



ANGGIA

CODE OF ETHICS

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PREFACE

**We listen to the past for a responsible future.
We pursue excellence starting from raw materials,
with the support of our invaluable collaborators and
cutting-edge processes to spread our craftsmanship
worldwide.**

The Maglificio Maggia, a historic textile company dedicated to manufacturing knitted fabric on circular looms for high-end and luxury clothing, has been active in Biella district, in Piedmont, since the 18th century.

Owned by the Maggia family for nine generations, the knitwear factory is part of a territorial entrepreneurial fabric mainly focused on wool, finding pride and a competitive advantage in the uniqueness of its offerings.

“Our people are our most valuable asset; they allow us to be ambassadors of an innovative and unique product.”

GIOVANNA MAGGIA



01 - RECIPIENTS AND SCOPE

Maglificio Maggia SRL, (hereinafter also referred to as 'Entity' or 'Company') has decided to establish its own Code of Ethics (hereinafter also referred to as 'Code'), which constitutes the reference point for all those who carry out their activities on behalf and in the interest of the same.

The Code is the document in which principles and values of much broader scope than those derived from necessary compliance with regulatory requirements are identified. All individuals operating or having dealings with Maggia Knitwear must base their actions on these principles and values concerning all business activities and interactions with third parties.

The Code is inspired by an ideal of cooperation among individuals, respecting each person's role, and serves as a guide in making decisions and taking actions consistent with a culture of responsibility, legality, transparency, and the creation of long-term value for all our stakeholders, contributing to sustainable development.

Under no circumstances can the belief in acting to the benefit or in the interest of the Company justify, even in part, the adoption of behaviors contrary to the principles and contents of the Code of Ethics.

Recipients of the Maggia Knitwear Code of Ethics include all **stakeholders** who, directly or indirectly, establish relationships or dealings with the company:



The Code of Ethics therefore constitutes a code of conduct whose compliance by all company representatives is of fundamental importance for the proper functioning, reliability, and reputation of the Company.

Violation of the provisions contained in the Code entails the imposition of sanctions or measures regardless of the commission of a crime and the conduct and outcome of any criminal proceedings initiated by the Judicial Authority.

02 - VALUES CHARTER

Maglificio Maggia has developed its own values charter to systematically and structurally channel all company efforts towards achieving a natural and sustainable balance.

In the Sustainability Strategic Plan *'De Rerum Natura - The Nature of Things'* the stages of development have been established, making them achievable, proactive, and encouraging continuous improvement in all corporate areas.

These objectives are developed in a manner that allows them to be achieved in full compliance with the general behavioural norms outlined in section 4. This values charter is continually updated but adheres to the guiding principles outlined in the subsequent section 3.

"In today's industrial and international landscape, it has become indispensable to collaborate and work within the supply chain to address increasingly stringent regulations and also to proactively innovate."

LUDOVICO MAGGIA



DE RERUM NATURA
- The nature of Things -

03 - SUSTAINABLE DEVELOPMENT AND SOCIAL ENGAGEMENT

Each theme within the "The Nature of Things" Values Charter is developed to comprehend specific issues, particularly:

PRODUCT	PRODUCTION	ENVIRONMENT	HUMAN RESOURCES	COMMUNITY
<ul style="list-style-type: none"> • Development of a product certification system • Use of sustainable and traceable raw materials • Development of a cutting-edge traceability system in line with European regulations • Research and Development • Slow Fiber 	<ul style="list-style-type: none"> • Optimization of processes with a sustainable outlook • Establishment of an integrated management system • Internal digital innovation and supply chain innovation 	<ul style="list-style-type: none"> • Sustainability Report • Measurement of impacts • Miglioramento dell'impatto di tutta la catena di fornitura 	<ul style="list-style-type: none"> • Health and Safety of Workers • Well-being and prosperity • Diversity and inclusion • Gender Equality 	<ul style="list-style-type: none"> • Magnolab - Network of companies • Collaboration with territorial bodies • Involvement of workers

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The Code includes the Organization's principles of conduct towards all stakeholders as well as the guidelines that these stakeholders must follow.

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Legality

- The organization has an indispensable principle of **respecting the laws** and regulations in force in all countries where it operates.
- This commitment must also apply to consultants, suppliers, customers, and anyone who has dealings with the organization. The organization will not initiate or continue any relationship with those who do not intend to align with this principle.
- **Under no circumstances can pursuing the interests of the Company justify actions that are not in compliance with current regulations, the Code of Ethics, and the internal rules of the Company.**

Respect for Human Rights

- We operate with respect for the dignity of individuals and Human Rights, and we require the same commitment from all our partners. We ensure an inclusive work environment that values uniqueness and diversity as fundamental resources for human development.
- In decisions that impact relationships with both external and internal stakeholders, Maggia Knitwear considers it essential to eradicate any **discrimination** based on age, gender, sexual orientation, health status, race, nationality, political opinions, or religious beliefs.
- The company supports and respects human rights in line with the principles of the International Labour Organization (ILO) and the Charter of Fundamental Rights of the European Union.
- Maglificio Maggia condemns all forms of **child labour**.

Employees Integrity

- The respect for the **physical and cultural integrity** of the individual represents an ethical value of reference for the Company, which ensures it by providing working conditions that respect individual dignity and suitable work environments. For these purposes, the company conducts its activities under technical, organizational, and economic conditions that allow for adequate **incident prevention** and a healthy and safe working environment, fully complying with current regulations, and adopting necessary definitive, precautionary, and preventative measures.
- The company is committed to taking the necessary measures to protect the safety and health of workers, including activities for preventing occupational risks, providing information and training, as well as establishing the required organization and resources.
- In detail, it commits to:
 - eliminate **risks** and, where this is not possible, minimize them to the extent of the knowledge acquired based on technological progress;
 - **assess** all risks that cannot be eliminated;
 - **reduce** risks at the source;
 - adhere to **ergonomic** and health principles in the workplace, in the organization of work, in the design of workplaces and the selection of work equipment, in defining work and production methods, particularly aiming to reduce the health effects of monotonous and repetitive work;

- **replace** what is **dangerous** with what is not dangerous or less dangerous;
- plan measures deemed appropriate to ensure the continual improvement of safety levels over time, including the adoption of codes of conduct and best practices;
- prioritize collective **protection measures** over individual protection measures;
- provide adequate **instructions** to workers.

Environmental Preservation

- The company is committed to complying with environmental legislation and implementing preventive measures to **avoid** or at least **minimize environmental impact**.
 - Adopt measures to limit and - if possible - eliminate the negative impact of economic activities on the environment, not only when the risk of harmful or dangerous events is proven (principle of **preventive action**), but also when it is uncertain whether and to what extent business activities expose the environment to risks (**precautionary principle**);
 - Prioritize the adoption of measures to **prevent** potential harm to the environment, rather than waiting for the moment to repair damage that has already occurred.

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- Maglificio Maggia recognizes the **centrality of human resources** as the main factor for the success of any activity, within a framework of mutual **loyalty** and **trust** between employer and employees.
- The employment relationship is conducted in compliance with applicable **collective contractual regulations** and **social security**, tax, and insurance legislation. To establish the employment relationship, the employee is required to sign, along with the contract, a commitment to adhere to the principles defined in the Code of Ethics.
- In personnel management processes, decisions are based on criteria evaluating **merit**, formulated on **objective principles** of a meritocratic nature. The same applies to access to roles or positions.
- Maglificio Maggia safeguards and **promotes the value of human resources to enhance and enrich the professionalism, experience, and knowledge assets** of each employee and collaborator, including through the implementation of training initiatives.
- The Company considers the **skills** of its people at all levels fundamental for operational excellence. It promotes the development of a culture based on the dissemination of **knowledge** that values the behaviours and contributions of each individual. It believes in the power of **sharing, exchanging ideas, and confrontation** to create the fundamental synergy that characterizes **teamwork** and leads to excellent results.

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- The Entity, in processing **data** concerning its stakeholders, complies with all applicable regulations and adheres to the provisions contained in Legislative Decree No. 196/2003 and EU Regulation 679/2016 **GDPR**.
- The Company also ensures the **confidentiality of information** in its possession by defining and updating procedures related to the processing of personal data in accordance with current regulations.

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- Every operation and transaction is accurately **recorded, authorized**, verifiably, legitimate, consistent, and appropriate.
- The financial situations and balance sheets faithfully represent the management (economic, asset, and financial) facts following criteria of **transparency, accuracy, and completeness**. For this purpose, adequate and comprehensive supporting documentation of the activities carried out is kept on record, enabling:
 - Accurate recording of each operation;
 - Immediate determination of the characteristics and motivations underlying each operation;
 - Easy chronological reconstruction of the operations in a formal manner;
 - Verification of the decision-making, authorization, and implementation process, as well as the identification of various levels of responsibility and control.
- Each accounting entry accurately reflects what is stated in the supporting documentation. Therefore, it is the responsibility of each employee or designated collaborator to ensure that the **supporting documentation** is easily accessible and organized according to logical criteria and in compliance with internal provisions and procedures.

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- Recipients are prohibited from **receiving and providing money, gifts**, or any form of benefit, except for items of nominal value that constitute mere business courtesy. Conducts contrary to this principle are prohibited and will be strictly penalized, regardless of whether they have been realized or attempted, directly or through third parties, to obtain personal benefits, for others, or for the Company.

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- The Company conducts its activities by providing adequate **information** to the shareholders regarding **strategic business decisions** and the performance of **management**.
- In its relationships with shareholders, it ensures **fairness and clarity** in assuming the duties of representation, as well as their faithful and diligent fulfillment.

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- The **evaluation of personnel to be hired** is based on the alignment of candidates' profiles with the company's needs, ensuring **equal opportunities** for all interested parties.
- The information requested is strictly related to the required professional and psychometric profile, respecting the candidate's privacy and opinions.
- Within the available information, **appropriate measures** are taken to prevent favoritism, nepotism, or forms of patronage during the selection and hiring phases of personnel.
- The personnel is hired through employment contracts in accordance with the legislation and current **collective agreements**. Irregular work positions are not permitted.
- Before the commencement of the employment relationship, each employee receives adequate **information** regarding the legal and remuneration aspects of the employment, ensuring that the acceptance of the position guarantees awareness of its contents.
- The company is committed to preserving employees' **moral standing** and ensuring the right to work under conditions that respect human dignity.

For this reason, it **prohibits any act of psychological violence** and opposes any behavior or attitude that is harassing or detrimental to an individual's beliefs and preferences. Similarly, any investigation into employees' ideas, preferences, personal tastes, and private life is prohibited.

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- The organization requires its suppliers to review the ethical principles outlined in this Code, considering this aspect **fundamental** for establishing a proper business relationship.
- The purchasing processes are structured to gain the **maximum competitive advantage** by adopting non-discriminatory behaviors.
- To ensure integrity and independence in relationships with suppliers, the organization adopts **maximum transparency and efficiency** in the procurement process. This is achieved through an objective evaluation of the quality and price of the goods or services, as well as the assurance and timeliness of service, while respecting any predetermined preferred evaluation criteria.

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- The Company commits to **not arbitrarily discriminate** against its customers, while also respecting its own business decisions.
- The **contracts and communications** to the entity's customers must be:
 - **Clear and simple**;
 - In **compliance** with current regulations, avoiding elusive or otherwise improper practices;

- **Comprehensive**, so as not to overlook any relevant information necessary for the customer's decision-making process.
- The behavior style of the company's people towards the clientele should be characterized by **availability, respect, and courtesy**, aiming for a **collaborative relationship** and high professionalism at all levels.
- Maglificio Maggia commits to providing safe, **high-quality** products that adhere to environmental regulations, minimizing their impact and meeting customer standards.

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- **Offering money or gifts to officials, employees, or relatives within the Public Administration**, both Italian and foreign, is not permitted, except when such gifts or benefits are of modest value and for practical use.
- **It is prohibited to offer or accept** any object, service, or performance of value to obtain more favorable treatment concerning any relationship maintained with the Public Administration.
- When engaging in any negotiation, request, or relationship with the Public Administration, personnel assigned should **not seek to improperly influence the decisions** of the counterpart, including those of officials who negotiate or make decisions on behalf of the Public Administration.
- If the organization employs a consultant or a third party to represent it in dealings with the Public Administration, the same directives applicable to the entity's employees must also be applied to the consultant, their staff, or the third party.

05 – METHODS OF IMPLEMENTATION AND CONTROL.

5.1 – Dissemination and Communication.

The present Code of Ethics applies to the behaviors exhibited by the involved parties subsequent to its adoption by the Board of Directors.

To this end, the Code of Ethics is made available to all employees and collaborators of the Company and is accessible via the internet to all stakeholders who should be able to access the code of ethics, understand its contents, and adhere to its prescriptions.

Moreover, in order to ensure the correct understanding of the code, a series of information and/or a training plan is prepared by the relevant functions to promote awareness of ethical principles and norms, with potential dedicated training or informational sessions if deemed necessary.

5.2 – Revision.

By resolution of the Board of Directors, the Code of Ethics can be modified and supplemented, even based on suggestions and indications from control bodies.

Any revision or substantial change to the Code of Ethics must be communicated to all relevant individuals and entities using the same methods employed for its issuance.

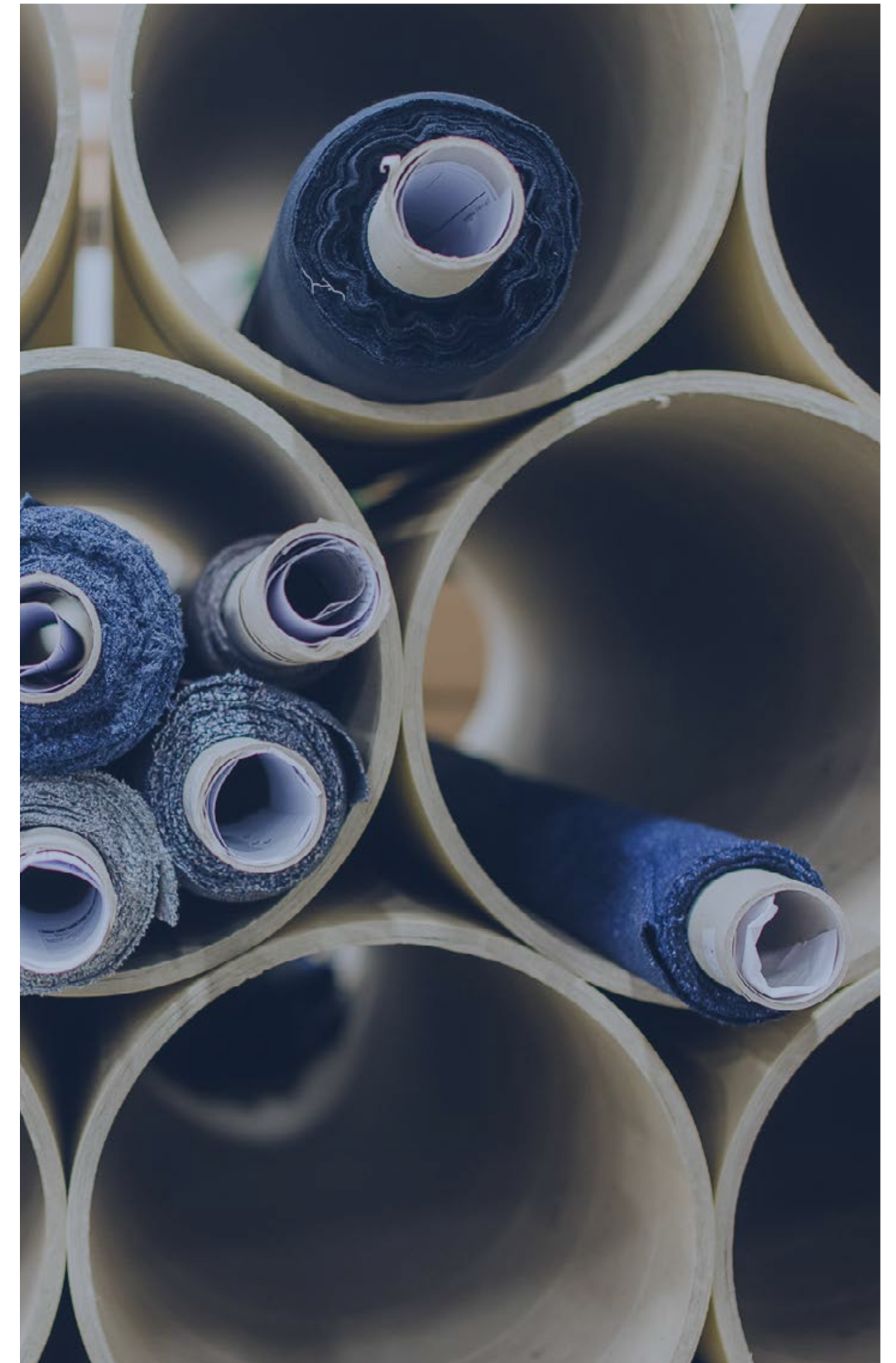
5.3 – Supervision.

The responsibility to establish an effective Internal Control System is entrusted to the top figures within the organization, particularly to individuals holding managerial roles and overseeing operational areas and business functions.

The Board of Directors, shareholders, CEO, executives, employees, and collaborators, each within their respective competencies and roles, are required to strictly adhere to the established procedures.

Internal controls over processes are ensured by the individual organizational units and their respective managers.

All employees and collaborators, within the scope of their functions and activities, are accountable for defining and ensuring the proper functioning of the control system.



06 – THE SANCTIONS SYSTEM

Adherence to the rules outlined in the Code of Ethics and the company's regulatory tools must be considered an essential part of the contractual obligations undertaken.

Violation of the principles and contents of the Code of Ethics constitutes a breach of the primary obligations of the employment relationship or disciplinary misconduct, with all legal consequences concerning the preservation of the employment relationship, following the principle of graduality. It may also lead to compensating for any damages resulting from the violation itself. For all other recipients of the Code of Ethics, in the event of a breach of its principles and contents, contractual remedies provided for under the applicable law will be activated.

Each individual acting on behalf of the Company is required to identify any violations of the Code of Ethics and report them using the means defined in paragraph 7.

6.1 – Disciplinary measures for Employees.

Disciplinary measures taken against employees comply with the National Collective Bargaining Agreement for Textile, Clothing, and Fashion in its most updated edition.

In reference to article 73 of the applicable National Collective Bargaining Agreement, the sanctions that can be adopted include the following:

- Verbal Warning: When there are deficiencies in the worker's diligence that cannot be attributed to a deliberate intention to neglect their duties.

- Written Warning: If the shortcomings, even if slight, are likely to recur and it's necessary to provide advance notice of more severe sanctions.
- Fine: Up to an amount equivalent to two hours of the national remuneration element.
- Suspension: Up to a maximum of three working days.
- Dismissal: The rules for dismissal are listed in article 75 of the National Collective Bargaining Agreement for Textile, Clothing, and Fashion.

6.2 – Sanctioning Measures towards Directors.

In the event of a breach of the code of ethics by the managers of the organization, appropriate measures will be taken based on the seriousness of the violations, the type of rule violated, the circumstances of the actions, any prior incidents, and other relevant factors. These measures will be in accordance with what is stipulated in the national collective labor agreement for industrial managers (specifically considering termination of employment, given the absence of conservative sanctions).

6.3 – Sanctioning Measures towards Shareholders.

In the event of a breach of the code of ethics by directors and/or auditors of the organization, the entire board of directors and the board of statutory auditors will be informed to take appropriate action depending on the individuals involved, the nature of the violation, prior incidents, the context in which it occurred, and any other relevant circumstances.

In less severe cases, a warning or admonition may be issued to the offender. If the violation is deemed severe enough to warrant revocation of the mandate, the shareholders' meeting will be convened to deliberate on the matter.

6.4 – Sanctioning Measures towards Third Parties.

Individuals associated with the organization through collaboration or consultancy agreements, who engage in behaviors conflicting with the provisions outlined in the code during the course of their activities, may face sanctions such as termination of the existing relationship. This action will be based on specific termination clauses included in the contracts established with these parties.

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Maglificio Maggia, in managing the reporting of irregularities, has identified the following channels, as per regulations:

1. Internal Channel;
2. External Channel;
3. Public Disclosure;
4. Reporting to Authorities.

The use of these channels, as per the outlined provisions, should be considered as follows:

- **Priority** should be given to using the **internal channel**;
- External reporting is only allowed in case the internal channels are non-functional;
- Resorting to public disclosure should be considered a last option.

The Company will provide **information and general training** on the activated channel and its related procedures.

The internal reporting channels chosen by the Company are as follows:

- **IT platform** accessible via the link:
<https://maggia.wallbreakers.it/#/>



This channel was selected as it's designed, implemented, and managed securely to safeguard the reporting individual's identity and protect any third parties mentioned in the report. It prevents access by unauthorized personnel and enables reporting both in written and oral forms.

- Written communication via **registered mail**;
- **Direct meeting** with the **Reporting Manager**.

For any additional information, please refer to the procedure for reporting irregularities: **B002-01 - Segnalazione degli illeciti**.

It is believed that the individual best suited to assume the role of Reporting Manager within the company is:

Name and Surname	Francesca Carà
Position	Sustainability and Compliance Manager
Company E-Mail	francesca.cara@maglificioitalia.it
Company Phone	+39 333 8680836

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Applicable regulations prohibit discriminatory/reprisal actions against an employee who reports an offense within their workplace. Therefore, the employee cannot be penalized, demoted, terminated, transferred, or subjected to any organizational measures with direct or indirect negative effects on their working conditions due to the report.

To ensure the whistleblower's protection, anonymity is guaranteed.

Preserving the confidentiality of the whistleblower's identity, expressly provided for under paragraph 3 of art. 54 bis d.lgs. 165/2001 ('the whistleblower's identity cannot be revealed'), can only be waived in cases specified by the mentioned paragraph 3, including:

- in criminal proceedings, in manners and within the limits as per art. 329 cpp;
- in proceedings before the Court of Auditors, subsequent to the conclusion of the investigatory activities;
- in disciplinary proceedings when the allegations, wholly or partially, stem from the report, and the knowledge of the whistleblower's personal identity is essential for the defense of the accused. However, in such cases, it is necessary to obtain the whistleblower's consent regarding the disclosure of their identity.

All individuals involved in receiving or managing the report are required to safeguard the confidentiality of the whistleblower's identity.

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