



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

General Part

*Approved by the Board of Directors on March
2023*

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1. Definitions

COMPANY (OR CORPORATION)

means Suedwolle Group Italia S.p.A., a company subject to management and coordination by the company Suedwolle Group GmbH - DE329407447, with registered office at Via del Mosso 10, 13894 Gaglianico (BI), Italy
Tax code and V.A.T. number: 01221210022
and all its organizational units in Italy and abroad

CODE OF ETHICS

is the official document of the COMPANY that contains the declaration of values, the set of rights, duties and responsibilities of the entity towards its "stakeholders" (employees, suppliers, customers,...). It is an integral part of the MODEL OF ORGANIZATION, MANAGEMENT AND CONTROL.

DECREE

means the Legislative Decree of June 8, 2001 No. 231 and subsequent additions/amendments.

RECIPIENTS

means the administrators and subjects who hold representative, administrative or management functions of the COMPANY (so-called apical subjects); the employees of the COMPANY (so-called internal subjects subject to other people's management). By virtue of specific acceptance, or by virtue of special contractual clauses, the collaborators, consultants and, in general, subjects carrying out self-employment activities, suppliers and partners (also in the form of temporary association of enterprises, consortia and joint-ventures) can be recipients of specific obligations for the compliance with the contents of the MODEL (so-called external subjects).

EMPLOYEES

shall mean all subordinate employees of the COMPANY with any function and qualification, as well as are assimilated those who, operating according to any mode provided by the regulations in force, provide services in a coordinated and continuous form in the interest of the COMPANY.

ENTITY

shall mean any legal entity to which the provisions of the DECREE fully apply.

MODEL OF ORGANIZATION, MANAGEMENT AND CONTROL (MODEL)

system of corporate self-discipline adopted by the COMPANY, the application of which is subject to the control of a SUPERVISORY BODY.

Therein are recalled the procedures to be followed in carrying out activities in such a way as to prevent the commission of crimes ex DECREE in compliance with the values and principles set forth in the CODE OF ETHICS.

SUPERVISORY BODY (ODV)

body constituted in collegial or monocratic form, endowed with autonomy and independence from the management body of the COMPANY and responsible for supervising the effectiveness

and compliance with the MODEL OF ORGANIZATION, MANAGEMENT AND CONTROL.

THIRD PARTIES

Any person, natural or legal, who is obliged to perform one or more services in favor of the COMPANY, or who otherwise has relations with it without qualifying as an internal party (ref. DESTINATORS).

To facilitate the reading of the documents, the words shown in CAPITAL letters refer to the definitions in this General Part, or in the Special Part of the MODEL, or in the CODE OF ETHICS.

2. Legislative Decree No. 231/2001

Legislative Decree no. 231 of June 8, 2001, which introduces the "Discipline of the administrative liability of legal persons, companies and associations, including those without legal personality," adapted the Italian legislation on the liability of legal persons to international conventions previously signed by Italy, in particular the Brussels Convention of July 26, 1995 on the Protection of the Financial Interests of the European Community, the Brussels Convention of May 26, 1997 on Combating Bribery of Public Officials of both the European Community and Member States, and the OECD Convention of December 17, 1997 on Combating Bribery of Foreign Public Officials in International and Economic Transactions.

The DECREE introduced in Italy the criminal liability of ENTITIES for certain crimes committed in the interest or to the advantage of the same, by persons who hold positions of representation, administration or management of the entity or of one of its organizational units with financial and functional autonomy, as well as by persons who exercise, even de facto, the management and control of the same (apical subjects) and, finally, by persons subject to the management or supervision of one of the above-mentioned subjects (subjects subject to the management of others). The liability under the DECREE includes crimes committed abroad, provided that the state in which the crime was committed does not prosecute for them.

The DECREE also excludes the liability of the ENTITY in cases where the top person or person subject to the direction of others acted in his or her own exclusive interest or that of third parties.

The liability of the ENTITY is in addition to that of the natural person who materially carried out the act. Until the approval of the DECREE, any offenses, even if committed in the exclusive interest of a legal person, had to answer for only and solely the natural person who is the material perpetrator of the offense; currently, on the other hand, the ENTITY is also liable, which undergoes autonomous criminal proceedings in the first person and is liable to suffer very significant penalties, even capable of blocking its ordinary activity. The DECREE thus aims to involve in the punishment of certain criminal offenses the assets of ENTITIES that have benefited from the commission of the offense.

For all offenses committed there is always the application of a fine; for the most serious cases there are also disqualifying measures such as:

- disqualification from carrying out the activity;

- suspension or revocation of authorizations, licenses or concessions functional to the commission of the crime;
- the prohibition to contract with the public administration;
- exclusion from facilitations, financing, contributions or subsidies, with the possibility of revocation of those already granted;
- the prohibition to advertise goods and services.

Liability remains even if the crime has remained at the stage of attempt, except - in these cases - a reduction in penalties.

The administrative liability of the entity, which makes possible the application of the indicated sanctions, is based on "organizational" fault: the ENTITY is held, in essence, co-responsible for the crime of its exponent if it has failed to provide itself with an organization capable of effectively preventing its commission and, in particular, if it has failed to provide itself with an internal control system and adequate procedures for carrying out the activities at greater risk of committing offenses (for example, applying for concessions from the Public Administration).

The ways in which the COMPANY can equip itself with such an internal control system are set forth in Articles 6 and 7 of the Decree, namely:

- the approval of an "Organization and Management Model suitable for preventing crimes of the kind that have occurred," as well as
- the creation of a SUPERVISORY BODY, i.e., a control body with the task of supervising the functioning, effectiveness and observance of the MODEL and ensuring that it is updated.

2.1. The Confindustria Guidelines

Article 6, paragraph 3, of Legislative Decree 231/2001 provides that organization and management models may be adopted "on the basis of codes of conduct drawn up by the associations representing the ENTITIES, communicated to the Ministry of Justice which, in agreement with the competent ministries, may make observations, within thirty days, on the suitability of the models to prevent crimes."

This MODEL has been drafted with reference to the indications contained in the Guidelines for the construction of Organization, Management and Control Models pursuant to Legislative Decree 231/2001 issued by Confindustria, as a reference document for the activity of drafting organizational models.

On March 7, 2002, Confindustria issued the "Guidelines for the Construction of Organization, Management and Control Models Ex D. Lgs. No. 231/2001" (approved by the Ministry of Justice in a communication dated April 2, 2008, and updated in 2014, and in 2021), which are intended to offer companies that have chosen to adopt an organization and management model a series of indications and measures, essentially drawn from business practice, considered in the abstract suitable to meet the needs outlined by the DECREE.

Thus, the Guidelines play an important inspiring role in the construction of the MODEL and the control body with related tasks by the individual ENTITY, which, however, in order to better pursue the goal of preventing crimes, can also deviate from them, if specific business needs so require, without for this reason the requirements necessary for the drafting of a valid MODEL of organization, management and control can be given as not fulfilled.

2.2. RECIPIENTS of the MODEL.

The following are DESTINATORS of this MODEL and undertake to comply with its contents:

- the directors and persons who hold representative, administrative or management positions of the COMPANY (so-called top management persons);
- the 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 following external parties (hereinafter the "External Parties") may be recipients of specific obligations for compliance with the content of the MODEL:

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

3. The MODEL of Suedwolle Group Italia S.p.A.

3.1 Description of the corporate reality

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

The COMPANY is subject to management and coordination by Suedwolle Group GmbH - DE329407447, which holds 100% of the share capital.

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

3.2 Description of the organizational structure

Pursuant to Article 16 of the Articles of Incorporation, the SOCIETY is administered by a Board of Directors composed of two to seven members chosen also from among nonmembers, who shall hold office for such time as the shareholders' meeting shall determine at the time of appointment, and in any case, directors may be re-elected.

The Board of Directors elects from among its members a chairman and possibly one or more managing directors.

Article 19 grants the Board of Directors the broadest powers of ordinary and extraordinary management of the COMPANY. In addition, the Board of Directors may delegate all or part of its powers to others, within the limits of the law and the Bylaws.

Article 20 of the Bylaws grants the legal representation of the COMPANY before third parties and in court (in any venue and at any level of jurisdiction) to the Chairman of the Board of Directors, the Sole Director, or any Managing Directors within the limits of the powers granted to them.

Finally, as provided by law and in accordance with the provisions of the Articles of Association (Art. 22), the control of the activities of the COMPANY is entrusted to the Board of Statutory Auditors, composed of 3 members, which supervises, pursuant to Art. 2403 of the Civil Code, the observance of the law and the Articles of Association, the observance of the principles of proper administration and the adequacy of the organizational, administrative and accounting structure adopted by the COMPANY and its actual functioning.

Accounting control is entrusted to an external auditing firm.

3.3 Suedwolle Group Italia S.p.A.'s Governance tools.

The set of Governance tools adopted by Suedwolle Group Italia S.p.A. and the provisions of this MODEL make it possible to identify, with respect to all activities, how the decisions of the COMPANY are formed and implemented (cf. art. 6, paragraph 2 letter b, Legislative Decree 231/01).

The main governance tools and control systems with which the COMPANY has been equipped can be summarized as follows:

- The Bylaws, which, in accordance with current legal provisions, contemplate the provisions relating to corporate governance aimed at ensuring the proper conduct of management activities;
- The System of Powers of Attorney assigned by the Board of Directors;
- the Corporate Organization Chart, which briefly describes the functions, tasks, hierarchical relationships, and communication flows existing within the COMPANY;
- Oeko-Tex certification (www.oeko-tex.com), GOTS certification (www.global-standard.org) and recently the COMPANY has become a bluesign® system partner;
- certification by "Textile and Health" whose standards represent the ultimate in consumer safety;
- "Responsible Wool Standard" certification.

In addition, Suedwolle Group Italia S.p.A. adheres to TFashion, a traceability system of the Italian Chambers of Commerce, because external certification - of the production process and product origin - is a guarantee for the customer.

3.4 Functions and purpose of the MODEL

The characteristic aspect of the DECREE is the attribution of an exempting value to the organization, management and control Models of companies.

In fact, in the case of a crime committed by a person in an apical position, the company is not liable if it proves that (Article 6, paragraph 1, of Legislative Decree 231/2001):

- the management body has adopted and effectively implemented, prior to the commission of the act, organization and management Models suitable to prevent crimes of the kind that occurred;
- the task of supervising the operation of and compliance with the Models and ensuring that they are updated was entrusted to a body of the company with autonomous powers of initiative and control;
- the persons committed the crime by fraudulently circumventing the Organization and Management Models;
- there has been no omission or insufficient supervision by the Supervisory Board.

The company will, therefore, have to prove its extraneousness to the facts alleged against the apical person by proving the existence of the above-mentioned competing requirements and, by implication, the circumstance that the commission of the crime does not result from its own "organizational fault."

In the case, on the other hand, of an offense committed by persons subject to the management or supervision of others, the company is liable if the commission of the offense was made possible by the failure to comply with the obligations of management and supervision. Said non-compliance is, in any case, excluded if the entity, prior to the commission of the crime, adopted and effectively implemented a Model capable of preventing crimes of the kind that occurred.

Legislative Decree 231/2001 outlines the content of the Organization and Management Models by providing that they must, in relation to the extent of delegated powers and the risk of crimes being committed:

- identify the activities within the scope of which crimes may be committed;
- provide for specific protocols aimed at planning the formation and implementation of the company's decisions in relation to the crimes to be prevented;
- identify methods of managing financial resources suitable for preventing the commission of crimes;
- provide for information obligations towards the body appointed to supervise the functioning and observance of the models;
- introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model.

Article 7, paragraph 4, of Legislative Decree 231/2001 also defines the requirements for the effective implementation of organizational models:

- periodic verification and possible modification of the model when significant violations of the requirements are discovered or when changes occur in the organization and activity;
- a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model.

Through the adoption of the MODEL, the COMPANY aims to pursue the following main purposes:

- To make all the DESTINATORS of the MODEL aware of the need for a punctual compliance with the MODEL itself, the violation of which results in severe disciplinary sanctions;
- to reiterate that such forms of unlawful behavior are strongly condemned by the COMPANY, since the same (even if the COMPANY were apparently in a position to take advantage of them) are in any case contrary not only to the provisions of the law, but also to the ethical principles to which Suedwolle Group Italia S.p.A. intends to adhere in the exercise of its corporate activity;
- to inform about the serious consequences that could result to the COMPANY (and therefore indirectly to all the stakeholders) from the application of the pecuniary and prohibitory sanctions provided for by the DECREE and of the possibility that they are also ordered as a precautionary measure;
- enable the COMPANY to constantly control and carefully supervise the activities, in order to be able to intervene promptly when risk profiles appear and, if necessary, to apply the disciplinary measures provided for by the MODEL itself.

Suedwolle Group Italia S.p.A. is sensitive to the need to ensure conditions of fairness and transparency in the conduct of business and corporate activities, to protect its own position and image and the work of its EMPLOYEES, and is aware of the importance of equipping itself with an internal control system suitable for preventing the commission of unlawful conduct by its directors, employees, collaborators and business partners.

3.5 Adoption of the MODEL

The adoption of the MODEL by Suedwolle Group Italia S.p.A. is implemented according to the following criteria:

(a) implementation and updating of the MODEL.

The COMPANY, in line with the fundamental principles proposed by the Category Guidelines, implements and launches its own MODEL, and also updates it according to any requirements that will occur over time.

b) implementation of the MODEL

The implementation of the MODEL is the responsibility of the COMPANY; it is the specific task of the SB to verify and control its effective and appropriate implementation in relation to the activities carried out.

3.6 Subsequent amendments and additions

This MODEL is an act of issuance by the management body (in accordance with the requirements of Article 6, first paragraph, letter a) of the DECREE). Any subsequent modification or integration of the MODEL is made by the Board of Directors of Suedwolle Group Italia S.p.A.

3.7 The Structure of the MODEL.

This MODEL consists of a "General Part" and a "Special Part" drafted in relation to the types of crimes whose commission is abstractly conceivable due to the activities carried out by the COMPANY.

The CODE OF ETHICS must also be understood to be part of the MODEL.

As for the crimes to which these regulations apply, they are currently the following types:

- Wrongful receipt of disbursements, fraud to the detriment of the State or a public entity or for obtaining public disbursements, and computer fraud to the detriment of the State or a public entity (Art. 24, Legislative Decree No. 231/2001) [article amended by Law No. 161/2017 and Legislative Decree No. 75/2020];
- Computer crimes and unlawful data processing (Art. 24-bis, Legislative Decree no. 231/2001) [article added by L. no. 48/2008; amended by L.D. nos. 7 and 8/2016 and L.D. no. 105/2019];
- Organized crime offenses (Art. 24-ter, Legislative Decree no. 231/2001) [article added by Law no. 94/2009 and amended by Law no. 69/2015];
- Embezzlement, extortion, undue induction to give or promise benefits, bribery and abuse of office (Art. 25, Legislative Decree no. 231/2001) [amended by Law no. 190/2012, Law no. 3/2019 and Legislative Decree no. 75/2020];
- Forgery of money, public credit cards, revenue stamps and instruments or signs of recognition (Art. 25-bis, Legislative Decree no. 231/2001) [article added by Decree-Law no. 350/2001,

- converted with amendments by Law no. 409/2001; amended by Law no. 99/2009; amended by Legislative Decree 125/2016];
- Crimes against industry and trade (Art. 25-bis.1, Legislative Decree no. 231/2001) [article added by Law no. 99/2009];
 - Corporate crimes (Art. 25-ter, Legislative Decree no. 231/2001) [article added by Legislative Decree no. 61/2002, amended by Law no. 190/2012, Law no. 69/2015 and Legislative Decree no. 38/2017];
 - Crimes for the purpose of terrorism or subversion of the democratic order provided for by the Criminal Code and special laws (Art. 25-quater, Legislative Decree no. 231/2001) [article added by Law no. 7/2003];
 - Pratiche female genital mutilation (Art. 25-quater.1, Legislative Decree No. 231/2001) [article added by Law No. 7/2006];
 - Crimes against the individual (Art. 25-quinquies, Legislative Decree no. 231/2001) [article added by Law no. 228/2003; amended by Law no. 199/2016];
 - Market abuse crimes (Art. 25-sexies, Legislative Decree no. 231/2001) [article added by Law no. 62/2005];
 - Other market abuse offenses (Art. 187-quinquies TUF) [Article amended by Legislative Decree No. 107/2018];
 - Crimes of culpable homicide and grievous or very grievous bodily harm, committed in violation of the rules on accident prevention and protection of hygiene and health at work (Art. 25-septies, Legislative Decree no. 231/2001) [article added by L. no. 123/2007; amended L. no. 3/2018];
 - Receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, as well as self-laundering (Art. 25-octies, Legislative Decree no. 231/2001) [article added by Legislative Decree no. 231/2007; amended by Law no. 186/2014 and Legislative Decree no. 195/2021];
 - Crimes regarding non-cash payment instruments (Art. 25-octies.1, Legislative Decree no. 231/2001) [Article added by Legislative Decree 184/2021] and Other offenses regarding non-cash payment instruments (Art. 25-octies.1 paragraph 2, Legislative Decree no. 231/2001) [Article added by Legislative Decree 184/2021];
 - Copyright infringement offenses (Art. 25-novies, Legislative Decree no. 231/2001) [article added by Law no. 99/2009];
 - Inducement not to make statements or to make false statements to the judicial authorities (Art. 25-decies, Legislative Decree no. 231/2001) [article added by Law no. 116/2009];
 - Environmental crimes (Art. 25-undecies, Legislative Decree No. 231/2001) [article added by Legislative Decree No. 121/2011, amended by Law No. 68/2015, amended by Legislative Decree No. 21/2018];
 - Employment of third-country nationals whose stay is irregular (Art. 25-duodecies, Legislative Decree no. 231/2001) [article added by Legislative Decree no. 109/2012, amended by Law no. 161 of October 17, 2017];
 - Racism and xenophobia (Art. 25-terdecies, Legislative Decree no. 231/2001) [article added by Law no. 167 of November 20, 2017, amended by Legislative Decree no. 21/2018];
 - Fraud in sports competitions, abusive gaming or betting and gambling exercised by means of prohibited devices (Art. 25-quaterdecies, Legislative Decree No. 231/2001) [article added by L. No. 39/2019];
 - Tax Crimes (Art. 25-quinquiesdecies, Legislative Decree no. 231/2001) [article added by Law no. 157/2019 and Legislative Decree no. 75/2020];
 - Smuggling (Art. 25-sexiesdecies, Legislative Decree no. 231/2001) [article added by Legislative Decree no. 75/2020];

- Crimes against cultural heritage (Art. 25-septiesdecies, Legislative Decree no. 231/2001) [Article added by L. no. 22/2022]; and Laundering of cultural property and devastation and looting of cultural and scenic heritage (Art. 25-duodevicies, Legislative Decree no. 231/2001) [Article added by L. no. 22/2022];
- Liability of entities for administrative offenses dependent on crime (Art. 12, Law No. 9/2013) [The following constitute prerequisites for entities operating within the virgin olive oil supply chain];
- Transnational offenses (Law No. 146/2006) [The following offenses are prerequisites for the administrative liability of entities if committed transnationally].

Other types of crimes may be included in the Decree in the future by the legislator.

The Special Part of the MODEL contains a detailed description of individual cases of crime, if the type of crime is relevant in the case at hand and therefore deserving of specific description in the Special Part.

3.8 General Part and Special Part

This General Part of the MODEL describes the process of definition, the operating principles and the mechanisms of concrete implementation of the MODEL, as well as the composition the duties and powers of the SB, the disciplinary and sanction system and the methods of information and training to the DESTINATORS of the MODEL itself.

The Special Part describes, for each family of crimes, the respective types of offenses, the specific company activities of Suedwolle Group Italia S.p.A. that are found to be sensitive, the consequent behavioral principles to be observed as well as the control protocols to be applied.

As argued above, the Special Part is dedicated to the specific prevention of specific families of crimes, specifically:

- A. Offenses committed in relations with the Public Administration. Undue receipt of disbursements, fraud to the detriment of the State, a public entity or the European Union or for the purpose of obtaining public disbursements, computer fraud to the detriment of the State or a public entity and fraud in public supplies (Article 24, Legislative Decree no. 231/2001) [article amended by Law no. 161/2017 and Legislative Decree no. 75/2020] and Embezzlement, extortion, undue induction to give or promise benefits, bribery and abuse of office (Art. 25, Legislative Decree no. 231/2001) [amended by Law no. 190/2012, Law no. 3/2019 and Legislative Decree no. 75/2020]
- B. B. Computer crimes and unlawful data processing (Art. 24-bis, Legislative Decree no. 231/2001) [article added by Law no. 48/2008; amended by Legislative Decree nos. 7 and 8/2016 and Legislative Decree no. 105/2019]
- C. C. Organized crime offenses (Art. 24-ter, Legislative Decree no. 231/2001) [article added by Law no. 94/2009 and amended by Law no. 69/2015]
- D. D. Crimes against industry and trade (Art. 25-bis.1, Legislative Decree no. 231/2001) [article added by Law no. 99/2009]
- E. Corporate offenses (Art. 25-ter, Legislative Decree No. 231/2001) [article added by Legislative Decree No. 61/2002, amended by Law No. 190/2012, Law 69/2015 and Legislative Decree No. 38/2017]

- F. Crimes against the individual (Art. 25-quinquies, Legislative Decree no. 231/2001) [article added by Law no. 228/2003; amended by Law no. 199/2016]
- G. Crimes of culpable homicide and grievous or very grievous bodily harm, committed in violation of the rules on accident prevention and the protection of hygiene and health at work (Art. 25-septies, Legislative Decree
- H. Receiving stolen goods, money laundering and use of money, goods or utilities of illegal origin, as well as self-laundering (Art. 25-octies, Legislative Decree no. 231/2001) [article added by Legislative Decree no. 231/2007; amended by Law no. 186/2014 and Legislative Decree no. 195/2021]
- I. Copyright infringement offenses (Art. 25-novies, Legislative Decree no. 231/2001) [article added by Law no. 99/2009]
- J. Inducement not to make statements or to make false statements to the judicial authorities (Art. 25-decies, Legislative Decree no. 231/2001) [article added by Law no. 116/2009]
- K. Environmental crimes (Art. 25-undecies, Legislative Decree No. 231/2001) [article added by Legislative Decree No. 121/2011, amended by Law No. 68/2015, amended by Legislative Decree No. 21/2018]
- L. Racism and xenophobia (Art. 25-terdecies, Legislative Decree no. 231/2001) [article added by Law no. 167 of November 20, 2017, amended by Legislative Decree no. 21/2018]
- M. Tax crimes (Art. 25-quinquiesdecies, Legislative Decree no. 231/2001) [article added by Law no. 157/2019 and Legislative Decree no. 75/2020]
- N. Transnational Crimes (L. No. 146/2006) [The following crimes constitute prerequisites for the administrative liability of entities if committed transnationally]

Regarding the families of crimes:

- Forgery of money, public credit cards, revenue stamps and identification instruments or signs (Art. 25-bis, Legislative Decree no. 231/2001) [article added by Decree Law no. 350/2001, converted with amendments by Law no. 409/2001; amended by Law no. 99/2009; amended by Legislative Decree 125/2016]
- Crimes for the purpose of terrorism or subversion of the democratic order provided for by the Criminal Code and special laws (Art. 25-quater, Legislative Decree no. 231/2001) [article added by Law no. 7/2003]
- Female genital mutilation practices (Art. 25-quater.1, Legislative Decree No. 231/2001) [article added by Law No. 7/2006]
- Market abuse offenses (Art. 25-sexies, Legislative Decree no. 231/2001) [article added by Law no. 62/2005] and Other market abuse offenses (Art. 187-quinquies TUF) [article amended by Legislative Decree no. 107/2018]
- Crimes involving non-cash payment instruments (Art. 25-octies.1, Legislative Decree No. 231/2001) [article added by Legislative Decree 184/2021]
- Employment of third-country nationals whose stay is irregular (Art. 25-duodecies, Legislative Decree no. 231/2001) [article added by Legislative Decree no. 109/2012, amended by Law no. 161 of October 17, 2017]
- Fraud in sports competitions, abusive gaming or betting and gambling exercised by means of prohibited devices (Art. 25-quaterdecies, Legislative Decree No. 231/2001) [article added by Law No. 39/2019]
- Smuggling (Art. 25-sexiesdecies, Legislative Decree no. 231/2001) [article added by Legislative Decree no. 75/2020]
- Crimes against cultural heritage (Art. 25-septiesdecies, Legislative Decree no. 231/2001) [Article added by L. no. 22/2022] and Laundering of cultural property and devastation and looting

of cultural and scenic heritage (Art. 25-duodevices, Legislative Decree no. 231/2001)
[Article added by L. no. 22/2022]

it was considered, through a methodology that analyzed and subjected to evaluation the various risk factors, that the specific activity carried out by the COMPANY does not present risk profiles such as to make the possibility of their commission in the interest or to the benefit of the same reasonably well-founded.

In this regard, it is therefore considered exhaustive to refer to the principles contained in this General Part of the MODEL and in the CODE OF ETHICS, which bind the RECIPIENTS of the MODEL to their compliance.

3.9 The CODE OF ETHICS

The CODE OF ETHICS contains the rules of an ethical nature to be observed by all the RECIPIENTS specified therein in the context of the exercise of corporate activities.

The principles and rules of behavior contained in this MODEL are integrated with what is expressed in the CODE OF ETHICS adopted by the COMPANY, although the MODEL has a different scope than the Code itself, due to the purposes it intends to pursue in the implementation of the provisions of the DECREE.

In fact, the CODE OF ETHICS represents an instrument adopted independently and susceptible of application on a general level by Suedwolle Group Italia S.p.A. in order to express the principles of ethics and behavior that the COMPANY recognizes as its own and on which it calls for compliance by all EMPLOYEES, managers and directors.

In particular, the ethical principles contained in the CODE OF ETHICS pertaining to the topics dealt with in the General Section and Special Section of the MODEL constitute the basic behavioral rules for the legitimate exercise of corporate activities.

Therefore, in view of the fact that the Code recalls principles of conduct suitable also to prevent the illegal behaviors referred to in the DECREE, it acquires relevance for the purposes of the MODEL and is, therefore, formally an integral component of the MODEL itself.

3.10 The methodology for preparing/updating the MODEL.

The process of preparing the MODEL involves the implementation of four operational phases:

- PHASE I: Identification of the Sensitive Areas, i.e., analysis of the corporate context aimed at highlighting in which processes/activities/functions of Suedwolle Group Italia S.p.A., and in what manner, the offenses provided for by the DECREE may occur.
- PHASE II: Gap Analysis, for each process/activity identified as sensitive, i.e., evaluation of the adequacy of the current corporate organization for the purpose of preventing possible offenses, comparing the general rules contained in the reference Organizational Model (meeting the requirements of the DECREE) with the actual methods of carrying out the operational and control activities performed by the COMPANY, as defined by the operational procedures.

- PHASE III: Development of the Action Plan, consisting of the formulation of specific indications regarding the improvement of the Internal Control System aimed at ensuring its adequacy to the requirements of the DECREE;
 - PHASE IV: Development of the Internal Control System, consisting of the definition and/or implementation of specific control protocols aimed at preventing the commission of the crimes provided for in the DECREE and the formulation of specific indications regarding information flows to the SUPERVISORY BODY.
- The methodology adopted for the preparation of the MODEL is applied with appropriate adaptations to the activities of updating the MODEL itself.

4. THE SUPERVISORY BODY

According to the provisions of Legislative Decree 231/2001 art. 6, paragraph 1) lett. a) and b), the ENTITY may be exempted from liability resulting from the commission of offenses by persons qualified under art. 5 of Legislative Decree 231/2001, if the management body has, among other things:

- adopted and effectively implemented Organization, Management and Control

Models suitable for preventing the crimes under consideration;

- entrusted the task of supervising the operation of and compliance with the model and taking care of its updating to a Body of the entity endowed with autonomous powers of initiative and control.

The entrusting of the aforementioned tasks to a Body endowed with autonomous powers of initiative and control, together with the proper and effective performance of the same represent, therefore, indispensable prerequisites for the exemption from liability provided for by the DECREE.

The main requisites of the SUPERVISORY BODY, as proposed by the Guidelines for the preparation of Organization and Management Models and also endorsed by the judiciary bodies in the various published jurisprudential pronouncements, can be identified as follows:

- autonomy
- independence;
- professionalism;
- continuity of action.

In relation to the composition of the Supervisory Board, the 2012 Stability Law (L.183/2011- published in the Official Gazette of November 14, 2011 no. 265 - S.O. no. 234) provided for the inclusion in Article 6 of Legislative Decree 231/2001, of the following paragraph 4- bis: "In corporations, the board of statutory auditors, the supervisory board and the management control committee may perform the functions of the Supervisory Board referred to in paragraph 1, letter b)." This regulatory provision, having the objective of simplifying the system of controls within companies and reducing the related costs, thus legitimizes the assignment of the task of supervising the functioning and observance of the models, as well as taking care of their updating, to subjects/bodies already present in corporate structures.

In essence, the legislator considers the Board of Statutory Auditors to be a body of the entity with "autonomous powers of initiative and control" for the purposes of the exemption in Article 6 of the DECREE.

4.1 The Supervisory Body of Suedwolle Group Italia S.p.A.

The SUPERVISORY BODY of Suedwolle Group Italia S.p.A. is identified and appointed by the Board of Directors as a monocratic body or, alternatively, as a collegial body and in the latter case it will be composed of 3 members. In any case, the SB must possess and guarantee the following professional characteristics:

- technical-legal skills
- skills in accounting, finance and corporate organization and management
- expertise in risk assessment.

At its first meeting, the SUPERVISORY BOD established in collegial form will choose, from among its members, the Chairman; in carrying out its action, the SB will operate according to its own regulations.

The Board of Directors shall determine the term of appointment (normally three years) of the SUPERVISORY BOD and its compensation. The SB shall cease upon expiration of the term established at the time of its appointment, although it shall continue to perform its functions on an interim basis until a new appointment of the SUPERVISORY BODY itself. Its members may be reappointed, and the rules of the Civil Code on tenure will apply.

If, during the term of office, a member of the SUPERVISORY BODY ceases to hold office, the Board of Directors shall promptly replace him or her by its own resolution, and until reappointment, the SUPERVISORY BODY shall operate with the other members remaining in office.

Appointment as a member of the SUPERVISORY BODY is conditional on the absence of the following subjective requirements of ineligibility:

- when the member has, directly or indirectly, economic relationships other than employment with the company, with the executive directors, with the shareholder or group of shareholders who control the company, of such importance as to condition the autonomy of judgment, also assessed in relation to the subjective patrimonial condition of the natural person in question;
- when the member holds, directly or indirectly, corporate shareholdings of such magnitude as to enable him/her to exercise control or significant influence over the COMPANY;
- when the member is a close family member of executive directors of the COMPANY or of individuals in the situations indicated in the preceding points;
- when the member is declared disqualified, incapacitated or bankrupt;
- when the member is convicted by irrevocable judgment pursuant to Article 648 of the Code of Criminal Procedure:
- for facts related to the performance of his office;
- for facts significantly affecting his professional morality;
- involving disqualification from public office, from the executive offices of companies and legal persons, from a profession or art, as well as inability to contract with the Public Administration;

- in any case for having committed any of the predicate offenses set forth in Legislative Decree 231/2001;
- in any case, in order to protect the essential requirements of the SUPERVISORY BODY, when from the time when a member is notified of the commencement of criminal prosecution pursuant to Articles 405 and 415 bis of the Code of Criminal Procedure and until a judgment of non-prosecution is issued pursuant to Article 425 of the Code of Criminal Procedure or if prosecuted, until a judgment of acquittal is rendered pursuant to Articles 529 and 530 of the Code of Criminal Procedure; this cause of ineligibility applies exclusively to criminal proceedings for facts referred to in the preceding point.

The SUPERVISORY BODY may avail itself - under its direct supervision and responsibility - in the performance of the tasks entrusted to it, of the collaboration of all the functions and structures of the COMPANY or of external consultants, making use of their respective skills and professionalism. This faculty enables the SUPERVISORY BODY to ensure a high level of professionalism and the necessary continuity of action.

To this end, the Board of Directors assigns, each year, an expenditure budget to the SUPERVISORY BODY taking into account the requests of the latter, which must be formally submitted and documented.

The allocation of the budget allows the SUPERVISORY BODY to operate autonomously and with the appropriate tools for effective performance of the task assigned to it by this MODEL, in accordance with the provisions of the DECREE.

4.2 Functions and powers of the SB.

The activities carried out by the SUPERVISORY BODY cannot be reviewed by any other body or structure of the COMPANY, it being understood, however, that the Board of Directors is in any case called upon to carry out a supervisory activity on the adequacy of its work, since it has the ultimate responsibility for the functioning and effectiveness of the MODEL.

The SUPERVISORY BODY is vested with the powers of initiative and control necessary to ensure effective and efficient supervision of the functioning and compliance with the MODEL in accordance with the provisions of Article 6 of Legislative Decree 231/2001.

Therefore, this BODY is entrusted with the task of supervising in general:

- on the real (and not merely formal) effectiveness of the MODEL and its adequacy with respect to the need to prevent the commission of the crimes for which the DECREE applies;
- On the compliance with the prescriptions of the MODEL by the RECIPIENTS;
- on the updating of the MODEL in the event that there is a need for adaptation in relation to changed business or regulatory conditions.

In particular, the SUPERVISORY BODY is entrusted with the following tasks and powers for the performance and exercise of its functions:

- to carry out targeted audits of specific risk activities by having free access to related data;
- Promote the updating of risk mapping in case of significant organizational changes or extension of the type of crimes considered by the DECREE;
- monitor information/training initiatives aimed at spreading knowledge and understanding of the MODEL within the company promoted by the competent function;

- collect and manage the information necessary to provide a constantly updated picture about the implementation of the MODEL;
- express, on the basis of the results that emerge from the verification and control activities, a periodic assessment of the adequacy of the MODEL with respect to the prescriptions of the DECREE, the reference principles, new regulations and relevant jurisprudential interventions, as well as the operation of the same;
- Report to the Board of Directors any violations of protocols or the shortcomings detected during the audits carried out, so that it can take the necessary actions;
- supervise the consistent application of the sanctions provided for by internal regulations in cases of violation of the MODEL, without prejudice to the competence of the body delegated for the application of sanction measures;
- detect any behavioral deviations that may emerge from the analysis of information flows and reports to which the heads of the various functions are bound.

The COMPANY will ensure that the duties of the SUPERVISORY BODY and its powers are adequately communicated to the corporate structures.

The SUPERVISORY BODY is bound to confidentiality with respect to all information of which it becomes aware due to the performance of its duties.

Disclosure of such information may be made only to the persons and in the manner provided for in this MODEL.

4.3 Information obligations to the SB.

In general, any violation of the requirements of the MODEL must be brought to the attention of the SB.

All information concerning:

- requests for legal assistance made by managers and/or employees against whom the Judiciary is proceeding for the crimes referred to in the MODEL;
- measures and/or news from Judicial Police organs or any other authority, from which it is inferred that investigations are being carried out, even against unknown persons, for the same crimes in which the COMPANY's activities are also potentially involved;
- results and conclusions of commissions of inquiry or other internal reports from which hypotheses of responsibility for these crimes emerge;
- outcomes of inspections/audits, receipt of acts and objections from public entities (ASL, Labor Inspectorate, National Fire Department, INAIL, local authorities, Guardia di Finanza, Garante per la protezione dei dati personali, etc.);
- occurrence of situations of conflict of interest
- news related to the effective implementation, at all company levels, of the organizational MODEL;
- disciplinary proceedings carried out and any sanctions imposed or measures of dismissal of such proceedings with the relevant reasons;
- outcomes of resolutions of the Corporate Bodies that may entail changes in the functionality and articulation of the MODEL (e.g., changes in the organizational structure, changes in governance, in the system of proxies adopted by the COMPANY and changes in business lines);
- carefully calibrated request of the SB to prepare periodic reports to meet specific information needs.

Each EMPLOYEE shall also communicate, again in written form (including anonymously), with a guarantee of full confidentiality, any further information related to possible internal anomalies or illegal activities; the SB may also receive and evaluate reports and communications, similarly written and confidential, from third parties.

In this regard, and in compliance with Law No. 179 of 30/11/2017 "Whistleblowing," the COMPANY has regulated the process of management of reports made by those who detect unlawful behavior or a violation of the contents of the CODE OF ETHICS and/or the protocols of the MODEL. Specifically, the person who intends to make a report must forward it by e-mail to a special and exclusive e-mail address dedicated to reporting: odv@suedwollegroupitalia.it.

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.

The creation of a specific mail account address for such reports is to be understood as additional to the ordinary mail address (Via Del Mosso, 10 - 13894 Gaglianico BI) managed by the Supervisory Board for all reports concerning the violation of the CODE OF ETHICS, the MODEL and the regulations referred to in the DECREE. Again, reports will be handled confidentially. The report must be made by clearly and circumstantially describing the fact in question and indicating any precise element placed in support of what was reported.

The SB may request any kind of information and/or documentation useful for its investigations and controls from the board of directors, executives and employees, making it obligatory for the individuals indicated to comply with every request of the SB with the utmost care, completeness and promptness.

The SB may request the Board of Directors (in the case of directors) or the appropriate corporate officers (in the case of employees and executives) to issue disciplinary sanctions against those who fail to comply with the identified information obligations.

4.4 Reporting obligations of the SB to corporate bodies.

The SB reports to the Board of Directors and the Board of Auditors on the implementation of the MODEL and the emergence of any critical issues related to it. In particular, the SB shall provide itself with its own Regulations, which shall explicitly indicate the structure, expected contents and frequency of transmission of periodic reports, starting with the annual report, about the status of the implementation of the MODEL in the COMPANY.

The SB shall, in any case, promptly report to the Board of Directors on any violation of the MODEL that is deemed well-founded, of which it has become aware through reporting by the RECIPIENTS, or that it has ascertained during the performance of its activities.

The presence of the aforementioned relationships of a functional nature, even with bodies that have no operational tasks and are therefore free from management activities, constitutes a factor capable of ensuring that the task is carried out by the SB with the greatest guarantees of independence.

The SB may be summoned at any time by the indicated bodies or may in turn submit requests to that effect, to report on the functioning of the MODEL or on specific situations.

5. TRAINING AND COMMUNICATION PLAN

The COMPANY promotes the knowledge of the MODEL, its internal procedures and their updates among all the RECIPIENTS who are therefore expressly required to know its contents, observe it and contribute to its implementation.

To this end, the COMPANY organizes training/information events to disseminate and promote understanding of the procedures and behavioral rules adopted in the implementation of the MODEL and the principles of the CODE OF ETHICS. These events are differentiated and graduated, in content and delivery methods, according to the qualification of the RECIPIENTS, the existence of risk in the operational area in which they operate, and whether or not they hold representative powers.

Without prejudice to the legal obligation, pursuant to Article 7 of Law No. 300 of 1970, to post in a place accessible to all employees the disciplinary provisions contained in the CODE OF ETHICS, as well as any other disciplinary provision however adopted by the COMPANY, the COMPANY may consider the opportunity to provide for alternative modes of communication both to employees and to third parties who collaborate with the COMPANY (ex. : collaborators, suppliers, professionals, consultants, etc.) and who, in the performance of contractual activities, may have contact with the Public Administration or potentially commit unlawful conduct sanctionable under the DECREE.

Below are some examples of communication methods:

- EMPLOYEES: disclosure in the hiring letter for new hires; periodic updates through group or individual training courses; use of any company information tools already in place;
- EXTERNAL COLLABORATORS: special information on the MODEL and CODE OF ETHICS, including, for example, extracts of the latter in contracts with the COMPANY, as well as on the consequences that behaviors contrary to the provisions of the MODEL or in any case contrary to the DECREE, or to the regulations in force may have with regard to contractual relationships.

In line with the provisions of the DECREE, the COMPANY permanently ensures full publicity of this MODEL, in order to ensure that the recipients are permanently aware of the procedures to be followed in order to properly fulfill the preventive obligations mentioned above.

6. DISCIPLINARY SYSTEM OF SANCTIONS

The DECREE requires the introduction of a disciplinary system suitable for sanctioning the non-compliance with the measures indicated in the MODEL both in relation to the cases referred to in Article 6, paragraph 2, letter e), and in relation to those referred to in Article 7, paragraph 4, letter b, of the DECREE.

In line with the provisions of the regulation, a special disciplinary system of the COMPANY has been introduced, which concerns the activities of both top management and the persons making up the organizational structure.

With regard to the disciplinary system of EMPLOYEES, upon the occurrence of behaviors that violate the CODE OF ETHICS and the MODEL more in general, the COMPANY refers to the disciplinary rules provided for by the national collective labor contract in force, in compliance with the procedures provided for by the law.

This solution, in fact, makes it possible to apply a discipline firmly established at the level of union negotiations and commonly considered appropriate for disciplinary requirements. In this matter, disciplinary rules under Article 7 of the Workers' Statute must be in accordance with what is established by labor agreements and contracts.

With regard to the application of disciplinary sanctions to employees, the sanction system refers to the provisions of Law No. 300 of May 20, 1970, to the provisions of the CCNL.

With regard to the disciplinary system concerning the activity carried out by top management, the MODEL adopted by the COMPANY has established that, for the members of the Board of Directors and for the Executives of the COMPANY, the sanction is taken, also on the proposal of the SUPERVISORY BODY, with a measure of the Board of Directors with reference to the provisions of the laws in force and with the obligation to inform the assembly in the case of Directors.

If the violation of the norms is committed by collaborators, external consultants and those who provide the COMPANY with goods or services for its use, the sanction will be established by the competent Corporate Bodies and, in the most serious cases, may lead to the termination of the contract, in addition to the right by the COMPANY to obtain compensation for the damages suffered due to the illegal behavior carried out.