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Organization, Management and Control Model pursuant to Legislative Decree 231/01

Code of Ethics

Approved by the Board of Directors on 01/03/2023

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Code of Ethics pursuant to Legislative Decree 231/01

1. SCOPE OF APPLICATION

This document, named CODE OF ETHICS, regulates the set of rights, duties and responsibilities that Suedwolle Group Italia S.p.A (hereafter the COMPANY or SOCIETY¹) expressly assumes towards the STAKEHOLDERS with whom it interacts in the performance of its activities.

The COMPANY declares, promotes and shares its values and principles through the adoption and dissemination of the CODE OF ETHICS.

Suedwolle Group Italia S.p.A., formerly Safil S.p.A., is a textile company, operating in the worsted spinning industry, whose purpose is the industry and trade of natural, synthetic and artificial yarns and textile materials and related manufactured goods.

The company is subject to management and coordination by company Suedwolle Group GmbH - DE329407447.

The company's activities are carried out both in Italy and abroad. In Italy in the registered office and plants in Gaglianico (BI), in the offices in Prato (PO) and Schio (VI); abroad in the establishment of the Bulgarian permanent establishment in Plovdiv (Bulgaria).

The primary objective of the Company is to create value for its STAKEHOLDERS².

The continued success and profitability of the COMPANY relies on the daily effort of all its people.

¹ COMPANY or SOCIETY means Suedwolle Group Italia S.p.A. with its registered office in Via del Mosso 10, 13894 Gaglianico (BI), Italia, Codice Fiscale e Partita I.V.A. 01221210022 and all its organisational units. Words in CAPITAL letters refer to the definitions in this CODE OF ETHICS, in the General Section or in the Special Section of the MODEL.

² By STAKEHOLDERS we mean all those who have an interest in Suedwolle Group Italia S.p.A., such as: lenders (shareholders and banks), members of statutory bodies, employees, collaborators, customers, suppliers, consultants, partners, the state, authorities including national, EU/Union or international supervisory and control authorities, including external interest groups, such as residents of areas adjacent to the company or local interest groups.

Suedwolle Group Italia S.p.A. believes it is of utmost importance that all those who work in the COMPANY strive to maintain and adhere to the highest standards of behavior, both in the communities in which they live and among the employees themselves.

The COMPANY believes that the observance of principles of behavior based on ethical values is of fundamental importance for economic growth, as well as for the reliability of management and the image of the COMPANY itself.

With a view to the full achievement of its corporate objectives, the COMPANY believes it is essential that all RECIPIENTS³ understand, respect, and share the ethical values of Suedwolle Group Italia S.p.A., which are based on integrity, transparency, legality, impartiality and prudence, and respect for human rights.

In addition, the set of principles set forth in the CODE OF ETHICS is fundamental to the reasonable prevention of the unlawful conduct provided for in Legislative Decree 231/2001 and formally constitutes an integral component of the Organization, Management and Control Model itself.

1.1 The Recipients of the Model

The ADDRESSEES of this CODE OF ETHICS of Suedwolle Group Italia S.p.A. adopted pursuant to Legislative Decree 231/01 are the following, and they undertake to comply with its contents:

- the directors and managers of the COMPANY (so-called apical subjects);
- the EMPLOYEES of the COMPANY (so-called internal subjects subject to the direction of others).

By virtue of specific acceptance, or by virtue of special contractual clauses, the following external subjects (hereinafter referred to as the "External Subjects") may be recipients of specific obligations to comply with the content of the CODE OF ETHICS:

- the collaborators, consultants and in general those who carry out self-employment activities;
- suppliers and partners (including in the form of temporary business associations, consortia and joint ventures).

³ RECIPIENTS are understood to be the directors and subjects holding functions of representation, administration or management of the COMPANY (so-called top management subjects); employees of the COMPANY (so-called internal subjects subject to the direction of others). By virtue of specific acceptance, or by virtue of specific contractual clauses, the addressees of specific obligations for the compliance with the contents of the Model of organization, management and control ex D. Lgs. 231/2001 (so-called external subjects) can be the collaborators, consultants and in general the subjects carrying out self-employment activities, suppliers and partners (also in the form of temporary association of enterprises, consortia and joint-ventures).

The adoption of ethical standards of behavior indicated in the CODE OF ETHICS is a moral duty of the RECIPIENTS in order to pursue their business objectives according to the principles of integrity, transparency, legality, impartiality and prudence in full compliance with national and international regulations.

In particular, the RECIPIENTS themselves are asked to:

- behave in line with what is stated in the CODE OF ETHICS;
- to immediately inform the SUPERVISORY BODY of any violations of the CODE OF ETHICS as soon as they become aware of them;
- request, when necessary, interpretations or clarifications of the principles of behavior defined below.

1.2 Knowledge of the CODE OF ETHICS

The CODE OF ETHICS is available in electronic format on the corporate intranet.

It is the responsibility of the Board of Directors to ensure that the ethical values and behavioral principles set forth in this CODE OF ETHICS are communicated to all RECIPIENTS and are understood and respected by them.

The RECIPIENTS are responsible for ensuring that they fully understand the content of the CODE OF ETHICS and any application rules that may be made available to support it.

2. ETHICAL VALUES – WHAT WE BELIEVE IN

In the achievement of its goals, the COMPANY is guided by the following values, which are binding on the RECIPIENTS of the CODE OF ETHICS:

- **Integrity**

RECIPIENTS shall regulate their conduct in a professional and responsible manner in order to settle situations in which potential conflicts may arise, ensuring that behavior is characterized by honesty, morality and fairness.

- **Transparency**

Transparency is intended to be the key to all relationships that RECIPIENTS have with their stakeholders, committing themselves to providing clear, complete, timely and truthful information.

- **Legality.**

RECIPIENTS regulate their conduct in full compliance with internal procedures, all applicable national and international regulations.

- **Impartiality**

RECIPIENTS operate with full respect for everyone's personal characteristics, encouraging and rewarding integrity and a sense of responsibility, respecting diversity and repudiating any possible discrimination on the basis of age, health status, sex, religion, race, political and cultural opinions, and personal or social condition.

- **Prudence**

RECIPIENTS act with full awareness of risks and with the goal of sound risk management. This value is embodied in prudent behavior, especially when harm to persons and property may result from one's actions and decisions.

- **Respect for human rights**

RECIPIENTS support and respect the protection of human rights in their sphere of influence, particularly the abolition of forced labor and child labor, and adopt this criterion in choosing and managing their relationships with suppliers and subcontractors.

3. THE GUIDELINES - HOW WE TAKE OUR DECISIONS

The COMPANY has made a commitment to apply the highest standards of ethics and conduct in carrying out its activities.

Ethical values therefore characterize our relationships with customers, suppliers, shareholders, competitors and the communities in which we operate, and among employees themselves, at every level, in accordance with the following Guidelines.

3.1 Our Customers

We offer high quality and value, competitive prices, and honest transactions to those who use our products and services. We conduct ourselves with our customers in an ethical and compliant manner.

3.2 Our Employees

We treat employees fairly and use employment practices based on equal opportunity for all. We respect employees' privacy interests and treat them with dignity and respect. We are committed to providing safe and healthy working conditions and an atmosphere of frank communication for all staff.

3.3 Our Suppliers

We conduct ourselves fairly with suppliers and partners. We promote lasting business relationships without discrimination or misleading practices.

3.4 Our Partners

We conduct ourselves fairly with partners. We promote lasting business relationships without discrimination or misleading practices.

3.5 Our Community

We are responsible citizens in the community in which we operate. We comply with all national and local laws and strive to improve the welfare of our communities by protecting natural resources, encouraging employee participation in social activities with full respect for human rights, including through our promotion and support.

To fulfill these commitments, it is therefore essential that all RECIPIENTS commit to the behavioral principles presented in the CODE OF ETHICS, which are based on the values of integrity, transparency, legality, impartiality, prudence, and respect for human rights.

4. PRINCIPLES OF CONDUCT - HOW WE GUIDE OUR DECISIONS

DESTINATORS must abide by the following principles of behavior, based on the ethical values set forth above, in the conduct of business activities.

Under no circumstances may the pursuit of the interest or advantage of the COMPANY justify dishonest or unlawful conduct.

RECIPIENTS shall not be penalized in any way for any loss or damage that may result from compliance with the behavioral principles presented in this CODE OF ETHICS.

The implementation of the following principles of behavior is supported by a system of delegations and authorizations, consistent with the respective roles and responsibilities in COMPANY.

4.1 In Customer Relations

Suedwolle Group Italia S.p.A. 's success depends on the profitable relationships that are established with its customers. It is Suedwolle Group Italia S.p.A 's policy to treat its current and/or potential business partners fairly and without prejudice, thus establishing relationships marked by integrity, transparency, legality and impartiality. Promises made and commitments made must be diligently observed.

RECIPIENTS, by reason of their role in the COMPANY, must commit themselves to the respect of the needs of customers in the performance of their activities according to the principles of integrity, transparency, legality and impartiality, refraining from promoting and favoring their own interests and taking advantage of them.

4.2 In colleagues relations

Suedwolle Group Italia S.p.A. pursues a non-discriminatory corporate culture based on responsibility, excellence and respect in order to enhance the capabilities of its workforce.

RECIPIENTS, by reason of their role in the COMPANY, must foster a work environment free of prejudice and discrimination, respecting people's personalities and professional aptitudes, in implementation of the fundamental values of transparency and impartiality.

Likewise, RECIPIENTS undertake not to tolerate any situation of abuse, even perceived, of a sexual, physical and mental nature, guaranteeing the most absolute respect in the relationship with their colleagues, in implementation of the fundamental values of integrity and legality.

In this sense, they must actively cooperate to maintain an internal climate that ensures respect for the dignity of each person and commit themselves, because of their role in the COMPANY, in the context of the protection of human resources to compliance with current regulations on the safety of the work environment.

4.3 In relations with self-employed workers and suppliers

Suedwolle Group Italia S.p.A. bases its relations with suppliers and self-employed providers on the fundamental values of integrity, transparency, legality, impartiality and in the protection and safeguarding of human rights. The COMPANY encourages continuous and broad cooperation with its suppliers, and self-employed providers with the aim of building solid and long-lasting relationships, but without detracting from the importance of a healthy competitive scenario, which is nonetheless essential for the smooth running of the business.

DESTINATORS, because of their role in the COMPANY, must act toward their self-employed lenders, suppliers, and partners in a manner that is whole, transparent, legal, and impartial.

In the selection and management of their self-employed providers and suppliers, the RECIPIENTS, by reason of their role in the COMPANY, must apply objective and documentable criteria aimed at seeking not only the maximum competitive advantage for the COMPANY itself, based on the quality and price of the good or service, as well as the guarantee or assistance, without any discrimination among potential alternatives, but also ensuring, in their choice, the safeguarding and protection of human rights specifically the abolition of forced labor and child labor. RECIPIENTS shall not accept or seek to obtain from self-employed contractors and suppliers, benefits or various concessions, which may in any way affect their judgment in selection.

RECIPIENTS, in the specific cases where it is deemed relevant, must ensure that the self-employed providers and suppliers formally accept the commitment to comply with the CODE OF ETHICS and therefore operate factually in line with the requirements of the CODE OF ETHICS.

The RECIPIENTS must ensure that the self-employed workers and suppliers observe full compliance with current regulations on the safety of the work environment and do not resort in any way to labor methods and practices that may constitute exploitation phenomena, including child labor.

4.4 In relations with partners

The COMPANY bases its relationships with its partners (temporary business associations, consortia, and joint ventures) on the fundamental values of integrity, transparency, legality, impartiality, and in the protection and safeguarding of human rights. The COMPANY encourages continuous and extensive

collaboration with its partners with the aim of building solid and lasting relationships, without, however, downplaying the importance of a healthy competitive scenario, which is nonetheless essential for the successful performance of the business.

DESTINATORS, by reason of their role in the COMPANY, must act toward their of partners in a manner that is whole, transparent, legal, and impartial.

In the selection and management of partners, the RECIPIENTS, by reason of their role in the COMPANY, must apply objective and documentable criteria aimed at seeking not only the maximum competitive advantage for the COMPANY itself, based on the quality and price of the good or service, as well as the guarantee or assistance, without any discrimination among potential alternatives, but also ensuring, in their choice, the safeguarding and protection of human rights specifically the abolition of forced labor and child labor.

RECIPIENTS shall not accept or seek to obtain from partners various benefits or concessions that may in any way affect their judgment in the selection. The RECIPIENTS, in the specific cases in which it is deemed relevant, must ensure that the partners formally accept the commitment to comply with the CODE OF ETHICS and therefore effectively operate in line with the requirements of the CODE OF ETHICS.

The RECIPIENTS must ensure that the partners observe full compliance with the current regulations on the safety of the working environment and do not resort in any way to working methods and practices that could configure phenomena of exploitation, including child exploitation.

4.5 In relations with the Public Administration

The relationships of the COMPANY with local, national Public Institutions are maintained only by the DESTINATORS appointed for the purpose, in compliance with the regulations in force and on the basis of the general principles of integrity and legality.

In cases of participation in calls for contributions or subsidies, or in general in the request for some kind of utility towards the Public Administration, the COMPANY aims to operate in compliance with the law and operate with the utmost transparency and integrity.

Without prejudice to all the obligations imposed by the regulations in force on the subject, the Recipients are prohibited - during relations with Public Institutions or Public Officials - from taking (directly or indirectly) the following actions:

- Examining or proposing employment and/or business opportunities that may benefit employees of Public Institutions or Public Officials, in a personal capacity or procure in any way a benefit to them;

- offer, or in any way provide, accept or encourage gifts, favors or commercial or behavioral practices that are not marked by the most open transparency, fairness and loyalty and, in any case, that do not comply with the applicable regulations in force
- promising or offering to Public Officials, persons in charge of a Public Service or employees in general of the Public Administration or other Public Institutions money, goods or, more generally, utilities of various kinds as compensation for acts of their office in order to promote and favor their own interests, the interests of the COMPANY or obtain the performance of acts contrary to the duties of their office
- soliciting or obtaining confidential information that could compromise the integrity or reputation of both parties or otherwise violate the equal treatment and public evidence procedures activated by Public Institutions or Public Officials.

In general, in relations with Public Institutions and Public Officials, the RECIPIENTS are required to comply with the law and the utmost transparency, clarity, and fairness in order not to lead to biased, false, ambiguous, or misleading interpretations by the institutional subjects, with whom relations are maintained in various capacities.

Statements made to Institutions and Public Administration must contain only absolutely truthful elements, must be complete and based on valid documents in order to ensure their correct evaluation by the Public Institution and Public Administration concerned.

4.6 In relations with Supervisory Authorities.

The RECIPIENTS, by reason of their role in the COMPANY, undertake, in implementation of the values of integrity, transparency and legality, to:

- lend their utmost cooperation in the performance of inspections, during the course of any inspection activity undergone, making available in a timely and complete manner the documents that the appointees deem necessary to acquire;
- not engage in, in general, any behavior that is an obstacle to the exercise of supervisory functions, including during the inspection by the public supervisory authorities (express opposition, pretextual refusals, or even obstructive behavior or failure to cooperate, such as delays in communications or making documents available).

4.7 In the treatment of confidential information

As part of the performance of their activities, the RECIPIENTS, by reason of their role in the COMPANY, who become aware of confidential data and information undertake, in implementation of the values of integrity, transparency, legality and impartiality, to:

- comply with current regulations on the protection and processing of personal data;
- in general refrain from engaging in any conduct using confidential information that is not publicly available, in order to engage in activities or actions that could be considered in competition with those of the COMPANY.

RECIPIENTS who, by reason of their role in the COMPANY, become aware of any confidential information, shall not disclose it to third parties except for official or professional reasons and only with the prior authorization of their supervisor and in compliance with applicable regulations.

In general, the RECIPIENTS undertake to standardize their conduct so that the internal and third-party circulation of documents pertaining to confidential information must be carefully and scrupulously organized in order to avoid prejudice to the COMPANY and undue disclosure.

In general, all information that is not in the public domain should be considered confidential and used solely for the purpose of carrying out one's work. In particular, RECIPIENTS are prohibited from consulting or using confidential data for non-professional purposes.

4.8 In the relationship with the media

The RECIPIENTS, by reason of their role in the COMPANY commit themselves, in implementation of the values of integrity, transparency, legality and impartiality to provide information to representatives of the press and mass media in general only if they are authorized for this purpose by means of delegation or formal power of attorney from the top persons (managers and directors).

In particular, RECIPIENTS are prohibited from knowingly providing any cooperation or support aimed at:

- publish or disseminate false news, or engage in simulated transactions or other conduct of a fraudulent or deceptive nature having as its object the industrial and financial activities of the COMPANY suitable for significantly undermining the image of the company itself vis-à-vis the community in which it operates.

- Spreading through the Internet or other means of communication false or misleading information, rumors or news that provide or are capable of providing false or misleading indications concerning the COMPANY.

4.9 In the maintenance of accounting and reporting of economic, asset and financial information

The COMPANY endeavors to maintain a reliable administrative-accounting system in order to prepare and publish accurate and complete economic and financial data for a clear, true, and fair representation of management events, in implementation of the values of integrity, transparency, legality, and prudence.

In addition, the COMPANY strives for the establishment and use of appropriate tools to identify, prevent, and manage risks of any nature, fraud, and misconduct.

The RECIPIENTS, by reason of their role in the SOCIETY, undertake to ensure that accounting records, and the related documents, are always based on accurate, comprehensive and verifiable information, and reflect the nature of the operation to which they refer in compliance with external constraints (legal rules and accounting principles), as well as with internal policies, regulations and procedures; moreover, they must be accompanied by the relevant supporting documentation necessary to enable objective analysis and verification.

All DESTINATORS, in whatever capacity involved in the activities of preparing the financial statements and other corporate communications required by law, must behave in a correct, transparent and cooperative manner, in compliance with legal and regulatory provisions and corporate procedures, in order to provide shareholders and all STAKEHOLDERS involved and the market in general with true and correct information on the economic, asset and financial situation of the COMPANY

4.10 In managing conflict of interest

All DESTINATORS, by reason of their role in the COMPANY, in the performance of their functions - at different levels of responsibility - should not make decisions or carry out activities in conflict of interest and should ensure that every decision is made in the interest of the COMPANY, in implementation of the values of integrity, transparency, legality and impartiality.

In particular, the members of the corporate bodies, managers, employees and collaborators of the SOCIETY must avoid conflicts of interest between any personal and family economic activities and the tasks they perform within the structure they belong to.

By way of example and without limitation, the following situations constitute conflicts of interest:

- economic and financial interests of personnel and/or their respective families in the activities of suppliers, customers and competitors;
- use of one's position in the COMPANY or of information acquired in one's work in such a way as to create a conflict between one's personal interests and corporate interests;
- performance of work activities, of any kind and not previously authorized by the competent Managers at customers, suppliers, competitors;
- use of one's position in the COMPANY or information acquired in one's work in such a way as to create a conflict between one's personal interests and corporate interests performance of work activities, of any kind and not previously authorized by the competent Managers at customers, suppliers, competitors;

Should a RECIPIENT find himself/herself in a situation that, even potentially, may constitute or result in a conflict of interest, he/she must report it in writing and promptly to his/her Manager, so that its actual presence may be assessed and any action defined.

4.11 In the preservation of the Company's assets.

During working hours and using work tools, RECIPIENTS may not engage in activities that are not strictly related to their official duties and/or that conflict with the interests of the Company. In particular, it is prohibited to use the Company's tools and resources for purposes or purposes that are unlawful or in conflict with the principles of the CODE OF ETHICS.

Each RECIPIENT, in the implementation of the values of legality and prudence, is responsible for the protection and preservation of company assets, tangible and intangible, entrusted to him/her for the performance of his/her duties, as well as for their use in his/her own way and in accordance with the company's purposes.

4.12 In the protection of occupational health and safety and the environment

The COMPANY operates along the entire value chain, seeking levels of qualitative excellence and paying great attention to the issue of safety and healthiness at work, as well as to the protection of the environment.

In this sense, the COMPANY, in implementation of the values of legality and prudence, condemns any form of behavior that may endanger the safety and health of people and the integrity and healthiness of the environment, also in consideration of the guidelines represented by the main reference standards on safety and healthiness of the work environment.

RECIPIENTS undertake to:

- take care of their own safety and health and that of other persons present in the workplace, on whom the effects of their actions or omissions may fall, in accordance with their training and the instructions and means provided by the employer;
- take care of the healthiness of the environment, which could be damaged by the consequences of their actions or omissions, in accordance with their training and the means provided by the employer; and
- report to their supervisor, manager or employer any anomalies and/or malfunctions encountered in the use of the means of work and protective equipment and in any case any other hazardous conditions for themselves, others and the environment, of which they become aware.

The RECIPIENTS, by reason of their role in the COMPANY, undertake not to lend - directly or indirectly - any support to behaviors, even by third parties, that are not in implementation of the principles described, while respecting the organizational autonomy of such third parties.

In particular, the RECIPIENTS are obliged to report potential and obvious risk situations of which they become aware - assessed according to the diligence of a good family man - so that the COMPANY is put in a position to intervene quickly, in the prevention of the risk and to protect the corporate image.

5. MODES OF IMPLEMENTATION AND SANCTIONS

5.1 Implementation of the CODE OF ETHICS

The CODE OF ETHICS is adopted by resolution of the Board of Directors of the COMPANY. Any update of the same will be adopted by subsequent resolution, also possibly at the proposal of the SUPERVISORY BODY, as a result of possible organizational changes within the COMPANY, different external scenarios, regulatory developments, as well as in relation to the experience gained over time.

5.2 Duties of the SUPERVISORY BODY

The SUPERVISORY BODY, among the various activities within its competence, is responsible for:

- of supervising the dissemination, understanding and implementation of the CODE OF ETHICS;

- of handling reports received with reference to situations or conduct contrary to the principles expressed in the CODE OF ETHICS;
- of contributing in the definition of disciplinary measures/sanctions for serious violations.

5.3 Reporting

The RECIPIENTS of this CODE OF ETHICS are required to abide by the behavioral principles outlined in it.

Under no circumstances may the pursuit of the interest of the COMPANY justify conduct in violation of and/or inconsistent with these provisions.

In compliance with Law No. 179 of 30/11/2017 "Whistleblowing", if the RECIPIENT becomes aware of situations or conduct contrary to the principles expressed in the CODE OF ETHICS, he/she must immediately inform the SUPERVISORY BODY using the email box created for this purpose:.

The SB, upon receiving the report, guarantees the confidentiality of the contents of the report (including information on any reported person) and the identity of the reporter, without prejudice to legal obligations. The protection of the reporter in good faith is also ensured, as well as that of the reported person in relation to reports that, upon analysis, prove to be unfounded and made for the sole purpose of harming the reported person himself or herself, or for malicious intent, or gross negligence.

Direct or indirect retaliatory or discriminatory acts against individuals who make reports to the SB are prohibited.

This mailbox is open to all DESTINATORS as well as to other STAKEHOLDERS, for the reporting of possible violations of the CODE OF ETHICS that may generate an advantage for the COMPANY (directly, indirectly or even only potentially), or are carried out in its interest.

With reference to the modalities of transmission of reports by apical subjects or subjects subjected to the direction of others, it is emphasized that the obligation to inform the employer of possible behaviors contrary to the CODE OF ETHICS falls within the broader duty of diligence and obligation of loyalty of the employee. Consequently, proper fulfillment of the duty to inform by the employee may not give rise to the application of disciplinary sanctions. In contrast, any disclosure improper, both in terms of content and form, determined by slanderous intent, will be subject to appropriate disciplinary sanctions.

In particular, the following requirements apply:

- information and reports from anyone received, including those pertaining to any violation or suspected violation of the principles enshrined in the CODE OF ETHICS, must be made in writing, including anonymously. The SUPERVISORY BODY shall act in such a way as to guarantee the authors of the reports against any form of retaliation, discrimination or penalization or any consequence arising from them, ensuring their confidentiality regarding their identity, without prejudice, however, to legal obligations and the protection of the rights of the Company or persons wrongly accused and/or in bad faith⁴;
- information and reports must be sent by the interested party directly to the SUPERVISORY BOARD;
- the SUPERVISORY BOARD evaluates the reports received; all recipients of information obligations are required to cooperate with the SUPERVISORY BODY itself, in order to enable the collection of all further information deemed necessary for a correct and complete evaluation of the report.

5.4 Violations and sanctions

Any violation or any behavior potentially in violation of the CODE OF ETHICS must be brought to the attention of the SUPERVISORY BOARD, which is the control body in charge of supervising the application of the principles contained in the CODE OF ETHICS and of contributing in the definition of disciplinary measures/sanctions for serious violations.

The application of disciplinary sanctions is irrespective of the initiation or outcome of any criminal proceedings, since the CODE OF ETHICS represents binding rules for all DESTINATORS, the violation of which must, in order to comply with the dictates of the DECREE, be sanctioned regardless of the actual realization of a crime or the punishment of the same.

⁴ Reports in 'bad faith' are defined as unsubstantiated reports made for the purpose of harming, or otherwise prejudicing, employees (including managers), members of corporate bodies (Board of Directors, Board of Statutory Auditors), third parties (partners, customers, suppliers, consultants, collaborators) in a business relationship with.

Any violation of the aforementioned principles represents, if ascertained:

- in the case of employees and executives, a breach of contract in relation to the obligations arising from the employment relationship pursuant to Article 2104 of the Civil Code and Article 2106 of the Civil Code;
- in the case of directors, a failure to comply with the duties imposed on them by law and the bylaws pursuant to Article 2392 of the Civil Code;
- in the case of External Parties, constitutes breach of contract and entitles them to terminate the contract, without prejudice to compensation for damages.

The procedure for the imposition of the sanctions referred to below takes into account the particularities arising from the legal status of the person against whom proceedings are being taken.

The SUPERVISORY BODY verifies that specific procedures are adopted for informing all the above-mentioned subjects, from the onset of their relationship with the COMPANY, about the existence and content of the sanctioning apparatus referred to.

In the event of violation of the rules contained in this CODE OF ETHICS, the SUPERVISORY BODY, having carried out the appropriate investigations, assesses whether or not said violations exist and proposes regarding the adoption of the appropriate measures and the imposition of the relevant sanctions.

The COMPANY undertakes to consistently, impartially and uniformly provide for and impose sanctions proportionate to the violations of the CODE OF ETHICS and in accordance with the current provisions on the regulation of labor relations or other contractual relations.

For sanctions resulting from the violation of the prescriptions of this CODE OF ETHICS, the principles and rules provided for in the Disciplinary System referred to in the General Part of the MODEL adopted by the COMPANY find application.