



# **Gruppo Manifatture Italiane**

## **GROUP CODE OF ETHICS**

Approved by the Board of Directors

on 28/05/2021

**DOCUMENT CHECK SHEET**

**IDENTIFICATION**

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## **1. INTRODUCTION AND SCOPE**

This Code of Ethics represents the corporate deontology tool aimed at formalising the ethical principles and general rules that, like legal, regulatory and contractual ones, characterise the organisation and activities of Gruppo Manifatture Italiane S.p.A. (hereinafter also only "GMI") and of the companies subject to its management and co-ordination (hereinafter also only "GMI Group" or "Group").

The Code of Ethics is therefore the set of fundamental guidelines that should inspire the GMI Group's activities and guide the conduct of employees, including managers, associates (consultants, *partners* and third parties in general who have contractual relationships with the Group), members of administrative and management bodies and control bodies (hereinafter referred to as "Recipients") for the proper functioning, reliability and integrity of the companies belonging to the GMI Group.

The GMI Group will monitor effective compliance with the Code, providing appropriate information, prevention and control tools and guaranteeing the transparency of the conduct implemented, intervening, where necessary, to restrain any actions not in line with the principles of the Code.

Furthermore, the Code of Ethics is an element of the Organisation, Management and Control Model pursuant to Legislative Decree no. 231/01, adopted by GMI and the other companies in the Group.

## **2. GMI GROUP**

The GMI Group is a flagship of excellence in the production of luxury footwear in Italy. The heart of the GMI Group's activities is in Tuscany, a region with a long history of excellence in the manufacture of luxury footwear. Being established in this area gives access to key expertise in terms of human resources and strategic suppliers.

The Group's aim is to design and produce the highest quality footwear for its customers, made with Italian craftsmanship in compliance with the highest standards of sustainability in the supply chain, enhancing the know-how of its craftsmen and people combined with the most advanced production technologies.

For the purposes of pursuing the interests of the group, GMI's conduct is based on compliance with the principles of proper corporate and entrepreneurial management of the companies subject to its management and co-ordination.

The GMI Group's management seeks to strike a fair balance between all the interests involved. The individual operations carried out by the directors must, therefore, be appreciated and assessed ex-ante by each company in the GMI Group, also taking into account the advantage (actual or justifiably potential) to it arising from the pursuit of group policy and, in the broader context, of the economic, capital and financial expectations derived directly or indirectly from the economic, capital and financial strategies of the entire GMI Group.

GMI has the power to issue directives and exercise co-ordinating functions in relation to Group companies, but each company's administrative and management bodies remain solely responsible for fulfilling the prerogatives typical of such bodies, with regard to the adequacy of the company's organisational, administrative and accounting structure, strategic, industrial and financial plans and general management performance.

GMI Group companies are therefore invited to adapt the directives received from the parent company to their particular organisational and operational requirements and to the local regulatory context. They are also encouraged to seek GMI's support and to request any necessary or useful information in order to be able to make complete and adequate evaluations in relation to the transactions undertaken.

GMI is required to provide each Group company with all necessary or appropriate information to allow the organisation to analytically justify the taking of decisions and/or the approval of operations that are even only apparently uneconomic for the company itself, through a precise indication of the reasons and interests being assessed for the purposes of the decision.

This is without prejudice to the right of the administrative and management bodies of the Group companies to take decisions that deviate from the guidelines provided by GMI, giving adequate reasons for the deviation.

In addition, the exchange of intra-group information is guaranteed, which allows the identification and traceability of sources, information and controls carried out in relation to the formation and implementation of decisions by Group companies, as well as the management of financial resources. Each Group company must then ensure the correct recording of accounting and corporate data and information by means of computerised systems and/or paper support.

### **3. REFERENCE VALUES**

#### **Compliance with laws and regulations**

The GMI Group considers compliance with all applicable laws and regulations in force to be an essential principle and asks the Recipients of this Code to comply with this requirement and to behave in a manner that does not undermine its moral and professional reliability.

The GMI Group recognises the importance and value of the principles of democratic order and free political determination that underpin the State, hindering any behaviour that may constitute or be linked to activities of terrorism or subversion of the democratic order of the State or that may constitute or be linked to transnational crimes relating to criminal association, including mafia-type crimes or the facilitation of personal gain.

The GMI Group is firmly opposed to any conduct involving the use, substitution and transfer of money, goods or other utilities originating from the commission of a crime and prohibits its employees, members of corporate bodies, all associates and for that matter all Recipients, from committing or participating in the commission of acts related to money laundering, self-laundering, receiving and using money, goods and other utilities of illegal origin.

#### **Respect for the individual**

The GMI Group recognises as a primary value the protection of personal safety, freedom and individual personality.

Therefore, in carrying out its activities, GMI and the other companies in the Group reject any behaviour that could lead or contribute to harming individual safety or exploiting people.

#### **Honesty and propriety**

The GMI Group operates in accordance with professional ethics and internal regulations. The pursuit of the Group's interest can never justify conduct contrary to the principles of honesty and propriety; also for this reason, any form of benefit or gift, received or offered, which may be intended as a means of influencing the independent judgement and conduct of the parties involved is prohibited.

Gifts and other entertainment expenses are allowed, provided they are within limits that do not compromise the integrity and ethical-professional correctness of the parties and provided they can always be considered customary in relation to the occasion and of modest value.

#### **Impartiality, equality and absence of discrimination**

The GMI Group, in full compliance with the principle of good faith, operates impartially in the exercise of its activities and also adopts a structure and organisation that guarantees the principle of independent judgement and the absence of any commercial or financial interest that could lead to biased behaviour, favourable treatment or inequality.

In its relations with all counterparts, the Group avoids any discrimination based on the age, racial and ethnic origin, nationality, political and trade union beliefs, religious beliefs, gender, sexuality or state of health of its stakeholders.

Any act of propaganda, instigation and incitement of discrimination or violence on racial, ethnic, national or religious grounds, which, committed in such a way as to give rise to a real danger of dissemination, is based in whole or in part on the denial, gross trivialisation or condoning of the Holocaust or crimes of genocide, crimes against humanity and war crimes as respectively defined by the Statute of the International Criminal Court, ratified by Law No. 232 of 12 July 1999, is prohibited.

## **Conflicts of interest**

In carrying out its activities, the Group shall avoid any real or even potential conflict of interest. Recipients of the Code of Ethics must avoid situations in which conflicts of interest may arise between their personal economic activities and their duties within the Group, refraining from taking advantage of their position and always acting impartially and in the best interests of the GMI Group.

## **Environmental protection**

The Group is aware of the impact of its activities on the economic and social development and quality of life of the territory in which it operates. For this reason, in carrying out its activities, GMI and the other companies belonging to the Group are committed to strict compliance with all environmental legislation and regulations applicable to its sector, safeguarding the surrounding environment and contributing to the sustainable development of the territory.

With this in mind, when promoting, designing or entrusting third parties with construction or maintenance work on its own premises, with the management of activities that generate environmental impacts or with the disposal of the waste produced, the GMI Group ensures the prior technical-professional qualification of the suppliers used, as well as the provision of specific contractual clauses requiring them to comply with all applicable environmental regulations, the procedures laid down and the ethical principles defined by the GMI Group.

The GMI Group guarantees, in all instances, the identification and creation of appropriate roles and functions that ensure the technical skills and powers necessary for the verification, assessment, management and control of environmental risk.

## **Diligence and good faith**

Each employee and associate must act loyally and in good faith, basing their activities on the principles of propriety and integrity and complying with their contractual obligations.

They must also be familiar and comply with the content of this Code of Ethics and their conduct must be based on respect, co-operation and mutual collaboration with all stakeholders.

## **Competition and free competition**

The GMI Group recognises the fundamental importance of a competitive market and, in compliance with national and EU regulations on antitrust and with the guidelines and directives of the Italian Antitrust Authority, it does not behave or sign agreements with other companies that could negatively affect competition between the various operators in its market.

In particular, the GMI Group and its Recipients avoid practices (creation of cartels, market sharing, limitations to production or sales, conditional agreements, etc.) that may represent a violation of competition laws and, additionally, avoid engaging in other conduct that may lead to a distortion of competition in the acquisition of goods and services, for example through the bribing of private contractual counterparties.

All Recipients shall also refrain from putting undue pressure, threats, acts of violence, artifices, fraudulent means or any other conduct that may prevent or disturb, in any way, the performance of the commercial and entrepreneurial activities of others or the free exercise of competition on the market.

## Protection of copyright and industrial property rights

In carrying out its activities, the GMI Group avoids any situation of conflict, violation of copyrights or industrial property rights belonging to third parties, condemning all possible forms of counterfeiting or misuse of tools and marks of authentication, certification or recognition, trademarks, logos, patents, designs or models, and calling on all those who work on behalf of the GMI Group to comply with all existing regulations to protect them.

GMI and the other companies belonging to the Group also condemn the reproduction of software, photos, images, music or audiovisual material or other works protected by the copyright of others, other than those authorised by prior licence agreements.

## 4. CORPORATE GOVERNANCE

The *governance* system is oriented towards guaranteeing responsible management of the business and transparency towards third parties, employees(including managers), associates,partners and all stakeholders in general, with a view to pursuing the company's objectives.

The members of the corporate bodies must conduct their activities in accordance with the principles of propriety and integrity, refraining from acting in situations of conflict of interest within the scope of their activity in the company. The members of the corporate bodies are also required to comply with the guidelines that the GMI Group provides in the relations they maintain, on its behalf, with public institutions and with any private entity. They are obliged to make confidential use of the information they obtain in the course of their duties and may not use their position to obtain direct or indirect personal advantage. Members of corporate bodies are also required to comply with all applicable regulations and the principles contained in this Code of Ethics.

GMI and the other companies in the Group adopt a system of delegation of powers and functions, based on their activities and organisational complexity, which explicitly and specifically provides for tasks to be assigned to persons with the appropriate skills, expertise and organisational role.

In compliance with current regulations and with a view to planning and managing activities aimed at efficiency, propriety and transparency, the GMI Group adopts organisational and management measures suitable for preventing unlawful conduct or conduct that is in any way contrary to the rules of this Code.

## 5. ORGANISATIONAL PRINCIPLES

The products and production activities carried out by the GMI Group companies meet the requirements of the company's organisational system, as prescribed by the relevant *standards*.

In addition to the monitoring system for the entire production and logistics process, the focus is on ensuring that business decisions and controls are carried out in accordance with the principles of:

- **Traceability:** it must be possible to track the creation of records and information/documentary sources used to support the activity carried out, in order to guarantee the transparency of the choices made. GMI and the other companies belonging to the Group must ensure that all operations and transactions are verifiable, documentable, consistent and fair. To this end, the traceability of the activity must be ensured through adequate documentary support on which audits can be carried out at any time. Thus, for each transaction it should be easy to identify who authorised the transaction, who physically carried it out and who checked it;
- **Separation of duties:** there must be no subjective identity between those who take or implement decisions, those who must give accounting evidence of the operations agreed upon and those who are required to carry out the audits provided for by law and by the procedures laid down in the internal control system;
- **Signatory and authorisation powers:** there must be formalised rules for the exercise of internal signatory and authorisation powers.

Furthermore, it is necessary that:

- no one is given unlimited powers;
- powers and responsibilities are clearly defined and known within the organisation;

- the powers of authorisation and signature are consistent with the organisational responsibilities assigned;
- **Archiving/retention of documents:** documents relating to the activity must be archived and stored by the responsible department in such a way that they cannot be altered at a later date, except with appropriate evidence;
- **Confidentiality:** access to documents already archived, as referred to in the previous point, must be justified and allowed only to those legally and internally authorised;
- **Reportingsystem:** the persons called upon to carry out the various activities are accountable for their actions;
- **Monitoring:** there must be monitoring of the activity carried out, which in turn must be properly documented and tracked.

### 5.1 *Conducting business operations and transactions*

Every operation and/or transaction, in the broadest sense of the term, must be legitimate, authorised, consistent, congruent, documented, recorded and at all times verifiable.

Associates are required to comply with the operating procedures and protocols provided for the forming and implementation of decisions.

The procedures governing transactions must make it possible to carry out audits on the transaction's details, the reasons why it was carried out, the authorisations to carry it out and its execution.

Any person carrying out operations and/or transactions involving sums of money, goods or other economically valuable utilities, belonging to the Group, shall act upon specific authorisation and provide valid evidence for its verification at any time.

Each associate is responsible for the truthfulness, authenticity and originality of the documentation and information provided in the performance of their duties.

### 5.2 *Administrative controls and documentation*

Each GMI Group company has a particular duty to record and keep administrative, economic and financial information in its archives.

Those entrusted with the task of keeping accounting records are obliged to make all entries accurately, completely, truthfully and transparently and to allow any verification by persons, including external persons, appointed for this purpose.

Recording and *reporting* criteria must be consistent with each other in order to provide a consistent basis for assessing, managing and reporting on the operations carried out by the company.

GMI, for itself and for the other Group companies, has defined the following specific obligations that should be used as a reference for compliance with these principles:

- complying, in the performance of the tasks assigned, with the provisions of the law and the established accounting, reporting and control procedures and guidelines;
- being accurate, timely and thorough in the drafting and storage of documents. The latter should be completed by indicating all data and/or information that may have an influence on the decision-making process;
- before signing a document, ensuring that the information it contains is true, correct, complete and in accordance with the relevant laws;
- before engaging the company in any business transaction or reporting administrative and financial information, ensuring that all necessary authorisations are obtained and properly documented;
- keeping all documents secure, including information available to the Group in electronic form;
- facilitating access to the documentation under their responsibility and providing accurate and comprehensive information to the control bodies and any other authorised person.

### **5.3 Procurement of goods and services**

The selection of suppliers and the formulation of conditions for the purchase of goods and services for the GMI Group is based on values and parameters of competition, objectivity, propriety, integrity, ethics, respectability and reputation, impartiality, fairness of price and quality of the goods and/or services, carefully assessing the guarantees of assistance and the panorama of offers in general. In particular, the fulfilment of these requirements will be verified prior to the establishment of the contractual relationship with suppliers and, subsequently, during the course of the contractual relationship.

Purchasing processes must be based on the search for the greatest competitive advantage for the GMI Group and on fairness and impartiality towards any supplier meeting the necessary requirements, as well as on compliance with the laws and regulations in force.

Those who make any purchase of goods and/or services, including external consultancies and partnerships, must always act in compliance with the above principles, operating with due diligence and refraining from receiving, concealing or replacing money, goods or other benefits of unlawful origin.

Moreover, the GMI Group strongly condemns the purchase of goods resulting from any crime and puts in place specific controls and checks to prevent this.

## **6. RELATIONSHIPS WITH STAFF**

### **6.1 Introduction**

The GMI Group recognises the value of human resources, respecting their autonomy and the importance of their participation in company activities.

The management of employee relations is oriented towards fostering the professional growth and skills of each employee, including through the use of incentive tools.

The GMI Group opposes any behaviour or attitude that is discriminatory or harmful to individuals, their beliefs and preferences. The GMI Group also considers any kind of harassment or unwanted behaviour, such as that related to race, gender or other personal characteristics with the purpose and effect of violating the dignity of the person to whom such harassment or behaviour is directed, whether inside or outside the workplace, to be totally unacceptable and therefore prohibited.

### **6.2 Protection of the individual**

The GMI Group is committed to ensuring compliance with the conditions necessary for the existence of a collaborative and non-hostile working environment and to preventing discriminatory behaviour of any kind. Everyone's cooperation is required in order to maintain a climate of mutual respect for the dignity, honour and reputation of each individual.

The GMI Group is also committed to guaranteeing the protection of working conditions in order to safeguard the psycho-physical integrity of workers, respecting their moral character and preventing them from being subjected to unlawful conditions or undue hardship.

### **6.3 Staff selection and recruitment**

Without prejudice to the obligations arising from the provisions in force, the selection of staff is subject to verification that the candidates fully match the professional roles required by the company, while respecting equal opportunities for those concerned.

Within the limits of available information, the GMI Group adopts appropriate measures to avoid favouritism, nepotism or forms of patronage in the selection and recruitment phases.

Staff are hired on the basis of regular employment contracts based on the provisions of the applicable National Collective Labour Agreements (CCNL in Italy) and in full compliance with regulations on working time, rest periods and holidays. Any form of employment relationship that does not comply with or otherwise circumvents the applicable regulations is not permitted. In this sense, the GMI Group strongly condemns the exploitation, recruitment or employment of labour through any form of illegal intermediary activity - including that which falls under the Article 603 bis of the Italian Criminal Code (known as

'caporalato') - and which leads to the exploitation of the worker and takes advantage of their state of need. To this end, GMI has also implemented specific checks and controls to ensure that the companies it selects as its service providers do not employ workers recruited in this way.

#### **6.4 *Employment of undocumented workers***

The GMI Group also considers it a mandatory principle to employ only personnel who are fully compliant with current immigration regulations. In view of this, all Recipients of this Code must adopt the following practices:

- not employing personnel who are not in compliance with the provisions in force concerning residence permits and/or who cannot present a valid residence permit;
- in accordance with the provisions and regulations adopted by the company, requiring all suppliers who provide services or operations to use only staff who are in compliance with the provisions in force on residence permits and/or who can produce a valid residence permit.

Under no circumstances may measures be taken to illegally obtain the entry of foreigners into the territory of the State and/or to facilitate their stay there in violation of Legislative Decree no. 286/1998.

#### **6.5 *Staff duties***

All staff shall comply with the obligations laid down in the Code of Ethics and shall, in the performance of their duties, comply with the law and base their conduct on the ethical principles of diligence, good faith, integrity, propriety, loyalty and all other principles laid down in this Code.

All Recipients shall endeavour to maintain a decent working environment where the dignity of each individual is respected.

In particular, the staff of GMI and other companies belonging to the Group:

- must not work under the influence of alcohol or drugs;
- must be sensitive to the needs of those who may experience physical discomfort from the effects of 'passive smoking' in the workplace;
- must avoid behaviour that could create an intimidating or offensive attitude towards colleagues or subordinates in order to marginalise or discredit them in the working environment.

#### **6.6 *Competition and negative publicity***

It is prohibited for Recipients to maintain relations with or provide confidential and reserved information to third parties that may cause damage and harm to the GMI Group.

Employees of GMI and the other companies in the Group may not provide consultancy, surveys or assistance to operators in the sector, not even free of charge, unless expressly authorised to do so by the company in question, which in all instances reserves the right to assess the possible incompatibility of the assignment, in accordance with the provisions of the law and internal regulations.

#### **6.7 *Gifts, compensation and other benefits***

Employees may not request, for themselves or for others, gifts or other benefits, nor accept them, except in the case of gifts of modest value or in accordance with normal business practice and courtesy, from anyone who has benefited or who may benefit from the company's activities.

Employees may also not offer gifts or other benefits to any person from whom they may obtain favourable treatment in the conduct of any activity related to that of the GMI Group.

## **6.8 Confidentiality and data protection**

In accordance with legal provisions, the GMI Group guarantees the confidentiality of the information in its possession. Recipients are forbidden to use secret and/or confidential information for purposes unrelated to the performance of their activities or duties in the GMI Group, including in terms of the provisions of the Industrial Property Code, before it has been formalised, authorised or communicated to interested parties.

Furthermore, the GMI Group guarantees a high level of security in the selection and use of its own *information technology* systems that handle secret and/or confidential information, adopting the necessary security measures imposed by the laws currently in force to protect such information.

Among the categories of information and data subject to confidentiality obligations and which are prohibited from being communicated and disclosed to third parties are, by way of example and without limitation: company performance and productivity parameters; company agreements; agreements and contracts with suppliers and third parties; economic transactions; company documents of a strictly confidential nature; information covered by professional secrecy; *know-how* relating to the product and its industrialisation process; legal and administrative procedures involving companies belonging to the GMI Group; information concerning the performance of institutional activities and the disbursement of contributions; customer lists, price lists and bills of materials; information concerning the internal organisation and management of tangible and intangible assets of the GMI Group.

## **6.9 Protection of personal data and handling of reports containing such data**

The GMI Group protects the privacy of its employees, in accordance with current legislation, and undertakes not to communicate or disseminate any personal data without the prior consent of the person concerned, except where required by law. To this end, all employees, including managers, members of corporate bodies and all other associates, are obliged to treat the data and information acquired and processed in the context of their working relationship or collaboration with the GMI Group as strictly confidential. Such data and information must therefore remain appropriately protected and may not be used for purposes unrelated to the exercise of their professional activity. It is forbidden to communicate or divulge the same, either within or outside the Group, except in compliance with current legislation and corporate procedures.

The categories of information and data subject to the above obligations and prohibitions include, by way of example but not limited to: data relating to employees, suppliers, associates and, in general, all data defined as personal by national and international legislation on the protection of privacy, particularly those that the law itself defines as sensitive or belonging to special categories.

The acquisition, processing and storage of the above-mentioned data are carried out according to specific procedures aimed at ensuring full compliance with the rules on privacy protection, thereby preventing unauthorised persons from gaining knowledge thereof. In this regard, the Company guarantees compliance with Legislative Decree no. 196/2003 and subsequent amendments and also complies with the provisions on the processing of personal data introduced by European Regulation 2016/679.

Employees and collaborators of GMI and other Group companies are therefore required to:

- collect the data for specified, explicit and legitimate purposes and not process them in any manner incompatible with those purposes;
- record data accurately and update as necessary;
- verify that the data are relevant and complete and that they do not exceed the purposes for which they were collected or subsequently processed;
- keep the data in a form which permits identification of the data subject and only for a period of time not exceeding that necessary for the purposes for which the data were collected or subsequently processed (known as *data retention*);

- inform the data subject of the purposes and methods of data processing and of the compulsory or optional nature of providing the data;
- keep and control the data carefully to avoid the risk of their destruction or loss, even accidentally;
- consult only those documents and files, i.e. files or folders in digital format, to which they have authorised access and use them in accordance with their official duties;
- prevent unauthorised access to the data and any unlawful processing or processing not in accordance with the purposes of their collection;
- destroy the data when the reasons for their storage and use cease to exist or if the authorisation to process them is withdrawn.

#### **6.10 Use of IT or telematic systems**

Maintaining a good level of IT security is essential to protect information the Group uses on a daily basis and is vital for the effective development of the Group's business policies and strategies. The use of IT or telematic tools and services supplied by GMI Group companies must be carried out in full compliance with the relevant regulations in force (particularly with regard to computer crimes, IT security, privacy and copyright) and internal procedures.

With regard to the use of IT systems, each employee is responsible for the security of the systems they use and is subject to the applicable legal provisions, the conditions of licence agreements and any internal regulations concerning the use of company equipment. Except as prescribed by civil and criminal law, the misuse of company assets and resources includes the use of network connections for purposes other than those inherent to the business relationship or for sending offensive messages or messages that may damage the company's image.

Employees and associates of GMI Group companies undertake not to use the property or IT equipment placed at their disposal for work purposes for private interests or purposes.

##### **6.11.1 Use of personal computers, mobile communication systems and other equipment**

In order to avoid the serious danger of infiltration and impairment of computer applications, all employees (including executives) of GMI and other Group companies:

- may not install software of any kind that is not expressly authorised by the GMI Group;
- may not use software that is not officially distributed by the GMI Group;
- may not use *software* and/or *hardware* tools designed to intercept, falsify, alter or suppress the content of computer communications and/or documents;
- may not change the configurations set on their own PCs or install their own means of communication (e.g. modems) on their own PCs or other company computer equipment;
- may not download files on magnetic/optical media that are not relevant to their work;
- may not use software and/or hardware tools designed to intercept, falsify, alter or suppress the content of communications and/or computer documents.

##### **6.11.2 Use of company network drives**

Network drives are areas for sharing exclusively professional information and may in no way be used for other purposes. The GMI Group reserves the right to remove any file or application that it deems to be dangerous to the security of the system or that has been acquired or installed in violation of this Code.

##### **6.11.3 Use of the Internet and related navigation services**

Employees of GMI and other Group companies:

- may not visit sites that are not relevant to the performance of their duties;

- may not download free *software* (*freeware* and *shareware*) from Internet sites, unless expressly authorised by the Group;
- may not register on any site whose content is not work-related;
- may not participate for non-professional reasons in forums, use *chat lines*, electronic noticeboards or register in guest books even using pseudonyms (or *nicknames*);
- may not store computer documents of an insulting and/or discriminatory nature on grounds of sex, language, religion, race, ethnic origin, opinion or trade union and/or political affiliation;
- are strictly forbidden to connect to or otherwise access any site whose contents could constitute an offence against the person.

#### **6.11.4 Email**

While pointing out that email is a work tool, it is useful to point out to all employees (including managers) and associates who use the company's information systems that:

- Sending or storing messages (internal or external) that are offensive to common decency and/or discriminatory on the grounds of sex, language, religion, race, ethnic origin, opinion and trade union and/or political affiliation is prohibited;
- use of the company email address for participation in debates or forums is not permitted;
- emails may not be used for reasons unrelated to the performance of assigned duties.

#### **6.11.5 Mobile phones**

GMI and other Group companies' telephone communications equipment, whether fixed or mobile, must be used for business purposes only, unless otherwise expressly authorised by company *policy* or regulations.

### **7. RELATIONS WITH PRIVATE PARTIES**

In addition to interactions with public administrations, the GMI Group is also committed to combating corruption in its relations with private companies and entities, in accordance with the provisions of Articles 2635 and 2635-bis of the Civil Code, which refer to an equal number of predicate offences for the administrative liability of entities pursuant to Legislative Decree no. 231/2001. To this end, in their respective Organisational, Management and Control Models pursuant to Legislative Decree 231/2001, GMI and the other companies belonging to the Group have laid down specific rules of conduct to prevent their occurrence, also identifying specific sensitive activities within the various corporate processes, through which they could be carried out by senior management or employees.

The GMI Group reiterates, however, its clear prohibition of the following behaviours, which are given by way of example but are not exhaustive:

- falsifying expenses, i.e. higher than those actually incurred, in order to create hidden funds with which to give or promise money to directors, managers, managers responsible for preparing the company accounts, auditors or liquidators of private companies (Article 2635(1) of the Civil Code), or to persons subject to the direction or supervision of one of the persons referred to above (Article 2635(2) of the Civil Code), so that they may perform or omit acts in breach of the obligations inherent to their office or obligations of loyalty;
- purchasing goods or services to be given to senior management of private companies or to persons subject to their direction or supervision, in order to obtain from them disloyal and economically disadvantageous conduct for the companies to which they belong;
- giving or promising money or other benefits to senior management, or to persons subject to their direction or supervision, in order to obtain from them an advantage for the Company, through the omission of actions in breach of the obligations inherent to their office or obligations of loyalty, and thereby causing damage to the company to which they belong.

Finally, as a further safeguard in this respect, the GMI Group requires its suppliers and associates to agree to abide by the rules and principles listed above, in the event that it uses them to carry out sensitive activities which are intended to have a potential impact on the commission of the crime in question.

## **7.1 Supplier relations**

The signing of a contract with a supplier should always be based on very clear relationships, avoiding, where possible, the assumption of contractual obligations involving forms of mutual dependence.

Sharing the Code of Ethics is a necessary condition for establishing and maintaining supplier relationships.

The GMI Group requires its suppliers of goods and services to fully comply with ethics, commercial propriety and legality, particularly with regard to laws protecting industrial and intellectual property, consumer protection laws, free competition and the market, and laws against money laundering and organised crime, as set out in this Code of Ethics.

The products and/or services provided must, in all instances, result from concrete business needs, justified and set out in writing by the respective managers responsible for making the spending commitment, within the limits of the available budget.

At the end of the relationship, and also before paying any relevant invoice, GMI Group checks the quality, adequacy and timeliness of the service received and the fulfilment of all obligations assumed by the supplier, in compliance with the requirements of tax legislation.

In relations with suppliers, therefore, the GMI Group ensures that it:

- observes the laws and administrative regulations in force regarding relations with suppliers;
- does not preclude any eligible company from being awarded the contract;
- evaluates suppliers' offers on the basis of technical competence, quality, reliability, service, cost-effectiveness and loyalty;
- solicits the co-operation of suppliers to ensure that requirements in terms of quality and delivery times are constantly met, in accordance with mutually agreed rules;
- complies with licence agreements and industrial property laws, including those applicable to software;
- maintains a free and open dialogue with suppliers, in line with good business practices;
- does not itself participate in contests, competitions or promotions organised by suppliers;
- does not disclose information that must be kept confidential.

### **7.1.1 Professionalism and collaboration**

The GMI Group establishes a highly professional relationship with its suppliers, based on availability, respect, courtesy, maximum co-operation and compliance with laws and regulations.

### **7.1.2 Criteria for selecting and managing suppliers**

The criteria for selecting suppliers are based on fair and impartial judgement. Selection is based on an assessment of the quality and cost-effectiveness of the services, technical and professional suitability, respect for the environment, health and safety at work and social commitment, in accordance with the rules laid down in the relevant regulations and procedures.

When carrying out existing business relationships or entering into new ones with suppliers, based on public information and/or information available under applicable law, the GMI Group:

- does not deal with parties involved in unlawful activities or with parties who lack the necessary requirements of professionalism and commercial reliability;
- does not maintain financial or commercial relations with parties that, even indirectly, hinder human development and contribute to the violation of fundamental human rights.

Personnel shall adopt all appropriate means and precautions to ensure transparency and propriety in business transactions. Among other things, it is mandatory that:

- the minimum requirements set and required for the selection of suppliers of goods and/or services to be procured by the GMI Group are strictly adhered to;
- the criteria for evaluating offers are established;

- with regard to the commercial/professional reliability of suppliers and *partners*, all necessary information is requested and obtained.

## **7.2 Customer relations**

Relations with customers are managed according to principles of maximum co-operation, availability, professionalism and transparency, respecting confidentiality and the protection of *privacy*, in order to lay the foundations for a solid and lasting relationship based on mutual trust.

The GMI Group is committed to guaranteeing adequate quality and safety *standards* for its products/services by periodically monitoring the perceived quality and full compliance (in terms of origin, provenance, quality, quantity) of the aforementioned services/products with what is laid down in the aforementioned quality and safety *standards*, in its own contractual *standards* and in its commercial communications and advertising in general. These *standards* may be subject to monitoring.

The GMI Group also undertakes to always respond to suggestions and complaints from customers, using appropriate and timely communication systems.

Communications to customers should be clear, comprehensible and comply with applicable regulations.

The GMI Group does not engage in evasive or otherwise unfair practices and provides full disclosure to customers in order to avoid leaving out any element relevant to the customer's decision.

It is prohibited for any Recipient to be involved, for any reason whatsoever, in the marketing of products and services whose features (in terms of origin, provenance, quality, quantity) differ from those declared or agreed upon or bearing names, trademarks or logos likely to mislead the final consumer as to the quality, origin and provenance of the products/services offered.

Recipients are prohibited from giving money or benefits of any kind, or accepting them, in order to obtain or maintain business or to obtain an undue advantage in relations with their customers.

In particular, giving money or benefits of any kind to managers or employees of client companies in order to induce them to perform acts contrary to their official duties and/or their duties of loyalty is prohibited.

## **8. RELATIONS WITH PUBLIC ADMINISTRATION**

### **8.1 Integrity and independence in relationships**

In order to ensure maximum clarity in relations with the Public Administration (hereinafter also P.A.), and to safeguard the overall interests of the GMI Group, relations with the P.A. are maintained exclusively through persons who are not in situations of conflict of interest with respect to the representatives of the institutions themselves and whose duties and related activities require them to maintain relations with public administration bodies. Gifts or acts of courtesy and hospitality to representatives of governments, public officials and public servants are permitted to the extent that their modest value does not compromise the integrity, independence and reputation of either party. Any such expenditure must be properly documented and justified.

## **8.2 Legality, propriety and transparency**

The GMI Group shall conduct itself in compliance with the principles of legality, propriety and transparency, so as not to cause the Public Administration to violate the principles of impartiality and good performance to which it is constitutionally bound.

## **8.3 Benefits and gifts**

The GMI Group condemns any behaviour, by anyone, involving the promise or direct or indirect offer of gifts or benefits (money, objects, services, favours or other advantages) to Public Officials and/or Persons in Charge of a Public Service, whether Italian or foreign, which may result in an undue or illegal interest and/or advantage for the Group.

## **8.4 Institutional relations**

The GMI Group's relations with local, national or international institutions are based on the utmost transparency and propriety.

Relations with the political bodies of public institutions are limited to the functions assigned in strict compliance with the provisions of the law and regulations and may not in any way compromise the integrity and reputation of the GMIGroup.

To this end, the GMI Group undertakes not to offer, either directly or through intermediaries, sums of money, other means of payment or other benefits to public officials or persons in charge of a public service in order to influence their activity in the performance of their duties.

These requirements cannot be circumvented by resorting to different forms of contribution, such as sponsorship, appointments and consultancies, advertising, etc., with the same aims as those prohibited above.

## **8.5 Authorisation requests and other business relationships**

In the context of any commercial negotiation, participation in a public tender procedure or submission of an authorisation request to the Italian and/or foreign Public Administration, it is prohibited to behave in such a way as to unlawfully influence the decisions of Public Officials or Persons in Charge of a Public Service, in order to obtain an undue or illegal profit or advantage for GMI and the other companies in the Group.

By way of example, in the course of a business negotiation, request or commercial relationship with Public Officials and/or Persons in Charge of a Public Service, whether Italian or foreign, the following actions may not be taken, whether directly or indirectly:

- taking into consideration or proposing - in any way - employment and/or business opportunities that may benefit Public Officials and/or Persons in Charge of a Public Service or their relatives and relatives-in-law;
- offering gifts that are not modest in value;
- allowing the public official with whom the business deal is being negotiated, whether Italian or foreign, to induce employees or senior staff to give or promise unduly, to him or to a third party, money or other benefits, including by abusing their position or powers, in violation of the provisions of Article 319 quater of the Criminal Code;
- soliciting or obtaining confidential information that may compromise the integrity or reputation of either party;
- performing any other act aimed at inducing Public Officials, whether Italian or foreign, to do or omit to do something in violation of the laws of the State to which they belong;
- abusing their position or powers to induce or compel someone to make an undue promise of money or other benefits to themselves or others.

### **8.6 Public Administration IT System**

In carrying out their activities, it is forbidden for employees, managers, consultants and collaborators of GMI and other companies in the Group to alter the operation of any computer or telematic system belonging to the Public Administration or manipulate the data contained therein.

### **8.7 Funding, contributions and grants**

The use of grants, subsidies or loans obtained from the State or other public bodies or from the European Community for purposes other than those for which they were granted is prohibited.

The GMI Group condemns behaviour aimed at obtaining any type of contribution, financing or other disbursement (from the State, the European Community or any other national or foreign public body) by means of altered or forged declarations and/or documents, or through omitted information or, more generally, through artifice or deception, including those carried out by means of a computer or telematic system, aimed at misleading the allocating Body.

The persons in charge of the department shall monitor all confidential information they may become aware of, as well as record and report any document they draft and/or submit to the Public Administration and public bodies in general, in compliance with the law and internal procedures.

### **8.8 Participation in legal proceedings**

In the event of involvement in legal proceedings, the GMI Group is committed to proceeding in a proper manner, in compliance with the law, the rules contained in this Code of Ethics and internal procedures.

In particular, in the course of legal proceedings in which companies belonging to the Group may be involved as a party, it is prohibited for employees, members of corporate bodies and associates to:

- promise/give to a Public Official (e.g. a magistrate, clerk or other official), a sum of money or other benefit for themselves or for a third party in exchange for an act of their office, with the aim of obtaining an advantage for the company in legal proceedings;
- promise/give to a Public Official (e.g. magistrate, registrar or other official), a sum of money or another benefit for themselves or for a third party, in order to make them omit/delay an act of their office or to make them perform an act contrary to their official duties so as to obtain an advantage for the company in legal proceedings;
- mislead the State or other public body by artifice or deception in order to obtain an advantage for the company in legal proceedings;
- alter (in any way) the operation of a computer/telematic system or interfere (in any way and without authorisation) with data/information/programs contained in or pertaining to a computer/telematic system in order to obtain an advantage for the company in legal proceedings.

### **8.9 Interaction with Customs Authorities and proper management of related obligations**

Company personnel, suppliers and specialised consultants working on behalf of the GMI Group are required, when dealing with Customs Authorities, to comply fully with the European Union Customs Code, adopted by EU Regulation 952/2013, and with all other national and international provisions in force. In this respect, any unlawful conduct resulting in damage to the financial interests of the European Union through fraud against the Community or the unlawful movement of goods and products is condemned.

GMI and the other companies in the Group formalise their relations with freight carriers and/or consultants in customs matters, ensuring a clear division of roles and responsibilities in the management of all the main obligations to which they are subject in connection with the import and/or export of goods and products. However, the supervisory role of the Corporate Functions in the formalities carried out for the processing and submission of applications, declarations, requests for permits and licences, or in the transmission of further documentation necessary for the clearance of goods, remains unchanged.

In full compliance with the regulations in force, the GMI Group's core value is compliance with the principles of truthfulness and propriety with regard to any document indicating economic, equity and financial values relating to the companies belonging to the Group. To this end:

- the GMI Group adopts an internal system for measuring and controlling tax risk through operating procedures aimed at assigning specific roles and responsibilities to internal departments in the area of tax compliance, even when these are delegated to external consultants and tax firms. the relevant departments periodically review the tax regulations applicable to Group companies;
- the GMI Group condemns any behaviour aimed at altering the accuracy and truthfulness of the data and information contained in the financial statements, reports or other corporate communications required by law and addressed to shareholders, the public and the auditing company;
- all persons called upon to draw up the aforementioned documents are required to verify, with due diligence, the accuracy of the data and information that will then be used to draw up the aforesaid documents;
- the GMI Group adopts appropriate accounting and administrative procedures and manuals to ensure easy and immediate control over compliance with the applicable "Accounting Principles";
- the bodies in charge of drawing up the financial statements and corporate communications must base their activities on compliance with internal procedures, basing their actions on the principles of propriety and good faith, i.e. acting with the ordinary diligence of a good parent. They must also avoid situations of conflict of interest, even if only potential, in the performance of their duties;
- the GMI Group requires that the Administrative Bodies of Group companies, managers, associates and employees behave correctly and transparently in the performance of their duties, especially in relation to any request made by shareholders, other supervisory bodies or the auditing company in the exercise of their respective institutional duties;
- any conduct aimed at causing damage to the integrity of the company's assets is prohibited;
- any act, simulated or fraudulent, aimed at influencing the will of the members of the shareholders' meeting in order to obtain the irregular formation of a majority and/or a different resolution is prohibited;
- directors, management, associates and employees are required to keep the information and documents acquired in the performance of their duties confidential and not to use them for their own benefit;
- the persons entrusted with the transmission of documents and information during audits and inspections by the competent public authorities shall conduct themselves in good faith and with propriety, being bound to perform their task with the diligence of an agent. They must also maintain an attitude of maximum willingness and cooperation with the inspection and auditing bodies;
- obstructing in any way the activities of public supervisory authorities that come into contact with GMI Group companies as a result of their institutional duties is prohibited.

GMI and the other Group companies, undertake to protect the moral and physical integrity of their employees, consultants, associates and all stakeholders in the performance of their activities.

To this end, GMI and the other companies in the Group ensure that their employees, members of corporate bodies and associates carry out their activities in working environments that are suitable for safeguarding their health, safety and physical and moral integrity, in compliance with the laws and regulations in force. For this reason, they promote responsible and safe behaviour and adopt all the safety measures required by technological evolution to ensure a safe and healthy working environment, with the specific aim of preventing and above all impeding the crimes of manslaughter and serious or very serious bodily harm committed in violation of the rules on the protection of health and safety at work.

GMI and the other companies in the Group are therefore responsible for fulfilling all the legal obligations set out in Legislative Decree 81/2008 ( Consolidated Safety Act).

With this in mind, GMI Group companies ensure the identification and creation of positions that provide the necessary technical expertise and powers for the verification, assessment, management and control of risk.

## **11 METHODS OF IMPLEMENTATION, CONTROL AND SANCTIONS**

### **11.1 Implementation of the Code of Ethics**

The Board of Directors of Gruppo Manifatture Italiane S.p.A. shall approve the Code of Ethics, as well as any changes/additions thereto, by Board resolution.

The Board of Directors shall ensure that the Code of Ethics is updated and revised as necessary and shall assess any proposals for amendment/supplementation made by the Supervisory Board.

The companies belonging to the GMI Group shall also adopt the Code of Ethics with their own board resolutions, adapting it, where necessary, to the particular features of each company in line with their management and organisational autonomy.

### **11.2 Knowledge and application**

This Code of Ethics is brought to the attention of all Recipients and can be consulted on the GMI Group's website.

Any doubts concerning the application of this Code must be promptly discussed with senior management in conjunction with the Supervisory Board.

In no way can acting to the advantage of the GMI Group justify conduct that conflicts with the Code of Ethics.

All Recipients are required to ensure that these rules are properly applied and complied with.

### **11.3 Remarks**

All Recipients are required to comply with this Code and to report any conduct that does not comply with the principles and rules contained herein.

This Code also forms an integral part of the Organisation, Management and Control Model adopted by GMI and the other companies in the Group pursuant to Legislative Decree no. 231/2001.

Any reports of alleged offences or violations, with particular reference to the predicate offences provided for in Legislative Decree no. 231/2001, shall be addressed to the specifically appointed Supervisory Board; reports may also be made anonymously and brought to the attention of the Supervisory Board within the company.

Regardless of the communication channel used by the person making the report, the GMI Group is committed to treating all reports received with confidentiality and discretion, in line with the legal provisions in force, and to safeguarding the anonymity of the whistleblower, ensuring that he or she is not subject to any form of retaliation.

#### **11.4 Sanctions**

The rules of the Code of Ethics form an essential part of the staff's contractual obligations pursuant to and for the purposes of Articles 2104 and 2105<sup>1</sup> of the Civil Code.

From a disciplinary point of view and in accordance with current legislation, the Group shall assess any conduct that is contrary to the principles set out in the Code of Ethics, applying the sanctions provided for in the Disciplinary System, in compliance with the law, the Workers' Statute and the relevant National Collective Labour Agreement.

Any conduct by associates that is in breach of the rules that make up this Code may result, as provided for in specific contractual clauses, in the immediate termination of the contractual relationship, in addition to any request for compensation.

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<sup>1</sup>Article 2104 of the Civil Code, entitled "*Employee Diligence*", states: "*Employees shall use the diligence required by the nature of the service to be rendered, by the interest of the undertaking and by the higher interest of national production. They must also comply with the instructions for carrying out and supervising work given by the employer and the employer's associates to whom they report*".

Article 2105 of the Civil Code, on the other hand, provides for the employee's obligation of loyalty, stating that: "*Employees shall not deal with business, on their own account or on behalf of third parties, that is in competition with the employer, nor shall they divulge information relating to the organisation and production methods of the company or use such information in such a way as to be prejudicial to the company*".