

ATTACHMENT B

Code of Ethics

Section I – General principles

1. Introduction

1.1 Purposes

This Code of Ethics is the document that sets out the general principles and reference behavior rules for all those who maintain relations with CALZIFICIO PINELLI SRL

The Code of Ethics was approved by the Company's Board of Directors on April 13th, 2023 and, as a tool for applying the provisions of article 6 of Legislative Decree No. 231 dated June 8th, 2001, supplements the regulatory framework the Company is subjected to, as well as the existing organizational, management and control model.

The Code is a means for preventing any irresponsible behaviors, ambiguous or illicit situations by those who work in the name of and on behalf of the Company. It provides for:

- a) determining fields of activity where crimes could be committed;
- b) specific procedures which aim at preventing crimes;
- c) information obligations regarding the Supervisory Body on operation and compliance with the organizational model.

The Code of Ethics, while it considers differences that exist from the regulatory, economic, social and cultural standpoints, also applies to the activities carried out by the company abroad, as better specified in the section pertaining to relations with controlled companies.

The Company is liable to give maximum disclosure to the Code, both by distributing copies to all directors, managers and employees and by making it available to whoever maintains relations with the Company. The Code of Ethics is available in the company's Internet site and physically in the company's bulletin boards.

1.2 Recipients

This Code applies to all those who have relations with the Company, who should comply with its provisions and abide by its principles, complying with the rules of behavior it sets out.

Recipients of this Code, are, in particular:

- the shareholders;
- the members of the Board of Directors, the Board of Auditors and the Auditing company if and when there shall be the legal requirements for the appointment;

- the managers, employees and all subjects who exercise representative, decision-making and/or monitoring powers;
- the consultants, collaborators and suppliers of goods and services and, in general, all those who carry out activities in the name of and on behalf of the Company.

Even all those who can interact with the Company can be considered recipients of this Code: the principles, rules and regulations included therein represent, for them, a means of virtuous behavior which, respecting their mutual roles, contributes to construction of the common good.

The managers of the Company who are required to comply with and apply the Code are also required to notify their own collaborators of its contents, implementing suitable information actions. Knowledge of the Code is a right of all employees and entails the obligation to apply it. Employees are also entitled to ask for explanations, report any gaps or the need to intervene with updates.

Even the subjects who shall, in the future, accept company offices or shall be hired or shall enter into consulting or collaboration agreements with the Company are considered to be recipients of this Code and shall be duly informed of its applicability.

1.3 The value of company reputation and credibility

Reputation and credibility are fundamental intangible resources.

The company good reputation and credibility foster relations with local institutions, customers' loyalty, human resources development and the correctness and reliability of suppliers.

The Company, by adopting the Code of Ethics, intends to ensure that its own *stakeholders* have behaviors that enhance their activities, creating the conditions for setting up partnerships that can generate new value for everybody.

1.4 The contents of the Code of Ethics

The Code of Ethics consists of:

- the general ethical principles that set out the reference values for business activities;
- the criteria of conduct towards each *stakeholder*, giving the guidelines and regulations that the subjects, recipients of the Code of Ethics are required to comply with;
- the implementation mechanisms that outline the monitoring system for correct application of the Code of Ethics and for its constant improvement.

1.5 The contractual value of the Code of Ethics

The Code becomes effective the date of approval by the Company's Board of Directors and is held to be applicable to its recipients the moment it is notified to them.

Compliance with the regulations included in the Code is one of the contractual obligations of the Company's employees in accordance with the provisions of articles 2104 (*worker diligence*), 2105 (*loyalty obligation*) and 2106 (*disciplinary penalties*) of the Civil Code.

Infringement of the Code principles impairs the relationship of trust set up with the Company and can lead to disciplinary actions and compensation for damages without prejudice to compliance, by employees and managers, with the procedures envisioned by art. 7 of Law 300/1970 (Workers' Statute) and by the existing collective bargaining agreement.

1.6 Updates of the Code of Ethics

The Code of Ethics may be amended, supplemented and updated following amendments to the law, development in business activities and on the basis of suggestions coming from the recipients and from the Supervisory Body; in this case, the amendments shall be subject to an approval resolution by the Board of Directors.

2. General principles

2.1 Responsibilities

The behaviors of all the recipients of this Code, while accomplishing the corporate mission, must be inspired by the ethics of responsibility which means due assessment of the consequences of their own actions, considering the impact they may have on the community and the environment.

An essential principle of the Company is the compliance with laws and regulations in force in Italy and in all the Countries where it does business.

The recipients of the Code of Ethics are required to comply with existing regulations. In no case can they pursue or achieve the interests of the Company in breach of the law.

2.2 Transparency

Transparency is an attitude that concerns both the sphere of company management, which must be clear and verifiable, and the communication of information on the Company to the outside.

The truthfulness, accuracy and completeness of the information that is given play a key role in the credibility of the Company with regard to internal and external contacts.

For this reason relations must be set up in a clear and comprehensible manner, in full compliance with set out procedures and existing laws and regulations, with special focus on environmental regulations.

2.3 Correctness

Correctness, for the Company, means first of all respect for persons both from the standpoint of privacy and from that of equal opportunities.

Being correct means sticking to commitments taken with one's own contacts.

Regarding relations inside the Company it means special attention to the physical and moral integrity of personnel as well as elimination of any discrimination and any possible conflict between employees and the Company.

Regarding relations outside the company, on the other hand, it means maintaining relations based on the utmost professionalism with customers and suppliers, but also listening to all the *stakeholders*, they being contacts to be given due consideration and to be informed and involved.

2.4 Enhancement of human resources

Human resources are a key factor in Company growth. Consequently CALZIFICIO PINELLI SRL safeguards and fosters the professional growth of its own employees for the purpose of increasing the assets of skills they possess.

Section II – The company’s governance system

1. The company’s shareholders

1.1 Shareholders’ commitments

The shareholders are liable to comply with the provisions of this Code of Ethics and simultaneously to encourage its sharing and awareness. It is likewise a primary goal of shareholders not to implement transactions that are in conflict with the purposes and principles of the Company and which only aim, in any case, at pursuing their personal interests or those of third parties and that are alien or contrary to the corporate purpose.

1.2 Transparency of information

The Company, in obedience of the principle of transparency, ensures full accessibility to company information and data, both to those who are entitled thereto because of their tasks and to the Authorities who request such information when performing their functions.

The Company and the shareholders are aware of the importance that correct information on their activities has for the community and consequently intend to hold transparency to be a goal in their relations with all *stakeholders*.

2. Directors and managers

2.1 The commitment of directors and managers

CALZIFICIO PINELLI SRL directors and managers, inspired by this Code of Ethics and on the basis of the hierarchical position they hold, must be examples to employees and to all those who maintain relations with the Company.

When carrying out their activities they undertake to have behaviors based on the utmost professionalism and diligence with regard to the Company, to its contributing shareholders and to third parties in general.

2.2 Business behavior

Directors and managers must base their behavior on the principles of ethics and honesty and avoid offering to or promising third parties sums of money or other benefit, in any form and manner whatsoever, even indirectly, to promote or foster Company’s interests even if they are subjected to illegal pressures.

Nor can they accept such disbursements, for themselves or for others, nor the promise of the same, to promote or foster third parties’ interests in their relations with the Company.

Bribery practices, illegitimate favoritisms, collusive behaviors, personal or third-party solicitations that aim at achieving professional and economic advantages for oneself or for others are prohibited and must be strongly impeded as such.

2.3 Conflict of interests

Directors and managers must conform their activity to the principles of correctness and integrity, refraining from acting in situations of conflict of interests and from procuring personal advantages from opportunities that have come to their knowledge as part of the activity they carry out in the Company.

Situations of conflict of interests could be the cases where:

- the person having a top management or executive role has economic interests with suppliers, even through family members with up to a second degree of kinship;
- the person handling the purchases of CALZIFICIO PINELLI SRL carries out a direct work activity, or through family members with up to a second degree of kinship, with the suppliers;
- money, gifts or favors are accepted from persons or companies which intend to maintain or already maintain business relations with the Company.

It is up to the Chairman, in accordance with art. 2391 of the Civil Code, to warn the other directors and the Board of Auditors of any behavior which may only foreshadow a conflict of interests. The Supervisory Body, duly warned by these latter, shall assess, case by case, the real existence of what is notified to it.

2.4 Duties towards employees

All employees have the same opportunities for manifesting their own qualities and potential and to access career and professional growth paths in a work environment where personal characteristics are enhanced and where differences of a political, religious, racial, linguistic or sexual nature are not the premises for any discrimination or harassment whatsoever.

For this purpose, the personnel management function is committed in:

- developing a system for selecting and hiring employees that prevents any discrimination whatsoever;
- permitting all employees to have access to the training paths necessary to maintain the professional qualification required by technological innovation and by changes in work processes.

2.5 Responsibilities and accounting principles

The Company operates in full compliance with the principles envisaged by existing regulations related to the company's accounting data with particular regard to transparency, completeness and truthfulness of the information included in accounting registers.

Directors and managers are responsible for compliance with the above-mentioned principles.

Each transaction must be properly noted and backed by suitable and adequate documentation (accounts and/or electronic) in order to permit easy reconstruction of the activities and the relevant responsibilities.

Directors and managers, when drawing up the financial statements, must comply with the rules and regulations that regard the truthfulness and clarity of the data and the assessments.

They are also required to give the utmost and immediate collaboration to all supervisory bodies which, by virtue of their powers, ask for information and documentation regarding management of the Company.

2.6 Use of company information and Company assets

No confidential information regarding ongoing projects or negotiations, models and contractual terms, company procedures, *software* being used, assessments of suppliers and/or customers and research and development activities aimed at finding new products can be notified to third parties by any director and manager without specific authorization.

Directors and managers must ensure proper use of company assets by employees.

3. Board of Auditors

The Auditor, in compliance with current regulations, supervises compliance with the law and with the articles of association in accordance with the principles of correct management and, in particular, supervises the suitability of the organizational, managing and accounting structure adopted by the Company and its practical operation.

The Auditor works according to criteria of impartiality, autonomy and independence for the purpose of ensuring effective supervision and constant monitoring of the Company's economic and financial situation.

The Auditor is entitled to have free access to data, information and documents necessary for her to fulfill her functions.

Section III – Criteria of conduct towards stakeholders

1. Relations with employees

1.1 Health and safety

The Company is liable to safeguard the moral and physical wholesomeness of its own employees and of interim collaborators working under other contractual forms.

To this end it encourages responsible and safe behaviors and takes all the safety measures required by technological developments to ensure a safe and healthy work environment that fully complies with existing regulations regarding prevention and protection.

In compliance with the provisions of Legislative Decree 81/2008 Consolidation Act on work safety, the Management has organized a risk prevention and protection service.

A risk assessment document has been duly drawn up and the competent physician has drawn up a health protocol and had personnel take the medical examinations required by the law. All the professional figures envisaged by the Consolidation Act are also present in the organization that oversees company safety.

Company employees are invited to notify the Person Responsible for Workers for Safety or the Person Responsible for Prevention and Protection Service of any abnormal situations and/or irregularities regarding application of Legislative Decree 81/2008 Consolidation Act on safety.

1.2 Safeguarding of persons

CALZIFICIO PINELLI SRL undertakes to ensure compliance with the conditions necessary for creating a harmonious and not hostile work environment and for preventing any discriminatory behaviors whatsoever.

The collaboration of everyone is required in order to maintain a climate that respects the dignity, honor and reputation of each person.

The Company shall refrain from interfering with personnel's right to follow principles or practices or to obey requirements tied to race, class, nationality, religion, gender, sexual orientation, invalidity, age, political or union orientation.

The Company, referring to EEC Recommendation 92/131 and existing regulations on safeguarding the dignity of women and men at work, requires the recipients of this Code to foster prevention and impede implementation of sexual and moral harassment, including therein the obligation to support the person who wants to react to sexual or moral harassment and giving it guidelines and clarifications regarding the procedures to follow.

CALZIFICIO PINELLI SRL is committed in preventing, impeding and restraining any activity of *mobbing* which is understood to be a set of violent behaviors (e.g. psychological abuse, harassment, oppression, demotion, marginalization, humiliation, malicious gossips, etc.) perpetrated by superiors and/or colleagues on a worker and prolonged over time and harmful to his professional and personal dignity as well as to his psychological and physical health.

Employees who feel that they have been subject to discriminations can report the event to their own manager and to the Supervisory Body which shall proceed to ascertain whether the Code of Ethics has actually been infringed.

Disparities that can be justified according to objective assessment criteria do not constitute discrimination.

1.3 Personnel selection

Without prejudice to the obligations arising from existing provisions personnel selection is subject to checking that the candidates fully and substantially meet the professional profiles required by the Company, respecting equal opportunities for all interested subjects.

In no case shall personnel search announcements specify or require prerequisites such as: race, sex or other discriminatory personal characteristics.

In no case can applications for hiring be rejected for reasons based on discriminatory attitudes.

1.4 Hiring

Personnel hiring takes place in compliance with the provisions of the Collective Bargaining agreement applied to the individual business areas.

Each employee, upon hiring, receives information on remuneration, on the standards and procedures to take to prevent and avoid risks to health associated with the work activity, on in-house rules for management of personal data and on use of IT systems.

Workers are treated in coherence with their tenure, their type of tasks and their professional skills. Workers, tasks and functions being equal, are offered the same training opportunities.

1.5 Working hours

The Company complies with the working hours provided for by the employment agreement being applied and the regulations related to the overtime work envisaged therein.

Work organization forms of flexibility, while safeguarding the basic principles of the company organization efficiency, are favored when these help manage maternity and care for dependent family members such as children, the disabled and elderly parents.

1.6 Remuneration

Worker remunerations correspond to the payment standards envisaged in the reference national collective bargaining agreement.

Remuneration composition is clearly specified in the pay slip and employees are paid at regular intervals and at the forecast due dates. The Company is liable to pay workers exclusively according to the terms permitted by existing statutory and tax laws.

Worker remunerations are generally paid by bank transfer.

The Company warrants that it shall refrain from stipulating employment contractual forms that are not appropriate to the goal (e.g. fake apprenticeship, atypical contracts) in accordance with existing labor and social security regulations and with national bargaining.

The pay slips shall not be subject to withholdings due to disciplinary or discriminatory measures other than those provided for by the law or by the Collective bargaining agreements.

1.7 Employees' duties

Employees undertake to comply with the Code of Ethics and to abide by, when carrying out their tasks, the law and to base their conduct on principles of integrity, correctness, loyalty and good faith.

It is forbidden to use recorders, cameras and video recorders for purposes not explicitly agreed in writing with the relevant Management.

The Company does not put recorders, cameras and video recorders for purposes not being agreed.

Employees are required to wear proper clothing and use a language consistent with the work environment and, more generally, to have a behavior based on mutual respect and willingness to confront and dialogue with others and, in particular:

- to offer their own help in carrying out the work;
- to preserve a positive work environment where everyone has the possibility of professionally learning and growing;
- to never become involved in discriminatory, illegal or violent acts nor to tolerate, on the contrary, those who do so;
- to refrain from using foul language and above all language with swearwords and/or imprecations;
- to perform impartial and constructive evaluations of work;
- to equitably gratify colleagues for the work that was done;
- to honor the importance of the life of everyone even outside of the work environment.

1.8 Further duties: accounting entries and records

The employees entrusted with managing accounting entries are required to make each record with accuracy, completely, truthfully and transparently and to permit checks by persons, even external, assigned with this task.

Accounting documents must be based on precise information that can be checked and must fully comply with internal procedures on accounting matters.

Each entry must permit reconstruction of the related transaction and must be accompanied by suitable documentation even with support of the corporate application IT system. All actions regarding the company activity must be shown in suitable records that permit audits and checks to be performed on the decision-making, authorization and implementation processes.

Whoever becomes aware of any omissions or errors is required to notify his own manager thereof, whereas whoever becomes aware of any falsifications must notify both his own manager and the Supervisory Body thereof.

1.9 Conflict of interests

Employees must avoid all situations and activities which could generate a conflict of interests with the Company. It is therefore prohibited, when carrying out their tasks, for employees to maintain economic relations, either personally or through family members up to the second degree of kinship, that are in conflict with the interests of the Company.

All employees are therefore required to avoid situations where conflicts of interests may take place and to refrain from personally taking advantage, or doing so through other persons, of business opportunities of which they have become aware during performance of their functions.

Situations of conflict of interests, by way of example, may be:

- having economic interests in suppliers, even through family members up to the second degree of kinship;
- handling purchases of CALZIFICIO PINELLI SRL and carrying out work activities, either directly or through family members up to the second degree of kinship, with the suppliers;
- accepting money or favors from persons or companies which intend to set up contractual relations with the company.

The employee, should he notice even the apparent existence of a conflict of interests, is required to notify his own manager and the Supervisory Body thereof.

1.10 Use of company information and Company assets

Study projects of new products, ongoing negotiations, contractual models, company technical procedures and software in use and ongoing researches as well as contractual terms both with suppliers and with customers are absolutely confidential and cannot be disclosed outside of the company without specific authorization.

Company assets consist of tangible physical assets, such as, for example, equipment, motor vehicles, plant, real estate, *software* and infrastructures and intangible assets such as, for example confidential information, *know-how*, technical knowledge developed and disclosed by employees of the Company.

Protection and preservation of these assets are a fundamental value for safeguarding company interests and personnel are responsible, when carrying out their own company activities, not only for protecting these assets but also for preventing fraudulent or improper use thereof.

Use of these assets by employees and of all other element aimed at identifying the Company must be made exclusively for carrying out company activities or for the purposes authorized by the company functions involved.

Equipment, appliances and systems owned by the Company or leased by it can only be used during established working hours and only to carry out the relevant activity or for purposes agreed from time to time by Company Management.

1.11 Rules for using data processing devices

The following considerations refer to the company rules regarding the privacy policy on management of personal data and use of company assets, in particular, of data processing devices.

Data processing devices are entrusted to personnel following formal request by the manager in collaboration with the Human Resources Management (forthcoming function).

These devices must be considered to be work tools and therefore:

- must be kept in an appropriate manner;
- can be used exclusively for professional purposes and not for personal purposes, using only the *files* and programs that are strictly necessary;
- it is forbidden to install programs that are not authorized by the Company;

The company may activate mechanisms for refund of damages in case of theft or loss that are consequences of failure to comply with the rules for keeping the assigned tools.

The Internet

A PC qualified to surf in the Internet is a company tool meant exclusively for the performance of the work activity. Surfing in search of information must limit loads on the connection band to a minimum.

Email

The email address is a company asset and consequently its use must be limited to purposes exclusively of a professional nature and therefore authorized as such.

It is necessary to reduce the size of *files* that are sent as far as in-house communications between employees are concerned.

Company software

Any *software* application that is used inside the company facilities must be accompanied by a regular user's license. It is, therefore, strictly prohibited for anyone who uses company computers to install any *software* without authorization from the manager of IT systems. Reproduction or duplication of software and company data is not permitted without explicit authorization from the manager of IT systems.

1.12 Gifts, freebies and other benefits

In no case shall the employees be asked nor shall they accept, for themselves or for others, cash gifts.

The employee cannot ask, for himself or for others, for gifts or other benefits, nor accept them, save for those with values not exceeding 100€ from whoever has gained or who may in any case gain benefits from the company activity.

Gifts and advantages offered but not accepted and which exceed the value of 100€ must be notified to the Company's Supervisory Body to permit suitable assessment.

CALZIFICIO PINELLI SRL, in line with the principles of the Code of Ethics and in order to avoid behaviors that aim at corruption or which could be construed as such, sets a uniform code of conduct regarding its own gifts towards external parties.

For this reason the employee cannot offer gifts or other benefits to all those persons from whom he could procure favorable treatments in conducting any activity which could be connected with the Company.

1.13 Business behavior

All employees must refrain from giving or promising sums of money or other benefits in any form and way whatsoever, even indirectly, to third parties to promote or foster the Company's interests.

These gifts or their promise cannot be accepted not even to promote or foster the interests of third parties in relations with the Company.

Should situations of this kind arise the employees must inform the Supervisory Body and stop all relations with the third parties involved while waiting for specific instructions.

Only gifts of modest value, and in any case not to exceed 100 € per year, can be an exception to these requirements and only when they can be ascribed to acts of courtesy as part of correct commercial relations and are not explicitly prohibited.

1.14 Safeguarding of confidentiality and management of information and sensible and personal data

The Company safeguards the *privacy* of its own employees in accordance with current laws in this matter, and undertakes not to communicate nor to disclose, except for meeting legal obligations, the related personal data without prior consent from the interested party.

Acquisition, processing and retention of this information are done within the purview of specific procedures that ensure that unauthorized persons cannot gain knowledge thereof, in full compliance with *privacy* safeguarding regulations.

In no case is it permitted to process data:

- regarding the religious, philosophical or other convictions, the political opinions, the belonging to parties, unions, religious, philosophical, political or union associations, sex life;
- regarding facts irrelevant to assessment of the professional aptitude of the worker;
- infringing regulations on equal opportunities or which aim at preventing discriminations;
- without specific authorization.

Employees must comply with this confidentiality duty even after termination of the employment relationship, acting so that obligations provided for by existing *privacy* regulations be complied with.

Employees are prohibited from disclosing information regarding any type of personal data of which they gain knowledge when exercising their work function without prior authorization from the reference manager.

1.15 Physical security

Physical security is the set of protective measures set out to prevent physical access by unauthorized third parties to hardcopy or electronic data.

It is good practice:

- to keep documents including personal data in premises that are not accessible to unauthorized third parties;
- to take into account risks arising from extraordinary events due to natural causes (such as fires, floods, etc.);
- to have guests wait in places where no confidential information or personal data is present;
- to close windows and to lock doors at the end of the work day or anyway whenever the offices are not superintended;
- to put documents away and to activate the automatic lock on the PC with a *password* when the employee must leave his desk.

Any guests are entitled to access the Company following authorization from the host and limited to the permissible spaces in strict correlation with the purpose of the visit.

2. Relations with customers

2.1 Equality and impartiality

The Company undertakes to satisfy its customers by fulfilling the contractual commitments it has taken.

The Company also undertakes not to discriminate its own customers and sets up a relationship with them featuring a high level of professionalism and based on readiness, respect, courtesy and on an effort to find and offer the maximum in terms of collaboration.

2.2 Contracts and notices

CALZIFICIO PINELLI SRL, in its relations with its customers, undertakes not to act in a fraudulent manner regarding the correctness and truthfulness of the characteristics, statements of provenance and origin and properties of its own products with respect to what is stated during contracting, on the product or on its packaging.

The Company undertakes to promptly notify, in the most appropriate way, of all information related to any modifications and variations in management of contractual relations.

2.3 Interaction with customers

The Company undertakes to promptly manage all customer requests, fostering interaction and forestalling any claims.

The Company rejects the litigation procedure as a tool for achieving undue advantages and shall turn thereto on its own initiative only when due satisfaction is not forthcoming from the counterparty regarding its legitimate claims.

The Company safeguards the *privacy* of its own customers according to existing regulations in this matter and undertakes not to notify nor disclose the related personal data, strategic and development projects, information of an economic and financial nature unless this is required by the law.

3. Participation in tenders and relations with customers

3.1 Participation in competitive confrontation procedures

The Company, when participating in competitive confrontation procedures, shall carefully assess the congruity and feasibility of the services requested with special attention to regulatory, technical and economic conditions and shall promptly point out, when possible, any abnormalities and in no case shall take on contractual commitments that could put the company in the condition of having to turn to inadmissible savings on the quality of the service, or of the product, on the costs of personnel or on work safety.

No requests shall be made, when participating in tenders, to obtain confidential information or anyway information which cannot be disclosed.

3.2 Correctness in business dealings

The company, in its relations with its customers, guarantees correctness and clarity in business dealings and in taking on contractual obligations as well as faithful and diligent fulfilment thereof.

4. Relations with suppliers

4.1 Choice of supplier

The choice of supplier and the purchase of any goods and services whatsoever must be done in accordance with principles of competition and equality of terms of those presenting the offers and according to objective assessments regarding competitive edge, quality, utility and supply price.

While selecting the Company shall adopt objective and transparent criteria required by current laws, regulations and in-house reference provisions and shall not prevent any Supplying Company that has the required prerequisites from being able to compete in order to be awarded a contract with it.

While selecting the supplier, the Company must also take into account its ability to ensure implementation of adequate company quality systems as required, its possession of the means and organizational facilities and its ability to comply with confidentiality obligations.

Whenever a supplier, albeit held to be strategic, does not possess all the prerequisites necessary for qualification then CALZIFICIO PINELLI SRL undertakes a development path during which it supports the supplier in his process of organizational and qualitative adaptation until the supplier achieves the necessary prerequisites.

As part of its own quality system the company has adopted specific procedures to assess qualification of suppliers who get in touch with the company.

4.2 Transparency

Relations with Company suppliers, including financial and consulting contracts, are governed by the regulations in this Code of Ethics and are the object of ongoing and attentive monitoring by the Company which also includes examination of the congruity of the services or the goods being provided with the consideration being agreed.

The Company sets up suitable procedures for guaranteeing the utmost transparency of procedures for selecting suppliers and for purchasing goods and services.

The Company does not hold it to be correct to induce a supplier of goods or services to enter into a contract that is unfavorable to him with the promise of further supplies at more advantageous terms for him.

The Company, consistent with its own corporate identity and ethics, asks each supplier of goods and services to examine this Code and ensure compliance with the principles and behaviors specified therein and which are considered to be an indispensable condition for entering into a contract for purchase and supply of goods or services and for maintaining this relationship over time.

4.3 Correctness and diligence in executing contracts

The Company and the supplier must work so as to build up a relationship of collaboration and mutual trust.

The Company undertakes to correctly and promptly inform the supplier about the characteristics of the activity and the payment terms and procedures in accordance with existing regulations.

Performance of contractual services by the supplier must conform to the principles of equity, correctness, diligence and good faith and must take place in obedience of contractually assumed obligations.

5. Relations with local reference authorities and other institutional regulatory authorities

5.1 Relations with the Administrative Authorities

Within the purview of the relations with institutions, employees as well as external collaborators, whose actions may in any way be referred to the Company, must behave in a correct manner, irrespective of market competitiveness and the importance of the business being dealt.

All bribery practices, illegitimate favors, collusive behaviors, undue disbursements and embezzlement (with particular reference to bodies of Public Administration), soliciting, directly and/or through third parties, personal and career advantages for himself and for others are prohibited.

Gifts or acts of courtesy and hospitality towards government representatives, public officials and public employees are permitted to the extent that their modest value does not impair the integrity, independence and reputation of one of the parties. In any case this type of expense must be adequately authorized and documented.

Actions shall not be undertaken, either directly or indirectly, during business dealings, requests or commercial relations with the Public Administration, which may generate commercial and/or employment opportunities leading to advantages for himself or for others, for employees of the Public Administration or for their relatives up to the second degree of kinship.

If the Company is represented by a “third-party” subject in relations with the Public Administration the same directives that are valid for the Company shall apply to the consultant and his personnel.

All possible incompatibility must be gone through in case of use of consultants in relations with the Public Administration.

Payments or fees offered, promised or made directly or through a natural or legal person are strictly prohibited under any form whatsoever when these aim at inducing, facilitating or remunerating performance of an official deed contrary to the official duties of the Public Administration, even if these regard a court or out-of-court litigation and are performed in the interests and/or to the advantage of the company.

5.2 Relations with Legal Authorities

The same conducts, implemented by directors, employees, collaborators and/or external consultants and aimed at favoring or damaging one party in a civil, penal or administrative trial and at giving a direct or indirect advantage to the Company are likewise strictly prohibited.

The Company extends its fullest collaboration to Legal Authorities and the Police Force during inspections, audits, investigations and legal proceedings.

6. Relations with the environment

Safeguarding the environment is one of the key facets in the responsibility commitment taken on by CALZIFICIO PINELLI SRL.

One of the facets of the Company’s social responsibility policy is to reject waste and to focus on the environmental consequences of its choices. CALZIFICIO PINELLI SRL believes it can exercise a significant impact in terms of environmental sustainability, especially in the social and environmental context in which it does business, both on the short and on the long term. This impact can be referred both to consumption of resources and to generation of emissions and waste that are tied directly to its own activities (direct impacts) and to activities and behaviors that the Company does not control directly because they are implemented by third parties with whom it has relations, such as customers and suppliers (indirect impacts).

From this standpoint CALZIFICIO PINELLI SRL:

- guarantees full and complete compliance with legal requirements on environmental matters, which in the specific case, given the activity carried out cannot be considered as risk area;

- constantly searches for innovative and effective solutions for this sector.

As to responsible and efficient resource use, the Company:

- pursues aware consumption of the resources necessary to carry out its own activity and by gradually improving the energy efficiency of its own activities;
- aims to constantly improve its own behavior with regard to the environment.

And finally, regarding environmental and social responsibility along the supply chain, the company:

- recognizes that its own environmental and social responsibility extends along the entire supply chain and for this reason acts to direct the policies of its suppliers towards environmental protection and respect for the rights of human beings and workers;
- positively assesses suppliers who base their activities on environmental and social sustainability and who take the measures and tools necessary to minimize the negative impacts caused by their activities.

7. Relations with political parties, unions and associations

The Company does not contribute, in any way, to financing of political parties, movements, committees and political and union organizations, their representatives and candidates.

The relation, with political and union representatives, associations of citizens, voluntary organizations, can envisage implementation of common events and also financing or sponsoring of the same where their contents and purposes are held to be directed towards cultural growth, social and environmental awareness and the promotion of the values of co-operation, solidarity, equality and equal opportunities.

8. Relations with the mass media

Relations with the mass media are exclusively reserved to the functions and corporate responsibilities deputed thereto; all people of CALZIFICIO PINELLI SRL are required to agree beforehand with Management the information to provide to the representatives of the mass media as well as the commitment to provide such information.

Section IV – Implementation mechanisms

1. Procedures for implementing and monitoring the Code of Ethics

1.1 Notices

All internal and external subjects involved are required to notify, either verbally or in writing (depending on the nature of the infringement) and in a non-anonymous form, any failures to comply with this Code of Ethics and all requests to infringe it, no matter where they come from, to the reference manager and to the Supervisory Body to the following email:

- email: odv231@calzificio-pinelli.com
- registered mail to send to: **CALZIFICIO PINELLI SRL**
Supervisory Body 231
Via Germania 11
46042 Castel Goffredo (MN)

The company shall protect those who notify against any retaliations to which they could be subjected for having notified incorrect behaviors and maintain the secrecy of their identity except for compliance with the obligations of the law.

1.2 Penalties

The Company has the right/duty to superintend compliance with this Code, implementing all the preventive and control measures held to be necessary or expedient.

The contents of this Code strongly stress a reference to precise and timely compliance with all legal regulations by the Company's personnel when carrying out their work activities.

It has been held to be necessary, in order to make the prevention, management and control model prepared by the Company for the purposes of preventing the crimes under Legislative Decree No. 231/01 effective and operational, to set up an adequate penalty system.

Infringements to this Code, in fact, cause harm to the relationship of trust established between the company and its own personnel and must, as a consequence, entail disciplinary measures notwithstanding any penal proceedings to be brought if the behavior constitutes crime.

In case of subordinate work, any penalty provision must comply with the procedures envisaged in article 7 of the Workers' Statute and by contractual provisions of law characterized by the principle of typicality of infringements and by the principle of typicality of penalties and definition of context, seriousness, immediacy and recurrence.

The competent body, depending on the seriousness of the illicit activity committed by the subject involved in one of the illicit activities provided for by this Code, shall take the expedient measures irrespective of the possible exercise of the penal action by the legal authority.

The competent body, when determining the penalties, must take into account:

- the circumstances in which the illicit behaviors took place;
- the type of tort committed;
- the seriousness of the conduct that was enacted;
- the possibility that behaviors exclusively supplement an attempted infringement;
- the possible recurrence of the subject.

Behaviors in breach of this Code may entail, referring to:

- employees, a penalty procedure in tune with the provisions of the National Collective bargaining agreement and the Workers' Statute, Law No. 300 art. 7 dated May 20th, 1970;
- directors, just cause for forthwith cancellation of their appointment;
- suppliers, external collaborators and, in any case, semi-subordinate workers, cause of prior cancellation of the relationship.

In all these events the Company shall also be entitled to any damages suffered due to the illicit conduct that was enacted.

Determination and application of penalties must be done according to the principles of proportionality and adequacy with respect to the claimed infringement.