

# Code of Ethics Calzedonia Group

Gruppo Calzedonia  
Codice etico

**CALZEDONIA**

intimissimi

intimissimi

uomo

**TEZENIS**

underwear

**FALCONERI**

SUPERIOR CASHMERE

ATELIER EMÉ

SIGNORVINO

SOCKS & TIGHTS

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# 1. purpose

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The Code of Ethics of the Calzedonia Group was approved by the Board of Directors of Calzedonia Holding S.p.A. on 12 November 2018.

The Code of Ethics is a public statement that sets out the general guidelines and rules of conducts for Calzedonia's employees and collaborators and all those who, directly or indirectly, participate in the success and contribution of the economic wellbeing of the communities where the Calzedonia Group operates.

Calzedonia Holding and the companies subject to its management and coordination (hereinafter, the "Calzedonia Group" or "Group") adopt this Code of Ethics in order to define the values to follow with utmost clarity and transparency while giving concreteness and credibility to the contents of the code and to that end organisational instruments and general control principles have been adopted, among which, the formal and substantial legitimacy of the conduct of members of the governing bodies and own employees at any organisational level, accounting transparency and the dissemination of a culture oriented towards the control and management of the activities.

The Calzedonia Group conducts its activities in compliance with the principles of the Code of Ethics, consisting primarily of the Organisational Model and the Internal Control System of the Group, in the conviction that ethics in work and business are a prerequisite for the creation of value for a successful sound business which is an expression of its territory from which it receives and re-distributes resources.

In this regard, the Group works and promotes high levels of work standards, including environmental protection and standards to fight against corruption by implementing social interventions and initiatives, promoting reconciliation policies among work and family while ensuring the protection of workers' self-respect and psychophysical integrity and the properly dealing with diversity of the less represented genders. Likewise, the Group fosters policies to promote and protect cultural and linguistic diversity, as well as the ethnic and religious diversity of workers within the scope of promoting integration and inclusion.

The Code of Ethics of the Group constitutes an integral and fundamental part of the Organisational Models envisaged in Legislative Decree 231/01 on criminal liability of entities for the companies of the Group with branches located in Italy which have adopted said Organisational Models to prevent offences and implement ethical and business guidelines for all the other companies of the Group with branches in foreign countries to ensure and assume responsibility towards consumers and the market with guidelines and principles to follow in managing the business, as well as rules of conduct binding on members of the Company, executives, employees/collaborators and on all those who act on behalf of the Company for any reason.

The Group conforms its business management and coordination guidelines to the principles of the Code of Ethics within the scope of implementing a proper business management for the Company to ensure transparency and efficiency in corporate processes through a proper exchange of information in respect of laws and regulations, the reliability and publication of documents and operations, even through their traceability, in such a manner as to ensure they are always consistent with the policies of the Group and the Code of Ethics.

The purpose of the Code of Ethics is to define principles laid down by the Calzedonia Group in dealings with all stakeholders: employees, customers, shareholders, manufacturers, suppliers, business partners, consultants, non-governmental organisations and local communities and the company in general thereby promoting the inclusion of sustainable practices within its entire business model.

The Code of Ethics of the Group is inspired by best practices and major standards, guidelines and regulations in force nationwide and internationally on corporate social responsibility, corporate governance, human rights and the environment, like the International Charter of Human Rights of the United Nations, the European Union Charter of Rights, the Fundamental Conventions and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO), the Ten Principles of the Global Compact of the United Nations and the Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD).

# 2. scope of application

## 2. scope of application

Those working on behalf of Calzedonia are called to abide by the laws and regulations of the countries in which they conduct their activities and hence comply with the rules of the international community. Given the Group's global strategic vision, the Company feels the need to go beyond by requiring the recipients of the Code of Ethics to comply with ethical standards and behavioural principles that are mentioned hereafter which may be even more restrictive than mandatory legislation of the country of reference.

This Code of Ethics is therefore applied worldwide and is binding on all the companies pertaining to the Calzedonia Group and all members of staff, regardless of their job, position or role. To that end, the Calzedonia Group includes any company where Calzedonia Holding S.p.A. holds at least 50% of share capital or voting rights, directly or indirectly.

The full or partial application of this Code of Ethics can be extended to any natural or legal person associated with the Calzedonia Group in case in which it is considered appropriate in order to pursue the Group's purpose and as long as it is feasible based on the nature of the relationship. This shall be personally notified to all executives, directors and any other person who represents the Calzedonia Group, where required depending on the type of relationship with the company and said persons shall undertake to abide by the Code of Ethics through a written agreement. Likewise, the obligation to apply the Code of Ethics shall be expressly required in job contracts of employees who will receive a copy when they are hired.

Exemption to said obligation in specific cases duly highlighted, can be authorised by the Board of Directors of Calzedonia Holding S.p.A.

The Code of Ethics is addressed to the various recipients according to the most appropriate methods and according to the procedures outlined hereafter.

# 3. Commitments:

## sustainable development goals

In order to comply with the Agenda for Sustainable Development of the United Nations, the Calzedonia Group intends to pursue its Sustainable Development Goals. Moreover, the Group acknowledges that the respect for human rights within the scope of the UN Guiding Principles on Business and Human Rights is a key factor for sustainable development. Sustainability is interpreted as being able to offer a range of products whose entire production line can strictly comply with human and social rights and with the strictest standards on the environment, health and safety, all based on transparency and constant dialogue with the stakeholders of the Calzedonia Group.

In this context, the Calzedonia Group undertakes to assume an active role in promoting human rights while working pro-actively to ensure they are respected. Said commitment requires the prevention or if appropriate, the reduction of negative consequences in own activities with respect to human rights. Likewise, the Calzedonia Group will make its best efforts to prevent or reduce negative consequences on human rights directly associated in business dealings with third parties.

Said commitment which is reflected in the corporate culture firmly rooted on the sustainability of its business model, covers all transactions and the entire chain of values of the Group.

# 4. Operating principles of the Calzedonia Group

## 4.1 HUMAN RIGHTS

The Calzedonia Group implements its commitment to respect and promote human rights, as set out by the UN Guiding Principles on Business and Human Rights while promoting said rights in the communities where it operates.

This Code of Ethics is inspired by the following international declarations:

- The UN Charter of Human Rights which includes:
  - a) The Universal Declaration of Human Rights
  - b) The International Covenant on Civil and Political Rights
  - c) The International Covenant on Economic, Social and Cultural Rights
- The Fundamental Conventions of the International Labour Organisation (hereinafter, "ILO"), the ILO Declaration on Fundamental Principles and Rights at Work and the Decent Work Agenda.
- The Ten Principles of the United Nations Global Compact
- The United Nations Guiding Principles on Business and Human Rights
- The Guidelines for Multinational Enterprises of the Organisation for Economic Co-operation and Development (OECD)

Moreover, the Calzedonia Group strengthens its responsibility towards sustainability and the protection of human rights by contributing to the 17 Sustainable Development Goals of the United Nations within the scope of the 2030 Agenda for Sustainable Development. Based on a revision of its business model and expectations of stakeholders, the Calzedonia Group has identified the human rights, work and non-work related, directly associated with its value chain. Notwithstanding the above, the Calzedonia Group re-affirms its commitment to respect and promote all human rights recognised internationally, in particular:

- **Respect for the rights of minorities and communities:** The Calzedonia Group undertakes to comply with the rights of the local communities in the areas where it runs its business and comply with laws, the culture and local customs while undertaking to keep an open dialogue with its stakeholders and pay particular attention to the most vulnerable groups.
- **Right to privacy:** The Calzedonia Group complies with the privacy rights of all persons with whom it engages in business and will ensure the proper use of any personal data

gathered in all the countries in which it operates.

- **Right to health:** The Calzedonia Group undertakes to take the necessary measures to ensure that its products do not pose a threat to the health and safety of customers.
- **Right to freedom of opinion, information and expression:** The Calzedonia Group undertakes to comply with and promote within its scope of application, the right to freedom of opinion, information and expression thereby respecting the diversity in opinion while promoting a two-way communication with its stakeholders.
- **Right to security of the person:** The Calzedonia Group undertakes to ensure the security of all persons who the Group deals with in all of its areas. Private security companies to which the Group is associated act in compliance with applicable laws and regulations and respect human rights.
- **Helping fight against corruption:** The Calzedonia Group is committed to helping fight against all types of corruption, direct or indirect, including extortion and bribery, in compliance with Principle 10 of the Global Compact of the United Nations. The Calzedonia Group relies on a prevention model against criminal threats and a compliance model to prevent illegitimate or unlawful conduct associated with any form of corruption.
- **Right to water and the environment:** The Calzedonia Group undertakes to incorporate environmental variables, namely those associated with consequences in climate changes and in water management, during the planning and implementation of its activities and those of its business partners thereby promoting responsible environmental behaviour among its staff, its suppliers and the company in general.

The Group relies on a solid and efficient global environmental management standard. The Calzedonia Group will abide by environmental laws and regulations that apply to its activities, in addition to any other future obligation and will make special efforts to prevent pollution while reducing as much as possible the potential environmental impact generated by its chain of distribution, both in terms of human and natural resources.

Likewise, the Group will contribute to protect the environment by implementing measures for constant improvement and reduction of greenhouse gas emissions, direct or indirect, as well as reduce consumption of resources, monitoring spills of chemicals, minimizing the use of components that are potentially hazardous for the environment or for people and in general oversee the entire environmental management system of the Group.

To that end, the Calzedonia Group is aware of the importance of the First Universal Legally Binding Global Climate Agreement., ratified by 195 countries on December 2015 during the Climate Change Conference in Paris (COP21).

- **Against forced or compulsory labour:** The Calzedonia Group rejects any form of forced or compulsory labour. This applies to own employees and those of the Group's distribution chain in its entirety, as well as any natural or legal person associated with the Calzedonia Group. The Calzedonia Group abides by the United Nations Global Compact principles according to which companies are bound to support the elimination of any form of forced or compulsory labour or any work under coercion.
- **Against child labour:** The Calzedonia Group respects rights of children and rejects

child labour complying with the minimum age required for employment, as set out by the national laws of every country.

• **Against discrimination and promoting diversity:** The Calzedonia Group rejects any form of discrimination while respecting the diversity of its employees and offering equal job opportunities and a chance for professional advancement. Employees of the Group will not be exposed to discrimination based on race, origin, ethnic group, disability, disease, religion, marital status, sexual orientation, political opinion, age, nationality, gender or for any other reason. Moreover, manufacturers and suppliers will refrain from engaging in any discriminatory practices in relation to recruitment, salaries, training opportunities, advancement, termination of job contracts or retirement.

• **Respect for freedom of association and collective bargaining:** The Calzedonia Group recognises the right of employees to set up, participate or join trade unions or organisations aimed at protecting and promoting their interests, regardless of the environment in which they work. Moreover, the Group ensures its workers compliance to collective bargaining, freedom of opinion and the protection of workers' representatives. The manufacturers and suppliers of the Calzedonia Group ensure its employees, without distinction, freedom of association and collective bargaining, as well as the right to join a trade union. There will be no retaliation if said rights are exercised and no compensation or payment of any sort will be offered to employees to prevent the exercise of said rights. Likewise, said manufacturers and suppliers must adopt a proactive attitude and support trade union activities when operating within the Calzedonia Group.

• **Protection of workers' health and safety:** All employees of the Calzedonia Group work in a healthy and safe working environment. The Calzedonia Group guarantees a healthy and safe working environment for all its employees thanks to the compliance of procedures and standards on occupational, health and safety risks in the workplace thereby meeting all obligations set out by the national laws and regulations of the countries in which the Group operates. The manufacturers and suppliers of the Calzedonia Group will also offer a healthy and safe working environment to all their employees thereby guaranteeing minimum light, ventilation, hygiene conditions as well as comply with fire prevention standards, safety and ensure access to drinking water. If required, facilities will be provided to preserve food, including accommodation and if provided, they will be clean and safe. Said manufacturers and suppliers will take the necessary precautions to prevent accidents and damages to the health of workers while minimising work-related risks as much as possible. Manufacturers and suppliers will regularly offer training courses to their employees on workplace health and safety. The Calzedonia Group will duly keep track of training courses offered. Likewise, a workplace health and safety representative will be appointed within the management team and will have the appropriate decisional powers.

• **Just, fair and favourable working conditions:** The Calzedonia Group treats all of its employees with respect and in a just and fair manner, paying their wages in compliance with applicable laws, observing laws on minimum wage, overtime work and benefits. Manufacturers and suppliers will not make any withholdings or deductions on wages for disciplinary reasons or for any other reasons without the express authorisation of workers, except for those required by applicable regulations. Likewise, they will provide all workers the following: written, understandable information regarding their wage conditions at the time of hire and detailed information on their salaries, every time they

are paid. Moreover, manufacturers and suppliers will ensure that salaries are paid on time, as well as any other payment or benefit in full compliance with applicable laws and in particular, guarantee that payments are made in the best suited manner for workers.

The Calzedonia Group guarantees its employees a working environment free of any form of harassment, intimidation or violence. Therefore, any form of harassment or abuse towards employees is strictly prohibited, including sexual, psychological or verbal harassment, as well as any other conduct that may create an intimidating, offensive or hostile working environment. Manufacturers and suppliers of the Calzedonia Group will be bound to abide by the provisions of this Code of Ethics in order to guarantee all employees just, fair and favourable working conditions.

## **4.2 FIGHT AGAINST CORRUPTION**

The Calzedonia Group is strongly committed to fight against any form of corruption in all countries in which it operates and to that end, is committed to preventing and will fight against any form of corruption in the broadest sense, public or private, and in particular:

- active corruption where a person gives or promise another any benefit (money, gifts or other) with the purpose of persuading that person not to fulfil his/her own duties;
- passive corruption where a person requests or receives from another any benefit with the purpose of not fulfilling his/her own duties.

In this respect, Calzedonia condemns any sort of conduct or behaviour contrary to laws and regulations or in any case, conduct that breaches internal rules or principles of sound and transparent business management, principles of which the companies of the Group are inspired by according to the methods set out by this Code of Ethics in dealings with the various stakeholders (public authorities and in particular civil servants, but also manufacturers and suppliers, business partners, non-governmental organisations and local communities).

Calzedonia ensures the prevention of potential corruptive offences relying on all instruments and available resources by training staff, through constant monitoring of activities at risk and through the application of sanctions for said violations.

The Group strictly prosecutes behaviour that does not conform to ethical and legal principles and implements policies to interact and involve staff members and third parties (suppliers and collaborators) with the conviction that all stakeholders can help prevent and mitigate own risks in the company activities in terms of sustainability in the mid-long term.

## **4.3 DIVERSITY AND PERSONNEL MANAGEMENT**

From a perspective of harmony and equality in a healthy, stimulating and productive working environment, policies aimed at removing and overcoming gender obstacles within the organisation have been reinforced within the Calzedonia Group and inclusion policies of any "diversity" have been promoted with special emphasis and care in developing growth opportunities for diverse people.

Calzedonia undertakes to prevent and fight against any form of discrimination based on gender, age, race, ethnic group or nationality, political opinion, religion or sexual orientation, language, health conditions or disability, pregnancy, maternity or paternity, including adoptions, trade union affiliations and any other form of diversity. The Company adopts policies to favour social aspects and those regarding the management of its staff, namely actions and measures aimed at guaranteeing equal opportunities and prevent discrimination, the implementation of conventions of international and supranational organisations, as well as dialogue with social partners.

Calzedonia relies on a performance assessment system compatible with an individual's enhancement and development to have a merit-based system without any prejudice.

Special emphasis is given to social inclusion policies, as well as to policies on the integration of expatriate staff, workplace health and safety, work-life balance and on the turnover of staff based on age, salary/wages and professional level, as well as work organisation; maternity protection and promotion in general of policies to support families.

A major consideration regarding the Group is based on the fact that women are still severely under-represented in decisional roles for many reasons, despite the fact that many international companies have adopted and implemented policies on gender and diversity.

This is why Calzedonia intends to act and put into effect policies to get rid of inequality while guaranteeing equal pay and general welfare policies/policies to support the families of employees and women as individuals. This is done due to complex reasons of equality, the economic wellbeing of children and families, as well as due to the society in general and the increasing number of women in the labour market, including equal pay, as it is crucial for the economic growth of the country and has a quite significant trait in Calzedonia where there is a strong presence of women, considerably by role, qualification and lastly their number within the organisation.

Generally, the guidelines followed by the Group to overcome gender diversity and contribute to the consolidation of a gender culture with respect to differences, aiming for economic equality of women and men (e.g. facilitate balance in household responsibilities with corporate welfare policies, such as childcare services, maternity leave and flexible job conditions, etc), equal salaries for jobs of equal value (e.g. reduce disparity in economic sectors and in occupations, equality in the decisional process (improve the balance between men and women who fill a major position in the company; ensure balance in gender representation among executives and directors; promoting equality in the decisional process implies a better balance between men and women in top management positions and in the pool of best talents), dignity, integrity and fight against gender violence and equality among women and man in external actions (e.g. strengthen gender integration by including considerations on gender equality in impact assessments and analysis, in line with general principles of sustainability; define and implement corporate policies that, starting from top management, can involve everyone at all levels of the organisation with respect to the principle of equal dignity and treatment in the workplace; inform personnel of the commitment assumed in

favour of a corporate culture of equal opportunities in the most proper manner by providing information on projects undertaken thereof and the practical results achieved; promote external visibility of the corporate commitment by witnessing the adopted policies and obtained progresses within the scope of a responsible community of solidarity).

# 5. stakeholders

## 5. stakeholders

### **5.1 EMPLOYEES**

The Calzedonia Group undertakes to comply with workers' human rights of all its employees and in particular those rights defined as fundamental by the ILO Conventions. In turn, the Calzedonia Group expects for all employees of the Group to fully comply with human rights and encourages the promotion of said rights. The commitments of the Calzedonia Group assumed towards its employees are discussed in this Code of Ethics and are acknowledged in internal rules and procedures.

Employees of the Calzedonia Group must behave in full compliance with the provisions of this Code of Ethics, both in letter and in spirit, defined as an ethnic commitment with basic standards and principles for the proper development of relations between the Calzedonia Group and its main stakeholders wherever the Group carries out its activities.

The Code of Ethics is based on the following principles:

All the operations of the Calzedonia Group will be carried out according to an ethical and responsible perspective.

Compliance of laws and regulations of every country.

The conduct of employees of the Calzedonia Group will comply with the provisions of this Code of Ethics, both in letter and in spirit.

All natural and legal persons who engage in any professional, economic, social or industrial dealing with the Calzedonia Group, directly or indirectly, will be treated equally and with respect.

All the activities of the Calzedonia Group will be carried out with utmost respect for the environment while promoting the preservation of biodiversity and sustainable management of natural resources.

The Calzedonia Group considers people as a key business factor and supports and promotes the respect of human rights and workers while undertaking to implement standards and best practices in force in working conditions and workplace health and safety.

Staff members will contribute to fully complying with applicable work standards and prevent, identify and remove any irregularity thereof. All employees will be bound to interact with other employees in compliance with principles of respect, dignity and fairness thereby considering the different cultural background of every individual without allowing for any form of violence, harassment or abuse in the workplace or any form of discrimination whatsoever. All employees will be responsible for fully complying with all workplace health and safety regulations to guarantee their own safety and that

of those influenced by their activities. It is expressly forbidden to use any substance that may negatively affect the proper fulfilment of the professional obligations.

### **5.1.1 RESPECT FOR COMPETITION**

The Calzedonia Group is a loyal competitor within the market and does not accept any deceptive, dishonest or malicious conduct. Any gathering of information or market research will be conducted by employees of the Calzedonia Group without violating any personal data protection regulations. Employees will not accept any information on any competitor that is acquired improperly or in breach of the confidentiality obligation that the legitimate owners of said information have. In particular, special attention must be taken in order to prevent the infringement of any company trade secret in case in which professionals from other competitor companies operating in the sector become part of the Calzedonia Group.

Likewise, employees will refrain from disclosing any malicious or false information regarding the competitors of the Group. Except for sales activities in stores, with respect to dealings with third parties, employees of the Calzedonia Group will, as general rule, avoid any cash payment or payment in other currency other than the one agreed, unless they are transactions of minor value. In any case, payments shall conform to the policies defined by the Financial Management Department of the Calzedonia Holding S.p.A. Group. Likewise, employees shall have special control on any unplanned payment made to third parties or made by third parties not mentioned before in the respective agreements; on payments made to any current account other than the usual account used for transactions with certain organisations or persons; on payments made to or by any person, company or organisation or on any account opened in any place of the world that is considered a tax heaven or on payments made to organisations whose shareholder, owner or final beneficiary is not identified. Employees shall require the observance of all applicable laws on processes for new registrations or declarations of origin of goods thereby ensuring that the standards and procedures set out by the Group are observed.

### **5.1.2 CONFLICT OF INTERESTS**

Employees of the Calzedonia Group will avoid any situation that may cause any conflict between their personal interests and those of the Group. Moreover, they will refrain from representing the Group and from participating or expressing their own opinion during any decisional activities if they themselves or through any related party have any personal interests, directly or indirectly. They may not rely on their own position within the Group to gain an economic or personal benefit of any sort or to take advantage of any business opportunities for themselves.

Employees of the Calzedonia Group may not conduct activities as consultants, executives, directors, employees or advisors of any competitor company of the Calzedonia Group, unless said services are carried out upon request of the Calzedonia Group.

The Calzedonia Group respects the private life of its employees and consequently the privacy of their decisions. Within the framework of said policy of respect, employees are urged to inform the Board of Directors of Calzedonia Holding Spa of any conflict of interest, whether personal or regarding own relatives that may pose a risk to the due objectivity or professionalism in fulfilling own duties within the Calzedonia Group so that the respective measures for the mutual benefit of the Group and involved persons can be taken accordingly.

### **5.1.3 CONDUCTING OTHER ACTIVITIES**

Employees of the Calzedonia Group may conduct any other work or professional activities in addition to those carried out for the Calzedonia Group, solely in case in which said activities do not jeopardise the integrity and efficiency required to fulfil their duties. Any job or professional activity conducted outside the Calzedonia Group that may influence the job schedule with the Group or compromise the required efficiency in carrying out the job, must be authorised beforehand by the company's Human Resources Department. The Calzedonia Group prepares its business model without any political interference in the communities where it runs its production, distribution or commercial activities. Any dealings that the Calzedonia Group may have with any government, authority, institution or political party, will be based on principles of legality and neutrality.

Employees' right to take part in legitimate political activities is admitted, as long as said activities do not interfere with the due fulfilment of their job for the company and as long as they are carried out outside the work schedule and outside any facility of the Calzedonia Group so that said activities are not attributed to the company.

### **5.1.4 USING THE COMPANY'S PROPERTY AND SERVICES**

Employees of the Calzedonia Group will ensure that the property and services of the company are used efficiently and will not use said property for personal gains.

To that end, employees of the Calzedonia Group will never use equipment provided to them by the company to install or download any software, application or content for illegal purposes that violate the company rules or that may damage the reputation of the company. They will not use any sum of money or company letterhead paper to make payments of any sort that are not connected to their professional duties.

Employees will be aware that documents and data stored in systems and IT devices of the Calzedonia Group may be subject to revision by their respective company units or by third parties appointed by the company or a third party appointed by the same company, if required, and as long as is permitted by applicable laws.

### **5.1.5 DEALINGS WITH PUBLIC AUTHORITIES AND GOVERNMENT EMPLOYEES**

Staff members of the Calzedonia Group will maintain legitimate, ethical relations and will be respectful of authorities and public institutions in countries in which it engages in business, in line with international anti-corruption standards and policies. Those in charge of maintaining any dealings in general with representatives of public authorities will be bound to obtain prior express authorisation of the Group for said dealings.

Any member of staff who deals with public administrations must formally document all the decisions taken and ensure the observance of internal and external rules in order to facilitate the verification process by third parties or by internal or external audit bodies of the Group and regulatory compliance in the field. As a general rule, employees of the Calzedonia Group may not offer or grant, request or accept, directly or indirectly, any gift, donation, favour or compensation, regardless of the nature or from any public or

state authority.

Nevertheless, the above does not apply to gifts or presents of low value that are considered fair and reasonable based on local customs and that are transparent and donated for reasons related to lawful interests and are socially accepted and furthermore made on an occasional basis in order to prevent that their contents and recurrence may persuade independent third parties to pose a threat to the good faith of the employee of the Group. Cash gifts are expressly prohibited. Each employee will be bound to stay duly informed on local practices and duly assess said practices by taking in consideration the interest and good name of the Group. In any case, practices regarding gifts and presents will be duly monitored, assessed and registered by the Group.

The staff of the Calzedonia Group will refrain from making any facilitating payments, consisting in giving money or any other object of value, regardless of the amount, with the purpose of guaranteeing or speeding up any bureaucratic procedure, regardless of its nature, with any court, public administration or official agency. Staff members shall refrain from gaining any undue tax benefit for the Calzedonia Group and will ensure that information for tax authorities are true and accurate and that they duly represent the actual condition of the Group. The above persons will also ensure that the support requested or received from public authorities is duly allocated and that the request for said support is transparent thereby preventing encountering changes in said requests in order to receive said support or allocate it to any use other than its intended use. The staff of the Calzedonia Group is bound to strictly comply with applicable regulations of countries where international commerce restrictions are in force.

## **5.2 SUPPLIERS**

All manufacturers and suppliers who work with the Calzedonia Group undertake to respect human rights of workers and employees thereby involving their business partners to pass on the principles set out in this Code of Ethics.

The Group sets out the minimum standards for an ethical and responsible conduct that must be observed by all its manufacturers and suppliers. Likewise, they shall allow any monitoring activity by the Calzedonia Group or by authorised third parties in order to verify said compliance.

All manufacturers and suppliers that are part of the production line of the Calzedonia Group (purchasing, manufacturing and finishing) shall be bound to comply with the principles set out in this Code of Ethics. Manufacturers and suppliers will pass on said principles to all employees and whoever is in any way involved in the Distribution Chain of the Calzedonia Group. The Calzedonia Group undertakes to allocate the necessary resources so that manufacturers and suppliers are aware and understand said Code of Ethics and are able to ensure their observance.

All manufacturers and suppliers are aware of this Code of Ethics and undertake to ensure that the principles and standards set out thereto are observed.

In particular, the following principles are outlined:

- a) Compliance with applicable laws and regulations on labour in countries in which the Group operates, in addition to ILO conventions and other international standards thereby paying special attention to observing human rights within the scope of the United Nations Guiding Principles on Business and Human Rights.
- b) Promotion of sustainable production environments in geographical areas considered strategic for implementing the business model of the Calzedonia Group. Manufacturers and suppliers will be duly committed at any time to ensure environmental protection and compliance with standards and requirements of the applicable local and international laws and regulations. Likewise, they will be committed to observing environmental standards set out by the Calzedonia Group, including, if applicable, the necessary measures to reduce and compensate said impact in order to implement said standards.
- c) Constant improvement process through social dialogue and coordination with the various stakeholders of the Group, namely non-governmental organisations, trade associations and international buyers.

Manufacturers and suppliers will not assign any jobs to third parties without the prior written authorisation of the Calzedonia Group. Whoever outsources any jobs will be responsible for making sure that this Code of Ethics is implemented by said third parties and their employees. Likewise, manufacturers and suppliers shall apply the principles of this Code of Ethics to any worker involved in their distribution chain while guaranteeing transparency of the conditions and workplaces of said home workers.

Manufacturers and suppliers are responsible for ensuring that all finished products of the Calzedonia Group conform to the standards of the Calzedonia Group on health and safety of the products so that the marketed products can be free of any risks to customers.

### **5.2.1 RELATIONSHIPS WITH SUPPLIERS**

Employees of the Calzedonia Group shall maintain legitimate, ethical and respectful relationships with suppliers.

Suppliers will be chosen based on principles of objectivity and transparency by putting together the interests of the Group in pursuing the best conditions with the interest in maintaining stable relationships with ethical and responsible suppliers. All suppliers working with the Calzedonia Group undertake to respect human rights and the rights of all workers and employees thereby involving their business partners and passing on said principles. By no means shall the Calzedonia Group accept a breach of any of these principles.

Any activities regarding the purchase and procurement sector shall be carried out in full compliance of prevailing standards and applicable corporate procedures. All decisions taken in this matter shall be highlighted, supported and audited if revised by third parties or by internal control bodies of the Calzedonia Group. Staff of the Calzedonia

Group will be bound to protect any commercially sensitive information regarding the terms and conditions set out by the Group on its supply chain. Manufacturers and suppliers will guarantee integrity and confidentiality of the information gathered from their business relationship with the Calzedonia Group. The confidentiality obligation shall remain in force even after the contract with the Calzedonia Group is terminated and will include the obligation to return any materials regarding the company that are held by the manufacturer or supplier.

Manufacturers and suppliers shall conduct their activities with honesty, responsibly and in a transparent manner by maintaining a proper accounting system where their decisions can be easily traced as preventive measure against any type of corruption, bribery or extortion that may occur. Manufacturers and suppliers are bound not to offer, grant, request or accept any gift or donation from buyers of the Calzedonia Group that may constitute a breach of the provisions of said corporate rules. Manufacturers and suppliers are bound not to offer or accept any type of remuneration that is aimed or that may be perceived as aimed to influence the impartial judgement or objectivity of the parties appointed by the Calzedonia Group to conduct inspections and compliance audits with respect to the company rules. Employees of the Calzedonia Group will not request or accept from suppliers any information regarding the terms agreed with any competitor of the Calzedonia Group.

Employees of the Calzedonia Group may not offer, grant, request or accept, directly or indirectly, any gift, present, favour or remuneration in money or in kind, regardless of its nature, that may affect the decisional process regarding the fulfilment of the duties related to their position. Any gift or present received in breach of the provisions of the corporate rules will be returned immediately and will be notified accordingly to the Compliance Department. If returning said gifts or presents is considered reasonably unlikely, they shall be delivered to the Compliance Department which in turn after issuing the respective receipt will transfer it to charity. In particular, no employee of the Calzedonia Group may offer, grant, request or accept any gift or present from any person or entity with whom the Calzedonia Group engages in any dealing whatsoever, for an amount whose single sum or total sums exceeds Euro 150 in a period of one year or equivalent sum in the local currency. Cash gifts are expressly prohibited.

### **5.3 BUSINESS PARTNERS**

Business partners of the Calzedonia Group are bound to comply with and promote internationally recognised human rights in the fulfilment of their duties. To that end, the Calzedonia Group will make every effort to ensure the observance of said obligation. To that end, any company that engages in business with the Calzedonia Group through any sort of joint venture or franchising, will be considered a business partner.

### **5.4 SHAREHOLDERS**

The Calzedonia Group runs its business in compliance with corporate interests, it being understood as the feasibility and maximisation of the company's long-term value, in the common interest of all shareholders.

The Calzedonia Group is a private group whose shares are not listed and whose number

of shareholders is currently limited.

The principles that regulate dealings with shareholders are based on transparency and promotion of informed participation that promotes the social and environmental sustainability of the company as a way to create value for all its stakeholders in a responsible manner.

## **5.5 CUSTOMERS**

The Calzedonia Group respects the human rights of its customers and undertakes to communicate with them in a clear and transparent manner and supply safe products and services. As far as its products are concerned, the Calzedonia Group undertakes to offer its customers a high standard of excellence, quality, health and safety. Products will be made ethically and in a responsible manner, in compliance with standards of the Group in terms of health and safety.

The Group rejects any form of discrimination against its customers and will respect their rights to privacy every time by protecting and making proper use of their personal data.

The commitment of the Calzedonia Group towards its customers pervades the entire business model of the Group, all work areas and in particular all products sold by the company. The most important principles that regulate the relationship between the products sold by the Calzedonia Group and its customers are as follows:

- a) Responsible design of clothing, promoting the use of raw materials and textile fibres from traditional cultivations and sustainable fibres, to the extent compatible with market requests.
- b) Ethical and responsible production of goods.
- c) Compliance with the strictest standards on health and safety.

### **5.5.1 DEALINGS WITH CUSTOMERS**

All employees will be bound to act in compliance with guidelines of respect, dignity and justice when dealing with customers thereby considering the different cultural background of each individual without allowing for any form of discrimination based on race, religion, age, nationality, gender or for any other personal or social condition, except for qualifications and abilities, paying special attention to the integration of people with disabilities within the working life.

The Calzedonia Group protects its customers by establishing and requiring all its suppliers, mandatory standards on the health and safety of products while ensuring that all the goods sold by the Group are not harmful for the health and safety of customers. Employees of the Calzedonia Group will be bound to ensure that said standards are duly observed, in addition to any other regulation or standardised procedure on labelling, quality and clothing characteristics.

When performing their professional duties, the employees of the Calzedonia Group will

promote products of the Group based on objective standards without distorting their description or characteristics.

The Group will conduct promotional activities in an honest manner to avoid providing any false or deceptive information that may mislead its customers or third parties. Likewise, the contents shown on any promotional or advertising support will present or promote the image of healthy people, avoiding any sort of stereotypes far from reality.

Staff of the Calzedonia Group will guarantee the security of any means of payment used at the stores of the Group, whether they are physical stores or online stores, the purpose being to guarantee proper traceability of billing and collection procedures, protecting the data of customers and preventing any frauds.

## **5.6 THE COMMUNITY**

The Calzedonia Group encourages and supports the promotion of human rights in local, national or international communities where it operates. As integration of the impact of own business activities, the Calzedonia Group applies its social investment model, driven by its commitment towards global welfare and the strengthening of the communities where the Group is involved. This way of considering social investment implies for the Calzedonia Group to voluntarily participate to socially responsible practices that create value in the community and company.

The Calzedonia Group sees investments in the community as an opportunity to contribute to the development of the company based on the use of corporate resources. This way of considering the investment strategy is based on the following assumptions:

- a) that the Calzedonia Group adopts socially responsible practices that create value for the community and the company.
- b) that the investment actions in the community carried out by the various companies of the Group are consistent with the corporate strategy.
- c) that a high level is guaranteed in terms of reputation, transparency and best practices by social organisations that implement projects where the Calzedonia Group participates.

Any cash contributions or contributions in kind made by the Group, where applicable, towards any political party, institution or public authority, will always be made in compliance with applicable legislation, guaranteeing the principle of transparency.

# 6. the environment

The Calzedonia Group will conduct its activities in the most eco-sustainable manner possible by encouraging the preservation of biodiversity and sustainable management of natural resources, as deduced from the Group's environmental policies. The Calzedonia Group undertakes to minimize environmental impact through the entire life cycle of its products, from the purchase of raw materials or production thereof directly from natural resources until the end of their life cycle thereby implementing in every phase of design, manufacturing, distribution and retail sale and final use, a series of measures aimed at reducing and compensating said impact.

The principles that regulate the procedures of the Group on the environment are as follows:

- a) Observance of applicable environmental laws and regulations and any other obligations related thereto thereby paying special attention to preventing pollution while minimising, where possible, the potential environmental impact generated by its own line of production with respect to natural resources and people.
- b) Environmental protection and implementation of measures for constant improvement on the reduction of direct and indirect greenhouse gas emissions, reduction of consumption of natural resources, monitoring of spills of potentially hazardous chemicals and implementation of our environmental management system in its entirety.
- c) Consideration on the consequences of climate change, water management and biodiversity protection in the planning and implementation of own activities and those of own business partners, manufacturers and suppliers thereby encouraging environmental awareness.

# 7. animal welfare

During its procurement activities of raw materials from animal origin (such as for example, hides, feathers, etc.), the Group requires its collaborators and suppliers to ensure that said materials are not obtained from cruel farming practices and that maltreatment and other detrimental activities are rejected.

# 8. Compliance system and internal control

The responsibility of the internal control, management and risk reduction system is vested in the Board of Directors in its entirety which shall set guidelines and regularly ensure the suitability and effectiveness of the operation. Directors conduct constant assessments on the suitability of the organisation and monitor the risks according to the analysis deriving from information flows regarding the internal and external environment. The creation of a compliance and control system allows the company to identify the necessary risk prevention, control and reduction instruments hence allowing for discrepancies to be identified among the preset goals and pursued results and consequently intervene to implement the appropriate corrective actions.

To that end, the Calzedonia Group intends to clearly indicate the resources and instruments provided to manage and cut down own business risk in a transparent manner while clearly stating the methods through which said instruments are integral part of the organisational fabric of the companies in direct correlation with its stakeholders, not only the territory and stakeholders in general, but mainly evidence of the commitment and propensity of the Group's activities and management in the interaction dynamics with employees and collaborators in terms of inclusion, in the perspective of protecting corporate assets and with them, safeguard the company that creates jobs and value.

From the start, Calzedonia has paid special attention to its Compliance and Internal Control System through strict business policies aimed at observing national and international laws and regulations, as well as protecting the workplace health and safety. These policies are aimed at preventing offences, promoting fight against corruption, ensuring internal company controls by involving key players: the Board of Statutory Auditors, Independent Auditors, members of the Board of Directors with powers and specific competences allowing a constant flow and exchange of information; the Supervisory Body pursuant to Legislative Decree 231/2001 for companies with an Organisational Model.

Extensive reports on risks (operating, accidental, environmental, insurance-related, privacy, IT) are prepared regularly to monitor the company's general trend while identifying the areas for improvement and related interventions.

Managerial leadership is strengthened by investments on general and specific training with the intent to completing a direct process and pursue values of substantial and

procedural fairness, values of transparency and accountability thereby ensuring that operations are efficient, known and are able to be verified and more in general activities regarding management; reliability of accounting and managerial data, as well as financial information (accuracy), compliance of laws and regulations and safeguarding of the corporate integrity, even to prevent frauds against the company while minimizing operational risks.

## **8.1 231/01 COMPLIANCE SYSTEM**

In Italy, Legislative Decree 231/01 on criminal liability of entities, introduced a new control body: the Supervisory Body.

Established by virtue of article 6, paragraph 1, letter (b) of the Decree, the purpose is to oversee the effective operation and ensure the observance of the Company's offence prevention model, as well as to keep it up-to-date thereby proposing the Board of Directors any changes or additions in all cases in which it is considered necessary.

In the Calzedonia Group, the Supervisory Body consists of three members: two external professionals, experts on criminal law and business risk and one internal member from the legal and compliance area.

The members of the board meet the necessary requirements of honourability, professionalism and independence and carry out the duties assigned to them while guaranteeing the necessary continuity of action.

The Organisational, Management and Control Model envisaged in Legislative Decree 231 is disseminated and integrated within the organisation through training and information actions set off at all corporate levels since the adoption of said instrument and are re-introduced regularly in a single constant cycle of awareness and revision process. The same for external key roles, collaborators and suppliers, the policy is to share general principles to which the Group is inspired by with express request to observe and ensure conforming conduct and that business activities meet the highest standards, as required by Calzedonia.

A proper control and risk management system must also be adopted not only consisting of protocols and disseminated and shared processes of risk management models and offence prevention models, but also consisting of a whistle-blowing internal system that can allow people to report any irregularities or violations of applicable laws and internal procedures in line with best business practices in force nationally and internationally in order to guarantee a specific and reserved information channel, as well as the confidentiality of the one reporting the issue.

A protocol/procedure was adopted within the Group to ensure that those reporting any violations can be protected pursuant to law and can be guaranteed confidentiality. Corporate policies that encourage reporting of unlawful actions or irregularities are favoured.

## **8.2 COMPLIANCE WITH APPLICABLE LAWS AND INTERNAL REGULATIONS**

Regulatory compliance is a prerequisite of this Code of Ethics. Staff members of the

Calzedonia Group are bound to comply with all applicable laws and regulations in any country in which the Calzedonia Group manufactures, distributes and sells its own products. The implementation of this Code of Ethics does not imply in any way a breach of any regulation in force in any country in which the Calzedonia Group operates.

The staff of the Calzedonia Group will be bound to comply with the regulations and internal rules of the Group and follow any instructions received on the implementation thereof. Any local Code of Conduct in force shall be aligned and shall meet the standards envisaged hereafter and this Code of Ethics shall prevail over any other internal regulation, notwithstanding the case in which the latter imposes stricter provisions. Said local Codes of Conduct and any implementing instrument will require the prior approval of the Compliance Department.

The Calzedonia Group undertakes to provide its employees all the necessary means in order to be up-to-date and understand the internal and external rules required in fulfilling their duties. If this Code of Ethics is breached, the Group will rely on an investigating and reporting procedure that will allow anyone linked to the Group to report any irregularity that may implicate a breach of this Code of Ethics in full confidentiality.

### **8.3 PROTECTION OF INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS**

The Calzedonia Group undertakes to protect its own intellectual and industrial property rights, as well as those of third parties. The Group also protects copyrights, patents, registered trademarks, domain names, reproduction rights, design rights, database extraction rights and rights on technical expertise. The Calzedonia Group will be responsible for ensuring that its design is original and will require all its suppliers to ensure that designs they provide to the Group are original as well.

It is expressly forbidden for any member of staff to use any work, creation or distinctive mark that is part of an intellectual property or industrial property right of third parties without prior proof that the Group has the respective rights or licenses.

Staff members of the Calzedonia Group will adopt all the necessary measures to protect intellectual and industrial property rights and will ensure that all the processes and decisions thereof are traceable, namely documented and duly supported and checked, specially through licenses for the works, creations or distinctive marks and the implementation of clauses to protect the genuineness and use of the intellectual and industrial rights of third parties for the intended purposes. Intellectual or industrial property rights deriving from the work of employees during their work with the Group and linked to actual or future business activities of the Calzedonia Group shall remain the property of the latter.

Only registered trademarks, images and texts duly authorised by the Legal Department will be used for marketing and advertising purposes.

### **8.4 CONFIDENTIALITY OF INFORMATION AND PERSONAL DATA PROTECTION**

When conducting own activities, Calzedonia is aware that a significant amount of

confidential information and personal data will be processed; therefore, Calzedonia undertakes to comply with all laws and gradually implement the best national and international practices thereof. Moreover, the Group undertakes to always guarantee the highest levels of security in selecting and using own information technology systems intended to process confidential and personal data.

Staff members of the Calzedonia Group or whoever collaborates with the Group for whatever reason, will be bound to protect the information and know-how generated within the organisation that is property of the Calzedonia Group or under its care. The above staff members will refrain from using any data, information or document obtained during the course of their professional duties for any personal gain. Likewise, they will not disseminate any information to third parties, unless it is required by applicable laws or internal regulations of the Group or if they are expressly authorised to do so. Moreover, they will not use any data, information or reserved document deriving from any third party company without the prior written consent of the latter. Staff members of the Calzedonia Group or whoever collaborates for whatever reason with the Group, undertakes to keep all information confidential and use it according to the respective internal regulations, including information or documents received during the course of their professional duties for the Group. As general rule, unless agreed otherwise, any information shall be considered reserved and shall be used exclusively for the purposes for which they were gathered. Likewise, staff members shall be bound not to copy, reproduce or use said information for whatever reason other than those required for the fulfilment of their duties and not to store them in any information system other than those owned by the Calzedonia Group, unless expressly authorised beforehand.

The confidentiality obligation shall remain effective even after the job contract ends with the Calzedonia Group and shall include the obligation to return any materials linked to the company that the employee has at the time in which the contract ceases with the company.

Staff members of the Calzedonia Group or anyone who collaborates with the Group for whatever reason, shall comply with the personal privacy of any person whose personal data are provided to said staff members, regardless of whether or not they are an employee of the company. Authorisation to process personal data will be granted in relation to specific applications duly supported. Said staff members are bound to strictly observe internal or external regulations required to guarantee the proper processing of personal data and information provided by third parties to the Group.

Calzedonia pays special attention to protecting personal data processed and shared within the scope of its activities thereby implementing the goals set out with the enter into force of the General Data Protection Regulation (GDPR).

Among other things, the GDPR introduced the role of Data Protection Officer or DPO. Said role was historically present in several European legislations and in English-speaking nations and constitutes the utmost practical declination of the principle of accountability to which the new regulation conforms. In fact, the DPO is the person assigned by the data controller or data processor to oversee the privacy management model and favour the observance of the provisions set out in the GDPR and to serve as interface between the various key roles involved (data controller and data

processor, control authorities, operating divisions within the company, stakeholders, etc.). Despite not being obliged to appoint a DPO, Calzedonia Holding relied on the rights envisaged in article 37, paragraph 2 of the GDPR to appoint a group DPO and also allow all subsidiaries residing in the EU to appoint the same DPO where require or where possible and prior to agreement with the parent company with evident benefits in terms of synergies and efficiency of management activities and data protection.

When processing personal data of those outside the company and in particular clients, employees, suppliers or any other person or company bound by a contract or in any way to the Group, staff members undertake to comply with the informative obligations and use said data exclusively for purposes expressly covered by a lawful legal basis and store them for the time that is strictly necessary. To that end, the Company shall request the informed consent of data subjects any time it is necessary exclusively for the purpose for which the data is intended. Staff members of the Calzedonia Group shall learn and observe all the internal procedures put into effect for storage, safeguard and access to data aimed at guaranteeing the various levels of security required in relation to their purpose. Employees shall report to the respective office or area any case they become aware regarding the confidentiality of information or personal data protection.

## **8.5 TRANSACTION RECORD**

All transactions conducted by the Calzedonia Group that may have an economic impact shall be clearly and accurately recorded in the respective accounting registers and shall be made available to internal and external auditors. Moreover, the accuracy and integrity of financial information shall be guaranteed which according to applicable laws, will be disclosed to the market.

The Calzedonia Group undertakes to adopt and maintain a suitable internal financial reporting control system that guarantees the proper supervision of the effectiveness of said system. The accounting registers shall be made available to internal and external auditors at any time.

# 9. whistleblowing

The Group promotes the prevention and verification of any illicit conduct or in any case conduct contrary to the Code of Ethics and encourages own employees and third parties to promptly report any event they become aware of with respect to own dealings with the Group.

Regardless of the channel used, the Group undertakes to safeguard the confidentiality of those reporting a breach and guarantee that they are not subject to any form of retaliation or discrimination thereby sanctioning those who act with wilful misconduct and gross negligence to report ungrounded cases or whose actions are defamatory

# 10. Dissemination, implementation, non-compliance and revision of the Code of Ethics

aggiornamento del Codice Etico  
attuazione, inosservanza  
o divulgazione.

## **10.1 DISSEMINATING THE CODE OF ETHICS**

This Code of Ethics shall be provided to all internal and external stakeholders of the Group and will be subject to respective dissemination, training and awareness procedures in order to guarantee its full understanding and implementation within the organisation. Transparency is a fundamental principle which the Calzedonia Group is inspired by for communicating with its stakeholders and with all of those who are linked to the Group in one way or another. To that end, the Group relies on different communication instruments. This Code of Ethics will be made available to employees in their own language and will be published on all the websites of the Calzedonia Group. Moreover, this Code of Ethics will be subject to proper dissemination, training and awareness procedures so that it can be understood properly and implemented within the entire organisation.

In addition to using it as a support archive for Annual Reports, the corporate website of the Group, integrates information regarding Corporate Social Responsibility with policies and other respective documentation.

## **10.2 IMPLEMENTING THE CODE OF ETHICS**

The Calzedonia Group is committed to allocating specific resources to guarantee the actual implementation of this Code of Ethics. The Group shall conduct the appropriate due diligence processes by duly identifying any actual and potential impact and adopting the necessary measures to prevent or reduce any potential negative consequence while promoting positive impacts within the entire value chain.

## **10.3 BREACHING THE CODE OF ETHICS**

Failure to comply with the rules of conduct set out in this Code of Ethics will constitute a serious breach of contract. Depending on the case, a failure to comply with the principles of the Code of Ethics may therefore result in the application of disciplinary procedures or sanctions or the termination of the job contract or professional or business relationship, based on what is set out in the disciplinary system of the Organisational Model.

## **10.4 UPDATING AND REVISING THE CODE OF ETHICS**

This Code of Ethics will be revised and updated, where applicable, in order to adapt it to any change possibly made to the business model or that may take place within a regulatory or best practice context where the Group operates thereby guaranteeing its effective implementation at any time.

