communities, and to support cultural and social initiatives in order to improve its reputation and social acceptance.

2.15. ENVIRONMENT PROTECTION

The environment is a primary asset which CAVIRO DISTILLERIE is committed to safeguard; for that purpose, activities are scheduled to try to find a balance between economic initiatives and unavoidable environment demands, considering the rights of future generations.

Thus, CAVIRO DISTILLERIE is committed to improving the effect its activities exert on the environment and the landscape, as well as at preventing risks for people and the environment, not only by complying with the regulations in force but also taking into account scientific research advances and the best experiences on the matter.

2.16. PROTECTION OF HEALTH AND SAFETY AT WORK

For CAVIRO DISTILLERIE protecting health and safety at work is a fundamental and essential issue in the company's structure.

Therefore, when conducting business, the Partnership adopts any necessary measure to safeguard the workers' personal safety and moral integrity, according to the particular features of the activities performed, experience and technology.

It shall never be considered right to try to obtain any advantage for the Partnership if this implies a fraudulent or unpremeditated breach of the regulations on health and safety at work.

3. CRITERIA OF CONDUCT

3.1. OVERVIEW

3.1.1. DATA PROCESSING

Data about stakeholders are processed by CAVIRO DISTILLERIE in full observance of the confidentiality and privacy of the interested parties.

For that purpose, policies and specific procedures are applied and permanently updated to protect data; in particular CAVIRO DISTILLERIE:

- defines a dedicated organisation for processing data that ensures proper distinction of roles and responsibilities;
- classifies data according to increasing criticality levels and adopts suitable counter-measures at each processing stage;
- requires that third parties involved in data processing sign confidentiality undertakings.

3.1.2. GIFTS, GRATUITIES AND BONUSES

No presents are allowed, not even those that may be merely interpreted as exceeding the regular commercial or complimentary practices, or somehow aimed at obtaining a preferential treatment when conducting any activity related to CAVIRO DISTILLERIE.

It is specified that a present means any type of benefit (free attendance to conferences, promise of a job offer, etc.)

This rule involves gifts promised or offered as well as those received, and it does not allow for any exception even in those countries where offering valuable gifts to commercial partners is a usual practice.

In particular, it is forbidden to present government representatives, public officers or public service agents, or their relatives, with any kind of gifts since it may influence their independence of judgement or lead to ensure some kind of advantage.

A characteristic feature of CAVIRO DISTILLERIE gifts is that their aim is to promote the brand image of the Partnership.

The presents offered, except for those of moderate value, must be properly documented for further checks and authorised by the Head of the department, who has previously informed CAVIRO DISTILLERIE Internal Audit Department of such gifts.

CAVIRO DISTILLERIE employees receiving gratuities or bonuses not foreseen in the instances allowed are required, according to the procedures set, to inform this to CAVIRO DISTILLERIE Internal Audit Department which assesses whether such behaviour is appropriate and takes the necessary measures to inform the sender of CAVIRO policy on the matter.

3.1.3. EXTERNAL COMMUNICATION

The way CAVIRO DISTILLERIE communicates with its stakeholders (even by means of mass media) is characterised by the respect for the right to information; under no circumstance is it allowed to divulge false or biased news or comments.

All communication activities abide by the laws, rules, and professional conduct practices, and they are clearly, transparently and timely performed. In order to guarantee full and coherent information, the relationships between CAVIRO DISTILLERIE and the mass media can only be held when co-ordinated by the department appointed or the general management.

3.2. CRITERIA OF CONDUCT IN THE RELATIONSHIPS WITH SHAREHOLDERS

3.2.1. CORPORATE GOVERNANCE

The activity of social bodies is marked by full observance of the rules provided for by the Articles of Association, the Internal Procedures and Rules and national and European legislation in force.

The corporate governance system is oriented towards:

- maximising the corporate value, in order to increase the benefit for shareholders and future generations alike;
- distributing benefits according to the statutory provisions;
- respecting the shareholders' rights;
- controlling corporate risks.

The practice of corporate governance in CAVIRO DISTILLERIE is prompted by care and meticulousness, and it is not compatible with exploiting further information available about shareholders for personal or group benefit.

CAVIRO DISTILLERIE shareholders commit themselves to respect the decisions taken by governance bodies in compliance with the powers granted to them.

Prospects of influencing corporate governance are equal to all shareholders. Therefore, it is not allowed for specific groups of shareholders to get organised in order to obtain privileged treatments in return of support to those who hold governance.

3.3. CRITERIA OF CONDUCT IN THE RELATIONSHIPS WITH PERSONNEL

3.3.1. PERSONNEL SELECTION

Personnel to be recruited are assessed on the basis of the correspondence between applicants' actual and expected profiles, and compared with corporate requirements, respecting the principle of equality of opportunities to all subjects involved.

Data gathered at the selection and recruitment stages is strictly to corroborate aspects provided in the professional and psychometric profile, always respecting the applicant's private life and opinions.

When selecting and recruiting personnel, the corporate department appointed adopts conducts, within the limits of the information available, to avoid any favouritism, nepotism or any type of patronage (for example, selection consultant and applicant should not be related through family ties.)

3.3.2. ESTABLISHING THE RELATIONSHIP

Personnel are hired under a standard labour contract; no irregular type of employment shall be allowed.

Upon establishing an employment relationship, each employee receives accurate information about:

- characteristics of the position and tasks to be developed;
- wages and payment terms and regulations as established by the collective bargaining agreement in force;
- regulations and procedures to be adopted in order to prevent any work-related risks;
- this Code of Ethics.

All this information is submitted to the employee so that he accepts the job as he fully comprehends the nature of the job.

3.3.3. PERSONNEL MANAGEMENT

3.3.3.1. PERSONNEL ASSESSMENT

CAVIRO DISTILLERIE avoids any type of discrimination towards its employees.

At the different stages of the process for managing, training and selecting personnel, the decisions taken are based on the correspondence between the profiles expected and the profiles possessed by employees (for example, in case of promotion or transfer) and/or on the basis of special considerations (for example, assignment of incentives based on results achieved.)

Positions and assignments are also allotted taking into account expertise and skills; furthermore, consistent with the general effectiveness of work, some labour flexibilities are favoured within the organisation of work that facilitate managing maternity and, the care of children in general.

Employees are comprehensively screened by involving supervisors, the personnel department and, as much as possible, any person related to the screened employee.

Within the limits of the information available and privacy protection, the personnel department works to avoid any favouritism, types of patronage or nepotism (for example, by not allowing hierarchy-dependent relationships between employees related through family ties).

3.3.3.2. DISCLOSURE OF PERSONNEL POLICIES

Personnel management policies are made available to all employees by means of corporate communication tools.

3.3.3.3. DEVELOPMENT AND TRAINING OF HUMAN RESOURCES

Personnel managers exploit and fully enhance all the professional skills present in CAVIRO DISTILLERIE, by taking steps to ease the development and growth of its employees (for example, programmes of exchanging of experience among qualified personnel of different divisions, shadow training sessions with expert personnel, experiences aimed at covering assignments with greater responsibilities.)

In this field, it is particularly important that managers inform the employee of his/her strengths and weaknesses, so that the latter can improve his/her skills also by means of some dedicated courses.

In order to enhance the specific skills and preserve the personnel professional value, CAVIRO DISTILLERIE makes available to all employees the information and education tools needed for that purpose.

Corporate courses are taught at specific moments of the employee's corporate life (in compliance with Italian Legislative Decree 231/2001, new employees are to attend an introductory course on the company and its business) and periodical training for the operations personnel.

3.3.3.4. MANAGEMENT OF EMPLOYEES' WORKING TIME

Each manager is required to assess employees' working time by requesting services consistent with the performance of their tasks and with work organisation schedules.

Abuse of power is requesting, as an act owed to a hierarchical superior, services, personal favours or any behaviour that violates this Code of Ethics.

3.3.3.5. EMPLOYEES' INVOLVEMENT

Employees' involvement is ensured upon developing work, including participation in debates and decisions functional to the achievement of corporate objectives.

Each employee must take part in those moments bringing in a spirit of co-operation and independent judgement.

Listening to different points of view, on the basis of corporate requirements, enables the manager in charge to work out the final decisions; thus, an employee must always participate in the appointed activities.

3.3.4. INTERVENTIONS ON WORK ORGANISATION

In case work is reorganised, the value of human resources is safeguarded by scheduling training and/or occupational retraining courses.

Moreover, in case of new or unexpected events that must be somehow specified, an employee may be assigned a task other than those previously performed, taking care to protect his/her professional skills.

3.3.5. SAFETY AND HEALTH

CAVIRO DISTILLERIE is committed to spread and consolidate a culture of safety by developing risk awareness and promoting responsible conducts by employees.

Moreover, it works to safeguard workers' health and safety, mainly through preventive actions, as well as the interests of the other stakeholders.

For that purpose, it carries out technical and organizational interventions, by:

- implementing an integrated risk and safety management system aimed at identifying the main hazards in processes and the resources to be protected;
- implementing the best technologies;
- the control and updating of the best working methods;
- contributing with training and communication activities.

CAVIRO DISTILLERIE commits itself to adopt all requirements set forth in the protocols of implementation in order to be awarded the safety and health certificates, in all the places in which it currently conducts business and in which it plans to do so. For that purpose, it commits itself, within the periods technically necessary, to attain that each and every operational site observes the requirements provided by the safety and health certificates.

3.3.6. PRIVACY PROTECTION

Employee's privacy is protected by adopting standards that specify the information that the company requests from employees and the corresponding processing and storing methods.

Any survey on ideas, preferences, personal tastes and, in general, employees' private life is not allowed.

Moreover, those standards forbid transmitting/disclosing personal data without prior consent of the data subject, except for cases foreseen by law, and set the rules so that employees can control privacy protection regulations.

3.3.7. PERSONAL SAFETY, DIGNITY AND RESPECT

CAVIRO DISTILLERIE is committed to protect the moral integrity of employees by guaranteeing the right to working conditions that respect human dignity. On that account, it safeguards workers against acts of psychological violence and counters any discriminatory stance or conduct detrimental to individuals, their beliefs and preferences (for instance, insults, threats, segregation or excessive intrusiveness, professional restrictions).

The Internal Control Committee shall assess the actual violation of the Code of Ethics, after receiving a communication - by means of the mechanisms provided for by the Internal Audit Department- from the employee who considers him/herself as having been the object of insults or been discriminated for reasons related to age, gender, sexual orientation, race, state of health, political opinion and religious belief, etc.

3.3.8. EMPLOYEES' DUTIES

3.3.8.1. OBLIGATIONS OF CONDUCT

Each employee must act loyally in order to respect the obligations signed under the labour contract and the Code of Ethics provisions in order to ensure the performance requested.

3.3.8.2. INFORMATION MANAGEMENT

Each employee must know and act according to the guidelines of corporate policies in terms of data protection, in order to guarantee data integrity, confidentiality and availability.

Each employee is required to draw up his/her own documents using clear, unbiased and exhaustive language so that any colleague, supervisor or authorised external subject can refer to them.

3.3.8.3. CONFLICT OF INTERESTS

All CAVIRO DISTILLERIE employees are required to avoid any situation and activity in which any conflict of interests may arise and to abstain from taking personal advantage of business opportunities they get to know of while performing their tasks.

The following list includes, but it is not limited to, the situations that may give rise to a conflict of interests:

- holding a management position (chief executive officer, member of the board of directors, head of department) and having economic interests with suppliers, customers or competitors (holding shares, professional assignments, etc.), also through relatives;
- taking care of the relationships with suppliers and working for them at their premises, also including in this, family members;
- accepting money or favours from persons or companies that have or intend to start business relationships with CAVIRO DISTILLERIE.

Whenever an employee is in a situation which, even potentially, may represent or give rise to a conflict of interests, he/she is required to report it to his/her superior who, according to the set methods, reports this to CAVIRO DISTILLERIE Internal Audit Department, which shall assess the actual presence of a conflict of interest case by case.

Each employee is also required – according to the terms of the labour contract in force – to provide information to his/her superior and the Internal Audit Department about the activities developed beyond his/her working hours, in case a conflict of interests with CAVIRO DISTILLERIE seems to exist.

3.3.8.4. PROPER USE OF CORPORATE PROPERTY

Each employee is required to operate with utmost care to protect corporate assets, by acting responsibly and in line with the operating procedures provided to control their use, and by accurately documenting how they are used.

In particular, each employee must:

- use with care and economy the property entrusted to him/her;
- avoid improper use of corporate property which may cause any damage or reduce efficiency, or be against the company interests.

Each employee is responsible for protecting the resources entrusted to him/her and must promptly inform business units of any threats or events prejudicial to CAVIRO DISTILLERIE.

CAVIRO DISTILLERIE reserves the right to prevent any distorted use of its property and infrastructures, by using all types of system for data detection and operational control, as well as risk analysis and prevention, subject to the compliance with the provisions of the legislation in force regarding data confidentiality (privacy laws, statute of workers' rights, etc.)

As regards IT applications, each employee is required:

- to strictly adopt the provisions of the company's safety policies, in order not to compromise the functional features and the protection of IT systems;
- not to send any threatening and injurious e-mail messages, not to use low-level language, not to express improper comments that may offend a person and/or damage the corporate image;

- not to surf Internet sites that show degrading and offensive contents.

3.4. CRITERIA OF CONDUCT IN THE RELATIONSHIPS WITH CUSTOMERS

3.4.1. IMPARTIALITY

CAVIRO DISTILLERIE is committed not to arbitrarily discriminate its customers during the course of its business activities.

3.4.2. AGREEMENTS AND COMMUNICATIONS TO CUSTOMERS

Contracts and communications to CAVIRO DISTILLERIE customers (including advertising messages) are:

- clear and simple, drafted in a language as similar as possible to that usually used by those the company contacts;
- in compliance with the regulations in force, without resorting to any elusive or somehow incorrect practices;
- complete, so as not to leave aside any element relevant for the customer to make a decision;

The purposes and addressees of the communications determine, from time to time, the choice of the most suitable contact channels to transmit contents without making use of excessive pressure, with the commitment not to use misleading or deceitful advertising tools.

3.4.3. EMPLOYEES' STYLE OF BEHAVIOUR

CAVIRO DISTILLERIE's style of behaviour towards customers is marked by availability, respect and civility, from the point of view of a co-operative relationship and high professionalism.

Therefore, each employee must:

- observe the internal procedures regarding managing relationships with customers;
- supply, with efficiency and civility and within the limits of the agreement provisions, products and services to meet the customers' expectations and needs;
- provide accurate and exhaustive information about products and services so that customers can make conscious decisions.

3.4.4. QUALITY CONTROL

CAVIRO DISTILLERIE commits itself to guaranteeing adequate quality standards of products and services offered, on the basis of preset levels, and to periodically monitor the quality perceived.

For that purpose, the company has a comprehensive quality control system already functioning, as it is required in order to be ISO certified.

CAVIRO DISTILLERIE commits itself to adopt all requirements set forth in the protocols of implementation in order to be awarded the quality certificates, in all the places in which it currently conducts business and in which it plans to do so. For that purpose, it commits itself, within the periods technically necessary, to attain that each and every operational site observes the requirements provided by the quality certificates.

3.4.5. CUSTOMERS' PARTICIPATION

CAVIRO DISTILLERIE commits itself to answer to suggestions and claims from customers and associations protecting them by means of suitable and well-timed communication systems (call-centre services, e-mail addresses.) CAVIRO DISTILLERIE shall be in charge of informing customers when communications are received and about the waiting time until they are replied, which, however, must be short.

3.5. CRITERIA OF CONDUCT IN THE RELATIONSHIPS WITH SUPPLIERS

3.5.1. CHOICE OF SUPPLIER

The processes for purchasing goods and services are marked by the search to obtain the best competitive advantage for CAVIRO DISTILLERIE and by granting equal opportunities for all suppliers. They are also based on pre-contractual and contractual conducts required for an essential and reciprocal spirit of loyalty, transparency and collaboration.

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

- not to debar anyone having the profile requested from the chance to compete for a supply contract, by taking unbiased and verifiable criteria when selecting from the pool of candidates;
- to ensure, at the supplier selection stage, fair competition with a suitable pool of candidates (three companies at least); any exception must be duly authorised and documented.

In all cases, CAVIRO DISTILLERIE is entitled to take any suitable measure so as to disallow any further chances of collaboration should a supplier does not behave in line with the general principles of this code while working for CAVIRO DISTILLERIE.

3.5.2. INTEGRITY AND AUTONOMY IN RELATIONSHIPS

Drawing up of an agreement with a supplier must always be based on extremely clear relationships, avoiding any kind of dependence whenever possible.

Therefore, the following list includes, but it is not limited to, some examples:

- any contract whose performance is repeated and/or fragmented (e.g.: long-term agreements), whose significant cost must be permanently monitored;
- as a general rule, long-term binding projects are avoided, being replaced with short-term contracts that have to be renewed together with a revision of prices, or consultancy services contracts without an adequate know-how transference, etc.;
- it is not considered correct to induce a supplier to enter into a contract unfavourable to him/her, leading him/her to believe that the next agreement will be more favourable.

In order to guarantee total transparency and efficiency in the purchase process, CAVIRO DISTILLERIE has decided:

- to separate roles between the unit requesting supply and the unit stipulating the contract;

- an adequate traceability of choices made;
- to store data, as well as contract documents for the periods set forth by the regulations in force and that are referred to in the internal purchase procedures.

Finally, in order to guarantee transparency in relationships, CAVIRO DISTILLERIE has organised a system to monitor the suppliers' ownership structures.

3.5.3. PROTECTION OF ETHICAL ASPECTS IN SUPPLIES

Any violation to the general principles of the Code of Ethics implies penalty mechanisms, also aimed at avoiding offences against the public administration attributable to CAVIRO DISTILLERIE activities.

Specific clauses are provided for that purpose in every agreement.

In particular, in contracts with suppliers from "risky" countries, so defined by well-known organisations, contractual clauses are included to provide for:

- a certification issued by the supplier itself regarding the adherence to specific social obligations (measures that guarantee that workers' fundamental rights are respected, the principles of equal treatment and of non-discrimination, the protection of child labour);
- the chance to resort to control measures at production units or operational offices of the supplying company, in order to check that the requirements above are observed.

3.6. CRITERIA OF CONDUCT IN THE RELATIONSHIPS WITH THE COMMUNITY

3.6.1. RELATIONSHIPS WITH PUBLIC INSTITUTIONS

Relationships with public institutions (local, national and international), aimed at protecting CAVIRO DISTILLERIE overall interests linked to the implementation of its programmes, are exclusively reserved to the departments and responsibilities delegated to that end.

Those relationships must be directed to criteria of total transparency and fairness, precision and coherence in order to avoid collusive attitudes.

CAVIRO DISTILLERIE adopts specific organisation models to prevent offences towards the public administration.

3.6.2. ECONOMIC RELATIONSHIPS WITH POLITICAL PARTIES, TRADE UNIONS AND ASSOCIATIONS

CAVIRO DISTILLERIE does not finance political parties, either in Italy or abroad, their representatives or candidates, and does not sponsor conventions or parties with the sole purpose of political campaigning. CAVIRO DISTILLERIE shall not be subject to any direct or indirect pressure from any representative of a political party.

Whenever, for reasons strictly connected to the presence of CAVIRO DISTILLERIE within the territory, the opportunity for that type of interventions is envisaged, the competent department must request a prior authorisation to the Internal Control Committee, which will assess appropriateness on a case-by-case basis. The intervention requested can be only and exclusively performed after the specific authorisation of the Internal Control Committee is issued.

CAVIRO DISTILLERIE does not pay any contribution to organisations, which may give rise to a conflict of interests. However, CAVIRO DISTILLERIE may co-operate, even financially, with those organisations for specific projects whenever their purpose is in line with CAVIRO DISTILLERIE mission and the way such resources are distributed is clear and provable.

3.6.3. CONTRIBUTIONS AND SPONSORSHIPS

CAVIRO DISTILLERIE may adhere to requests for contributions, only limited to the proposals coming from openly non-profit bodies and associations with standard by-laws and deeds of incorporation, having high cultural, social and charity value or, in any case, those involving a significant amount of citizens.

Sponsorship, which may include social issues, environment, sports, show business and art, is only intended for events that guarantee quality or that

CAVIRO DISTILLERIE can help to plan so as to ensure originality and efficacy.

In any case, upon choosing the proposals to which adhere, CAVIRO DISTILLERIE focuses particular attention so as to avoid any issue that may give rise to a conflict of interests, either personal or corporate.

3.6.4. ENVIRONMENTAL POLICY

Regarding environmental protection, CAVIRO DISTILLERIE defines environmental policies for a sustainable industrial development, drafts guidelines to be implemented within the Partnership and promotes the following environmental policy instruments:

- volunteer agreements with environmental institutions and associations, and professional associations;
- environmental management systems aimed at continuously improving services and the environmental organisation;
- a periodic system to collect environmental data;
- activities to raise environmental awareness and education of employees on environmental issues, focused on spreading these initiatives within the company and on enriching the staff's competences and skills;
- control of the progress of environmental actions in terms of environmental impact.

CAVIRO DISTILLERIE commits itself to adopt all requirements set forth in the protocols of implementation in order to be awarded the environmental certificates, in all the places in which it currently conducts business and in which it plans to do so. For that purpose, it commits itself, within the periods technically necessary, to attain that each and every operational site observes the requirements provided by the environmental certificates.

4. IMPLEMENTATION METHODS

4.1. TASKS OF THE INTERNAL CONTROL COMMITTEE TO IMPLEMENT AND CONTROL THE CODE OF ETHICS

In relation to the Code of Ethics, the Internal Control Committee is in charge of the following tasks:

- take decisions related to violations to the Code that are significantly relevant and that are reported by the head of the Internal Audit Department of the Partnership;
- express binding opinions related to the revision of the most relevant policies and procedures in order to guarantee that they are consistent with the Code of Ethics;
- periodically review the Code of Ethics.

For that purpose, the committee assesses:

- communication schemes and ethics training;
- the work plan scheduled by the head of the Internal Audit Department of the Partnership and the periodic reports.

4.2. TASKS OF CAVIRO DISTILLERIE INTERNAL AUDIT DEPARTMENT

The head of CAVIRO DISTILLERIE Internal Audit Department is responsible for the following tasks:

- check that the Code of Ethics is implemented and observed, by means of the ethical internal auditing activity, which consists in checking and promoting that ethics within CAVIRO DISTILLERIE is constantly being enhanced. S/he does so by analysing and assessing the processes that control ethical risks;
- monitor initiatives to divulge, raise awareness and understanding of the Code of Ethics; in particular: ensure the development of communication and ethics training; analyse the proposals to review corporate policies and procedures with significant impact on corporate ethics, and prepare the hypothesis of solutions to be submitted to the Internal Control Committee for assessment;
- receive and examine notices of violations to the Code of Ethics;
- suggest to the Internal Control Committee the amendments and additions to be introduced to the Code of Ethics.

These activities are carried out with the support of the corporate departments involved and, furthermore, by having free access to all the documents considered useful.

4.3. COMMUNICATION AND TRAINING

The Code of Ethics is transmitted to internal and external stakeholders by means of the corresponding communication activities.

In order to ensure that the Code of Ethics is correctly understood by all CAVIRO DISTILLERIE employees, the personnel department prepares and makes, also on the basis of the guidelines by the Head of the Internal Audit Department of the Partnership, a training plan aimed at helping to understand the ethics principles and standards. Training initiatives are classified according to the role and responsibility of Employees; for the newly employed, a specific training programme illustrates the contents of the code that must be observed.

4.4. NOTICES OF THE STAKEHOLDERS

CAVIRO DISTILLERIE establishes communication channels to which stakeholders can address their notices (units in charge of the relationship with consumer associations, environmental associations, suppliers, personnel, call centres for customers, etc.).

Alternatively, all CAVIRO DISTILLERIE stakeholders can send a written notice (even anonymous) to report when a violation to the Code of Ethics has occurred or is suspected to have occurred ¹, to the Internal Audit Department of the Partnership. This department, in turn, analyses the notice by listening to, if necessary, the person responsible for the alleged violation.

CAVIRO DISTILLERIE Internal Audit Department acts to protect anyone reporting a violation against any kind of reprisals, understood as an act that may give rise to the suspicion of being a form of discrimination or punishment (for example, for suppliers, interruption of business relationships; for employees, no promotions, etc.). S/he who reports a violation is assured of the confidentiality his/her identity, without prejudice to the obligations required by law.

4.5. VIOLATIONS TO THE CODE OF ETHICS

CAVIRO DISTILLERIE Internal Audit Department reports violations to the Code of Ethics, after a notice from the stakeholders and the suggestions considered necessary, to the Internal Control Committee. After due analysis, the Committee informs the violations and the consequent measures to the Board of Directors of CAVIRO DISTILLERIE.

¹ Notices may be addressed as follows:
 - by e-mail to: 231@caviro.it ;
 - by mail to: CAVIRO DISTILLERIE s.r.l. - Funzione Internal Auditing - Codice Etico - Via Convertite n. 12 48018 Faenza (RA) - Italy

The competent corporate departments, prompted by the Board of Directors, define the measures, implement them and report the outcome to the head of CAVIRO DISTILLERIE Internal Audit Department.