

Code of conduct & business ethics



2023



COCORICO
The All-Natural Chicken Brand®



CoCoRiCo

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Letter from the President of Board of Directors

Dear colleagues,

A healthy business is based on healthy principles and how we deliver on our promise year after year as to continuously earn the trust of our stakeholders in our brand, Cocorico. Therefore, ever since AAylex ONE was founded, responsibility towards clients, society, environment and employees has been embedded in AAylex ONE's business behavior as a fundamental value, alongside creativity, results, integrity, quality, and collaboration.

AAylex ONE's values reflect our commitments to our stakeholders related to a sustainable development and guide our behavior and decisions in the day-to-day business. To support and guide our employees to make the right choice and work responsibly, we have created this Code of Conduct and Business Ethics. Within the following pages, you will find more information on this Code and the rules that apply throughout the Company business functions. Also, you will find information on the measures you should take in case you notice any breach of these guidelines and principles.

We would like to stress that business ethics is a common effort that requires dedication from all of us. Working responsibly truly enables AAylex ONE employees to contribute to our mission, which is to ensure the best and healthiest food for those who don't settle with less and to our vision which is to be the quality standard of our clients and consumers, wherever they are.

At the same time, we have to keep in mind that AAylex ONE's and its employees' legal and ethical obligations go far beyond what is included in this Code, since we must comply with all applicable laws and regulations that affect the way we do business. And last but not least, if you identify matters or information concerning our products, operations and business relations that are unacceptable given our commitment, each of us has an obligation to act.

Thank you for your support in developing and maintaining an integrity and responsibility culture within AAylex ONE!

Board of Directors

i. Introduction

i.1 The scope

The scope of this Code of Conduct and Business Ethics (The Code) is to promote the ethical values and principles that are the foundation of AAylex ONE culture and to provide employees with guidelines for responsible business behavior in order to support and protect the Company's reputation.

The Company represents AAylex ONE and all affiliated entities, including AAylex Agro Cooperativa Agricolă, hereinafter individually or collectively referred to as AAylex ONE or The Company.

i.2 Applicability

This Code is mandatory for all Company's employees as well as its internal advisers and collaborators, irrespective of their location, position, full-time or part-time work status. The Code also applies to the Executive Board/Board of Directors/Supervisory Board with respect to any activities they may engage on behalf of the Company. Besides, any third-party entering a contractual relationship with the Company should be made aware of this Code and requested to follow it until the contract termination or a different date, if the contract imposes any special provisions. All principles and rules contained in the Code are of equal importance regardless of the order of their appearance.

When in practice you face a work situation or a decision dilemma for your behavior, you should seek guidance from your direct line manager and Compliance Manager.

The Code is structured as follows:

1. The ethical principles of action
2. How we act as a responsible employer
3. How we act as a responsible business
4. How we act as a responsible employee
5. Raising concerns and speaking-up.

The Code is published on the 21st of November 2023, and remains valid until a new version shall be issued.

COCORICO

1. The ethical principles of action

The ethical principles of actions are the **foundation values** of AAylex ONE culture.

Quality - AAylex ONE is a purpose driven company, where we have a passion for our business that is about raising the most natural, healthiest and best tasting chicken. We place significant value on our high-quality products and Cocorico brand that centers on fresh and natural food, premium quality, ethical production standards, social and environmental responsibility.

Integrity - We strongly believe that good behavior is good for business. Integrity means our practice of incorporating ethical behaviors throughout our organization. Aside from the fact that integrity is always the right choice, there are valid business reasons for making it a priority, avoiding business risks and maintaining our stakeholders' trust. Integrity is also about being accountable, leading by example and treating others with respect, ensuring that all our interactions with customers, employees, suppliers, investors and regulators are aligned with our purpose and values, as well as with internal procedures and law regulations.

Creativity - We are inspired by this passion of ours for what we are doing. At AAylex ONE, demonstrating the creativity value means to remove barriers and find solutions to any challenges, and also innovate continuously our products and processes as to better respond to consumers expectations and needs or to create new healthy habits. This also means to promote diversity and inclusiveness, by valuing others perspectives.

Collaboration - We foster a culture of effective communication and collaboration, by engaging with our colleagues, and Delivering as One Team.

Results - We constantly invest in creating a culture of leadership and innovation to enable people achieve their potential and better contribute to a solid business performance and a healthy growth, in a manner consistent with our core values.

Responsibility - Ultimately, being responsible from all key perspectives, environmental, social and governance, this is what drives the difference in placing us on top of our market for attracting and retaining customers, catalyzing employee loyalty and becoming a more attractive investment proposition.

2. How we act as a responsible employer

Aaylex ONE respects and follows the internationally proclaimed human rights as stated in the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

Through our activities we work to avoid causing or contributing to adverse human rights impacts either directly or indirectly and address such impacts if they occur.

We are an equal opportunity employer and we ensure an open and transparent recruitment process of new employees, making their selection based on their qualifications, suitability and performance, according to the job requirements.

We recognize the right to freedom of thought, conscience and religion as well as the right to freedom of opinion and expression (including freedom of information). As such, The Company does not tolerate any form of discrimination, understood as any form of conduct targeting an individual or a group on grounds of: color of the skin, sexual orientation, gender identity, social status, disability, age race, marital status, nationality, political opinion, religious beliefs.

For this purpose, the Company forbids dissemination of any discriminatory material at the workplace and does not tolerate any kind of discriminatory practices from its employees.

The Company is committed to respect the right to enjoy just and favorable conditions of work, including equal pay for equal work, a living wage (minimum wage), safe and healthy working conditions, equal opportunity for everyone to be promoted and rest, leisure and paid holidays.

In ensuring an equity environment for promotion and rewards programs to all its employees, the Company undertakes regular performance evaluations against performance SMART objectives and kpis.

Any act of violence is prohibited whether against colleagues or visitors, or anyone else who is either within our premises or in contact with the employees while in the course of their duties. Aaylex ONE does not tolerate any form of abuse, harassment or discrimination, either sexual or non-sexual, in any company workplace, irrespective of the person initiating such a behavior, towards employees, contractors, suppliers, customers or other stakeholders. "Harassment" is commonly understood as a behavior towards an employee or a group of employees intended to disturb or upset, and is characteristically repetitive. It is an intentional behavior which is found threatening or disturbing.

We encourage good practices higher than the regulatory minimum obligations related to the right to family life and we do not employ child or forced labor.

We respect our employees' freedom to associate and we respect the right of our employees to bargain collectively and upholds the principle of open communication between management and employees.

We protect our employees' personal information, recognizing the importance of respecting the privacy and confidentiality of our employees, in accordance with the GDPR law provisions and the Company GDPR Policy, respecting the following principles:

1. Personal information should be used only for the stated purpose;
2. To the extent permitted by law, personal information should not be disclosed without a respective employee's consent;
3. Only authorized personnel have an access to employee private information, provided the information is used for the smooth operation.

3. How we act as a responsible business

As a responsible business and corporate citizen, we undertake a proactive Environmental, Social and Governance (ESG) approach to manage risk, create value and maximise our sustainability performance.

3.1 Environmental responsibility

At AAylex ONE we strive to minimize the adverse environmental impacts of our products and operations through a proactive approach and responsible management of environmental aspects related to energy, water, emissions to air, waste, soil contamination, noise etc. We demonstrate continuous improvements of the overall environmental performance related to our products and operations, incorporating green technologies as part of our processes and operations. In AAylex ONE we encourage the development and diffusion of environmentally friendly technologies as an alternative to traditional methods, whenever possible, as we strive to balance both short-term and long-term environmental costs and benefits of our products and operations. We constantly improve our operations with solutions that involve energy and waste reduction and resource optimization. At the same time, we establish and maintain emergency procedures and plans to reduce and mitigate environmental and health and safety impacts caused by accidents, and to communicate information about incidents to appropriate authorities and local communities to prevent health emergencies and industrial accidents that can affect the surrounding community and have adverse impacts on the environment.

3.2 Social responsibility

We place significant value on our high-quality products and Cocorico brand that centers on fresh and natural food, premium quality, ethical production standards and social responsibility.

All Cocorico products are non-GMO, antibiotic-free, growth hormone-free and additive-free, and chickens are raised on a 100% natural feed. The premium quality of our products are also based on the high standards of animal welfare and biosecurity.

Quality Health Safety Environment (QHSE) is a fundamental condition for our business excellence. Therefore, we are dedicated to maintaining safety and health of everyone involved in our activities, i.e. the employees of the Company its partners, clients and suppliers, the communities located near our farms and plants and the public, influenced by our work environment.

Having the consumer at the center of our business, we are committed to enable our customers to make informed decisions providing clear, precise, and easy to understand information about our products, ensuring compliant and effective product labeling, open and transparent communication practices, including marketing and advertising. In this respect, we also cooperate with the public authorities and NGO's for the fulfillment of the customers' and the local communities best interest.

The company promotes healthy living also through health education, social causes, human welfare, sustainable business practices and the support of cultural initiatives.

3.3 Governance responsibility

At AAylex ONE we have a strong business governance based on integrity principled leadership.

In AAylex ONE we respect the rules of **anti-corruption laws** e.g. the UK 2010 Bribery Act and we respect and support internationally recognized anti-corruption principles as stated in the United Nations Convention against Corruption. We avoid causing and contributing to corrupt practices through our activities and address such incidents if they occur.

We **refrain from bribing** or using any other method to unjustly influence public officials, the judiciary, or private parties, including both 'active' and 'passive' corruption - also referred to at times as 'extortion' or 'solicitation'. We do not permit payment of bribes or trading in influence in relation to business relations, government officials or employees, including through the use of intermediaries. The fees we pay to agents and associated consultants shall be fully transparent and commensurately justified with the actual services provided. Further, we must have documentation hereof.

We do not sponsor or engage in anti-competition arrangements, and we do not participate in or support any form of cartels.

Anti-money laundering - We hold no secret or unrecorded funds of money or assets, and we document, record and keep income and expenditure data available for periods determined by law. We do not permit or participate in money laundering.

Confidentiality. We always act in the legitimate interest of our company, clients, and partners and fulfil our business obligations with professionalism, integrity and faithfulness, and never disclose proprietary or confidential information relating to our contracts terms and conditions without the client's prior consent. Inside the Company, confidential information or any other sensitive information can be shared with other colleagues only on a "need to know" basis, and upon prior consent of the respective supervisor.

Conflict of interest. We avoid any conflict of interest and inform our partners and clients beforehand of any potential conflict of interest that could emerge during the execution of our business relationship. We do not seek personal gain at the expense of the company through abuse of our positions in AAylex ONE. We do not hire government employees to do work that conflict in any manner with the former official obligations of that employee.

Contributions and donations. We do not make political contributions. We do not make charitable donations and sponsorships in expectation of undue advantages.

Dinners, entertainment, hospitality, gifts and freebies. We may exchange routine business courtesies, including gifts, occasional invitations for dinners, entertainment or hospitality as part of having a good relationship with our business associates, including our clients. Such exchanges are acceptable within reasonable limits, in an open and transparent manner and in no circumstances cash or equivalent such as gifts certificates may be permitted. AAylex ONE employees may under no circumstances offer or accept gifts, dinners, entertainment or hospitality, which could affect our impartiality or influence a business decision.

If you receive gifts or entertainment (tickets to cultural or sports events) of a higher value, you must report the matter to the Ethics and Compliance Committee and your line manager. As a rule, such gifts will be kept at the Company premises or may be donated. Occasionally, employees may be invited to participate in business meals. Such occurrences are acceptable and are not considered as a potential conflict of interest as long as the cost is reasonable, their frequency is acceptable, and the provider (the payer) is present. Accommodation and meals at public or marketing events do not fall under such restrictions if approved by the line manager.

Facilitation payment. We do not permit the use of facilitation payments for obtaining or accelerating any administrative acts.

Tax and financial reporting. We ensure reliable financial reporting, effective and efficient operations, and compliance with the applicable laws and regulations, including tax payer compliance. We maintain and ensure accuracy of all our accounting, financial and business books and records and all our transactions are transparent, fully documented and allocated to accounts that accurately reflect their nature. We assess and continuously monitor our operational effectiveness to help to prevent fraud from occurring throughout internal control and internal audit.

Fraudulent actions, including misuse or theft of the Company assets or forgery of travel expenses violate the Company policy and will enforce punitive actions.

3.4 Competition law compliance responsibility

AAylex ONE is committed to conducting its business in a manner that is fully compliant with all relevant laws and regulations, including competition laws at both European Union (EU) and Romanian levels. We recognize the important role of competition law in promoting fair, free, and effective competition, and we respect and adhere to these principles in all our business activities.

Competition laws at the EU (Article 101 TFEU) and Romanian (Article 5 of Law 21/1996) levels strictly prohibit any form of agreement, whether formal or informal, that has the potential to restrict, prevent, or distort competition within the internal market. Such agreements are typically classified into two types: **horizontal and vertical**.

Horizontal agreements are those made between companies operating at the same level of the supply chain, such as agreements between competitors or potential competitors.

Vertical agreements, on the other hand, are those between companies at different levels of the supply chain, for example between a manufacturer and its distributor.

Horizontal anti-competitive agreements usually pose a higher risk of competition law infringement as they involve companies that could otherwise be competing against each other. These include:

1. **Price Fixing:** Competitors agree to buy or sell goods or services at a fixed or minimum price.
2. **Market Sharing:** Competitors divide the market among themselves by agreeing not to compete in specific geographic areas or for certain customers or types of products.
3. **Limiting Production or Innovation:** Competitors agree to limit the quantity or control the quality of products or services offered to consumers. Similarly, agreements not to invest in certain technologies or not to hire each other's employees to prevent the spread of innovative ideas can violate competition law.
4. **Exchange of Sensitive Business Information:** Sharing competitively sensitive information such as details on prices, production costs, quantities, turnovers, sales, capacities, qualities, marketing plans, and customers with competitors could lead to a distortion of competition.

While less likely to be problematic than horizontal agreements, vertical agreements can still breach competition law, particularly when they restrict the commercial freedom of a company in the supply chain. These include:

1. **Resale Price Maintenance (RPM):** This involves a supplier dictating the price at which its goods must be sold by the retailer.

2. **Exclusive Supply or Distribution:** Here, a supplier agrees to sell its products to only one distributor within a certain territory, or a distributor agrees to only sell the products of a particular supplier. These agreements can limit competition in some cases if they cover substantial parts of the market.
3. **Territory or Customer Restrictions:** A supplier restricts the distributor from selling its products in certain territories or to certain groups of customers.

Whenever you are unsure if an agreement or practice could be anti-competitive, it is vital to consult with AAylex ONE's Legal Department before proceeding. Training and guidelines will be provided regularly to ensure that all employees understand these rules and can apply them in their daily business activities.

Do's and Don'ts

DOs:

1. **DO compete vigorously and fairly:** Strive to outperform competitors by improving products, services, or customer relationships, including by training or by new marketing strategies.
2. **DO ensure all business agreements are in compliance:** When you're working on a deal or contract, always remember to involve the Legal Department to make sure we're not unintentionally violating competition laws. This could be as simple as sending an email or setting up a meeting for contract review.
3. **DO attend competition law training and read the specific compliance manuals:** Stay up to date with competition law compliance training. Just as we go through safety training or code of conduct refreshers, regular training on competition law is important to ensure we're all on the same page.
4. **DO consult with the Legal Department when in doubt:** If something feels "off" or you're unsure about an action or agreement, don't hesitate to check with our Legal Department. It's their job to help us navigate these issues.

DON'Ts:

1. **DON'T fix prices or terms:** Never engage in discussions about pricing, production, or other sensitive business strategies with competitors. For instance, if you're at a conference and someone from a competitor's company tries to talk about pricing, politely but firmly steer the conversation in a different direction.
2. **DON'T allocate customers or markets:** We should always avoid making deals with competitors to "split" specific regions or customer groups. For example, if a competitor suggests that they won't sell to our key customer if we stay away from their favorite market, this is something you should report to the assigned person or the Legal Department.
3. **DON'T limit production:** We shouldn't make agreements with other companies to limit the quantity or control the quality of products or services offered. If a competitor proposes an agreement to reduce production to increase prices, decline and report this conversation.
4. **DON'T impose resale price maintenance:** As a supplier, AAylex ONE shouldn't dictate the price at which retailers sell our products. If you're working with a retailer who asks us to set a minimum selling price, this is a red flag and should be reported.
5. **DON'T share sensitive business information:** Sharing strategic information, like pricing strategies or production plans (especially future looking), with competitors can lead to anti-competitive behavior. If you're at a trade association meeting and the conversation starts to veer towards these topics, it's best to exit the discussion and inform your supervisor, the assigned person or the Legal Department and also make sure that your exit is noted in the minutes of the meeting.

Always remember, when in doubt, it's better to ask questions and report potential issues. The assigned person or the Legal Department are here to help us ensure we're doing business in a way that complies with all applicable laws and regulations.

4. How we act as a responsible employee

As an AAylex ONE employee, you are expected to be aware of our commitment which entails respect and support for human rights. You must contribute to our respect and support for human rights through your own behavior. You are expected to act if you identify potential or actual adverse human rights impacts. This includes adverse impacts on employees, clients, local communities or other potentially affected stakeholders. Please inform your immediate Manager, the Human Resources Department or the assigned person if ever you identify potential or actual adverse impacts on human rights. In all human rights matters that impact any of AAylex ONE's employees, HR must be informed. Where potential impacts are obvious or can easily be prevented, you may use your own judgment and take immediate action and inform your immediate Manager.

You are expected to be aware of our commitment to the environment which entails respect and support for internationally recognized environmental principles. You must contribute to our respect and support for environmental principles through your own behavior.

You are expected to comply with our commitment to business integrity. This entails compliance with the law and respect and support for internationally recognized anti-corruption principles and standards, as depicted above. You must comply with our commitment through your own behavior and not participate in or support any form of bribery, corruption or fraudulent practices.

You are expected to assist AAylex ONE in implementing the rules and related processes by:

1. Proactively communicating AAylex ONE's commitments to business relations and stakeholders where relevant, as depicted in this Code
2. Reporting identified potential or actual adverse impacts on human rights, the environment and anti- corruption that AAylex ONE caused or contributed to as well as adverse impacts that may be directly linked to our operations or our business relations
3. Participating in making use of AAylex ONE's leverage to influence the business relation in question to address the potential or actual adverse impact, since we encourage our clients, suppliers and business partners to share our ambition to respect and support sustainable development
4. Ensure full collaboration with the internal and external auditors and provide them with accurate information and, upon request, grant them an access to the necessary documents and records.

5. disclosed neither during the performance of the employment contract nor after its termination, regardless of whether or not there is a contractual clause in this regard; data or information that are not intended for publicity and that the employee knows due to his job duties, if the act is likely to cause damage; financial situation; Organization chart; internal working procedures, methods of production, distribution or sale; the Company's clientele and details of commercial contracts; business relations of the Company; the Company's workforce and personnel and payroll policy; calculation modes used by the company; technological processes; recipes; development plans; marketing secrets, advertising strategy; research, inventories, licenses, know-how of the Company, as well as any other information that, once made public, may prejudice the Company. Therefore, the employee will respect the confidentiality of confidential information, both throughout the duration of the individual employment contract and after its termination, regardless of the reasons for termination, not to disclose data or information of the kind indicated above to any natural or legal person. At the same time, the employee will not use any confidential information for his own benefit or for the benefit of other natural or legal persons, or, in general, third parties. This restriction does not apply to information made public by the Company itself.

Computer, e-mail, intranet and internet should be used only for business purposes. Limited and occasional use for personal reasons may be allowed, provided it does not interfere with your job responsibilities. However, should you use internet for personal reasons, please note that, subject to the legal provisions, the Company reserves the right to monitor the internet connection on the Company premises and block access to selected websites. Upload, download, store or circulation of any of the following is forbidden: discriminatory messages and/or materials; hate-related or violent messages and/or materials; messages and/or materials related to illegal activities; sexual, pornographic or obscene messages and/or materials; terrorism or intolerance of others messages and/or materials. If you receive such inappropriate material by e-mail, you must report it.

You are obligated to act if you observe or suspect misconduct by submitting a report through our Speak Up channels. See the 'Raising concerns and Speaking-Up ' section of this Code for further information.

5. Raising concerns and speaking-up

Why is it important to raise concerns and report?

Business integrity risks and dilemmas cannot always be avoided, but they must be handled appropriately. Only when we know where things can go wrong, can we improve.

What are the risks for the company in case of breach of the Code?

Failure to comply with the rules set out in the Code may have serious consequences for the Company and for the Employees, affecting reputation and business activity, causing loss of trust of the business partners and furthermore, exposure to the risk of having to pay compensation for any damage caused and exposure to criminal prosecution.

What are the risks for the employees in case of breach of the Code?

For employees, when circumstances warrant it, failure to comply with the rules set out in the Code may expose them to disciplinary sanctions that may go as far as of the termination of the employment contract under the conditions set out in the internal regulations, as well as to personal, criminal and/or civil proceedings.

How to report by the Speak-Up channels?

To uphold AAylex ONE's commitment to acting responsibly, the Company designated an assigned responsible person and the Speak-up instruments brought to the attention of employees in accordance with the provisions of Law 361/2022 on the protection of whistleblowers in the public interest.

The business ethics principles are being cascaded and monitored in a uniform way at each department level through the department managers. Both the Department Manager and the assigned person are responsible for the communication and monitoring tasks, while in any case the Department Manager is accountable for the implementation and observance of the Code rules by the department employees.

If you observe or suspect misconduct and/ or breach of laws, you are responsible for reporting to the assigned person, by following the internal reporting procedure, displayed at the Company's locations.

6. Applicable complementary company policies

Notwithstanding any of the above, we provide below a list of the relevant company policies and procedures that complement the provisions of the current Code, as the case might be.

1. Internal Regulation
2. Internal Reporting Procedure
3. GDPR Policy
4. IT Policies
5. HR Procedures
6. Confidentiality clauses in the individual labor contracts, services agreements, other commercial agreements
7. Policies on best practices in Competition matters

The list is for reference but not limited. The complete list of policies and procedures are available for internal consultation at the Company network folders, at the Human Resources Department or displayed in hard-copy in each and every premises locations. Any policy in force communicated by the Company is applicable and there is the employees' obligation to read and observe the applicable policies and procedures.

7 Liabilities, sanctions

Violation of the provisions of this Code of Conduct and Business Ethics entails contractual or disciplinary liability, under the law. The determination of guilt is made in compliance with the legal procedures in force and the Internal Regulations of the Company.

Misconduct that can lead to disciplinary sanctions includes:

- violation of this Code;
- asking others to violate the Code;
- lack of cooperation in the context of investigations conducted by AAylex ONE regarding possible violations of the Code or disclosure of confidential information regarding investigations;
- retaliation against other employees for reporting a problem regarding a potential violation of the Code
- failure to demonstrate leadership and diligence to ensure compliance with the provisions of the Code and legislation.



COCORICO

The All-Natural Chicken Brand®



Proaspăt



Gata-de-gătit



Gata-de-savurat



