



Code of Ethics

Corporación Alimentaria Peñasanta S.A.

April 2020

- It is supporting the livestock partner and the rural world.
- It is promoting health through nutrition.
- It is respecting and protecting the natural environment.
- It is working in a place that cares for its employees.

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Area of Application and Purpose of the of Code of Ethics

The purpose of this Code of Ethics is to develop the Five Principles of the CAPSA Ethical Framework in concrete conduct criteria that allow the people who form CAPSA FOOD to make professional decisions in accordance with the values and objectives reflected in them and in the strictest compliance with the current legislation.

The provisions contained in this Code oblige all administrators, managers and other workers of Corporación Alimentaria Peñasanta, SA, or of any of the Group companies, (hereinafter, "CAPSA FOOD") regardless of the contractual modality determined by their work or mercantile relationship, hierarchical position they hold, functions or geographical area in which they carry out their work.

The application and control of compliance with this Code will be the responsibility of the Internal Audit Department along with the Human Resources Department and the Compliance Committee through the procedure set forth in section six of this document.

This Code does not replace, but rather integrates and complements the sectoral policies and commitments assumed by CAPSA FOOD, with the PURPOSE of giving the livestock partner a future, offering natural products and services that improve people's health and quality of life, in a sustainable environment, relying on our CORPORATE VALUES: Commitment, Professionalism, Leadership and on our vocation to serve society through Cooperation, a value that implies a desire to improve, support and help each other to achieve our Purpose.





01/ [Commitment to Stakeholders](#)

CAPSA FOOD is the integrating nucleus of a system made up of different Stakeholders, with which it is committed to meeting their expectations by maintaining Stable Alliances.

Keeping the different interests of these groups in balance is part of their mission to protect the future of CAPSA FOOD.

With our ranchers and shareholders

At CAPSA FOOD, we start from a business model that intrinsically has a great differential value compared to other dairy companies: our main suppliers, farmers, are also the wholesale owners of our company.

Likewise, we cannot neglect the rights of the other shareholders who are part of CAPSA FOOD, assuring them of the representativeness of their interests, sustained, profitable growth and transparency in our management, providing a faithful reflection of our company.

To achieve this, at CAPSA FOOD:

- We guarantee the sustainability of the livestock sector and we adequately reward the value added by each and every one of the components of the milk and dairy supply chain, with special care by our partners.
- We make available to our partners sufficient, truthful, timely and clear information. We prepare regular, correct, reliable, clear and understandable financial reports.
- We protect the mechanisms that allow the effective participation and the right to vote of our partners in the General Meetings, as well as answer their queries and requests for information.
- We keep in mind in our decisions the best conservation and value creation for our partners
- We responsibly exercise our obligation of vigilance and control, establishing preventive mechanisms to promote legality and ethics in the development of all our activities, preventing the risks that could arise for our organization.

With our Allies

Our continuous improvement strategy considers alliances with our clients, suppliers and other companies and organizations as the only way to continue to prevail in the market, maintaining the leadership of our brands.

Our future lies in a wise choice of our allies and colleagues, so that through a relationship based on understanding, transparency, legal compliance and trust, we develop joint projects that provide benefits for both, while creating shared value.

CAPSA FOOD considers its suppliers, clients and other stakeholders as allies in achieving our common project. Therefore, it will promote lasting agreements over time, based on trust, equal opportunities, transparency, good practices and mutual respect, with collaborators of good reputation and who share the values expressed in this Code of Ethics as well as in the CAPSA Code of Conduct for Business Partners.

Likewise, at CAPSA FOOD we are looking for collaborators who are capable of assuming the necessary efforts to fulfill our ethical commitment. For this, we establish adequate, transparent, objective and impartial methods in the selection of suppliers, which take into account compliance with the principles defined by this Code, trying to involve the entire supply chain in our ethical project.

CAPSA FOOD and its workers will fully respect the commitments and obligations assumed with their suppliers, creditors and third parties, and will never take advantage of their possible position of power in relations with them to obtain more advantageous conditions in prejudice of their allies, guaranteeing this independence and transparency in management.

With the Public Powers

The Public Administrations and other Public Powers objectively serve the general interests and are their main development instrument. At CAPSA FOOD we share its objectives and interests and, therefore, we maintain a transparent and collaborative attitude with the Public Powers, committing ourselves to:

- Actively collaborate with the inspection or supervisory actions of national and foreign Public Administrations, as well as duly reply to any information request from them, ensuring that the data provided is complete, correct and understandable, and is communicated in accordance with the Procedure for acting against inspections, requirements and requests for information from CAPSA FOOD Public Administrations.
- Do not try to influence a public official or national or foreign authority, taking advantage of any situation derived from a personal relationship with this or another public official or authority, to achieve a resolution that may directly or indirectly generate an economic benefit for CAPSA FOOD or in favor of a third party.
- Not to offer or deliver gifts or remuneration of any kind to an authority, public official or person, national or foreign, who participates in the exercise of the public function, to carry out an act contrary to the duties inherent to their position, or so they don't do or delay what they should practice.
- Pay duly and on time all those taxes, fees, licenses, Social Security fees, amounts withheld or that should have been withheld, and any other concept required by the Public Administrations.
- Do not request the granting of subsidies, concession, returns, deductions or any other type of advantage or help from the Public Administrations, falsifying the conditions required for their granting or hiding those that would have prevented it or using them for purposes other than those for which they were granted.



02/ Will to Growth and Leadership

CAPSA FOOD affirms its desire for growth, value creation for the Community and leadership of people, markets and innovation, with the aim of continuing to be the best food company for milk and dairy products, generating profitable and sustainable growth that provides added value to the Society.

Compliance with legality and Human Rights

CAPSA FOOD acts with strict respect to current legislation, as well as to the uses and good commercial practices applicable in any place where it carries out its activity.

The development of our activities and operations is in accordance with our adherence to the United Nations Global Compact, whose objective is the adoption of universal principles in the fields of human rights, work standards and the environment, as well as the Manifesto for Stewardship, whose main axes focus on sustainable development, the fight against poverty or job insecurity, social and gender equity, respect for cultural diversity, the defense of human and labor rights and the labor insertion of disadvantaged groups.

Likewise, we have as references in our ethical action the Universal Declaration of Human Rights of the United Nations and the instruments derived from it, the Tripartite Declaration of the International Labor Organization (ILO) and the Guidelines for Multinational Companies of the Organization for Economic Cooperation and Development (OECD).

For this, all CAPSA FOOD professionals commit to knowing and respecting the legal and regulatory standards applicable to the activity we carry out in the company, as well as the sector policy, procedure or protocol approved by CAPSA FOOD, if any.

At CAPSA FOOD we are fully aware of the direct influence of companies on society, the repercussions of their actions and the need, not only to strive to comply with current legislation, but to help improve it as much as possible.

The professionals who form CAPSA FOOD are part of its image and, therefore, we will refrain from carrying out any unethical conduct that could harm the reputation of the company, regardless of the consideration of the legality of such conduct.

For a fair competition

CAPSA FOOD recognizes that fair and transparent competition between companies stimulates business efficiency, the achievement of higher quality products, a more advanced level of technical development and many other advantages for the consumer and for society as a whole.

For this reason, CAPSA FOOD's actions will always be aimed at promoting fair and transparent competition in the market, committing ourselves to:

- Not to make collective agreements, decisions or recommendations, or concerted or consciously parallel practices that produce or could produce the effect of preventing, restricting or falsifying competition in the markets.
- Nor will we use our eventual dominant position in a given market for the imposition of prices or other unequal commercial conditions, for the unjustified refusal to satisfy the demands for the purchase of products or the provision of services or for the subordination of the conclusion of contracts to the acceptance of supplementary benefits that are not related to the object of the same.
- We will avoid any behavior that could be considered an act of unfair competition.

With the environment

- At CAPSA FOOD we are convinced that we can only last over time through a rational and sustainable use of natural resources.
- It is our firm intention to integrate environmental improvements throughout our company's value chain, fully contributing to making it possible for new generations to enjoy tomorrow's environment.
- CAPSA FOOD complies with all legal provisions and other standards that protect the environment, and will implement any voluntary recommendation that contributes to its protection or to minimizing its environmental impact, aiming for continuous improvement beyond compliance with current legislation.
- CAPSA FOOD incorporates the principle of sustainability throughout the entire supply chain as one of the basic pillars for the future of its business development, committing itself to optimizing its productivity minimizing the impacts on the environment and people, responding to needs of all our stakeholders.
- CAPSA FOOD employees will actively participate in the application of this environmental commitment, through the application of these principles to our work, compliance with environmental regulations, participation in training and awareness-raising actions in relation to environmental protection, as well as the implementation of measures deemed appropriate for its implementation.

Respect for intellectual and industrial property

Intellectual and industrial property rights protect human creations and innovations against use by third parties, as well as the exclusivity of the distinctive elements of our products on the market, allowing them to be differentiated from those produced by our competitors.

Our way of understanding the business is transmitted to our consumers mainly through our brands, whose values must be perfectly aligned with our vision and ethical framework for action.

CAPSA FOOD's permanent commitment to innovation and continuous improvement makes us holders of numerous patents that increase the value of our products, as well as their capacity for differentiation in the market.

In short, our industrial and intellectual property rights are the result of CAPSA FOOD's continuous effort to offer excellent, innovative and quality products. We also recognize the fact that third parties have a similar interest in protecting their respective rights. For all these reasons, at CAPSA FOOD:

- We commit ourselves to fully recognize and respect the industrial and intellectual property rights of ourselves and third parties in any of its manifestations, including patents, trademarks, industrial designs, know-how, industrial secrets and confidential information.





Driving innovation

At CAPSA FOOD we are aware that investing in R&D generates competitive advantages, manages to increase excellence and scientific and technological leadership in the country; it promotes business leadership, fosters talent and tries to face the challenges of society through the materialization of ideas in the production of goods and services.

Therefore, and in accordance with our business values, we are committed to:

- Satisfy the needs and desires of the Clients / Consumers through the rapid adoption of the latest technological advances, whenever possible, and the promotion and development of innovation, which allow us to offer products, processes and services differentiated from the rest of the market.
- Invest in R & D & I activities that increase the value of our products and optimize our processes, minimizing risks and increasing food safety for our consumers.
- Promote alliances and agreements with institutions that hold large intellectual capital, so as to allow synergy and capture results.
- Exploit the results of R & D & I activities, duly protected, to maintain and improve our competitiveness and situation in the market.
- Promote the R & D & I Policy among stakeholders outside the company, promoting collaboration, communication, transparency and mutual enrichment.
- Contribute to improve the efficiency of the R&D system.



03/ Protect and Care for Consumers

CAPSA FOOD strives to protect its consumers by producing food for their well-being and health. We can guarantee that our products are healthy because they have a natural origin and have a demanding scientific and technological support.

At CAPSA FOOD we do our best to understand the expectations that our consumers have of our products and of our company.

Our objective is to achieve, through an attitude of active listening, a total connection with social reality, in order to focus all the efforts of innovation, communication and management of our brands on what our consumers really demand of us.

Likewise, we want our brand to always be synonymous with an excellent, safe, innovative, healthy and quality product.

To do this, CAPSA FOOD and its workers:

- We communicate honestly and transparently with our consumers.
- We offer products that meet all applicable quality and safety requirements and references.
- We continually improve our products, adapting them to the demands and needs of consumers.
- We advertise our products truthfully, legally, honestly, loyally and responsibly.
- We are committed to promoting healthy eating and promoting sports.







04/ Developing the Potential of Our Employees

We believe that people are the key that will allow us to continue to maintain ourselves as one of the best food companies in this country.

We want to create a work environment in which we develop and grow, both personally and professionally, contributing to the growth of CAPSA FOOD in the market, combining performance and satisfaction.

At CAPSA FOOD we will help our workers to develop both personally and professionally, providing them with means that allow them to overcome barriers and create conditions that allow them to develop their potential.

We are firmly committed to improving selection and career advancement processes, taking equal opportunities, merit and sharing the company's values as a starting point to continue to maintain a constant generation of value.

We consider it imperative to develop work relations based on equal opportunities, non-discrimination and respect for diversity, promoting a favorable environment, facilitating measures to reconcile personal and work life and respecting current legislation. To do this, at CAPSA FOOD, as a Family Responsible Company (FRC):

- We develop the principle of equality, promoting equality of opportunity and treatment among our professionals in their recruitment and selection, their promotion, professional development and compensation, as well as in their access to business training.
- We promote the maintenance of stable and quality jobs.
- We facilitate the development of the talent of all the people who make up CAPSA FOOD, guaranteeing continuous improvement of the skills and competences of professionals.
- We implement conciliation measures that facilitate the best balance between these and the work responsibilities of women and men.
- We promote transparent communication, encouraging innovation and granting the necessary autonomy to professionals in the exercise of their functions.
- We have an objective personnel selection process that seeks to recruit and retain the best professionals.

Therefore, at CAPSA FOOD:

- We will never impose working conditions that harm, suppress or restrict the rights of workers recognized by current legislation.
- We will not discriminate against a person based on their ideology, religion or beliefs, their ethnicity, race or nation, their sex, their sexual orientation, family situation, illness or handicap.
- We will contribute to the exercise of work rights and obligations.
- We will provide the necessary means for workers to carry out their activity with the appropriate prevention, safety and hygiene measures.
- We will promote internal mechanisms to form the individual values of workers aligned with CAPSA's values and objectives.





05/ Social and Corporate Responsibility

As CAPSA FOOD workers, we are the true protagonists and promoters of the Code of Ethics. In this dynamism lies the guarantee of its effectiveness and vitality. Their success will depend on the sum of our individual attitudes. For this reason, we commit ourselves to adopt on our personal level all those behaviors that contribute to compliance with this Code and, especially, those reflected in this section, as well as to actively participate in its continuous improvement.

Prevention of conflicts of interest

CAPSA FOOD professionals carry out our work with the utmost objectivity and impartiality. For this reason, we will refrain from participating in any relationship where a conflict of interest may arise that unduly influences our professional conduct.

For these purposes, a conflict of interest is understood as a situation in which there is or may be a contradiction between the personal and professional interests of a worker, from which he or she may obtain some benefit for himself or for third parties.

As a preventive measure, we will inform about the existence of professional relationships with related persons that could lead to the appearance of a conflict of interest in a specific case. Related persons are understood to be those with whom we maintain an affective, kinship, friendship or similar relationship; that could jeopardize the objectivity of our professional judgment.

In case of doubt, the specific situation must be exposed to the Coordination of the Compliance Committee and / or to the Human Resources Department, so that they assess the necessary measures to ensure the suitability of maintaining or modifying said situation and guaranteeing the absence of conflicts of interest in professional decision making.

Gift Policy

Professional relationships with our allies are based on trust, equal opportunities, transparency, objectivity and mutual respect.

Therefore, we will not accept, offer or deliver any kind of present, gift, commission or income from business partners or third parties, including political parties and public officials, with the intention of modifying the commercial behavior of any person or entity related to these or obtain some direct or indirect advantage, both personally and for the company as a whole and regardless of our contractual relationships or the commercial uses accepted in the market.

Accepted commercial uses will be understood as those elements delivered or received by / to the General Direction, personnel of Marketing Department, Commercial Department, Communication or similar of any business partner or third party and as long as these elements are part of the ordinary material of the organization and do not require an express purchase / order, in accordance with those described in the internal CAPSA FOOD procedure. In other words, CAPSA FOOD employees may only offer or accept symbolic presents that are appropriate under the circumstances, good customs and

generally accepted business practices, and that in any case have a cost of no more than 100 euros.

Notwithstanding the exceptions established, any present or gift received outside the established limits will be made available to the Coordination of the Compliance Committee (CCC) to be returned to its origin by CAPSA FOOD.

Facing Corruption and Money Laundering

Corruption

Corruption seriously damages our environment, both financially and socially: It slows down economic development, weakens democracy and it is detrimental to social justice and the rule of law. Furthermore, it is frequently used to cover up other crimes such as drug, arms or human trafficking.

CAPSA FOOD and its employees act with loyalty, professionalism and transparency in the market, and we hope that other economic operators behave in the same way, in order to eradicate corruption in our society. With this objective in mind, at CAPSA FOOD:

- We will not carry out any activity that could be considered as corruption in any of its manifestations.
- We will not offer, request, grant or accept any unjustified benefit or advantage of any nature by third parties, in order to favor CAPSA FOOD or a third party over others, in breach of our obligations in the acquisition or sale of merchandise or in hiring professional services.

Money laundering

CAPSA FOOD condemns any type of illegal conduct or criminal activity. For this reason, in no case will it facilitate the commission of illegal or criminal activities, nor the obtaining of the economic returns that these could contribute.

For this reason, at CAPSA FOOD we are committed to:

- Not acquire, possess, use or transmit assets, knowing that these originate from criminal activity.
- Not help the person who has participated in an offense to avoid the legal consequences of their actions.
- Not hide or conceal the nature, origin, location or destination of goods knowing that their origin is criminal.

Responsible use of assets and resources

At CAPSA FOOD we provide as many resources as necessary for the proper performance of the work of our professionals.

CAPSA FOOD workers are committed to making proper use of the company's assets, as well as ensuring its proper conservation. We will also limit the use of our entity's resources to the performance of our professional functions.

We understand as heritage, not only any tangible asset, but also the so-called intangible assets or incorporeal assets: electronic records, business secrets, know-how, confidential information, patents, trademarks, industrial designs, etc.

The accuracy of the financial and non-financial records of CAPSA FOOD are fundamental for the preservation of the corporate heritage, to achieve an efficient administration and to fulfill the obligations assumed towards its partners, allies, Public Administrations and other third parties.

For this reason, at CAPSA FOOD we are aware of the need to:

- Guarantee that all operations or transactions are duly authorized, verifiable and legitimate; are accurately recorded and properly accounted for and documented, in accordance with applicable accounting principles.
- Establish an Internal Information Control System that guarantees control of the internal and external exchange of financial and non-financial information.
- Provide the necessary support to the audit work, both external and internal.
- Identify, analyze and professionally manage business risks related to any aspect of our activity.

Privacy and secrecy of communications

CAPSA FOOD cares for the privacy of its workers and all those who are related to it. Information and communication technologies allow new forms of intrusion into the private life of the individual that must be taken into account during our professional activity. In this sense, we commit ourselves to:

- Respect the right to privacy and secrecy of the communications of our employees, allies and other third parties related to CAPSA FOOD.
- Comply with current legislation on data protection, as well as keep a Data Security Policy updated to ensure its conservation, integrity and confidentiality.

- Not seizing without the consent of the owner of papers, letters, emails or any other documents or personal effects, or intercepting their telecommunications through technical devices to listen, record or reproduce the image, or any other communication signal; except in the case of activities of a criminal nature that constitute damage to society and its workers and can be used as evidence before a Court.
- Not seizing, using or modifying reserved personal or family data of another person, taking advantage of the job position at CAPSA FOOD.
- Not spreading, revealing or transferring to third parties the data or facts discovered or the images captured through the above behaviors.

Use of Information and Communication Technologies

In our commitment to continuous improvement and innovation, we are committed to using new information and communication technologies to carry out our professional activities.

Using them is not without risks, both for CAPSA FOOD and its employees, and for third parties. For this reason, at CAPSA FOOD we are committed to making responsible use of new technologies, avoiding the production of computer damage to CAPSA FOOD, its employees or third parties, violations of the right to privacy, as well as any other breach of the commitments made in this Code.

In particular, we promise not to use any electronic, computer, telematic or any other type of resource to:

- Delete, damage or modify computer programs, electronic documents or own or third party computer data, in order to obtain non-public information, hinder or interrupt the operation of any computer system, harm competition or any other illegitimate reason.
- Unauthorized access to data or computer programs of third parties or maintaining the use of computer programs against their will.
- Perform non-consensual operations to the detriment of its owner or a third party.



06/ Compliance Control and Ethical Channel

Compliance with the commitments assumed in this Code will be controlled by the Compliance Committee, the Internal Audit Department and the Human Resources Department.

Any member of our organization, employee, partner, shareholder, director, representative and / or person who acts in an authorized manner in the name of or on behalf of CAPSA FOOD has the obligation to inform and / or report any action, conduct, information or Evidence that is susceptible or suspected of violating our COMPLIANCE POLICIES or the CAPSA CODE OF ETHICS and that may involve a criminal act or conduct.

At CAPSA FOOD we have established the following safe mechanisms to protect, maintain confidentiality and encourage anyone to report any type of suspicious act or conduct or to raise any type of doubt or query in this regard:

Record of communication through the secure ETHICAL CHANNEL available accessible on our website https://capsafood.intedyacloud.com/canal_denuncias/ and on the employee portal.

In order to strengthen the protection of the informant, any communication received by this secure channel will be managed by an external and independent entity of CAPSA. We have safe internal mechanisms and processes to guarantee the confidentiality of the complaints and communications received, as well as to protect from any type of threat or coercion the people who participate in our compliance objective through communication and reporting.

At CAPSA FOOD we seek the collaboration of all our workers and our environment for the development of this Code. Therefore, we assure that no retaliation or harmful action will be taken against those people who contribute to the fulfillment of our commitments by formulating the corresponding complaints.

All employees must accept the principles contained in this Code of Ethics, in order to assume its compliance and disseminate it to all stakeholders for their knowledge and effects.





07/ Ethical Dilemmas and
Consultations

At CAPSA FOOD we carry out actions and efforts so that any member of our organization, employee, partner, shareholder, manager, and / or representative are aware of the risks to which their job and activities are exposed, as well as the expected correct conduct by our organization.

Any question related to queries or doubts regarding compliance, ethics or risks of non-compliance, can be addressed personally or by email to the address canaletico@capsa.es addressed to the Coordination of the CAPSA Compliance Committee.

Before facing a situation in which you have to take an action or receive an instruction from a superior that you may consider questionable, illegal or unethical, do not hesitate to consult the COMPLIANCE COMMITTEE COORDINATION in the email canaletico@capsa.es , or assess the situation according to the following questions:

Does this violate the CAPSA FOOD Code of Ethics?

Could this harm CAPSA FOOD's image or reputation if it were to become public?

Could I be breaking the law?

"ETHICS AND COMPLIANCE AT THE CENTER OF OUR DECISIONS".



