



CODE OF ETHICS

filpucci®





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1. INTRODUCTION

We decided to write this Code of Ethics to mention and bear in mind the **mission, principles** and **values** that Filpucci draws inspiration from in running its business.

We are all invited to devote thought to this Code and to adopt its principles as a guide for our actions on a daily basis. They must act as our compass.

In all circumstances we must act in compliance with the law, the principles of fairness and transparency, the rules of this Code of Ethics and the procedures that are provided by the company from time to time. If any doubts arise, we can go and talk to our Manager.

Article 1_ Purpose and content of the Code of Ethics

The Code introduces a set of principles and rules which aim to guide the way that Filpucci works towards ethically based behaviour.

2. WHO THE CODE APPLIES TO

To Managers

Anyone who holds a managerial position within the group and manages people, performance and resources.

To Employees

All people, including managers, who have an existing employment contract with Filpucci.

To Suppliers

All our partners and in *general all third parties who take part in our business activities.*

Article 2_ Recipients and dissemination of the Code

The Code is binding on all parties involved in the organisational structure of the Company and on all those who have relationships of various kinds with Filpucci both in Italy and abroad.

Filpucci is committed to inviting full compliance with the provisions in this Code in all its established relationships and to ensuring the widest possible dissemination of its contents.

3. MISSION - GUIDING PRINCIPLES

Filpucci produces high quality yarns and pursues excellence in the quality of its products.

Quality has always been a priority for Filpucci, because this is what establishes and instils prolonged trust and reputation.

Filpucci is convinced that quality is not just a matter of products, but also of all the systems, processes, methods and, more generally, of the performance of the company. This is why Filpucci strives for constant, increasing and continuous improvement, aimed at achieving and maintaining quality.

To achieve its mission, Filpucci has always followed certain general principles such as seriousness, reliability, professionalism, integrity, honesty, fairness, transparency and mutual respect. These principles are the cornerstones of Filpucci's commitment to ethical conduct aimed at maintaining its solid and recognized reputation.

Article 3_Implementation and updating of the Code

The Code is an essential element of the Model and can be modified and supplemented by the Administrative Body, independently from the Model.

Article 4_General ethical principles

The general ethical principles are transparency, fairness, efficiency, collaboration with colleagues, professional growth and competition.

Article 5_Transparency

The principle of transparency is based on truthfulness, clarity and the provision of full information.

Compliance with this principle implies a commitment to provide the necessary information in a clear and comprehensive manner, both inside and outside Filpucci, adopting verbal or written communication that can be easily and immediately understood, subject to checks on the information effectively meeting such requirements.

Filpucci shall communicate in a clear and understandable manner, when providing information and drawing up contracts for third parties, always ensuring fair and equal conditions.

Article 6_Fairness

The principle of fairness implies that everyone, when performing their work and professional activity, will comply with all applicable laws and regulations, employment agreements and rights of all parties involved. This also means rejecting all forms of potential discrimination against any members of staff, or possible conflicts of interest between Filpucci and those providing their services in the interest of Filpucci.

Article 7_Efficiency

The principle of efficiency means that all work tasks must be performed to achieve the highest professional quality according to the highest standards within each sector and type of activity.

Article 8_Professional growth and collaboration with colleagues

Human resources are the key factor for the development and growth of the company's business and consequently Filpucci protects and facilitates their professional growth in order to enhance the skills capital within the company.

Article 9_Compensation

Filpucci aims to develop the value of competition by operating according to the principles of fairness, fair competition and transparency with respect to all operators within the reference markets.

Article 10_General principles

In running its business, Filpucci acts in compliance with all applicable regulations.

Filpucci requires that the recipients of the Code:

- a) *comply with the applicable laws and also the written and unwritten principles and procedures developed for this purpose;*
- b) *behave correctly so as not to damage their moral and professional reliability or that of Filpucci.*

Filpucci shall take all necessary measures to ensure that the applicable laws and also the principles and procedures developed for this purpose are strictly complied with, taken on board and implemented by the recipients of the Code.



4. DEALINGS WITH CUSTOMERS AND SUPPLIERS

Our work entails continuous interaction with our customers and suppliers, involving continuous exchanges of confidential materials and commercial and technical information. Filpucci recognizes the importance of protecting details relating to future collections, prototypes, design sketches, brands and know-how. To this end, it makes every effort to respect their confidentiality.

We believe in competition, as long as it is fair, and our associates are also required to be fair in representing our work to customers. When we go to visit a customer, we should always remember that every aspect of our behaviour at that moment represents the company.

When we are making purchases for Filpucci, we should remember that fairness, good faith, honesty and transparency must never be lacking. This is why we encourage fair competition among suppliers without any form of discrimination but making an overall objective assessment of their offers.

Article 11_ **Relationships with customers**

Filpucci undertakes to meet the needs of its own customers in compliance with current legislation, signed contracts and pre-set quality standards.

Contracts and communications with customers must be:

- a) clear and simple, and delivered using language that is understandable in line with the abilities of those receiving it;*
- b) in compliance with applicable regulations, without resorting to elusive or, at any rate, unfair practices;*
- c) comprehensive, so as not to neglect any significant aspect that could affect a customer's decision.*

Filpucci also undertakes not to discriminate against its customers and to establish a relationship characterised by high professionalism, geared towards helpfulness, respect, courtesy and seeking and offering maximum collaboration.

Article 12_ **Relationships with suppliers**

12.1 Choice of supplier

Suppliers used for the purchase of goods and services must be selected in accordance with the principles of transparency, competition, equality of conditions offered and on the basis of objective assessments, with respect to competitiveness, quality, usefulness and price offered.

12.2 Transparency and integrity

Relations with suppliers are governed by appropriate procedures prepared by Filpucci to ensure maximum transparency.

The signing of a contract with a supplier must always be based on extremely clear relationships, avoiding any suggestions of subordinate employment. As part of their own duties, recipients of the Code shall check that the nature, origin and adequacy of the services received or of the goods supplied are in line with the agreed contract price, and shall also check that the suppliers meet the requirements of good repute and professionalism.

12.3 Safeguarding ethical aspects in the supply of goods and services

As part of its activities for the procurement of goods and services, Filpucci undertakes to promote respect for environmental conditions and to ensure that such activities are conducted in a manner consistent with ethical and legal principles, requiring socially responsible aspects for particular deliveries of goods and services.

12.4 Confidentiality

In order to safeguard the confidentiality of information provided by persons who come into contact with Filpucci, the recipients of the Code shall refrain from disseminating and using, for personal gain, any information that they receive by reason of their office.



5. HUMAN RESOURCES

People are Filpucci's greatest asset: the more they grow, the more the company grows.

People's growth comes through the capitalisation of their knowledge, acquired directly through structured training courses, and indirectly, in the daily and mutual interaction with colleagues.

We ask our employees to attend training courses and to collaborate in disseminating their acquired knowledge; this knowledge sharing enables all of us to grow.

We ensure equal treatment to all workers; we do not tolerate any form of discrimination based on gender, sexual orientation, religion, origin, disability or any other reason.

We make sure that all job applicants are given equal opportunities during the hiring process and subsequently, ensuring that merit is the only discriminating principle.

Filpucci guarantees that its work environment is safe.

We consider the health and safety of all our employees and associates as one of our major priorities. We are committed to preventing accidents and the spread of occupational diseases through adequate use of time and dedicated resources.

In creating its products and services, Filpucci is committed to preserving and caring for the working and surrounding environment, creating sustainable development that can preserve the natural environment and non-renewable resources for future generations.

Filpucci protects the privacy of its employees, customers and associates.

We make sure that access to personal data is strictly limited to what is necessary for lawfulness and operational reasons.

We are committed to maintaining transparency on how personal data is processed within the company, clearly informing our staff about the adopted procedures.

For this reason we have come into line with European legislation on privacy protection: GDPR EU 679/2016.

Article 13_ **Personnel policies**

13.1 Duties of employees

All employees are required to be acquainted with this Code and the reference standards governing their activity within the context of their assigned duties.

Filpucci employees are obliged to: refrain from conduct that is contrary to ethical principles; contact their superiors if they need clarification on the procedures for applying the principles and provisions contained in the Code and the Model; report immediately to their superiors and the Supervisory Board any news concerning possible breaches, including any requests they may receive to act in breach of the law, this Code and the requirements of the Model.

13.2 Duties of Senior Managers

Senior managers are required to observe current legislation and this Code.

They are also required to ensure that the individuals under their supervision comply with the law and the Code, adopting the necessary controls and measures for this purpose. The controls may also be conducted in a direct form and with a set frequency in line with the types of activities that need checking.

Senior managers shall actively collaborate in all controls conducted by Filpucci and by the public (administrative or judicial) authorities.

13.3 Staff Selection

Applicants for staff vacancies are assessed based on their ability to match the expected job descriptions and needs of the company, in line with equal opportunities.

Staff are hired on regular contracts and no form of irregular working or exploitation of particular forms of collaboration are tolerated.

When a work relationship is established, each employee receives accurate information regarding:

- a) the tasks to be performed;*
- b) relevant legislation and remuneration;*
- c) regulations and procedures to be adopted in order to avoid possible health and safety risks within their work activities.*

13.4 Health and Safety

Filpucci is committed to disseminating and consolidating a culture of safety by developing risk awareness and encouraging responsible behaviour by all recipients of the Code.

Filpucci works with preventive measures to protect the health and safety of workers.

13.5 Protection of the Person

Filpucci protects the moral integrity of its employees by ensuring the right to conditions of work that are respectful of the dignity of the person. No sexual harassment is acceptable and any behaviour or expressions of opinion that might upset a person's sensitivity must

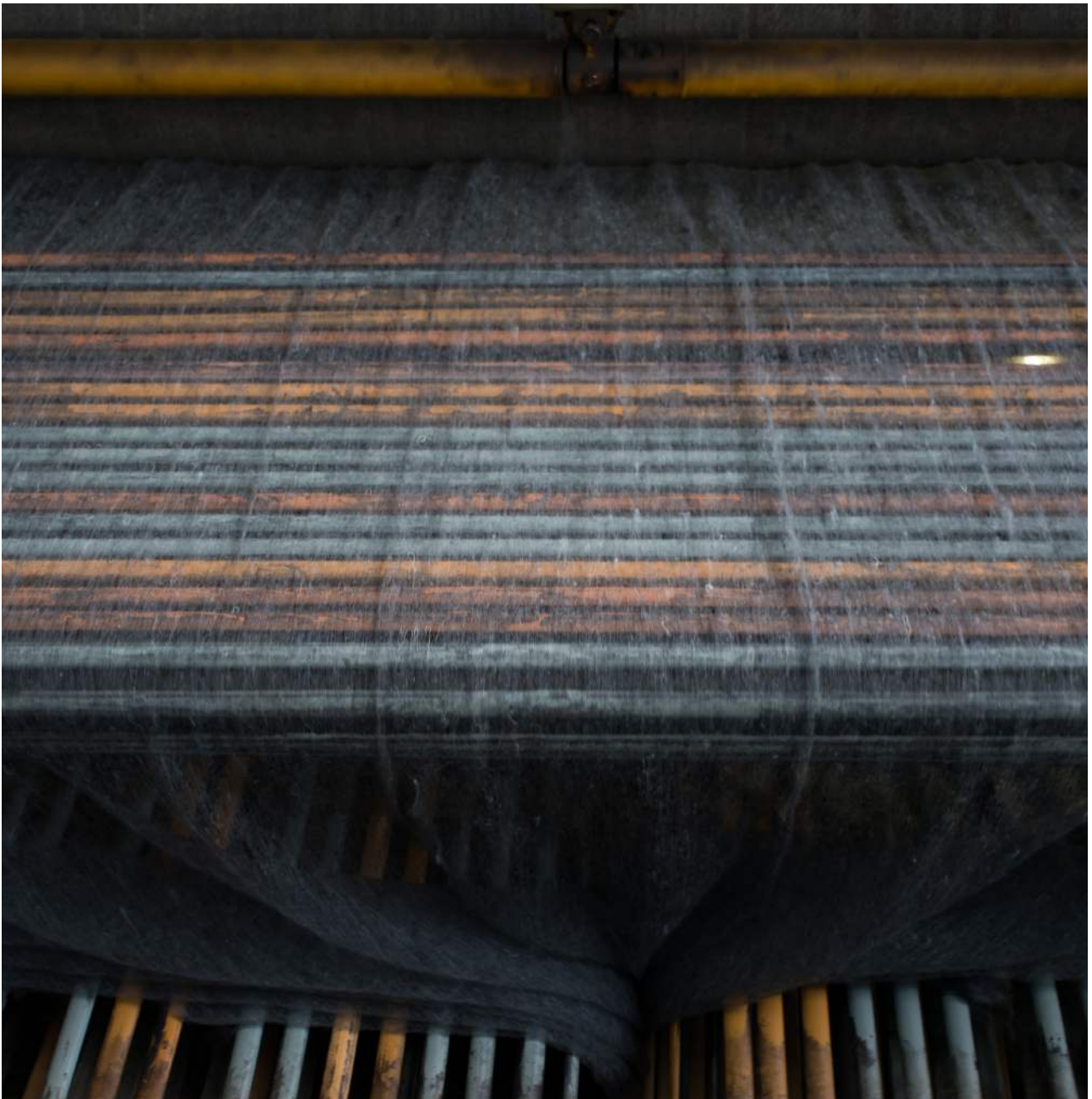
be avoided. No form of discrimination regarding age, sex, sexuality, race, state of health, nationality, political views and religious beliefs is tolerated. Filpucci protects its workers against any acts of psychological violence and combats any attitudes or behaviour that may discriminate against or adversely affect a person and their convictions and preferences.

13.6 Information management

All employees must:

- a) know and implement company policy provisions on the subject of information security to ensure its integrity, confidentiality and availability;
- b) process their own documents using language that is clear, objective and comprehensive, allowing the conduct of any audits by colleagues and managers or by external entities authorised by Filpucci to make such a request.

Filpucci also safeguards the privacy of all employees, in accordance with the law and adopts standards that provide for the prohibition, without prejudice to the legally specified exceptions, of communication and dissemination of both sensitive and non-sensitive personal data, without prior consent from the data subject.



6. RELATIONSHIPS WITH SHAREHOLDERS

Filpucci makes its economic and financial data known in a fair manner.

It interfaces honestly with shareholders and the banking system and converses with supervisory bodies, members of the board of statutory auditors and external auditors.

Our procedures ensure fairness, truthfulness and transparency of all data and information in financial statements, reports and any other communications.

Article 14_ **Relationships with Shareholders**

14.1 Filpucci is committed to providing its Shareholders with information that is true, accurate and timely and to improving the conditions of their participation in corporate decisions.

In response to the commitment made by Shareholders with their investments, Filpucci is committed to protecting and enhancing the value of its assets through improvements in running its business and the pursuit of high standards of quality in its operations and the preservation of its equity.

14.2 Accounting and corporate information

Accounting transparency is based on the truth, accuracy and completeness of the basic information used for the accounting records.

All recipients of the Code are required to collaborate in order to ensure that all operational details are fairly and promptly represented in the accounts.

For every transaction, adequate supporting documentation of the activity must be stored in the records, so as to allow:

- a) easy recording in the accounts;
- b) the identification of the various levels of responsibility;
- c) the accurate reconstruction of a transaction, also to reduce the probability of errors in interpretation.

All accounting records must correspond exactly to the details in the supporting documentation. All recipients of the Code are tasked with ensuring that the documentation is easy to trace and ordered according to logical criteria.

Anyone who becomes aware of any omissions, falsifications or negligence in the accounts or the documentation on which the accounting records are based is obliged to report the facts to their line manager or to the Administrative Body or to the Supervisory Board.

7. RELATIONSHIPS WITH THE INSTITUTIONS AND PUBLIC ADMINISTRATION

Filpucci is committed to ensuring collaboration, transparency and legitimacy in its relations with the Public Administration.

More specifically, in its dealings with the PA:

- No offers of money or gifts or other benefits (holidays, plane tickets etc.) to employees of the PA or their family members are allowed.
- If during interaction with the PA a moment for socialising should arise, we must make sure that this is not interpreted as a search for favours.
- We must not inappropriately influence the decisions of the civil servants with whom we have dealings.
- If we use consultants or third parties in our relationships with the PA, we must ensure that they do not operate in conflict of interest and that they know and adhere to the rules of our Code of Ethics.

Article 15_ **Relationships with Institutions**

All relations with the institutions of the State or with international bodies must solely involve:

- forms of communication aimed at assessing the implications of the legislative and administrative activities with respect to Filpucci;
- responding to informal requests and inspection records or, in any case, to make known its position on issues that are significant for Filpucci or the Group.

In this regard, Filpucci is committed to representing its own interests and position, and those of the Group, in a transparent, rigorous and consistent manner, avoiding any forms of collusion.

In order to guarantee the maximum clarity in its relationships, all contacts with institutional representatives must take place solely through those persons endowed with the relevant powers by the Administrative Body.

Article 16_ Relationships with the Public Administration

Only the relevant authorised company functions can make commitments to the Public Administration and public institutions, in the strictest compliance with the applicable legislative and regulatory provisions and such commitments can in no way compromise the integrity and reputation of Filpucci.

The following principles shall be applied with respect to the employees, officials and senior executives of Public Administration, and their relatives:

- a) no practices of active or passive corruption or collusion of any kind or in any form are permitted;*
- b) it is prohibited to offer money or to perform acts of commercial courtesy (such as providing gifts or forms of hospitality), except in the case of benefits of modest value, that may not in any way be construed as an instrument for receiving illegal favours;*
- c) it is forbidden to make any payments, even indirectly, in order to obtain more favourable treatment or influence an official act to obtain illegal favours (illicit payments to entities or to their employees and illicit payments made through persons acting on behalf of such entities are considered acts of corruption);*
- d) it is prohibited to promise employment opportunities, advantages or other benefits;*
- e) individuals responsible for dealing with and reaching agreements with the Public Administration must not seek to improperly influence the other party's decisions, including decisions of officials that deal with or make decisions on behalf of the Public Administration;*
- f) Filpucci cannot be represented with respect to the Public Administration by a consultant or by a third party if such a person is acting in conflict of interest.*

8. POLITICAL NEUTRALITY

Filpucci is not a member of any political party nor does it make any direct or indirect donations to political parties, movements, political organisations and/or trade unions.

Filpucci ensures and maintains its neutrality and independence.

Article 17_ Relationships with political parties, trade unions and associations

Filpucci does not in any way contribute to the financing of political parties, movements, committees and political or trade union organisations or their representatives and candidates.

It refrains from any behaviour intended to exert direct or indirect pressure upon politicians nor does it make any contributions to organisations with which there might appear to be a conflict of interest.

Article 18_ Contributions and sponsorships

Filpucci may subscribe to requests for contributions limited to proposals from organisations and associations that are expressly non-profit and organisations with high cultural, social or beneficial value or, in any case, involving a significant number of citizens.

When choosing proposals for contributions and sponsorships, Filpucci pays particular attention to any possible conflict of interest of a personal or company nature (for example, ties of kinship with the persons involved or links with bodies that may, for the tasks they carry out, somehow encourage the activity of Filpucci or its Group companies).





9. ENVIRONMENTAL POLICIES

Filpucci is attentive to environmental issues and is effectively committed to reducing environmental impact.

In recent years we have conducted many projects in this vein; the mapping of CO2 emissions and the life cycle analyses on 14 of our yarns represent just some of the stages along a journey that sees us increasingly committed to integrating sustainability into every aspect of our business activity.

Again, as part of our commitment to minimising our environmental impact and promoting social well-being, we have chosen to adopt the Filpucci Group's first Sustainability Report, drawn up according to the GRI (Global Reporting Initiative) standard.

Article 19_ Environmental policies

Filpucci is attentive to environmental issues and is aware of the strategic role of the environment as an instrument for achieving intrinsic improvements.

In this regard, Filpucci is committed to adopting strategies aimed at continuous improvements to its results in the field of environmental protection and management, concentrating its efforts on preventing pollution, minimising environmental risks and operating in accordance with the following minimum principles:

- a) sustainable management of natural resources and energy by making the most of their use and paying particular attention to reducing wastage;*
- b) designing and implementing production processes with criteria geared to preventing pollution;*
- c) use of appropriate tools for monitoring the key environmental aspects generated by the company's activities;*
- d) ensuring compliance with environmental legislation.*

10. CONFLICTS OF INTEREST

Filpucci is committed to ensuring that all employees, consultants or third parties working with the company are unencumbered by any conflicts of interest that could affect their independence, integrity and judgement.

All employees are required to inform their line manager of any actual or potential conflict of interest, so that the necessary precautions can be taken.

Article 20_ Conflict of interest

All recipients of the Code are required to avoid situations where there may be conflicts of interest and to refrain from obtaining any personal benefit from business opportunities they have gained knowledge of in the course of performing their functions.

The following situations may give rise to a conflict of interest:

- a) holding a top management position (member of the board of directors, including those with delegated powers, head of department) and, at the same time, having personal economic interests with suppliers, customers or competitors (possession of shares, professional appointments) also through family members or relatives;*
- b) being responsible for managing relationships with suppliers and customers while at the same time you or your family member(s) or relative(s) are performing work activities with such parties;*
- c) accepting money or favours from persons or companies that have or intend to enter into business relations with Filpucci or one of the companies in the Group.*



11. COMPANY INSTRUMENTS

Filpucci makes adequate working tools available to its employees.

All personnel are required to use them carefully and correctly, according to criteria of diligence and professionalism, and to preserve their useful life over time.

The use of company assets for personal reasons and for purposes other than performing work activities is prohibited.

Article 21_ Use of company assets

All recipients of the Code are required to operate with due diligence to safeguard company assets, through responsible behaviour in line with the operating procedures that govern their handling, by carefully documenting their use.

In particular, all recipients of the Code must:

avoid private use of company assets;

use the assets entrusted to them sparingly and with scrupulous care;

avoid improper use of company assets that might cause damage or reduce their efficiency, or otherwise be in conflict with the interest of Filpucci.

All recipients of the Code are also responsible for protecting the resources entrusted to them and have a duty to promptly inform the Administrative Body and the Supervisory Board of any threats or events that may be damaging to Filpucci.

As regards IT applications, all recipients are required to:

- d) use them according to instructions and for the purposes for which they are made available;*
- e) comply scrupulously with the provisions in the company's security policies so as to avoid jeopardising the security and functionality of its IT systems;*
- f) refrain from sending threatening or insulting email messages, avoid using vulgar language or expressing inappropriate comments that could cause offence to the person in question and/or be damaging to the image of Filpucci and the Group;*
- g) refrain from browsing on internet sites with indecorous or offensive content.*

12. VALIDITY OF THE CODE OF ETHICS

Filpucci has established a Supervisory Board whose task is to monitor compliance with the rules in the Code. Compliance with the provisions in the Code of Ethics must be considered an essential part of the contractual obligations of employees, suppliers and third parties who interact with Filpucci. Any breaches of its contents constitute disciplinary or contractual offences.

Article 22_Rules for the implementation and control of the Code of Ethics

The Supervisory Board is empowered to monitor compliance with this Code and to adopt measures to ensure that people behave in compliance with the Code.

Article 23_Breaches of the Code of Ethics

All recipients of the Code are required in writing to report any breaches of the Code to the Supervisory Board. Anonymous reporting is not permitted.

Article 24_Sanctions

In the event of any breaches of the principles contained in this Code, the most appropriate disciplinary measures will be applied, in accordance with the provisions in the Model and in the relevant Collective National Labour Agreement.

Express termination clauses relating to conduct contrary to the principles of this Code will be included in all professional freelance contracts and those for the provision of goods, services and labour.



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