



CODE OF ETHICS

APPROVED BY THE BOARD OF DIRECTORS OF DECEMBER 13TH, 2017

PAL ZILERI



Code of Ethics

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INTRODUCTION

True to its roots and with a renewed and innovative vision, the objective of Forall Confezioni S.p.A. (hereinafter also "Forall" or "the Company") is to be a key player in the Fashion world, by pursuing excellence through:

- Creativity and quality;
- Differentiation and selection;
- Flexibility and efficiency;
- Continuity and innovation;
- Consumer centrality;

in full compliance with the ethical principles of correctness, loyalty and transparency.

Therefore, all Company activities must be carried out in observance of the law, within a framework of fair competition, with honesty, integrity, correctness and good faith, in respect of the legitimate interests of customers, employees, commercial and financial partners and the local communities in which the Company carries out its business.

All those who work at the Company, without distinction or exception, must undertake to observe and ensure observance of these principles as part of their functions and responsibilities. The firm belief of acting for the benefit of or in the interest of the Company cannot, in any way, justify the engagement in conduct which is not in keeping with these principles.

Owing to the complexity of the situations in which the Company operates, it is important to clearly define the collection of values that the Company recognises, accepts and shares and the set of responsibilities that the Company assumes internally and externally. For this reason, this "Code of Ethics" (hereinafter, the "Code") has been prepared, which groups together the set of principles and rules whose observance by addressees is fundamentally important for the successful operation, reliability and reputation of the Company itself.

The Code of Ethics sets forth that the transactions, conduct and method of working, both in internal Company relations, and in relations with external entities, are based on the



principles of correctness, fairness, integrity, loyalty and professional rigour, placing its central focus on compliance with the laws and regulations of the countries in which the Company operates, in addition to observance of company procedures.

Forall Confezioni S.p.A.'s Board of Directors adopts the Code in order to ratify the above-mentioned ethical principles.

The Company monitors observance of the Code of Ethics, preparing adequate information, prevention and control tools and ensuring the transparency of the transactions entered into, implementing, if necessary, corrective actions and the appropriate penalties.

The Company ensures the most extensive dissemination of the Code of Ethics to all addressees and to the public in general, also by publishing it on its website www.palzileri.com.

1. GENERAL PRINCIPLES

1.1 Scope of application and addressees of the Code

The Code applies to the Company, both in Italy and abroad, and is therefore binding for the conduct of all "Addressees".

"Addressees" are all subjects to whom the rules of this Code of Ethics apply, and are identified below:

- Directors and members of Company bodies, general managers as well as any other person in a senior management position, i.e. any person that holds representation, administration or management functions, or who exercises, including de facto, management and control of the company or one of its units or divisions ("Company Representatives");
- all company employees, including therein fixed-term or part-time workers and workers similar to these (the "Employees");



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- all those who, directly or indirectly, permanently or temporarily, establish relations with the Company itself, or, nonetheless, work to pursue its objectives in all countries in which the Company operates (“Collaborators”).

In their relations with the Company, all those who, permanently or temporarily, provide, in any form, goods and/or services to the Company (“Suppliers”) are also required to respect the rules of this Code - as regards the parts applicable to them.

All Addressees are required to know the Code of Ethics, observe its provisions in relations between one another (internal relations), and in relations with third parties (external relations), to actively contribute to its implementation and to report any deficiencies to the competent reference function.

All actions, transactions and negotiations carried out and, in general, the conduct engaged in by Company employees and, more generally speaking, the Addressees, in carrying out their working activities or in the services provided in favour and/or for the Company, are therefore based on the utmost correctness from a management point of view, on the completeness and transparency of information, legitimacy from a formal and substantive viewpoint and the clarity and truthfulness of the accounting records according to the applicable regulations and internal procedures.

More specifically:

- Company Representatives are responsible for giving substance to the values and principles contained in the Code, assuming responsibilities with regards to internal and external relations and reinforcing the trust, cohesion and ethos of the Company;
- in establishing the company strategies and objectives, in proposing the investments and implementing projects, as well as in any other decision or action relating to the management of the Company, the members of the Boards of Directors draw inspiration from the principles contained in the Code;
- Company Employees, already in due observance of the applicable law and regulations, adapt their actions and conduct into line with the principles, objectives and commitments set forth in the Code.

In order to guarantee full compliance with the Code of Ethics, Employees who gain knowledge of situations that could actually or potentially constitute a breach of the Code of Ethics, must promptly report this to their direct Department manager and/or to the Supervisory Body.





1.2 Company commitments

The Company ensures:

- the maximum circulation of the Code within the Company and the effective application by the latter, also through the insertion of the appropriate clauses in the respective contracts which establish the obligation to observe its provisions;
- the updating of the Code in order to adjust it into line with developments in civil society, the company context and the relevant regulations for the Code itself;
- the performance of checks regarding any reports of breaches of the rules of the Code;
- the evaluation of facts and the subsequent implementation, in the event a breach is identified, of adequate penalty measures;
- that no one can be subject to recrimination of any kind for having provided information on potential breaches of the Code or of the reference regulations.

1.3 Value of the Code vis-à-vis third parties

All Addressees, based on their competencies, in relations with external entities, are required to:

- adequately inform them of the commitments and obligations set forth by the Code;
- insist on compliance with the obligations that directly concern their activities;
- adopt the necessary internal initiatives and, if falling within their competence, external initiatives, in the event of non-fulfilment of the third-party obligation of complying with the rules of the Code.



1.4 Reference Bodies for application of the Code

The Company's HR Director is responsible for promoting awareness of the Code within the Company and adopting, in coordination with the Supervisory Body, the necessary penalty measures in the event of violations of the Code regarding the themes set forth in Italian Legislative Decree 231/2001.

1.5 Contractual value of the Code

Compliance with the rules of the Code is considered an essential part of the obligations of Company Employees, also pursuant to and in accordance with art. 2104 of the Italian Civil Code.

Violation of the rules of the Code may constitute non-fulfilment of the primary obligations of the employment relationship or a disciplinary offence, with all legal consequences, also regarding the continuation of the employment relationship, and may involve actions for compensation for the damages caused by said violation.

For non-employee Addressees (e.g. collaborators, suppliers, partners), observance of the Code represents a prerequisite for continuing the commercial, professional or collaborative relationships in place with the Company.

The definition of a system of penalties, applicable in the event of a violation of the provisions of this Code of Ethics, constitutes a necessary condition for ensuring the effective implementation of the Code.

Any action or conduct, also including omissions, engaged in which violates the rules contained in this Code of Ethics, constitutes a major breach, i.e. one that determines the application of the relevant penalties.

Disciplinary penalties must be applied on the basis of the principle of proportionality and progressiveness and, in particular, in identifying the related penalty, account is taken of the objective and subjective elements of the violation committed.

Relevant conduct also assumes greater or lesser gravity in relation to the circumstances in which the breach has been committed and to the following subjective aspects:

- commission of several violations through the performance of the same action;



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- recidivism of the agent subject;
 - level of hierarchical and/or technical responsibility of the subject to which the disputed violation relates;
 - sharing of responsibility with the other subjects involved in the violation of the procedure.

Penalty proceedings are, in any case, entrusted to the competent company function and/or bodies.



2. ETHICAL PRINCIPLES

Forall Confezioni S.p.A. bases the pursuit of its mission on the following ethical principles (hereinafter generally indicated as “Principles”):

- Legality;
- Loyalty and good faith;
- Protection of workplace health and safety;
- Conflict of interests;
- Protection of intellectual property;
- Product sustainability;
- Respect for the environment.

The Principles which form the bedrock of Company activities and the conduct of Addressees are better detailed later in this document.

2.1 Legality

The conduct of the Addressees, in the working and professional activities performed for the Company, is geared towards the most rigorous observance of the applicable laws and regulations, and is based on loyalty, honesty, correctness and transparency.

The Company does not promote, nor has relationships with organisations, associations or movements that pursue, directly or indirectly, objectives that are prohibited by law.

2.2 Loyalty and good faith

The performance of professional activities requires loyalty and conduct based on good faith, in a spirit of mutual respect and collaboration, as well as the fulfilment of the contractual obligations and the services required.

Collaborators cannot make improper use or personal use of the company assets or resources or allow others to do so. The use of work tools is limited to company purposes.

2.3 Protection of workplace health and safety

The Company promotes and guarantees the workplace health and safety of its employees and collaborators in all places in which they are required to perform their working activities.

The Company also undertakes to ensure work conditions that are respectful of individual dignity and safe and healthy work environments, also through the dissemination of a culture of safety and awareness of risks, by promoting responsible conduct on the part of everyone.

From this perspective, each employee must personally contribute to keeping their work environments safe and engage in responsible conduct for the protection of themselves and others.

2.4 Conflict of interests

Addressees must avoid situations and/or activities which may lead to conflicts of interest with those of the Company or which could interfere with their ability to take impartial decisions, for the protection of their best interests.

Merely by way of a non-exhaustive example, a conflict of interests exists in the case of:

- a joint interest (clear or hidden, direct or indirect) of the Addressee in the activities of suppliers, customers, competitors and, nonetheless, with external subjects that are attempting to enter into business with the Company;
- exploitation of one's position for the pursuit of interests not in keeping with those of the Company;
- use of information acquired in performing working activities to one's own benefit or the benefit of third parties and, nonetheless, not in keeping with the Company's interests;
- assumption of corporate offices or performance of working activities, of any kind and also indirectly, at customers, suppliers, competitors and third parties in general not in keeping with the Company's interests;



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- assumption of the roles of mediator, business broker or other intermediary on behalf of third parties in transactions concerning the Company or its interests.

If an Addressee is involved in a situation of conflict, including potential, with the Company's interests, said Addressee must communicate this immediately to his/her superior and refrain from carrying out any activity connected with the situation forming the source of the conflict.

In relations between the Company and third parties, Addressees must act according to the ethical and legal regulations, with the explicit prohibition to engage in illegal favouritism, collusion, corruption or solicitation of personal benefits for themselves or for others.

This is without prejudice to the regulations governing the conflicts of interest of members of corporate bodies pursuant to law.

2.5 Protection of intellectual property

The Company ensures compliance with the internal, EU and international regulations designed to protect industrial and intellectual property.

Addressees promote the correct use, for any purpose and in any way, of brands, images, designs, patterns, other distinctive signs and all creative original works, including data processor programs and databases, to protect the author's financial and moral rights.

The following are prohibited:

- declaring a product origin that is untruthful and different from the actual one;
- selling products whose intrinsic or extrinsic qualities and characteristics are different, including only partially, from the declared or agreed ones;
- reproducing or circulating, in any form and without being entitled to use, any third-party's intellectual work, in the absence of contractual agreements formalised in writing with the relevant holders for economic use or in breach of the terms and conditions set forth in said agreements;
- any conduct aimed, in general, at the forgery, alteration, duplication, reproduction or circulation in any form, without being entitled to use the third party's work.

2.6 Product sustainability

The Company carries out its business activities with the goal of controlling the product quality through specific financial criteria, quality standards and ethical and sustainability criteria.

With a view to procuring raw materials such as hides and similar materials, the Company pays attention to the correct treatment and protection of animals and uses Suppliers and Collaborators that apply the same principles and rejects all activities relating to environmental degradation and the maltreatment of animal species.

It should be noted that the Company focuses special attention on the trading of raw materials deriving from species subject to the Convention on International Trade in Endangered Species of Wild Fauna and Flora, undertaking to market and trace its products in respect of the applicable legislation.

2.7 Respect for the environment

The Company considers the environment to be an asset of the local community, respects the applicable environmental laws and regulations in the countries in which the Company operates and therefore promotes their protection and safeguarding, also through an environmental management system which conforms to the applicable legislation.

The Company encourages and promotes company conduct geared towards reducing the environmental impact, especially through the reduction of energy consumption, limitation of atmospheric emissions, decrease in waste and wastefulness.

To this end, in full compliance with the environmental legislation in force, the Company pays special attention to the following aspects:

- promotion of activities and processes as compatible as possible with the environment, through the use of advanced criteria and technologies regarding environmental protection, energy efficiency and the sustainable use of resources;
- procurement of raw materials and energy sources not deriving from territories or areas protected by national laws or by international conventions and carried out exclusively through Suppliers committed to protecting environmental resources;



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- assessment of the environmental impacts of all company activities and processes;
 - collaboration with Employees and with external entities such as Institutions and Suppliers, in order to optimise the management of environmental issues;
 - pursuit of environment protection standards through the implementation of adequate systems for managing and monitoring its production chain;
 - commitment to reducing emissions and controlling the main atmospheric pollutants and combatting the process of deforestation;
 - management of the waste produced in respect of the applicable legislation, also regarding the authorisations, registrations or communications required by the Public Administration, ensuring the traceability of the process and production chain control;
 - monitoring of the effectiveness of the measures implemented to monitor the correct management of the discharge of industrial wastewater, in particular with reference to discharges containing hazardous substances, in full respect for the provisions of the applicable legislation;
 - adoption of all the necessary measures for reinforcing the protection of human health and the environment from the harmful effects of chemicals.

3. BEHAVIOURAL RULES

3.1 BUSINESS MANAGEMENT

In business relations, the Company conducts itself in keeping with the principles of loyalty, correctness, transparency, efficiency and openness to the market.

In business relations in the interest of the Company or in relations with the Public Administration, Addressees who act in the name or on behalf of the Company are required to engage in ethical conduct which is respectful of the laws, based on the utmost transparency, clarity, correctness and efficiency.

In commercial or promotional relations, the Addressees are also required to ensure conduct which is in line with the Company's corporate policies, which can never translate, although targeted at pursuing the company purposes, into actions which are not in keeping with the law, the applicable legislation or the company procedures adopted with reference to the individual functions.

Correctness in relations with all company stakeholders is therefore a fundamental objective of the company, given it is a mandatory primary requirement of the Code, as well as a suitable condition to promoting, inter alia, customer loyalty and trust, the reliability of suppliers, fashion designers and agents, the constant improvement in relations with the human resources that carry out their activities in the Company, the development of effective dialogue with the local communities and institutions, the management of relations with the Public Administration based on the criteria of transparency and correctness, truthfulness and completeness of the information provided to the press bodies, avoiding and preventing illicit acts and offences from being committed.

For this reason, the behaviour of all Code Addressees vis-à-vis the stakeholders must be consistent with the principles of the Code.

3.1.1 Selection and contractual relations with Suppliers

The selection of Suppliers and the formulation of the goods and services purchase conditions for the Company are based on respect for the values of competition, objectivity, correctness, impartiality, price fairness, quality of the good and/or service, respect for the



ethical principles of protection of health and safety and respect for the environment, by accurately evaluating the support guarantees and the panorama of offers in general.

Purchase processes must be based on the search for the maximum competitive advantage for the Company and on loyalty and impartiality vis-à-vis all Suppliers that meet the necessary requirements. Collaboration is also sought with suppliers to constantly ensure customers' needs are met in terms of quality and delivery times.

The stipulation of a contract with a Supplier must always be based on extremely clear relations, by avoiding, where possible, the assumption of contractual restrictions which involve forms of dependency on the contracting supplier. Each contract must contain the appropriate clause in which the Supplier undertakes to punctually and fully comply with the principles of this Code, under penalty of the Company's right to terminate the contract and launch action to receive compensation for any damages.

In addition, in order to ensure respect for the individual, in choosing Suppliers (especially in countries "at risk", defined as such by recognised organisations), the Company bases its decisions on criteria that guarantee workers respect for their fundamental rights, the principles of equal treatment and non-discrimination, as well as child labour protection and the safety of workplaces. To guarantee respect for these requirements, the Company reserves the right to conduct inspections at suppliers in order to ensure the necessary professionalism and integrity for continuing collaborative relations.

3.1.2 Relations with Customers and protection of competition

Each Addressee, in relations with customers and in compliance with internal procedures, must facilitate maximum customer satisfaction, by providing, inter alia, exhaustive and accurate information on the products and services supplied to them, in order to foster fully-informed choices.

Therefore, the Addressees must:

- respect the laws and regulations that concern the performance of their activities;
- meticulously observe the provisions of this Code of Ethics and the internal procedures relating to the management of customer relations;



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- provide the customer with all information on the contractual terms and conditions, so the customer is fully aware of it at the time of completion of the agreement, and on any changes to the financial conditions and the outcome of any checks requested by the customer;
 - adopt conduct based on openness, respect, courtesy, in line with the Company's standards, characterised by the highest level of professionalism.

3.1.3 Relations with the Supervisory Authorities and the Control Bodies

The Company undertakes to fully and meticulously observe the rules laid down by the Supervisory Authorities and the Control Bodies for compliance with the applicable regulations, as well as base its relations with the aforementioned Bodies on the maximum level of collaboration and in full respect for their institutional role, undertaking to promptly meet their requirements.

3.1.4 Relations with Parties, Trade Union Organisations and Associations

Relations with political parties, trade union organisations and other stakeholder associations are maintained by authorised Company Representatives or persons delegated by the latter, in respect of the regulations of this Code, as well as of the Articles of Association and special laws, with particular regard to the principles of impartiality and independence.

The Company does not provide direct or indirect contributions to political parties, or to their representatives or candidates and refrains from any direct or indirect pressure on political representatives (e.g. through the acceptance of hiring recommendations, consultancy contracts, etc.).

Each Employee must recognise that any form of involvement in political activities must take place on a personal basis, in their spare time, at their own expense and in compliance with the laws in force.

Furthermore, the Company does not provide contributions to organisations with whom a conflict of interests may arise (such as trade unions, consumer protection associations or



environmentalists) given that strictly institutional forms of cooperation are possible provided that the objective is related to the goals of the Company or relates to projects of public interest, the allocation of resources is clear and can be documented and there is an express authorisation from the responsible company functions.

3.1.5 Rules of conduct in relations with the Public Administration

Relations with the Public Administration are based on the utmost transparency and correctness.

In particular, relations with the Public Institutions (Authorities and Bodies), necessary for the development of Company programmes, are reserved exclusively to the dedicated company functions and the personnel responsible for maintaining, on behalf of the Company, relations with the Public Administration, must operate in strict and constant observance of the applicable legislation in Italy or in the country in which the relationship is conducted.

Relations must be based on the utmost transparency, clarity, correctness and as such not to lead to partial, distorted, ambiguous or misleading interpretations by the public institutional subjects with whom relations are maintained in various guises.

In this regard, it is prohibited to promise or pay any sums of money, goods in kind or benefits to Public Administration representatives with the goal of promoting or favouring the Company's interests.

It is prohibited to engage in misleading conduct or behaviour targeted at influencing the independence of judgment of Public Administration representatives, tasked with conducting assessments and inspections.

Gifts or acts of courtesy or hospitality to representatives such as public officials or public service officers are not allowed.

In the same way, executives, employees and all those who act in the name and/or on behalf of the Company cannot receive gifts or favourable treatment.

This regulation, relating to both promised or offered gifts, as well as those received, also applies in those countries where offering high-value gifts is a custom.

3.1.6 Relations with the mass media

Media communication plays an important role in terms of enhancing the Company's image. Therefore, relations between the Company and the mass media are only handled by the appropriately designated company functions and must be maintained in accordance with the communication policy and tools defined by the company bodies, as well as with the laws, the rules and practices of professional conduct.

Information outside the company is based on the criteria of truthfulness and transparency and disclosing any false information is absolutely forbidden.

Company employees cannot provide information to mass media representatives nor commit to providing said information without authorisation from the competent functions.

3.1.7 Gifts, sponsorships and other benefits

In relations with Employees, Collaborators and third parties, also including subjects belonging to the Public Administration, the Code prohibits any direct or indirect personal gifts or donations of cash, favours or benefits of any kind targeted at acquiring personal favourable treatment or in the performance of any activity related to the Company and to promote or favour own or third party interests in order to benefit the Company.

In any case, gifts must be of a modest value and, nonetheless, not be interpreted as targeted at acquiring undue advantages and not as such to compromise the integrity, reputation and independence of judgment of the Addressee.



3.2 PROTECTION OF COMPUTER ASSETS AND COMPANY IT

All Addressees are responsible for the protection and proper use of the Company's tangible and intangible assets including therein confidential information and the IT and network resources, and have a duty to promptly inform the responsible departments of any threats or harmful events for the Company.

In particular, all addressees must:

- work diligently to protect company assets, through responsible behaviour and in line with the operating procedures prepared to regulate the use of said assets;
- avoid any improper use of company assets for purposes not in keeping with the mandatory legal provisions, public order or public decency, as well as to commit or encourage the commission of offences and/or nonetheless racial intolerance, glorification of violence and the violation of human rights;
- obtain the necessary authorisations for any use of an asset outside the company domain.

The use of company assets for any purpose outside of company activities, may cause serious damages (economic, image, competitiveness etc.) to the Company, aggravated by the fact that any improper use may involve potential criminal and administrative sanctions for the Company for any offences and the need to initiate disciplinary proceedings against the addressees.

In particular, the Company's technological infrastructure must be used in full observance of the applicable laws and the internal company directives.

Therefore, prohibited and altogether unrelated to the Company is any incorrect use of computer tools which may give rise to the engagement in conduct involving the unlawful access to a computer or computerised system of third parties, the interception, obstruction or unlawful interruption of computer or computerised communications, damage to private information, data and computer programs or also used by the State or by another public authority or, nonetheless, in the public interest and the damage of computer or computerised systems, both private and public.

In addition, the Code absolutely prohibits the unlawful possession and circulation of access codes to computer or computerised systems, the circulation of equipment, devices or computer programs targeted at damaging or interrupting a computer or computerised



system, as well as the installation of equipment aimed at intercepting, obstructing or interrupting computer or computerised communications.

3.2.1 Traceability and integrity of documentation

Each Addressee must store, in observance of the company procedures, adequate documentation on all transactions carried out, in order to be able to verify, at any moment, the reasons and characteristics of the transaction during the phases of authorisation, performance, registration and verification of the transaction itself.

All financial, accounting and sales reports, attendance sheets and any other document relating to the activities and organisation of the Company must accurately and clearly reflect the relevant events and the true nature of each transaction.

All documents, in any form and with any incorrect, incomplete or untrue contents are not in keeping with the company policy and will therefore be considered unacceptable.

3.2.2 Travel and entertainment

Travel and the incurring of entertainment costs must relate to work requirements. The Company intends to ensure that Employees and, more generally speaking Addressees, do not obtain unjustified or unlawful advantages or incur damages or a financial loss due to travel or business representation. Therefore, they are required to use and handle the Company's funds with the same care and caution with which they would spend their own, especially regarding spending using the company credit card.

Only expenses incurred below the maximum spending limits when duly authorised according to the necessary approval flows will be reimbursed. All expenses incurred must be duly documented, or will not be reimbursed.

As regards the types of reimbursable expenses, the associated maximum reimbursement limits and the payment methods, reference must be made to the guidelines described in the dedicated company procedure.



3.2.3 Confidential information

Confidential Company documents and information (including therein projects, proposals, strategies, negotiations, understandings, commitments, agreements, contracts in the process of being finalised, products still not introduced to the market, results of research, financial projections and customer lists) can only be disseminated or communicated externally in observance of company procedures.

Confidential information obtained as Addressee cannot be used for the personal advantage of Employees or Addressees or other subjects associated or related to them.

The use of said information for personal purposes includes obtaining benefits from it:

- by operating or providing information to others in order to operate on the Stock Market in company shares or
- acquiring any interests.

3.2.4 Personal data protection

In carrying out its activities, in order to ensure the protection of personal data, the Company undertakes to process said data in observance of the reference regulations and, in particular, in compliance with the criteria of transparency vis-à-vis the subjects to whom the data refer, lawfulness and accuracy of the processing, pertinence of the processing to the stated objectives pursued and guarantee of security of the data processed.

“Personal data” comprises any information relating to natural persons or legal entities, institution or association, identified or identifiable, including indirectly, through reference to any other information, including therein a personal identification number.



3.3 CORPORATE INFORMATION

All actions, operations or transactions must be correctly registered in the company accounting system according to the criteria indicated by law and the applicable accounting standards, and must also be duly authorised and verifiable.

To ensure the accounting system meets the requirements of accuracy, completeness and transparency of the data registered, for all operations, adequate and complete supporting documentation must be stored, in order to allow:

- the immediate identification of the characteristics and underlying reasons for the operation;
- easy formal and chronological reconstruction of the operation;
- verification of the decision-making, authorisation and implementation process, consistent with the necessary authorisation procedure.

All employees operate, for matters within their competence, to ensure that all facts relating to Company management are correctly and promptly registered in the accounting system. Each accounting registration must precisely reflect the results of the supporting documentation; therefore the personnel in charge will be responsible for ensuring that the documentation can be easily retrieved and is ordered according to logical criteria.

The circulation of information within the Company, for the purposes of the drafting of the financial statements and in order to ensure a true and fair view of the Company's economic, equity and financial position, must take place in compliance with the principles of truthfulness, completeness and transparency, in observance of the Company's autonomy and specific areas of activity.



3.4 PERSONNEL MANAGEMENT POLICIES

3.4.1 HR management

The Company guarantees the physical and moral integrity of its collaborators, work conditions that are respectful of individual dignity and safe and healthy work environments: all Forall Confezioni S.p.A. personnel painstakingly respect the laws governing the protection of workplace health and safety, human rights and also undertake to ensure they are respected.

The Company offers all employees the same opportunities for professional growth, ensuring that they are all treated equally based on criteria of merit, with no discrimination whatsoever. The competent functions must:

- adopt criteria of merit, competence, assessment of individual skills and potential, nonetheless strictly professional for any decision relating to an employee;
- select, hire, train, pay and manage employees without any discrimination whatsoever;
- monitor the work environment so that personal traits cannot give rise to discrimination.

Each Addressee must actively collaborate to maintaining a climate of mutual respect for dignity and the reputation of each one.

Therefore, the Company combats all conduct or attitudes that are discriminatory or harmful to individuals, their beliefs and their preferences.

Any violation of the provisions of this article must be immediately communicated to the HR Department.



3.4.2 Health and safety

The Company undertakes to disseminate and consolidate a culture of safety, by developing the awareness of risks, promoting responsible conduct on the part of all employees and collaborators and working to safeguard, especially with preventive actions, employee health and safety.

Company activities must be carried out in full compliance with applicable legislation governing prevention and protection; operations management must make reference to the advanced criteria of environmental protection and energy efficiency, by pursuing improvements in workplace health and safety conditions. The Company also undertakes to ensure the protection of working conditions by safeguarding workers' physical and mental well-being, in respect of their moral character, preventing the latter from being subject to unlawful influences or undue disadvantages.

In particular, the fundamental principles and criteria on the basis of which all types and level of decisions are taken, regarding workplace health and safety, can be identified as follows:

- carrying out safe activities, in order to protect the health of Employees and of the local communities that live around its facilities;
- avoiding risks;
- assessing unavoidable risks;
- monitoring risks at source;
- adjusting the work to the person, especially as regards the design of workplaces, choice of equipment, of work and production methods, also in order to mitigate monotonous, repetitive work and to reduce its effects on health;
- planning prevention, targeting a consistent complex that integrates therein technical aspects, work organisation, work conditions, social relations and the influence of work environment factors;
- replacing hazardous elements with non-hazardous and less hazardous elements;
- guaranteeing training and information to all those who carry out their working activities for Forall Confezioni SpA on the risks to which they are exposed, ensuring the



means and the personal protective equipment deemed necessary with respect to the risk profile identified;

- constantly monitoring the efficiency of the system for the monitoring of risks connected with safety, in pursuit of the objectives of continuous improvement in said delicate sector.

These principles form the basis of the measures adopted for the purposes of protecting workers' health and safety, including professional risk prevention, information and training activities, as well as the preparation of the necessary organisation and equipment.

3.4.3 Sexual harassment

The Company does not tolerate sexual harassment, meaning: making salary or career prospects conditional on the acceptance of sexual favours; proposed private interpersonal relationships which have the ability, in relation to the unique characteristics of the situation, to affect the addressee's peace of mind.

3.4.4 Alcohol or drug abuse

The following will be considered illicit behaviour: performing a service under the influence of alcohol, drugs or substances with a similar effect, as well as consuming or selling narcotic substances in any form during the course of working activity.

3.5 TRANSPARENCY OF ACCOUNTING INFORMATION AND INTERNAL CONTROLS

3.5.1 Preparation of accounting disclosures

The drafting of the financial statements and any other type of accounting documentation respects the applicable laws and regulations, adopts the generally accepted practices and accounting standards and is based on the principle of transparency of relations with



stakeholders, faithfully representing the management events according to the criteria of clarity, truthfulness and correctness in respect of the internal procedures.

Each company function is responsible for observing the company procedures, the authenticity and truthfulness of the documentation and information provided in carrying out their activities and in collaborating so that the management events are promptly reflected in the financial statements, in the reports and other company communications set forth by law, aimed at shareholders/the public and the independent auditors.

The supporting documentation must be easily retrievable and archived according to the appropriate criteria which allow it to be easily consulted, also by internal and external bodies authorised to perform controls.

The external communication of information concerning the Company must be carried out exclusively by the responsible functions and in compliance with the applicable company procedures targeted at ensuring its truthfulness and the correct dissemination.

3.5.2 Internal control system

The Company considers the circulation to all levels of its organisation of awareness of the importance of an efficient internal control system to be a fundamental element of the company culture, understood as a process targeted at facilitating the achievement of the company objectives, protecting resources, preventing company risks, ensuring compliance with the applicable laws and regulations and preparing reliable, truthful and accurate economic-financial data and financial statements.

In particular, the Company believes that the internal control system must promote the achievement of the company objectives and, therefore, must be geared towards improving the effectiveness and efficiency of the production and management processes.

All Addressees, as part of the functions performed, are responsible for the correct operation of the control system.



3.5.3 Prevention of money laundering and self-laundering

The Addressees, as part of the different relationships established with the Company, must not, in any way or under any circumstance, be implicated in events connected with money laundering stemming from criminal activities or receiving stolen goods or other unlawfully gained benefits.

The Company condemns and punishes any action or deed carried out by Addressees in activities which entail the receipt of stolen goods, money laundering and use of proceeds, goods or benefits from criminal activities in any form or manner. To this end, the directors, Employees and Collaborators of the Company must verify in advance the information available on Suppliers, Contractors, Consultants and the main customers, in order to verify their integrity from an ethical viewpoint and satisfaction of the technical-professional requirements, as well as the legitimacy of their activities, before establishing business relations with them, taking care not to engage in or continue commercial relations with counterparties that are even only suspected of belonging to criminal organisations or to have committed money laundering offences.

The Company must always comply with the applicable legislation on anti-money laundering (understood as any act aimed at impeding the laundering of money from illegal activities) and the fight against organised crime, both national and international, also ensuring that the transactions they are involved in do not present, including only potentially, a risk of promoting the receipt, the replacement or use of cash/goods from criminal activities.

The directors, Employees and Collaborators are required to rigorously observe the laws, both national and international, the regulations, company policies and procedures regarding any economic transaction that involves them, ensuring the full traceability of the cash inflows and outflows and full compliance of these transactions with the aforementioned laws governing anti-money laundering, as well as the procedures on the use of cash and petty cash.

The Company condemns and also punishes any action or deed carried out by the Addressees in activities that involve self-laundering, or the use, replacement, transfer, in economic, financial or speculative activities, of money, goods or other benefits as a result of the commission of or involvement in a crime committed with intent.



4. ADOPTION OF AND AMENDMENTS TO THE CODE OF ETHICS

This Code of Ethics is adopted by means of a resolution of Forall Confezioni S.p.A.'s Board of Directors on _____ effective immediately from said date.

Any updates, amendments or revisions of this Code of Ethics must be approved by Forall Confezioni S.p.A.'s Board of Directors.