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Code of Ethics

Casa del Caffè Vergnano

S.p.A.

Authorised by:

Carlo Vergnano



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1. INTRODUCTION

The story of Casa del Caffè Vergnano S.p.A. started in 1882, when the current owners' grandfather, Domenico Vergnano, started the business opening a small grocer's shop in Chieri, at the foot of the hills surrounding Turin. A short time later, the shop specialised in roasting and selling coffee, thereby defining the real vocation of the Vergnano family.

The Thirties marked a significant step in the Company's growth, with the purchase of a coffee farm in Kenya and the opening of three Italian warehouses in Turin, Alba and Chieri.


It is not until the Seventies, however, with the construction of Santena's plant, that Caffè Vergnano became one of the most prestigious Italian coffee roasting companies.

The Company's development process was marked by another success in 1986, when it merged with Turin's historic Casa del Caffè, a leading company in Piedmont's café sector.

The experience gained over the centuries in the production of top-class coffee combined with the historical values of the brand—high-quality raw materials, family identity, experience and Made in Italy culture—have been reinforced through a new bold and captivating style and targeted communication projects.

The secret of the Caffè Vergnano's top quality blends lies in the meticulous selection of the best coffee producers in the world. To this end, the finest coffee beans are selected and purchased directly in their places of origin. Chairman Carlo Vergnano and his son Pietro regularly visit the plantations and the suppliers in their countries of origin.

The selection of high quality blends adds to our consolidated experience in coffee making, while respecting the traditional slow roasting process. Slow roasting cycles are carried out over cooking times and temperatures that vary according to the origin, in order to obtain the proper roast level.

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Finally, high qualitative standards regulate the entire production process, to ensure the highest organoleptic qualities of coffee beans in the cup.

The second half of 2011 is marked by a new turning point: the launch of the new Espresso capsules, entirely made in highly biodegradable plastic material and later in compostable material, in compliance with the ISO 13432 standard, combining the finest coffee tradition with the latest sustainable innovation.


2. MISSION

Caffè Vergnano's mission is to provide coffee shops and direct customers with the finest quality and origins necessary to make a perfect coffee, whether it is moka, espresso or in a capsule—the whole range has been designed to satisfy a wide range of tastes and accompany them from morning till night with the unmistakable aroma of the very best coffee.

Since 1999, Casa del Caffè Vergnano has adopted the latest quality, environmental and safety Policies, implementing a policy based on the concept of Environmental Quality improvement being synonymous with a Higher Quality of Life. Environmental protection and pollution prevention are always the starting point for all the activities planned and carried out by the Company.

For this reason, we perform and support the research of raw materials, products, processes, emissions and waste deriving from the activities of the Company and ways of minimisation that may cause a variety of environmental effects, by defining specific tasks and responsibilities.

We undertake to make changes to the production, sale and use of products and services as well as the conditions of the activities, based on existing technical and scientific knowledge, always with the purpose of limiting the risk of contamination of surface waters, soil, subsoil and air pollution.

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3. OBJECTIVE

By approving this Code of Ethics, Caffè Vergnano's Management intends to formalise the ethical commitments and responsibilities undertaken within the framework of our business activities. More specifically, we have adopted an instrument to prevent unlawful or unethical behaviour on the part of those who operate in the name and on behalf of the Company. The purpose of the Management is to define in a clear, explicit manner the ethical behaviour and responsibility criteria of its directors, employees and collaborators, within the framework of the Company's internal and external relations.


Above all, we have resolved to safeguard the protection of the rights and the dignity of all workers who collaborate with Casa del Caffè Vergnano, in accordance with applicable legislation and corporate policies.

4. PRINCIPLES AND VALUES OF THE CODE OF ETHICS

Caffè Vergnano has defined a set of principles that must be respected at all organisational levels:

Child labour

The Company acknowledges that education and leisure are crucial factors in the physical and cognitive development of adolescents, and consequently condemns the exploitation of child labour and does not resort to child labour in any of its own plants.

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Forced labour

The Company undertakes not to use any form of workplace coercion against our employees. Employees are not obliged to provide the Company with original identity documents, nor to pay any amount of money whatsoever to start working with the Company. Workers are free to leave their place of work at the end of their work shift and the Company does not employ guards or other forms of control over workers.

The Company condemns the use of unreported employment, any gangmaster system or form of contract involving the violation or circumvention of the obligations of the law.


Health and safety in the workplace

The Company undertakes to ensure a safe and healthy workplace to all employees, assessing all potential risks and informing and training all employees on this subject, also through external experts. The adoption of appropriate measures aimed at Prevention has the objective of minimising work-related illness and injury.

Risk Assessment is regularly carried out and updated, in order to take all the necessary corrective measures for the protection of workers' health and safety, in accordance with Italian Legislative Decree 81/2008.

All the machinery, processes and work practices are optimised to continuously improve safety and health conditions.

A Health and Safety Officer has been appointed to monitor all the aspects related to workers' health and safety in the workplace, identifying and monitoring risk factors and defining all preventive and protective measures for workers' safety and health and providing information and

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training to workers. In addition, the Company has offered the opportunity to elect a Workers Safety Representative who is in charge of monitoring and reporting to the Health and Safety Officer all the reported risk factors, as well as verifying that the Health and Safety Officer is effectively implementing corrective measures.

The Health and Safety Officer holds—either directly or through specialised teachers—general informational courses or special courses for activities presenting specific risks, as well as training courses for new hires or workers who may change their professional duties, and training courses for fire prevention and first aid operators.


The Company has identified, acquired and provided their employees, free of charge, with the Personal Protective Equipment (PPE) needed to carry out their work safely. The Health and Safety Officer and the supervisors ensure to constantly monitor that PPE is regularly used and to check its wear and tear.

The Health and Safety Officer monitors all the risk factors that may affect workers' safety and health and checks, in collaboration with the senior management, that periodic maintenance is performed to ensure the proper operation of the equipment and safety devices.

The Health and Safety Officer works in synergy with the Quality Management Officer to ensure that all workers at the Company have access to the technical data sheets of the equipment and to the safety data sheets of chemical products.

Freedom of association

The Company respects the staff's right to join Trade Unions, as well as the right to collective bargaining, guaranteeing all the rights provided for by applicable legislation and the Italian National Collective Labour Agreement (CCNL).

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The Company also guarantees that the Workers' Representatives, who are identified with the procedure envisaged by law and by collective bargaining, are not subject to any kind of discrimination and that these Representatives are able to communicate with the members directly at the workplace.

Proper remuneration

The Company grants fair, decent remuneration to all employees, in compliance with the provisions of the Italian National Collective Labour Agreement (CCNL) and the Italian legislation.

The remuneration is expressly specified in the letter of acceptance that is delivered to each worker on their first day of work, which is countersigned by the worker for acceptance.

To assist our employees, the Company takes care of our employees' paperwork concerning requests for the granting of family allowances, deductions and other forms of minimum income support. No amounts are withheld from salaries for disciplinary reasons: any withholding is made solely for tax and contributory purposes.


Salaries are paid on a monthly basis, on the 10th day of the month following that of accrual, under the Italian National Collective Labour Agreement (CCNL) and payments are made by bank transfer.

Payslips, which are distributed to the workers every month, clearly show the detail of the hours paid, as well as all the other amounts due.

All payment deadlines are strictly respected (including tax and social security contributions).

The Company acknowledges the value and usefulness for training purposes of internship, apprenticeship and job training contracts, as specified in the applicable regulations and within the limits provided by law.

The Company refuses to enter into false apprenticeship agreements or any agreement which may lead to circumvent the law.

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Compliance with working hours

The Company respects the working hours envisaged by applicable laws and national and corporate contractual regulations, while observing rest days and the maximum number of weekly, monthly, and annual working hours. Overtime work is voluntary and may be used when strictly necessary, in the absence of other organisational alternatives, and, in no case, exceeds the limits set by the rules.


All workers are entitled to take holidays and permits, in accordance with the collective agreement and in line with the Business Planning.

Respect for the environment

The Company considers environmental protection and pollution prevention as a starting point for the planning and implementation of all our activities. A specific work team formed by consultants and employees has the objective to constantly search for the best technologies and organisational solutions aimed at increasing the efficiency of our systems and reducing waste, assessing both quantitative and qualitative aspects and providing training to all employees in order to favour a lower environmental impact.

The Management intends to pursue the following objectives:

- Contributing to the internal and external dissemination of greater awareness on the environment, quality, security and legality.
- Fully integrating the environmental variable in each of our activities since it plays an essential role in management and decision-making criteria.
- Developing and providing products and services that avoid undesirable consequences for the environment, are safe for their intended use, offer the highest technical and economic performances in terms of energy and natural resources consumption and, in the case of products, can be recycled, disposed of or reused in complete safety;

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Correct disciplinary measures

If disciplinary measures are required and necessary, they will be taken while respecting the worker's rights specified in the applicable law and the National Collective Agreement.

No corporal, psychological and mental punishment or verbal abuse will be envisaged.

No discrimination

The Company in the process of selection, recruitment, management of employment relationships and their possible conclusion, shall not discriminate on the basis of race, class, nationality, religion, health condition, sex, sexual orientation, union membership or political affiliation, and ensures that assessment will be made only and exclusively on the basis of the worker's professional skills.

The Company favours women's access to positions in the workplace, also with the application of the forms of support to maternity leave envisaged by law and the Italian National Collective Labour Agreement (CCNL).


The Company is aware of cultural and religious diversity and guarantees to workers the respect of their principles, beliefs and opinions, provided that these do not conflict with the applicable legislation.

The Company does not tolerate any physical and verbal behaviour giving rise to any form of violence, either physical or moral, against workers.

No to corruption

The Company undertakes to avoid any type of conduct that may be attributable to acts of corruption.

In order to do this, in the context of regular business relations, it is possible to receive gifts of modest value from suppliers, provided that they do not affect daily operations in any way.

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Regarding relations with customers, always in the context of regular commercial transactions, any gifts and/or promotional material must be approved directly by the Management.

With respect to relations with the Public Administration, in the event, the Management must first authorise the distribution of any gifts and/or promotional material.

Harassment in the workplace

The Company condemns any behaviour (gestures, language or physical contact), which may be threatening, abusive, sexually coercive, or aimed at exploitation.

Development prospects and individual initiative, in compliance with the Company organisation, are encouraged and not hindered.


5. APPLICATION OF THIS CODE OF ETHICS

5.1. Scope and subjects

This Code applies to all company sectors involved in any way in the aforementioned areas, none excluded.

All the Subjects of this Code must be aware of it and comply with its provisions, actively contributing to its dissemination and observance. All workers shall cooperate to the fullest possible extent, in order to comply with the guidelines described above, consistently with the Company policy.

During the qualification or requalification stage of Caffè Vergnano's suppliers, this document will be sent to suppliers to inform and enable them to comply with the principles set out herein.

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5.3. Communication and dissemination

The Company undertakes, within the current year, to inform all staff about the content of this Code of Ethics in the most appropriate manner. The information contained herein will be disseminated through the Company notice boards, the Intranet and the Company website.


Each new employee will be informed of this Code of Ethics, as soon as they enter the company.

5.2. Guarantor

In order to check compliance with the above, Mr Pietro Vergnano has been appointed by the Management as Guarantor, to take all appropriate actions and carry out the necessary investigations.

The Guarantor will therefore have free access to all Company information, without prior notice and authorisation. To this end, the Guarantor may request the co-operation of all the Company roles, none excluded, who as a priority shall offer their maximum availability.

Each year, during the Management Review process, the Guarantor will report the results of his work, any issue concerning the Code of Ethics and its application. On the same occasion, this document will be either confirmed or revised.

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5.4. Reporting violations and sanctions

Reports of infringements, or alleged violations, of this Code, must be sent in writing, even anonymously, by employees to their supervisor or to the Guarantor, representing the Management.

No employee shall be subjected to disciplinary sanctions in the event of incorrect reports made in good faith.

Non-compliance with the rules of conduct contained in this Code of Ethics may be relevant for the application of disciplinary sanctions, including layoff, in accordance with the applicable national rules and without prejudice to the application of other punitive measures for different liabilities.

The application of disciplinary measures will not be affected by the outcome of any criminal or civil proceedings, as the rules of conduct imposed by the Code of Ethics are effective regardless of the offence and/or misconduct that any inappropriate behaviour may determine.

5.5. Validity

This document is immediately operational and will be regularly updated in the event of any organisational changes.

The Guarantor:

