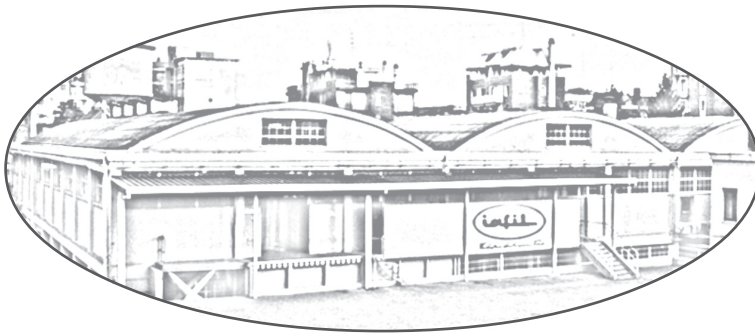




Industria Ambrosiana Filati S.p.A.



CODE OF ETHICS AND CONDUCT

Approved by the
Board of Directors
on January 16, 2025

INTRODUCTION

This Code of Ethics outlines the overarching ethical principles and guidelines that, together with regulations and contracts, define the organization and operations of IAFIL INDUSTRIA AMBROSIANA FILATI (hereinafter referred to as IAFIL or the company). Loyalty, fairness, and respect serve as the foundational values that guide the company, reflecting its commitment to ethical business practices.

This Code is designed to foster the adoption of ethical behaviour while preventing misconduct; it is an integral part of the company's internal control system; it establishes the Principles and Values upheld by IAFIL and that everyone working within the company or interacting with it in any capacity is expected to follow; and it sets forth the guidelines and behavioural standards to be observed by those acting on behalf of IAFIL.

WHO IS THIS FOR

This Code of Ethics is addressed to any company collaborator of any capacity: owners, directors, executives, internal personnel (temporary and permanent hired staff), and external collaborators (permanent consultants, contract workers, on-call consultants). All suppliers of products and services, business partners and clients of IAFIL are also required to follow its principles. IAFIL actively engages all individuals involved in its activities in embracing the shared ethical values outlined in this Code of Ethics: legality, transparency, sustainability, and respect for workers, both through behaviour and actions in any occasion of business contact and through the publication of this document.

PRINCIPLES AND VALUES

IAFIL believes in corporate responsibility.

Therefore, the Company undertakes to uphold and disclose the following principles to its internal and external collaborators and business contacts:

- A) Legality**
- B) Environmental protection**
- C) Fairness, transparency and reliability**
- D) Protection and enhancement of human resources**
- E) Confidentiality, transparency and clarity**

A) LEGALITY

Company employees, collaborators and any business collaborator of IAFIL are required to diligently comply with the applicable laws and regulations in force in the area in which they carry out their activities, as well as with this Code of Ethics and with company protocols and procedures.

B) ENVIRONMENTAL PROTECTION

IAFIL places a strong emphasis on environmental protection and the preservation of nature, a value that the company demonstrates through concrete, daily actions, and through the adoption of voluntary certifications focused on safeguarding the environment, as well as through its active involvement in developing innovative technologies for increasingly eco-sustainable production processes.

Sustainability and Certifications

IAFIL presents yarns accompanied by major voluntary certifications that comply with very strict environmental, production and social protocols.

IAFIL takes part in the development of innovative technology to create increasingly eco-sustainable production processes.

The Company is ISO 14001:2015 certified and, therefore, committed to continuously improve its environmental and sustainability performance.

C) FAIRNESS, TRANSPARENCY AND RELIABILITY

In managing operations, both inside and outside the Company, all people are required to communicate and act transparently, providing truthful, comprehensive and accurate information.

IAFIL operates on the market in accordance with the regulations in force in the countries of activity, in the utmost respect of competitors and refraining from engaging in and/or encouraging behaviour that may incite forms of unfair competition.

Clients and Suppliers

In their relations with Clients and Suppliers, all collaborators are required to act with fairness and clarity, using written communications so as to avoid misunderstandings. Clients and Suppliers are required to thoroughly comply with the rules on complimentary products, conflict of interest and anti-corruption standards set out in this Code of Ethics.

In order to fully meet Client needs, IAFIL focuses on the quality of the product and service, responding as promptly as possible to requests and needs, implementing assessment procedures against any complaints, and providing feedback as soon as possible.

Suppliers are selected based on objective criteria of professionalism, product and service quality, timeliness in the fulfilment of requests, quality/price ratio, and guarantees provided. IAFIL can establish regular collaborations and relations of trust with its Suppliers that ensure impartial assessment of the competition. Purchases are handled by the relevant departments or by authorised personnel and any negotiation shall concern only the goods and services being negotiated with the supplier.

Clients and Suppliers are provided with this Code of Ethics so as to share and apply the values and principles underpinning it.

Complimentary Products

IAFIL employees and all collaborators should not accept any gift, gratuity or other complimentary product of more than symbolic monetary value, from Suppliers, Clients or other subjects with whom a business relationship exists.

Specifically, no gifts or services should be accepted that could influence decision-making in the performance of one's duties.

This rule should not be circumvented, not even by resorting to third parties related to them.

Conflicts of Interest and Anticorruption Rules

A conflict of interest is deemed to exist if an employee, collaborator or director pursues an objective other than that pursued by the Company, or voluntarily procures or attempts to procure a personal advantage when carrying out activities in the interest of IAFIL, or procures an advantage for third parties. Employees, collaborators and directors are an integral part of a shared development project and are therefore invited to carry out their corporate duties to the best of their abilities, in the common interest and to achieve company goals. This implies that everyone who collaborates in any capacity with the Company is required to avoid situations or relations with Clients, Suppliers, Partners or the PA for personal or third-party gain. Thus, they should not accept or offer goods, benefits or money in a personal or professional capacity. It is therefore forbidden, in any type of bargaining and negotiation, to grant unlawful advantages in exchange for gifts and/or benefits that go beyond the normal remit of a business relationship.

In all its activities, IAFIL acts so as to avoid conflicts of interest, whether actual or potential, by adhering to principles of fairness and impartiality.

These rules should not be circumvented by involving third parties or through alternative forms of contributions, such as sponsorships, appointments, consultancies, and/or advertising, if their purpose is to achieve the same prohibited objectives.

D) PROTECTION AND ENHANCEMENT OF HUMAN RESOURCES

IAFIL believes in the value of human resources and in work ethic. This is reflected in its care for corporate health and safety, in the enhancement of human resources and the engagement of everyone in sharing the principles of this Code of Ethics.

The company promotes a working environment that supports the growth of potential and talent, integrity and honesty, mutual respect, and the safeguarding of employees' and collaborators' health.

Individuals are expected to

- act with objectivity and fairness, striving to enhance and empower their collaborators; strive to prevent any situations within the workplace that may make someone feel
- uncomfortable, and biased, demeaning, or discriminatory behaviour;
- foster relationships among employees based on loyalty, fairness, mutual respect, and
- good manners.

Health and Safety in the Workplace

IAFIL maintains a safe and healthy working environment, in full compliance with applicable legislation and technical and accident prevention regulations, as well as workers' health and safety regulations. IAFIL also guarantees adequate training and the sharing of information with its staff and collaborators. The Company believes in the direct engagement of workers. Therefore, it provides advice and behavioural rules to lead a healthy lifestyle also in the working environment.

IAFIL promotes responsible behaviour: it is forbidden to consume or serve alcoholic beverages on company premises, including during lunch breaks. This policy is aimed at preventing situations that may result in harmful actions toward oneself or others. The use of illicit substances, whether habitual or occasional, is also strictly forbidden, even outside the workplace, as such substances compromise psychophysical balance, posing risks to personal and other people's safety, health and well-being.

Enhancement of Human Resources and Non-Discrimination

Employment relations are strictly regulated by applicable regulations.

IAFIL commits to respect its employees' right to plan working hours, including days off and overtime, based on the applicable CCNL (National Labour Contract) and relevant laws or trade union agreements.

No worker is discriminated on the grounds of gender, race, age, physical disability, religious or political beliefs. Workers are guaranteed working environments and conditions that are conducive to the best performance of their tasks. IAFIL applies criteria of merit as well as equal pay and career opportunities within the Company, and supports refresher courses for professional development.

IAFIL focuses on engaging all employees and collaborators in company development and urges its workers to actively apply behavioural rules that favour a serene collaboration within the Company, and with Clients and Suppliers.

Ethics and Working Conditions

IAFIL does not employ child labour under the age of 16. The company ensures that all workers' rights are fully respected, does not support or engage in any form of forced or compulsory labour, and is committed to continuous compliance with Legislative Decree No. 81 of 2008, including its amendments and additions, as well as with laws applicable to its activities. IAFIL takes all necessary steps to adequately assess risks and implement required safeguards.

Wrongdoings, Harassment and Safety

IAFIL has always been committed to fostering and strengthening a culture of workplace safety by encouraging responsible behaviour. The company has a zero-tolerance policy toward harassment, abuse, or bullying in any form.

Fair Hierarchical Structures

In managing relationships involving hierarchical dynamics, the company is committed to ensuring that authority is exercised fairly and no form of abuse is present. Specifically, IAFIL ensures that authority will not be an exercise of power that undermines an individual's dignity or autonomy.

E) CONFIDENTIALITY, TRANSPARENCY AND CLARITY

The Company is responsible for protecting the privacy of its employees, collaborators, suppliers and partners, with regard to personal data and information of which it becomes aware. All the data collected for professional purposes are processed in strict compliance with applicable legislation on the protection of personal data.

Moreover, workers are expressly forbidden from disclosing news and information that may be detrimental to the privacy of colleagues, collaborators, company owners, or that may have a harmful effect on the development of the corporate goals.

Therefore, all the company employees, collaborators and consultants should not use the information gathered in the performance of their duties for purposes that are not strictly connected with them.

The disclosure of information to third parties, for work-related or professional reasons, should be made exclusively by authorised subjects and, in any case, in accordance with company provisions, by declaring the confidential nature of the information and by requesting the third party to comply with the confidentiality obligation. The confidentiality obligation also applies outside working hours.

Under no circumstances should false or biased information or comments be shared.

All communication complies with applicable laws, regulations, and professional conduct standards and adheres to the principles of clarity, transparency, timeliness and accuracy.

REPORTING (WHISTLEBLOWING)

The addressees of the Code of Ethics are required to comply with the behavioural principles set out herein. Should they become aware of violations or alleged violations of the Code of Ethics by addressees of this document or by anyone who maintains professional ties with the Company, addressees are required to make a report. Reports can be sent through the following link: <https://ethicpoint.eu/iafil/>

Anonymous reports are accepted. In the event of non-anonymous reports, the identity of the reporting party shall be kept confidential, without prejudice to any legal obligations. Whistleblowers are protected against any kind of retaliation, discrimination or penalisation. This document was approved on January 16, 2025 and entered into force on that date. It supersedes and replaces any previous version. This document can be found on the company website at www.iafil.it

For any information on this document, contact: internalaudit@iafil.it