



PIACENZA GROUP

Code of Ethics – Suppliers

Summary

Premise

1. Behavioural principles for the Company

1.1 WORKING CONDITIONS

1.2 BUSINESS MANAGEMENT

1.3 ENVIRONMENTAL PROTECTION

1.4 INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION

1.5 DATA PROTECTION

2. Application mechanisms of the Code of Ethics

2.1. DISSEMINATION AND COMMUNICATION

2.2. WHISTLEBLOWING

3. SANCTIONS RESULTING FROM VIOLATIONS

Premise

The Piacenza Group (hereinafter the “Group”), strongly linked to the processing of wool and cashmere, over time has also perfected its skills in the processing of other fibres and fibre composites.

The Piacenza Group collaborates with the most important luxury fashion and prêt-à-porter houses worldwide.

Having an Organisational Model 231/01 and in the framework of its own corporate management, the Group undertakes to respect ethical and moral values based on fairness, honesty and transparency, in compliance with current national and international standards. For these reasons, the Group requires its suppliers to act according to the same standards, complying with them and ensuring they are respected and adhering to the same philosophy in the management of their own businesses.

This code of behaviour (hereinafter the “Code” or “Suppliers Code”) is the expression of principles and ethical values of the Group itself and the Group requires the most rigorous compliance by all its suppliers (intended as suppliers of goods, services, consultancy and professional functions), and their relative sub-contractors and sub-suppliers (hereinafter jointly the “Suppliers” or individually, the “Supplier”).

This Code is an integral part of contracts concluded with Suppliers and any violation or failure to apply the principles and obligations herein provided may result in breach of contract and lead to decisions such as early termination of the contract.

Any obligation or principle not included in this Code is intended as integrated in the Code of Ethics of the Group, to which Suppliers are equally bound and the violation of which may lead to the same consequences as mentioned above.

It is understood in any case that the Supplier Code requires compliance with all applicable national and international regulations. Where such regulations and this Code address the same topics with different standards, the higher standards and the more restrictive provisions shall apply.

It is essential that all the Group's Suppliers comply with the provisions of this Code. Moreover, the Group requires that the Suppliers, in turn, ensure that the aforementioned principles are also implemented by their employees, subcontractors and third parties with whom they collaborate in such a way as to guarantee ethics and transparency in their activities.

1. Behavioural principles for the Group

The principles listed below are considered fundamental, therefore the Group undertakes to comply with them vis-à-vis any other party. On the other hand, the Group requires that such principles be respected by all subjects, internal and external, who have any type of relationship with the Group.

1.1 WORKING CONDITIONS

In accordance with the principles set out in the Group Code of Ethics, in terms of working conditions and of ISO 45001, our Suppliers must comply with the reference regulations in force in the countries in which they operate as well as the principles and regulations set out in the international certification SA8000 and the principles contained in the main international conventions relating to the protection of human rights and fundamental freedoms, among these, Conventions of the International Labour Organization, the United Nations Universal Declaration of Human Rights, the United Nations Convention on the Rights of the Child and the OECD Guidelines for Multinational Enterprises.

The Piacenza Group requires its Suppliers to adopt working methods based on respect of such values as loyalty, impartiality and integrity and, in general, to operate in compliance with fundamental human rights. Any form of Modern Slavery is condemned.

In particular, working conditions must be such as to ensure:

□ **healthy and safe working environments:** Suppliers must make working environments available to their employees which are healthy and safe, which comply with current applicable local laws as well as all specific equipment for the sector in which they are active. The same precautions apply to Suppliers who provide living quarters for their employees. Suppliers are required to provide procedures and to organise training sessions aimed at detecting, avoiding and reducing by all means possible any danger which could affect the health, hygiene and safety of their workers.

Furthermore, we require our Suppliers to comply with best practice relating to health and safety in the workplace, adopting all precautions provided for by law, and also such precautions which are not mandatory but suggested by common sense in relation to the protection of workers' safety, as well as sustainability and respect for the environment (including the correct cycles for waste disposal, with particular attention paid to hazardous waste);

□ **salaries and working hours in compliance with current legislation:** Suppliers must comply with current legislation relating to minimum wages, overtime payment and working hours.

□ **freedom of association:** Suppliers must recognise their employees' right to join a trades union or any other association with lawful purposes;

- **equal opportunities:** Suppliers must offer all employees equal opportunities of work ensuring that all employees enjoy fair regulatory treatment and remuneration, based exclusively on criteria of merit and competence;
- **absence of discrimination:** Suppliers shall undertake not to use any form of discrimination towards their employees based on age, race, linguistic or ethnic origin, nationality, political or trade union opinions, religious belief, gender, sexuality, gender identification, health and disability, marital and family status, or any other personal characteristic not related to their job;
- **prohibition of child labour, forced labour and abuse:** Suppliers shall not employ workers under the age established by law, either hired directly or employed by third parties if not within the limits and conditions provided for by current law in the context of professional growth and training projects; Suppliers must ensure that employment relationships be agreed freely between the parties according to the applicable regulations as also the termination of employment must be managed in compliance with the law. Furthermore, any form of corporal punishment or psychological or physical harassment, as well as any form of bullying, is prohibited;
- **prohibition of illegal, clandestine or undeclared work:** Suppliers are required to comply with current regulations which prohibit the exploitation of illegal, clandestine or undeclared work, ensuring compliance with contribution, salary and tax obligations and employment regulations, rejecting any form of illicit exploitation of the workforce used, hired or employed;
- **compliance with regulations relating to residence permits:** our Suppliers must use workers who comply with regulations relating to residence permits.

1.2 BUSINESS MANAGEMENT

In accordance with the principles of the Group Code of Ethics, our Suppliers must carry out their business using precise, diligent methodology, professionalism and honesty. They are required to comply with the following provisions:

- **Legal requirements:** our Suppliers are invited to act in full compliance with the law and local, national and international regulations applicable to the business which they carry out.
- **Administration and budget:** the budget and any other documentation which includes economic, property and financial elements must be in compliance with the current laws and regulations, adhere to accounting practices, the most advanced principles and be transparent in order to represent management details based on the criteria of clarity, correctness and truthfulness.
- **Relationships with Public Administration:** in their relationships with the Public Administration, Suppliers undertake to maintain behaviours based on honesty, loyalty, correctness and transparency and not to offer, directly or through any intermediary, money or any other type of advantage to a public officer or person employed in public service with the objective of influencing their behaviour or obtaining undue advantages.
- **Subcontractors:** Suppliers must have our prior approval to subcontract any part of the service to be provided. Our approval is subject to the Supplier's acceptance of this Code, of the Group Code of Ethics and all other applicable provisions.
- **Financial and customs authorities:** our Suppliers must comply with all applicable financial and customs legislation.

□ **Fight against corruption:** Suppliers acknowledge that, in compliance with current regulations and honest, loyal and transparent business management, the Group prohibits corrupt behaviour of any type vis-à-vis Public Administration and any private person.

In particular, such prohibited activities generally consist of paying or offering to pay sums of money or other benefits, directly or indirectly, to members of the Public Administration or private persons with the object of influencing their decisions or obtaining or pursuing an illicit advantage in favour of the Company. Our Suppliers reject any corrupt activity in whichever form it takes place, both towards public or private figures.

□ **Organised crime:** our Suppliers must ensure they are not connected to or have relationships of any kind with criminal organisations or in any case operate illegally such as, by way of example but not limited to, persons linked to money laundering and usury.

□ **Conflict of interest:** our Suppliers must avoid situations and/or activities in which their own interests may come into conflict with those of the Group or interfere with their ability to take impartial, ethical decisions in safeguarding the interests, image and reputation of the Piacenza Group.

□ **Transparency of information:** our Suppliers must provide clear and precise information on the methods and resources used, on the production sites and subcontractors, on the characteristics of the products or services supplied, and must refrain from making misleading statements.

□ **Money laundering:** the Group requires its Suppliers to comply with money-laundering regulations and to undertake to adopt measures aimed at preventing non-transparent or money-laundering activities being carried out in their business.

□ **Competition:** our Suppliers undertake to comply with the applicable regulations regarding competition in the countries in which they operate. Such provisions include the prohibition of the exploitation of a dominant position, practices restricting competition or any other type of illicit agreement between competing companies.

□ **Professionalism:** we require our Suppliers to carry out their activities with maximum competence and professionalism with the objective of supplying the Group a service of high quality in compliance with defined agreements.

□ **Trade restrictions and international sanctions:** we require our Suppliers to comply with commercial restrictions and legislation relating to international sanctions, taking into consideration the relative amendments and integrations, as well as laws and regulations relating to export controls.

□ **Gifts and gratuities:** any exchange of gifts, presents, money or any other benefit in favour of third parties, whether private individuals or members of the Public Administration, which may alter normal collaboration, professionalism and impartiality of judgement by unduly favouring the interests of a member company of the Group is prohibited.

Moreover, any offer in the form of rewards, presents or invitations made to employees of the Group or their family members with the objective of obtaining an order or the award of a contract is strictly forbidden. However, gifts and invitations may constitute an expression of courtesy acceptable in the context of a consolidated commercial relationship, provided that their scope and value are limited, that they are offered openly, that the country concerned authorises such practices and that they are not offered in anticipation of a benefit in exchange.

□ **Prevention of insider trading:** we require our Suppliers to rigorously observe the laws and regulations relating to abuse of privileged information (otherwise known as “insider trading”). It is not permitted to gain advantage of any type, direct or indirect, by using confidential information acquired during activities carried out for the Group, nor to communicate said information to others or recommend or induce others to make use of it.

1.3 ENVIRONMENTAL PROTECTION

In compliance with the principles of the Group Code of Ethics relating to the environment, our Suppliers must comply with the current reference regulations in the countries in which they operate as well as the principles of ISO 14001

□ **Environmental protection and environmental measures:** In accordance with the principles set out in the Group Code of Ethics, our Suppliers are required to comply with current regulations regarding the environment, promoting responsible behaviours aimed at safeguarding the environment and encouraging the preparation and use of environmentally-friendly technology in order to guarantee the minimisation of their environmental impact, maximum energy efficiency, careful management of natural resources, reduction and recycling of waste materials and the containment of polluting emissions.

We require our Suppliers to adopt the highest environmental management standards in their manufacturing processes, in particular:

- utilise resources efficiently and responsibly;
- reduce emissions;
- promote environmental protection by not damaging natural ecosystems;
- offer the market sustainable products and materials;
- use chemicals in line with the ZDHC standard in its latest iteration;
- improve environmental performance of materials manufactured, with particular reference to products supplied to the Group.

□ **Information relating to products:** Information relating to the origins, the composition, the health and safety aspects of the products must be communicated with precision, constantly updated and made available to the Group in compliance with national and international law. Our Suppliers must ensure the traceability of raw materials and substances used in production processes, guaranteeing they conform to current regulations, and undertake to immediately inform the Group in the event of potential non-conformity or potential risks to health and safety, and to guarantee the traceability of products and their storage in correct conditions.

Moreover, in accordance with the principles of the Group Code of Ethics, we require our Suppliers to ensure the following:

□ **Protection of forests:** no illegal forest products may be introduced into the supply chain; the use of materials from managed forests with sustainable criteria or from recycled sources must be promoted.

□ **Respect for animal welfare:** respect for the applicable law, regulations and fundamental principles pertaining to animal welfare, in relation, for example, to their breeding, treatment, transport, hunting and slaughtering must be guaranteed, ensuring the legality of the origin of animal materials and

compliance with the Five Freedoms of animals, namely the freedom from hunger and thirst; freedom to have a physically appropriate environment; freedom from pain, injury and disease; freedom to express natural behaviours; and the freedom from fear and discomfort.

□ **Treatment of wool and other natural fibres:** the supply of wool and other natural fibres must be from certified sources which ensure the protection of the emotional state and natural behaviour of the animals, taking into account the needs of the species and the biodiversity of the ecosystems

Wool and other fibres may only be used if the well-being of the animal is guaranteed by means of reliable checks on the distribution chain or international certification schemes. Processing and treatment of wool and other fibres must be carried out in such a way as to reduce their environmental impacts.

□ **Safeguarding of protected species and biodiversity:** the commitment to safeguard protected species and biodiversity must be guaranteed, promoting compliance with pertaining international regulations regarding the environment, inter alia CITES, namely Convention on International Trade in Endangered Species of Wild Fauna and Flora.

□ **Use of chemical substances:** safe management of chemicals and the chemical compliance of products and raw materials with applicable national and international law and best practice professional standards must be ensured, including REACH regulation and standards relating to the use of chemical substances (ZDHC).

□ **Use of metals:** the use of recycled metals or metals extracted sustainably and according to practices which respect human rights and labour law must be favoured.

1.4 INTELLECTUAL PROPERTY AND CONFIDENTIAL INFORMATION

In accordance with the principles of the Group Code of Ethics, we consider full respect for intellectual and industrial property – our own and/or that of third parties – as a cardinal value of our activities, therefore, we require our Suppliers to comply with current law and applicable regulations in this regard.

Services carried out by the Supplier for the benefit of the Group shall not give the Supplier any type of right to intellectual/industrial property titles, distinctive signs and creations belonging to the Group (or possibly the Group's customers), meaning – inter alia – trademarks, distinctive signs, works of art or intellect, copyright, signs, commercial names, designs, models, patents, products, prototypes, samples, projects, plans, equipment, images and processing techniques, know-how and other forms of intellectual property, as well as tools used by or belonging to the Group. The use of such elements beyond that which is specifically authorised in written form by the Group would constitute a violation of industrial and intellectual property rights sanctionable by law.

The Piacenza Group expressly prohibits its Suppliers from any conduct (including production, marketing or distribution) which has the effect of altering, counterfeiting, usurping, distributing/exploiting illegally, abusively or in a parasitic manner trademarks, distinctive signs, works of art or intellect, copyright, commercial names, designs, models, patents and any intellectual/industrial property rights – national or international – belonging to the Group, to the Group's customers or to third parties. The Group also condemns any conduct aimed at introducing in the community within which it operates industrial products with trademarks or other distinctive signs which are altered or counterfeit, as well as the marketing of products with trademarks or distinctive signs that are misleading as to the origin, provenance or the quality of the product.

More generally, our Suppliers shall undertake to take all necessary measures to guarantee the confidentiality of trade secrets and other non-public information communicated in the framework of their relationship with the Group.

1.5 DATA PROTECTION

In accordance with the principles set out in the Group Code of Ethics, we require our Suppliers to undertake to process all personal data collected, archived and used in their possession in the context of their business in compliance with all relevant laws and regulations pertaining to personal data in force in the jurisdiction in which they operate.

2. Application mechanisms of the Code of Ethics

2.1. DISSEMINATION AND COMMUNICATION

The Group undertakes to use all means of communication and opportunities available such as, for example, the Company website, specific communications, also IT communications, informational meetings and Staff training to disseminate the Code of Ethics.

All persons involved must be able to access the Code of Ethics, know its contents and observe its provisions.

In order to ensure correct understanding of the Code of Ethics, a series of information and/or a training plan shall be prepared by the designated functions aimed at promoting knowledge of the principles and ethical rules with any specific training or information sessions when necessary.

2.2. REPORTING

In accordance with the Company procedure for whistleblowing, all Suppliers are encouraged to report violations (effective or presumed) of this Supplier Code and the Group Code of Ethics published on the Group websites using the Whistleblowing platform adopted by the Company and available at <https://www.piacenza1733.com/>, or <https://www.lanificiocerruti.com/it/> using the recall button or by email to the Supervisory Body at odv@piacenza1733.it. This process is managed ensuring maximum confidentiality regarding the identity of the whistleblower and in compliance with current legislation.

3. SANCTIONS RESULTING FROM VIOLATIONS

Subjects who have business relationships with the Group who, in the exercise of their activities, carry out behaviours in contrast to the provisions of the Code of Ethics may be sanctioned; in more serious cases and according to the type of violation, of precedents, of the context in which such behaviour occurred, of the persons involved and any other circumstance, with warnings, formal notices or with termination of the relative relationship, on the basis of specific express termination clauses included in the contracts stipulated with such subjects.

ACCEPTED: _____ (signature and company stamp)