

CODE OF ETHICS

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FOREWORD

AEFFE S.r.l. Unipersonale (in seguito AEFFE) has decided to adopt this Code of Ethics in the pursuance of its commercial activities, using the driving principles of the laws and standards in the countries of reference and in-house standards, within a framework of ethical values of correctness and confidentiality.

Competitiveness on the market must be conducted in full compliance with competition regulations and according to the principles of social responsibility and environmental protection, for the proper and functional use of resources.

The experience gained in contact with increasingly important and numerous clients has enabled AEFFE to implement ongoing qualitative growth and develop a vast range of artisan “Made in Italy” products. Thanks to its experience and personnel, AEFFE has long been known and appreciated on the domestic and international markets for its guarantee of quality of the service and products it supplies..

AEFFE’S MISSION

The attitude that AEFFE intends to take into the future is that the textile accessory is a detail that increasingly distinguishes and adds uniqueness to a piece of clothing or footwear. Continuously improving its service and raising its quality standards, thanks to investments in modern new plants and machinery, teamed with increased know-how of the company and its human resources, are the tools that will allow AEFFE to consolidate its position on the international market.

1. GENERAL INFORMATIONS

1.1 RECIPIENTS AND FIELDS OF APPLICATION

The standards of the Code of Ethics apply, without exception, to all AEFFE employees and to all those who, directly or indirectly, on an ongoing or temporary basis, establish relationships with the company or operate in the pursuance of the same objectives (hereafter “Recipients”).

Recipients must appropriately inform third parties of their obligations under the Code of Ethics, demand its application and adopt suitable initiatives in the event such parties fail to comply with it.

In no case may the conviction of acting for the benefit of AEFFE justify the adoption of behaviours in contrast with the principles laid down in the Code of Ethics.

1.2 AEFFE’S COMMITMENT

Through the action of established units, AEFFE commits to:

- circulate and constantly update the Code of Ethics to ensure it is aligned with civil sensibility and its reference standards;
- make available every possible informative and learning tool regarding the interpretation and implementation of the standards contained in the Code of Ethics;
- carry out adequate checks following notification of violations of the standards contained in the Code of Ethics;
- in the event of a violation, appropriately evaluate the facts and circumstances and implement suitable sanctioning measures;
- protect Recipients from any retaliation that may result from their having provided notification of a violation of the Code of Ethics.

1.3 EMPLOYEES' COMMITMENT

All employees must be familiar with the standards of the Code of Ethics and must:

- abstain from behaviours in contrast with the standards contained in the Code of Ethics;
- contact the Code of Ethics Committee (see Article 1.4), if necessary, to obtain clarification on the means of application;
- point out the existence of the rules in the Code of Ethics to the potential wrongdoer;
- promptly inform their line manager of any information on possible violations of, or pressure to violate, the Code of Ethics;
- collaborate with the Code of Ethics Committee, contacting it again if, having informed it of the possible wrongdoing, it is deemed the issue is not properly dealt with, or it is deemed suitable protection from retaliation is not received.

In addition, with regard to third parties, all employees must, within the terms of their role:

- inform them of the commitments and obligations laid down by the Code of Ethics;
- demand they comply with the duties pertaining to them as part of their activities;
- adopt appropriate in-house and, within the terms of their role, external initiatives in the event third parties fail to comply with the standards of the Code of Ethics.

AEFFE has adopted a "Company Regulation", which is provided to all employees and co-workers containing specific standards of behaviour, which is referred to for further details.

1.4 REFERENCE COMMITTEE

For clarifications or notifications of violations of the Code of Ethics, Recipients may contact their line manager or the company's Social Performance Team at e-mail address: csr@aeffeonline.it

2. ETHICAL AND BEHAVIOURAL PRINCIPLES

2.1 INTERNATIONAL STANDARD SA8000

For AEFEE the ethical principles of social responsibility are primary values that AEFEE intends to pursue in compliance with national and international provisions that ensure the protection of human rights, such as the Universal Declaration of Human Rights and the ILO Conventions, in order to safeguard the rights of all persons involved in managing the business activities.

To that end, AEFEE has opted to comply with the ethical principles of international standard SA8000, which:

- does not use or encourage child labour;
- does not use or encourage forced labour;
- guarantees occupational health and safety;
- guarantees the rights of workers to freedom of association and trade unions, and collective bargaining;
- does not implement any form of discrimination of personnel and does not permit unethical behaviours;
- treats all personnel with dignity and respect and does not use or encourage coercion or violence of any kind towards co-workers;
- respects the pay and working hours laid down in the National Labour Collective Agreement

committing to taking all reasonable steps to ensure that such principles are circulated and applied appropriately, not

only by AEFPE personnel but also by its suppliers and sub-suppliers.

2.2 PRINCIPLE OF TRUST AND LOYALTY

Employees' relations and behaviours, at all levels, must comply with principles of honesty, correctness, moral integrity, transparency and mutual respect as well as being accountable and based on correct and complete information.

Within the reciprocal relationship of trust and loyalty between AEFPE and its employees, the latter may not:

- take on employment with third parties or consultancy or other responsible roles for third parties without the prior written authorisation of AEFPE;
- conduct activities contrary to the interests of the company or incompatible with their duties.

Finally, all employees must consider compliance with the Code of Ethics as an essential part of their contractual obligations, within the relationship of trust and loyalty with the company.

2.3 PRINCIPLE OF IMPARTIALITY AND CONFLICT OF INTEREST

Recipients must avoid situations or activities that may lead to a conflict of interest with AEFPE or interfere with their ability to take impartial decisions, to safeguard the company's best interests.

In relations between AEFPE and third parties, Recipients must act lawfully and in full compliance with current laws and ethical standards of behaviour.

Under no circumstances are favouritism, collusion or the seeking of direct or indirect personal advantages for oneself or others justified.

Any information pertaining to a situation of potential conflict with AEFPE's interests must be reported, by employees to their line manager and by third parties to their in-house contact.

Employees must use their common sense when it comes to notifying of personal, family, sentimental or other relationships with parties within or outside of AEFPE, that may appear significant in relation to the principle of conflict of interests.

2.4 CONFIDENTIAL INFORMATION AND PERSONAL DATA PROCESSING

AEFPE has adopted a "Company regulation" to govern personal data processing and the proper use of company information systems in compliance with EU Regulation 2016/679, which is referred to for further details.

Information of a confidential nature, pertaining to data or knowledge belonging to AEFPE, must not be acquired, processed, used or shared other than by expressly authorised persons.

By way of a non-limiting example, the following are considered as confidential information:

- work projects (including business and strategic plans);
- information relating to technological know-how and processes;
- financial operations;
- operative strategies;
- investment and disinvestment strategies;
- profits and losses.

In addition, in compliance with the EU Regulation mentioned above, Recipients must undertake to manage appropriately and in compliance with current laws the information generated or acquired, avoiding any improper or unauthorised use.

Within the scope of confidential data, particular importance is given to price-sensitive information, i.e. company news which, if made public, could influence trends on the financial market. Such information, in compliance with insider trading regulations, must not under any circumstances be used to seek advantages of any kind, whether direct or indirect, immediate or future, personal or corporate.

According to the procedures adopted by AEFPE, only expressly authorised parties may disclose price-sensitive information outside the company and, in any event, this must always be done in compliance with current laws and principles of equality and timeliness of disclosures.

Finally, in its move towards mutual respect, AEFPE expects that information on third parties (customers, suppliers, partners, consultants and anyone else working directly or indirectly with the company) that is learned through business, opportunity or other means be carefully protected and processed in accordance with its content and confidentiality.

In any event, in full compliance with current regulations, the possession and use of any kind of information on third parties must always be guided by irreproachable behaviour from an ethical and legal standpoint.

2.5 PROTECTION OF INDIVIDUALS

AEFFE carries out its activities in full compliance with the legislation on the protection of human rights and working conditions and, more generally, with ILO conventions.

Relations between AEFPE employees must be conducted in a climate of civility and mutual respect for the rights and freedoms of all.

In particular, any discrimination on the basis of race, caste, nationality, language, religion, disability, sex, sexual preference, political belief or trade union membership must be avoided.

As such, each Recipient must take an active part in instilling and maintaining a climate of mutual respect for the dignity and reputation of all.

Relations between different levels of responsibility must be based on trust and correctness, in compliance with business secrets. The managers of the various business units must exercise their related powers in an objective and balanced manner, ensuring and promoting the wellbeing and professional growth of their co-workers.

In turn, all employees must offer the maximum collaboration to their managers, complying with the work guidelines given to them.

2.6 HARASSMENT IN THE WORKPLACE

AEFFE expects working relations inside and outside the company to be conducted free from any form of harassment.

The following in particular are prohibited:

- creating an intimidating, hostile or isolating working environment for individual groups or employees;
- interfering with the working performance of others in an unjustified manner;
- hindering the work prospects of others out of personal rivalry;
- making major decisions in the Recipient's working life subject to their accepting sexual favours;
- harassing the Recipient with proposals of private personal relationships, despite their having given an expressed or evident refusal.

2.7 NO SMOKING IN THE WORKPLACE

Smoking, both active and passive, is harmful to human health. As part of its initiatives to safeguard human health and the environment in the workplace, smoking is prohibited in all AEFPE spaces (aside from specially designated areas).

2.8 PROTECTING THE COMPANY NAME

Each Recipient is directly and personally responsible for protecting and preserving the resources (human, tangible or intangible) and goods (tangible and intangible) entrusted to them, and must use them as intended and in compliance with company interest.

No AEFPE goods or resources must be used for purposes other than those stated by the company. Particular attention is required in the use of electronic resources (hardware, software, internet, phones, etc.), which must be used for company purposes only.

In addition, under no circumstances are employees authorised to use software without a proper license or to make copies, for any purpose, of AEFPE proprietary applications.

2.9 CONTROL PROCESSES

All operative levels are responsible for creating an effective monitoring system. As such, all employees, within the terms of their role, are responsible for defining, implementing and correctly carrying out controls within their particular remit.

2.10 ACCOUNTING AND MANAGEMENT NOTICE

Each accounting or management operation, of any kind, carried out by Recipients must be suitably documented and, where possible, verifiable.

Proper documentation enables:

- the various levels of responsibility to be identified;
- the accurate reconstruction of the operation, thus limiting any interpretation errors;
- prompt recording of references.

The information stated in periodic reports or accounts, whether general or analytical, must be correct, complete, accurate and transparent.

Recipients who become aware of any omissions, falsifications or oversights in the notice or supporting documents must promptly report them, to their line manager if employees and to their external contact if third parties.

3. ETHICAL MEASURES TOWARDS THIRD PARTIES

3.1 CUSTOMERS

All Recipients must aim for maximum customer satisfaction, ensuring, among other things, that the information provided on products and services is always thorough and accurate in order to allow the customer to make an informed choice.

Under no circumstances are Recipients authorised to offer or promise any type of good or payment to promote or sustain company interests. Gifts and hospitality are permitted solely when such, by their nature and value, cannot be interpreted as intended to obtain favourable treatment.

3.2 SUPPLIERS

The selection of suppliers and the determination of purchasing terms must be carried out based on objective and transparent evaluation, taking into account, among other things, the price, the ability to supply and guarantee services of an adequate level and, in any event, the honesty and integrity of the supplier.

In managing the relationship with customers, Recipients may not accept gifts or similar unless they fall within normal courteous relations and are of modest value. Any favours offered by a supplier must be immediately reported to a line manager.

3.3 COMPETITION AND ANTITRUST

AEFFE seeks success on the markets by offering quality products and services under competitive conditions and in full compliance with all regulations on fair competition.

The international nature of AEFFE and, as a consequence, of the Recipients means it must comply with laws governing competition and antitrust regulations in all countries in which the company operates.

As such, any agreement with the competition on the following is prohibited:

- contests and offers;
- prices and other sales terms; customer allocation;
- market division;
- production limits.

3.4 ANTI-CORRUPTION LAW

In all countries in which it operates, AEFFE complies with the laws and standards governing unlawful favours, corruption, collusion and the seeking of direct or indirect personal or career advantages for oneself or others.

3.5 RELATIONS WITH PUBLIC ADMINISTRATIONS AND PUBLIC INSTITUTIONS

Solely expressly authorised company departments may take on commitments relating to company activities with public administrations and public institutions.

Recipients must not offer or promise public officials or the employees of public administrations and public institutions any payments or goods in order to promote or encourage AEFFE interests.

Any Recipient receiving requests or proposals of benefits from public officials must immediately report them to their line manager if employees and to their in-house contact if third parties.

Recipients who, within the terms of their role, manage relations with public administrations and public institutions must verify at regular intervals and with due diligence that everything declared and certified on behalf of AEFFE is always truthful and correct.

3.6 POLITICAL AND TRADE UNION ORGANISATIONS

AEFFE does not, in principle, pay contributions to political parties or to political or trade union organisations or committees.

If a contribution is considered of public usefulness, AEFFE will assess whether such falls within the cases envisaged by law. In any event, all contributions must be given in strict compliance with current laws and properly recorded.

3.7 INFORMATION BODIES

Relations with the mass media must be managed solely by designated company figures and developed consistently with AEFPE's communication policy.

AEFPE's direct or indirect participation in committees and associations of any kind (whether scientific, cultural or trade) must be properly authorised and formalised in writing, in compliance with company procedures.

The information and communications provided must be truthful, complete, accurate, transparent and consistent with one another.

4. VIOLATION OF THE CODE OF ETHICS

Violation of the Code of Ethics harms the relationship of trust established with AEFPE and may lead to disciplinary, legal or penal action.

Compliance with the Code of Ethics is an essential part of the contractual obligations of AEFPE employees pursuant to art. 2105 of the Civil Code.

Violation of the Code of Ethics may constitute a failure to fulfil the primary obligations of the employment or a disciplinary offence, with all due legal consequences including for the continuation of the employment and compensation for any resulting damages.

In the most serious cases, violation of the Code, if committed by an employee, may lead to dismissal; if committed by a third party, violation of the Code may lead to termination of the working relationship.