



**COTONIFICIO ALBINI S.P.A.**  
**CODE OF ETHICS**

Approved by the Board of Directors  
of Cotonificio Albini S.p.A. on 17 December 2021

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## **PREMISE**

*Since 1876, our commitment and ambition has been focused on creating the most beautiful fabrics in the world. Thanks to our collaborators, we design and manufacture our products for the international market, with the aim of providing our customers with style, innovation, quality and service – values that distinguish the best of the Made in Italy tradition.*

Cotonificio Albini S.p.A. (hereinafter, the “Company”) is one of the largest international manufacturing entities, specialising in the production of high-quality fabrics.

In order to ensure the conduct of those within the Company’s sphere of influence conforms with our values and principles, we have decided to express our ethical commitments and responsibilities in conducting business and corporate activities within this Code of Ethics and Corporate Environmental Responsibility.

The Code has been drafted in accordance with the main regulations, guidelines and papers existing at a national and international level on human rights, corporate social responsibility and corporate governance and has the aim of collating and raising awareness amongst everyone who has dealings with the Company regarding the values, principles and regulations, shared throughout the 140-plus years of history and tradition behind us and based on the conduct and activities of the Company itself. The adoption of this document aims to meet the legitimate needs and expectations of all internal and external interlocutors, in order to consolidate the Company’s image as a transparent entity, oriented towards respect of the ethical and behavioural principles set out below, distinguished by its style characterised by excellence and reliability.

The principles inspiring this document include:

- the United Nations Universal Declaration of Human Rights;
- the Italian Constitution;
- the Enterprise Values Charter of the European Institute of Social Accounting;
- the “Core Labour Standards” under the Guidelines for Multinational Enterprises of the OECD (Organisation for Economic Cooperation and Development);
- the 2030 Sustainable Development Agenda – Sustainable Development Goals (SDGs).

## **1. INTRODUCTION**

The Code of Ethics or Conduct (hereinafter, also simply the “Code”), approved by Cotonificio Albini S.p.A.’s Board of Directors (henceforth, *breviter*, “Cotonificio Albini” or the “Company”) for the integration and completion of the Organisational, Management and Control Model adopted by the same pursuant to Legislative Decree no. 231/01, outlines the general ethical values and the principles of conduct within the

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business to which the Company has an interest and intends to continuously inspire its activities.

More specifically, the Code of Ethics aims to address the rights, duties and responsibilities of the entity towards its “stakeholders” (employees, suppliers, customers, the Public Administration, and so on) and sets out a series of rules on conduct that all those operating in the name and on behalf of the Company (directors, employees, managers and other operators, consultants and associates) undertake to respect in conducting business and corporate activities.

The Code of Ethics provides the Company’s ethical and moral standards, deemed indispensable both in order to ensure the correctness and efficiency of the Company’s internal rapports (relations between *management* and employees) and in order to consolidate the Company’s positive reputation in the field of reference.

In whatever capacity, anyone who works, collaborates or conducts professional relations with Cotonificio Albini must therefore always and at every opportunity pursue the highest ethical standards in relationships with their colleagues, customers, suppliers, competitors, partners, the Public Administrations and with the community in general, demonstrating honesty and fairness in all activities carried out.

Anyone who does not adhere to the standards outlined herein, regardless of the existence of specific *ex lege* or *ex contractu* sanctions and the possible integration of deeds of criminal relevance, shall result in a violation of the principles that underpin and characterise the Company’s corporate policy and is thus liable in regards to disciplinary sanctions (*infra*, 7), proportionate to the seriousness of the conduct carried out and following verification regarding that to have occurred.

Therefore, by virtue of a corporate policy attentive to the themes of legality, Cotonificio Albini S.p.A. intends to clearly and uniquely define the set of values that the Company recognises and adopts as the guiding criteria for its operations, as well as its responsibilities as a whole, both internally and externally.

Cotonificio Albini S.p.A. undertakes to promote awareness of the Code by its recipients and to arrange for any possible instrument suitable to ensure the full and effective application of the same.

In accordance with the Confindustria (General Confederation of Italian Industry) Guidelines, the Company has chosen to adhere not only to the broader and general ethical values but also to a set of principles on conduct that satisfy the specific requirements of Legislative Decree no. 231/01 aimed at preventing the commission of crimes covered by such legislation in particular.

## **2. THE RECIPIENTS OF THE CODE OF ETHICS**

The ethical values and principles of conduct outlined in the Code are addressed to:

- collaborators of Cotonificio Albini S.p.A., being:
  - the directors, managers and anyone performing – even de facto – management, administration, supervision or control functions of the Company generally, regardless of nature of the relationship that binds them to the same (top management subjects);
  - employees of the Company (persons *subject to the management of others*);
- subject to specific approval or provision established under specific contractual clauses, anyone with whom the Company has entered into entrepreneurial, commercial or non-commercial relationships, each within the framework of their own functions and the role held (“External Subjects”), including but not limited to:
  - agents, consultants, customers, partners, suppliers and, more generally, all those engaging in collaborative activities, even occasional, in the name or on behalf of the Company or under the control of the same.

Any reference to the “Recipients” contained in this Code is to be understood indistinctly addressed to all the aforementioned subjects.

The Code of Ethics applies in relation to all activities carried out in the name and on behalf of Cotonificio Albini S.p.A., in Italy and abroad, in view of the cultural, social and economic diversity of the various countries in which the Company operates.

Respect for the principles set out in the Code is first and foremost a moral duty of the Recipients, who are required to have full awareness of the fact that this Code is functional to the pursuit of the corporate objectives in accordance with the basic values indicated in the introduction.

Compliance with the rules of the Code of Ethics must also be considered as an essential part of the Company’s contractual obligations pursuant to and for the effects of Article 2104 of the Italian Civil Code and the collective bargaining agreement in force.

## **3. GENERAL AND FUNDAMENTAL ETHICAL VALUES**

For the purposes of this Code of Ethics, the general principles of conduct to which each Recipient must take inspiration in completing their duties shall be as per that set out below.

### **3.1. Legality and honesty**

Cotonificio Albini recognises compliance with the laws and regulations in force as a fundamental principle.

In carrying out their duties and respective activities, the Recipients shall be obliged to comply with all the legal regulations under which they operate.

To this end, all conduct – from the decision-making to implementation phase – is strictly bound to the full compliance with all current national and international standards, with the regulation defined by the Supervisory authorities and internal procedures.

Under no circumstances may the pursuit of the Company's interests or the attainment of an advantage for the same justify conduct that is unlawful or contrary to the principles of fairness, good faith, honesty and legality or to the principles set out in this Code of Ethics.

### **3.2. Integrity**

Activities are to be managed with the utmost professional and ethical commitment, preventing and avoiding any situation in which possible conflicts of interest may manifest and ensuring that all behaviours are based on moral integrity, transparency and values of honesty, fairness and good faith at all times. The relationships between Recipients, across all levels, are based on criteria of fairness, loyalty and mutual respect, avoiding conduct such as to take undue advantage of positions of disadvantage of third parties and acting according to good faith in every activity and in all decisions.

In the context of the activity provided to the Company's dependencies or in relations thereto, no injurious, defamatory, disparaging or undermining conduct is tolerated before any person, be they a colleague or a third party.

It is categorically forbidden to work under the effects of alcohol or narcotic substances.

### **3.3. Impartiality**

Decisions and behaviours are, respectively, to be adopted and implemented in full respect of each person's personality, incentivising and rewarding merit, integrity and a sense of responsibility whilst respecting individual diversity and avoiding discrimination on the basis of age, health status, gender, religion, race, political and cultural views, along with personal or social conditions. Recognition of achievements, professional potential and skills expressed constitute the essential criteria for establishing and maintaining professional and commercial rapports, along with career advancement and pay.

It being understood that in the legitimate pursuit of the Company's entrepreneurial interests and without prejudice to them, undue advantage of any eventual greater bargaining power in any commercial, professional or employment negotiations is not permitted.

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### **3.4. Transparency**

In all relationships (be they professional, commercial, institutional, and so on) entered into with or on behalf of the Company, clear, complete, timely and truthful information is to be guaranteed.

Without prejudice to that specifically set out in regards to rapports with the Public Administration, Cotonificio Albini S.p.A. actively and without reservation cooperates with all Authorities with which it has dealings of any kind and demands such from each Recipient in turn.

The Recipients undertake to fulfil the commitments and obligations undertaken in a timely manner, to the extent established in contractual agreements and the information or offers subject to commercial or marketing communications.

Every Recipient is required to ensure that all management details intended to converge into the representation of the Company's economic, fiscal and capital situation are shown to be fair, complete and timely.

Relations with the media are reserved exclusively for the functions of the Cotonificio Albini expressly appointed or delegated to such.

In order to ensure the accuracy, legitimacy, authenticity and transparency of the information provided to the media, the Recipients must refrain from disclosing details and/or news related to the Company without prior agreement with the aforementioned functions.

The disclosure of false information is strictly prohibited.

### **3.5. Confidentiality**

The Recipients are obliged to strictly observe current Privacy laws and regulations, working to eliminate or minimise the risk of dispersion, unauthorised access or unlawful processing of the data for which the Company is the Data Controller.

The Company ensures the confidentiality of the information in its possession and refrains from seeking confidential data, except in the case of express and conscious authorisation and in compliance with the legislation in force, ensuring that their employees and collaborators use confidential information acquired by reason of their relationship with the company exclusively for purposes correlated to the exercise of their function.

Any use, communication or disclosure of confidential information or news of which the Recipients have become aware by reason or on the occasion of their relationship with the Company is strictly prohibited. The knowledge developed by the Company is an exclusive asset of the Company and, as such, must be understood as strictly confidential and covered by discretion. With the sole exception of the provisions in force and any specific

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contractual agreements in place, all Recipients are thus obliged not to disclose details of the Company's technical, commercial or organisational activities to third parties.

### **3.6. Prudence**

Such activities are managed with full awareness of the risks and with the aim of sound management of the same. This is reflected in prudent behaviour, especially whereby one's actions and decisions could result in harm to people and things.

It is the responsibility of each Recipient to keep and retain the assets and resources that the Company has entrusted to them for the performance of their duties. No Recipient may misuse such goods and resources, whilst also being required to prevent others from doing so.

Cotonificio Albini's email and network access systems belong exclusively to the same. Use of such instruments must thus be under the strictest compliance with the applicable legislation of reference and the relevant internal operating procedures and provisions.

### **3.7. Trust and sharing**

The Company firmly believes in the possibility of establishing effective business relations only if deep trust is established between the parties, including through the sharing of information, experience and professional skills both within the Company and – where appropriate – without.

Cotonificio Albini is committed to ensuring that there is a peaceful working environment in which everyone can operate in full respect of common laws, principles and ethical values.

The Company shall ensure that its employees and collaborators behave and are treated with dignity and respect within the framework of that envisaged under the law and any relative modifications.

### **3.8. A culture of quality for a product of excellence**

In pursuing and achieving the highest standards of quality, the Company is committed to creating outstanding products by sharing the same objectives as its customers. Quality means a careful selection of the finest raw materials, checks throughout the production process, use of the best-performing machinery and the contribution of competent collaborators. The Company's products combine fine yarns and a unique and innovative creative vision. It is the style and the search for excellence in all stages of production that make a true difference in creating fabrics that represent the perfect synthesis of function and emotion.

### **3.9. Research and innovation**

The Company believes in Research as a tool for continuous improvement and evolution of our products and processes. The Company manages to generate innovation, through the thorough technical and scientific knowledge of its personnel, along with constant research in regards to technology and investments.

### **3.10. Value-generating service**

The service is a serious commitment to its the Company's customers. The Company is committed to offering products with reliability, promptness and flexibility thanks to the vertical integration that allows full control of the supply chain and a significant and branched industrial structure. The Company aims to be the point of reference for its customers in light of the real value of its service.

### **3.11. Efficiency and effectiveness**

The Company's soundness is protected through a prudent and careful policy to safeguard and promote effectiveness and efficiency in its management whilst observing high standards of good corporate governance to protect its value and reputation. This also promotes the maintenance of a high level of economic competitiveness.

### **3.12. Family entrepreneurship and territory**

The active presence of the business owners forms the basis of a broad view of corporate success, not limited to profit alone. Entrepreneurial continuity guarantees a long-term orientation, a strong attachment to the product, a shared ethical commitment. Such continuity is also part of Cotonificio Albini's link with the territory through its experiences, cultures and dexterity passed down through the generations. The solid roots of the Company form the foundation on which the future of the company and its collaborators is built.

### **3.13. Ethical responsibility**

The consideration paid to people and the environment is the guiding principle of all Cotonificio Albini actions. The Company strongly believes in enhancing its internal and external personnel in the belief that reliability, sharing and trust are essential elements of corporate success. The Company upholds respect towards the values of this Code of Ethics also in regards to external entities, to ensure the best and most fruitful relationships. Cotonificio Albini strongly believes in the respect and protection of people and the environment, striving daily to this end to raise the level of safety and lower the environmental impact.

### **3.14. Sustainability**

The Company believes in the close interaction between employees, suppliers and customers, with the aim of achieving development that is based on the principles of sustainability and the construction of a true value chain. The Company intends to actively pursue the objectives set by the UN's 2030 Agenda, through the design and development of business strategies inspired by the Sustainable Development Goals. Sustainability is a starting point for the Company in creating shared values, which lead to a path of continuous growth and improvement. All recipients of the Code undertake to pro-actively contribute, within their field of competence, to the conduct of activities to promote the achievement of the objectives that lead to the realisation and full expression of the aforementioned values.

### **3.15. Competition**

The Company is aware that a sound and proper system of competition contributes to continued improvement and development. For this reason, it observes current competition regulations, cooperates with the regulatory authorities of the market and refrains from conduct that could favour forms of unfair competition. In particular, Cotonificio Albini intends to protect the value of fair competition by refraining from adopting behaviours that are collusive, predatory or an abuse of a dominant position. To this end, the Company promotes a model of open and fair competition and rejects ethically-dubious practices, not availing of information acquired from illegal activities to the detriment of competitors or other players in the market.

No employee and/or contributor may be involved in initiatives or contacts with competitors (by way of example but not limited to: price or quality agreements, limitations on market extension, linkage agreements, and so on) which may appear as an infringement of competition and market regulations.

### **3.16. Conflict of interest**

In conducting any activity, the Recipients must always avoid situations where conflicts of interests may arise.

Conflict of interest means the pursuit of a benefit to a personal or third party other than that of Cotonificio Albini, or else activities are undertaken that could, in any case, interfere with the independence and objectivity of one's judgement and thus the capacity of making decisions on behalf of the Company, or whereby personal gains are pursued in the business opportunities of the same.

Anyone who finds themselves operating under a conflict of interest, even only whereby potential, or has doubts about the existence of such a conflict, is obliged to declare such, in good faith and under loyalty, to their own manager or company of reference, who shall assess the actual subsistence on a case-by-case basis as well as inform the Supervisory Body.

## **4. THE ETHICAL PRINCIPLES OF CONDUCT REGARDING INDIVIDUAL CASES OF CRIME**

In achieving its objectives, the Company recognises the following ethical principles of conduct as binding on the Recipients, in regards to individual cases of crime pursuant to Legislative Decree 231/01.

### **4.1. Offences committed in dealings with the Public Administration**

The Recipients, each in line with their role and responsibility, must:

- in any relationship entered into with civil servants, respect the correctness of administrative proceedings and the smooth functioning of the activities of the Public Administration, with formal and substantial respect for the patrimonial interests thereof;
- through their own conduct, ensure and promote the impartiality of evaluations, procedures and rulings of the Public Administration;
- refrain from improperly influencing the decisions of any counterparty during business negotiations, requests or relations with the Public Administration, including decisions of officials handling or making decisions on behalf of the Public Administration;
- always provide correct, complete and truthful information and data in any declarations and/or documents and/or communications of any kind, including electronically, addressed to the Public Administration;
- absolutely refrain from offering or issuing, directly or indirectly, sums of money or other benefits, regardless of the nature and value thereof, to public officials, officers in charge of public services or any other figure (be they a natural person, company or entity) connected or associated therewith;
- refrain from impeding, disrupting or affecting public tenders as well as from alienating bidders, inspiring their participation under the same principles of loyalty and integrity;
- refrain from any form – even whereby mediated – of unlawful influence on the activity of public officials or public service officers;
- communicate to their own manager regarding any business relations or economic activities undertaken in a personal capacity with public officials.

### **4.2. Computer crime and unlawful data processing**

The Recipients, each in line with their role and responsibility, must:

- safeguard and promote the integrity and safeguarding of data and information, ensuring individual access privileges to data and information are in line with the role and responsibilities of each;
- use the corporate computer system and its capital goods exclusively for the purposes and within the limits defined by the Company in relation to the specific activity of each.

#### **4.3. Organised crime offenses**

The Company refrains from entering into relationships of any nature, even if indirect or through a third party, with subjects (natural or legal persons) who are known to be or have reason to suspect being involved in or carrying out activities in any way favouring criminal organisations of any nature, including mafia organisations, those involved in human trafficking or the exploitation of child labour, as well as of subjects or groups operating for the purposes of terrorism, whose conduct could cause serious harm to a country or international organisation, devised to intimidate the population or force public authorities or an international organisation to perform or refrain from performing any act or to destabilise or destroy the fundamental, constitutional, economic and social political structures of an international country or organisation.

The Recipients, each in line with their role and responsibility, must:

- ensure adequate prevention of any risk of criminal infiltration and promote the adoption of methods for assessing the reliability of various subjects (natural persons or entities) who have rapports with the Company;
- ensure that any decision-making process in which the Company is directly or indirectly involved must necessarily be developed and fine-tuned with the participation of various stakeholders, with a separation of roles, and in ways that ensure traceability and verifiability, even over time, of contributions made by each function taking part.

#### **4.4. Counterfeiting coins, legal tender, stamp duty values and falsification of identifying instruments or markings**

The Recipients, each in line with their role and responsibility, must:

- promote correct information regarding the value of industrial property, being functional to safeguarding one's own rights and protecting the rights of third parties;
- ensure appropriate cooperation with the competent authorities in the prevention, countering and suppression of phenomena relating to counterfeiting and falsification of banknotes, coins and any other means of payment;
- absolutely refrain from accepting or using counterfeit notes, even if received in good faith.

#### **4.5. Crimes against industry and trade**

The Recipients, each in line with their role and responsibility, must:

- promote the use of commercial practices based solely on principles of good faith, fairness and loyalty and ensure adequate information and proper promotion of products in order to protect the trust that customers place in the Company;
- comply with current legislation on competition, refraining from engaging in conduct or business practices that result in unfair competition and, more generally, not in line with the legal and regulatory provisions in question.

#### **4.6. Corporate offences and corruption among private parties**

The Recipients, each in line with their role and responsibility, must:

- provide true, accurate, complete and verifiable administrative, accounting and financial data;
- ensure the adequacy and effectiveness of the administrative and accounting system, being essential for preparing and communicating accurate and comprehensive economic, capital and financial data;
- promote the establishment and use of appropriate tools to identify, prevent and manage risks regarding financial disclosure, fraud and misconduct;
- favour and ensure the legality of acts in the planning, decision-making and implementation of corporate operations, whether ordinary or extraordinary;
- respect the obligations regarding rapports with the Supervisory Authorities in a timely manner, whilst cooperating with them and in any case not obstructing their functions;
- refrain from offering or paying out, directly or indirectly, offer to third parties other than public officials and public service employees, sums of money or other benefits, with the sole exception of items of modest value and in respect of normal commercial or courtesy practices.

#### **4.7. Crimes of terrorism or the overthrow of democratic order**

The Recipients, each in line with their role and responsibility, must:

- refuse and counter the dissemination of ideas and the carrying out of actions aimed at spreading terror or subverting the constitutional democratic order;
- ensure and promote the protection of democratic values and respect for the State, the Constitution and the Public Institutions as fundamental values of our system.

#### **4.8. Female genital organ mutilation**

The Recipients, each in line with their role and responsibility, must:

- ensure and promote the protection of the health and physical integrity of people, as the fundamental assets of the individual.

#### **4.9. Crimes against the individual person**

The Recipients, each in line with their role and responsibility, must:

- ensure and promote the protection of individual liberty, as a fundamental asset through which human personality is enshrined;
- refuse and counter child labour and exploitation and the exploitation of labour in general, including through the refusal to contract with third parties who avail of such.

#### **4.10. Market abuse offences**

The Recipients, each in line with their role and responsibility, must:

- ensure and promote the necessary confidentiality of the regulated information relating to listed issuers having legitimate access, as well as the use of such information for the sole purposes for which legitimate access has been granted.

#### **4.11. Offences committed in breach of occupational health and safety standards**

The Recipients, each in line with their role and responsibility, must:

- scrupulously comply with the current legislation on the protection of occupational health and safety, ensuring the timely fulfilment of obligations by the same appointed to handling the various corporate functions;
- commit to providing a healthy and secure workplace for all employees, customers, suppliers, employees and, more generally, the community and anyone present in the offices and production facilities, with particular attention to the prevention of occupational accidents and diseases and in the elimination or, where impossible, minimisation of risks;
- seek the continuous improvement of the level of safety and health protection by establishing periodically-reviewed objectives and achievements aimed particularly at the prevention of occupational accidents and diseases;
- undertake to comply with existing legislation and regulations, voluntary requirements and agreements entered into, cooperating with institutions, territorial entities and industrial organisations;
- promote internal and external communication, involving, consulting with and empowering workers across all levels along with anyone working on the corporate activities, through outreach programmes, information and training.

#### **4.12. Offences of receiving stolen goods, laundering, self-laundering and using money, property or other benefits of illicit origin**

The Recipients, each under their own role and responsibility, shall be obliged to:

- refrain from buying and/or reselling goods of which one can even suspect an unlawful provenance or from carrying out any conversion operation on the same;
- scrupulously comply with the obligations under current legislation pro tempore, including in the field of adequate verification and limiting the use of cash as well as ensuring timely and precise attention to the requirements established on the matter and the traceability of cash flows;
- comply with anti-money laundering legislation as established under Legislative Decree 231/2007 and subsequent modifications, in particular to the requirements of adequate customer verification and identification, assessment of the risk of laundering, reporting any suspicious transactions, through suitable organisational procedures and adequate monitoring and control systems.

#### **4.13. Copyright infringement offences**

The Recipients, each in line with their role and responsibility, must:

- promote the proper use of intellectual property and creative works, as well as computer programs and databases;
- only use software for which a valid license has been obtained;
- ensure full compliance with current legislation *pro tempore* also in relation to content directly or indirectly accessible via the Company's website.

#### **4.14. Inducement to not make statements or mendacious declarations to the judicial authority**

The Recipients, each in line with their role and responsibility, must:

- ensure and promote correct, transparent and collaborative conduct in relations with judiciary police entities and with the Judicial Authority.

#### **4.15. Environmental offences**

The Recipients, each in line with their role and responsibility, must:

- ensure and promote environmental protection, as a fundamental asset for the community, through timely compliance with current legislation *pro tempore*, continuous improvement and the constant search for environmentally-sustainable modes of operation.

#### **4.16. Employment of third-country nationals not legally in the country**

The Recipients, each in line with their role and responsibility, must:

- fight the phenomena of undeclared labour and illegal immigration, promoting the integration and training of foreign workers with a legal residence permit.

#### **4.17. Racism and xenophobia**

The Recipients, each in line with their role and responsibility, must:

- refrain from any conduct intended or otherwise able to discriminate or enable discrimination against anyone on the basis of race, ethnicity, nationality or religion;
- refrain from spreading ideas based on racial or ethnic superiority or hatred by any means;
- ensure and promote the integration and equality of all employees and collaborators.

#### **4.18. Transnational offences**

The Recipients, each in line with their role and responsibility, must:

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- ensure and promote correct, transparent and collaborative conduct in relations with judiciary police entities and with the Judicial Authority.

### **4.19. Fraud in sporting competitions, illicit gambling or wagering and games of chance exercised by means of prohibited apparatus**

The Recipients, each in line with their role and responsibility, must:

- ensure and promote correct and transparent behaviour in sporting events and competitions;
- refrain from any conduct of illegal gambling.

### **4.20. Tax offences**

The Recipients, each in line with their role and responsibility, must:

- ensure the proper processing of taxation with regards to income, allowances and deductions in accordance with tax law;
- ensure compliance with the obligations set out under legislation on direct and indirect taxes;
- provide correct, complete and truthful information and data in declarations and/or documents addressed to the Financial Administration;
- ensure the adequacy and effectiveness of the administrative and accounting system, being essential for preparing and communicating accurate and comprehensive economic, capital and financial data.

It is also forbidden to enact operations or activities that may amount to tax crimes as referred to in Legislative Decree 74/2000 – “New rules on offences relating to income tax and Value-Added Tax”.

### **4.21. Customs offences**

The Recipients, each in line with their role and responsibility, must:

- comply with current legislation on customs duties, refraining from engaging in conduct or business practices that result in behaviour that is not in line with the applicable legal and regulatory provisions;
- ensure the accuracy of the declarations and information submitted to the Customs Authorities concerning the import and export transaction of goods;
- ensure the proper functioning of goods management activities across the border and in relations with freight forwarders and/or customs officials;
- observe the permits, prohibitions and restrictions for the introduction of goods across the border.

## **5. MEANS OF IMPLEMENTING, DISSEMINATING AND CONTROLLING APPLICATION OF THE CODE OF ETHICS**

The Code of Ethics is adopted by resolution of the Company's Board of Directors.

Cotonificio Albini undertakes to enforce the regulations of the Code of Ethics, carrying out supervisory and monitoring activities on the implementation of the Code itself.

To this end, the Company:

- establishes — pursuant to and for the effects referred to in Article 6 of Legislative Decree 231/2001 — a supervisory body to monitor, inter alia, the contents and application of the Code of Ethics;
- ensures the maximum dissemination and understanding of the Code of Ethics, organising special training courses concerning that established under Legislative Decree 231, with a specific focus on the contents of the Code;
- ensures the uniform interpretation and implementation of this Code;
- oversees the conduct of targeted audits in the event of violations of this Code being reported;
- in conjunction with the competent corporate functions, promotes the application of appropriate penalties in the event of the aforementioned violations being determined (infra 7);
- ensures the prevention and suppression of any form of retaliation against those who contribute to the implementation of this Code;
- ensures the periodic updating of this Code, based on the requirements that may present from time to time also in view of the above activities;
- Without prejudice to the responsibilities of the social bodies under the law, as well as those of the Supervisory Body and pursuant to Legislative Decree no. 231/01, all Recipients are obliged to cooperate in implementing the Code, within the limits of their competences and functions.

Cotonificio Albini encourages its employees to seek clarification from their hierarchical superiors or directly from the Supervisory Body in the event of any doubts arising in regards to the interpretation or application of the Code or the correctness of behaviour that is maintained or to be maintained in specific situations. Such requests shall receive an immediately response. A lack of any form of retaliation or negative fallout on the employee due to such reporting and/or request for clarification shall be ensured. The information thus obtained will be kept strictly confidential.

## **6. REPORTING**

Cotonificio Albini promotes the prevention and verification of any conduct that is unlawful or, in any case, contrary to the Code of Ethics and Conduct and encourages the Recipients to promptly report to the Supervisory Body any conduct that is unlawful or, in any case, contrary to the Code of Ethics and Conduct, of which they become aware due to their relations with the Company.

Beyond any cases of liability by way of slander or libel, or pursuant to Article 2043 of the Civil Code, any Recipient who reports in good faith to the Monitoring Body regarding conduct that is unlawful or, in any case, contrary to the Code of Ethics and Conduct, of which they have become aware due to their relations with Cotonificio Albini, in view of the safeguards established with regards to whistle-blowing, cannot be punished.

Reports should be submitted via the following email address:  
**odv.cotonificioalbinispa@albinigroup.com**

## **7. THE DISCIPLINARY AND SANCTIONING SYSTEM**

As mentioned, for the Recipients subject to the disciplinary authority of the Cotonificio Albini, non-compliance with the provisions contained in this Code represents conduct likely to be sanctioned according to the provisions of the collective bargaining agreement of reference specifically applicable to the individual Recipient, as well as detailed in the General Section of the Organisational, Management and Control Model adopted by the Company pursuant to Legislative Decree 231/01.

Violations of the provisions referred to in this Code, possibly committed by Recipients who are not directly subject to the disciplinary authority of Cotonificio Albini shall be sanctioned in accordance with the criteria of predetermination, proportionality and reasonableness, on the level of contractual rapports governing the relations between the Company and the Recipient reported as having committed the violation.