



Organisational, Management and Control Model
pursuant to Legislative Decree 231/2001

Corporate Code of Ethics

ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

C O D E O F E T H I C S

LIST OF REVISIONS

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1. INTRODUCTION

Filmar was founded in 1958 in the heart of the beautiful area of Franciacorta, in the province of Brescia, thanks to the initiative of its founder, Luigi Marzoli. The company's core business is the production and marketing of cotton-based yarns. Indeed, over the last 55 years Filmar has put great passion and research into the processing of this ancient raw material, selected in its most prized variety: 100% Egyptian cotton. Since the beginning of its manufacturing business, the company has adopted a philosophy of excellence which it applies to every aspect of its work, from raw materials to customer service. Indeed, Filmar's main mission has always been to pursue and implement the highest quality standards, using the best technologies available on the market, and to provide its customers with a fast, accurate, flexible and attentive service to ensure the complete satisfaction of its stakeholders. It was precisely this aim of pursuing superior quality, which drove the company to seek out the finest cotton in the world: Egyptian cotton. Filmar is linked to Egypt by an indissoluble bond that led the company to establish Filmar Nile Textile in 2009, after 3 years of research and construction. Filmar Nile Textile, which is based in Borg el Arab, 50 km southwest from Alexandria, spans 46,000 square meters and has 450 employees. The company is able to secure the best cottons in the world which, thanks to skilled production capacities, give rise to products of extremely high quality and purity. Continuous and substantial investments carried out by the second generation of the Marzoli family, the brothers Enrico and Marco, brought about the creation of new production areas in Italy and in Egypt with the latest equipment, which guarantee an annual output of 7 million kilos of dyed yarn. A fully-equipped laboratory carries out extensive testing and preparation of samples. Constant research into the product enables the company to offer solutions and mixtures that are increasingly innovative, special dyeing and finishing techniques, and new functional and aesthetic performance of yarns. Thanks to the experience acquired in over fifty years of business, Filmar has now established a leading market position, both in Italy and abroad, and is continuing to penetrate global markets. Filmar's collections are updated seasonally and their chromatic shades are always in step with the changing tastes and trends of the seasons. This entrepreneurial experience gave rise to the five-year social responsibility programme, Cottonforlife®, which aims to support and promote the adoption of methods of cultivation and the industrial processing of cotton that are attuned to the well-being of people, their rights and the protection of the environment.

Thanks to close collaboration with Alexbank of the Intesa Sanpaolo Group, Filmar has instigated a successful partnership with the Egyptian Government and with local farmers' associations to support the organic farming and eco-solidarity of cotton. The programme, in close coordination with the Egyptian Government, investigates and defines sustainable ways throughout the production chain, from cotton farming to the processing of the cotton into yarn. This initiative was set up and led personally by Marco Marzoli, CEO of Filmar, who believed that *the private sector's involvement in supporting sustainable development can not be put off any longer. The fundamental imperative is the integration into business strategy of topics such as environmental protection, social development and work ethics. Social responsibility, albeit inspired by voluntariness, must create processes that will add value, both qualitative and ethical, to our products, and play a key role in the equitable and sustainable development of the geographical areas in which it operates.*

The farmers involved in the initiative Cottonforlife benefit from training courses in organic farming and the cultivation of extra long-staple cotton. The initiative also invests heavily in the education of young people, offering assistance to the Egyptian Ministry of Education. Cottonforlife® has been adopted by UNIDO as a model for the development of a national program in Egypt to support the cotton supply chain.

2. IMPLEMENTATION OF THE CODE OF ETHICS (*What is the Code of Ethics*)

The Code of Ethics is one of the tools of corporate social responsibility, used for promoting best practices for those working at Filmar S.p.A. and for those who have an interest in pursuing this mission.

The Code of Ethics is therefore to be considered a "Charter of Values" through which Filmar S.p.A. sets out its ethical social commitments and responsibilities towards the various stakeholders.

The code of ethics should serve primarily to model the conduct of the people working at Filmar S.p.A. (or for Filmar S.p.A.), but it also aims to pursue other objectives:

- increased internal cohesion and coherence: the Code aims to improve internal relations and the formation of a clear, unitary corporate image;
- greater efficiency: the participants' motivation toward positive goals increases their ability to be productive, both for the parties involved and the reference environment;
- a good reputation: an organisation that avails itself of good rules and manifests its values fosters confidence in its public, which can thus be transformed from interlocutors into partners

The Code of Ethics is also the lynchpin and an integral part of the Organisational, Management and Control Model that the company has implemented pursuant to Legislative Decree 231/01.

The code of ethics is approved by the company's Board of Directors, and is considered binding for all Italian subsidiaries, who will adopt it through their own Board of Directors' resolution. It also establishes the line of address for foreign subsidiaries, subject to local regulations.

Checking the condition of compliance with the code of ethics and its implementation is the responsibility of the Supervisory Board (SB) appointed by the Board of Directors under said Legislative Decree 231/01.

3. RECIPIENTS OF THE CODE OF ETHICS (*Those to whom the Code is intended*)

The rules and regulations contained in the Code of Ethics apply to the following recipients

- corporate bodies;
- employees with whom there is any kind of contractual relationship;
- third parties who have established, for whatever reason, business relationships with FILMAR S.p.A., e.g. contractors, independent advisors, suppliers and business partners.

Third parties are therefore required, through specific contractual agreements, to follow the provisions contained in the Code of Ethics, within the limits of their powers and responsibilities.

Filmar S.p.A. encourages the sharing and dissemination of the values and principles contained in the Code of Ethics, and the recipients are expected to abide by it.

The Code of Ethics is available in electronic format on the company's website.

4. STRUCTURE (*How to read the Code of Ethics*)

The Code of Ethics is structured in three sections:

- **VALUES**
- **RULES OF CONDUCT**
- **SYSTEM IMPLEMENTATION**

VALUES

LEGALITY

Complying with all national and international laws, regulations and company procedures is an essential component of all Filmar S.p.A.'s business activities. In no event can the pursuit of the interests of the company justify conduct that is dishonest and/or inconsistent with the reference standards.

RESPECT FOR THE DIGNITY OF THE INDIVIDUAL

The company promotes respect for the physical and cultural integrity of the individual, and respect for interpersonal relationships.

No type of discrimination will be tolerated, without limitation: be it racial, sexual or religious.

Filmar guarantees working conditions that respect individual dignity and safe working environments, and applies the current legislation and employment contracts to all its employees. For the protection of human rights, Filmar abolishes the use of forced labour and child labour, and calls for such conduct on the part of its suppliers and subcontractors.

SUSTAINABILITY AND SOCIAL RESPONSIBILITY

Filmar has long been committed to work by putting sustainability, traceability and transparency at the center of its activities in order to meet the legitimate expectations of stakeholders and communities for which the company works.

Filmar and its supply chain partners are therefore committed to combining environmental, social and economic values with the aim of respecting and protecting the environment but also and above all human rights, workers' welfare and fair working conditions.

The company pursues a responsible management of natural resources and the use of solutions aimed at improving the environmental impact of its activities. Details are set out in Annex 1, Filmar Sustainability Principles, which is an integral part of this document.

HONESTY

The company operates in an honest and proper manner. All actions and operations, and the conduct of each of the recipients in the performance of their duties or functions, shall be characterized by honesty, fairness and mutual respect.

Recipients must be aware of the ethical significance of their actions, should not pursue personal or corporate income at the expense of laws and norms that are in force, or act in a way that goes against the values of honesty and fairness.

In pursuing the company purpose, Filmar S.p.A. undertakes to comply with the legislation relating to contrasting money laundering and corruption of public officials or private individuals both on national and international levels.

PRODUCT QUALITY AND EXCELLENCE

Customer satisfaction is a key element for the growth of the company, which aims to be perceived as a supplier that has an understanding of its customers' needs as well as offering premium quality products.

The company's daily activity aims to provide a unique and reliable response to the expectations of our customers.

Filmar's organisation, professional skills and culture continue to evolve, its reference point being the manufacturing of premium quality products for customers.

EFFECTIVENESS AND EFFICIENCY

The creation of long-term sustainable value assumes that all resources - defined as a professional or work contribution or as business relations as a whole, or as a factor of production of a financial, technological, environmental or natural nature - are employed according to their actual capacity to contribute to the purposes and aims for which they are acquired (effectiveness) and in such a way as to obtain usefulness that is not less than that of an alternative use (efficiency).

TRANSPARENCY

The conduct and actions of the Company are characterised by the utmost transparency and reliability. The information transmitted both outside and inside the organization shall respect the requirements of truthfulness, completeness and accuracy, also in relation to the economic, financial and accounting data.

Filmar S.p.A. acknowledges the fundamental value of providing accurate information to members, governing bodies and relevant departments, with regard to significant facts concerning corporate governance and accounting, and in no way justifies the actions of its employees to prevent monitoring by institutions or organizations in charge.

The company pursues its business purpose in full compliance with the law, articles of association and company regulations, ensuring the proper functioning of the governing bodies and the protection of property and participation rights of its shareholders while safeguarding the integrity of its assets and share capital.

In managing its accounting and tax duties, the Company undertakes to guarantee the transparency and correctness of the information contained in the tax returns, ensuring that the operations carried out and included in the returns are objectively and subjectively true, and that the tax documents are complete and correct.

PROTECTION OF SAFETY IN THE WORKPLACE

Filmar S.p.A. has the strategic goal of operating consistently to protect health and safety at work, as well as disclosing the health and safety principles, which the company places at the core of its business, and ensuring that all recipients observe this Code of Ethics.

For Filmar, the proper implementation of existing legislation and enforcement of technical regulations related to said legislation, together with the information and training of workers and their involvement, are key instruments for achieving, maintaining and improving the working and environmental conditions so as to ensure the protection of the health and safety of employees, collaborators and third parties operating in the company.

The company's commitments on the protection of health and safety in the workplace are reflected in the document entitled "Occupational Health and Safety Policy", which is implemented by Top Management as part the Safety Management System, according to the ISO 45001 standard.

PROTECTION OF THE ENVIRONMENT

In carrying out its operations, Filmar S.p.A. ensures full compliance with current legislation on environmental protection.

The company is committed to promoting and ensuring a strong environmental awareness among all members of staff, both for personal protection and protection of the environment in general, while maintaining a high degree of professional knowledge among employees.

Filmar S.p.A. operates so as to promote the dissemination of culture regarding compliance with the rules laid down in terms of ecology, and to implement the necessary measures to ensure the protection of the environment and prevention of any form of pollution.

SMUGGLING

All employees and collaborators of Filmar Spa who, directly or indirectly, are involved in the processes of import and export must ensure both the regular introduction into the territory of the country of goods subject to border rights and the regular export outside the territory of the country, paying particular attention to compliance with the provisions on customs.

Filmar Spa undertakes to ensure prior verification of the forwarding agents it uses and to ensure the traceability of customs operations.

RULES OF CONDUCT

RELATIONS WITH EMPLOYEES AND COLLABORATORS

PROTECTION OF THE INDIVIDUAL

Filmar S.p.A. abstains from all forms of discrimination, whether it is related to the physical condition, disability, opinions, nationality, religion, gender, sexual orientation and gender identity, or any other condition that may give rise to discrimination.

Information is requested from individuals solely for the purpose of determining skills and professional requirements, and the individual's privacy is respected at all times.

HUMAN RESOURCES AND EQUAL OPPORTUNITIES

The company ensures a working environment where everyone can work together and express their professional aptitudes, where responsibility is manifested and shared rules are respected and promoted.

In the scope of the employment relationship, the company works to enhance skills, potential and commitment, using clear and consistent evaluation criteria.

No abuse of authority is tolerated in employment and collaboration relationships. Therefore the immediate superior cannot carry out any act or engage in any conduct towards a subordinate individual that is not provided for by applicable law or national collective and individual bargaining agreements.

Filmar S.p.A. encourages and promotes equal opportunities for women and men.

COMPLIANCE WITH OCCUPATIONAL HEALTH AND SAFETY AND ENVIRONMENTAL PROTECTION RULES

The company complies with all legal, regulatory and technical standards applicable with regard to the protection of the health and safety of workers, and adopts appropriate management systems for this purpose. All employees are required to comply with the rules for the protection of health and safety at work and the environment.

Within the scope of their activities and responsibilities, employees take on an active role in the process of risk evaluation and prevention, and protection of health and safety for themselves, their colleagues and third parties.

Any hygiene and safety issues found at the company's premises are discussed and shared; this promotes a constructive attitude to formulating concrete proposals aimed at improving the prevention of accidents within the company.

In particular, through active collaboration of its employees and external service providers, Filmar:

- promotes and implements actions to minimize risk and remove any causes that might endanger the safety and health of individuals, to the exclusion of any form of exception or waiver from the internal procedures adopted;
- implements an Occupational Health and Safety Management System (OHSMS) to prevent, control and reduce accident risks, which involves identifying responsibilities, training staff and defining concrete and measurable objectives;
- collaborates with its stakeholders, both internal (i.e. employees) and external (e.g. institutions, supervisory bodies, etc.), to optimize the management of workers' health and safety issues;
- maintains high safety standards in accordance with current regulations.

USE OF ASSETS OWNED BY THE COMPANY

All employees are required to behave responsibly to preserve the integrity of the company's assets. They are required to comply with the procedures set out for the proper use of company assets, which must not be used for any purpose other than the business purpose.

To the extent possible, and without endangering their own safety in any way, the company's employees are required work to reduce the risk of theft, damage or other threats to assets and resources, by immediately reporting any abnormal situations to a superior.

ABUSE OF ALCOHOL AND DRUGS AND NO-SMOKING BAN

Employees are required to contribute to promoting and maintaining a climate of mutual respect in the workplace; this involves compliance with company policies and paying special attention to the conditions of respect for the feelings of others.

It is therefore prohibited to:

- hold, use, offer or give any type of illegal and/or hallucinogenic drug throughout the duration of employment and in the workplace;
- smoke in the workplace.

MANAGEMENT OF CONFLICT OF INTEREST

Employees and collaborators are required to avoid all activities that present a conflict of interest with the company, with particular reference to personal or family interests that might affect the independent performance of the assigned tasks in order to achieve the best interests of the company.

It is therefore an obligation for such persons to report conflicts of interest, albeit potential, in order to assess their actual presence and define how they will be managed.

TREATMENT OF CONFIDENTIAL INFORMATION

Employees' privacy and confidentiality of information is protected by Filmar, in compliance with current legislation (privacy act) through regulations and procedures that govern the processing and storage of data and information.

All employees are required to be aware of the company regulations and policies regarding safety and confidentiality of information, with the aim of preventing information crimes.

Filmar S.p.A.'s activities constantly require the acquisition, storing, processing, communication and dissemination of data, documents and information relating to negotiations, procedures, operations and contracts to which the company is a party.

Each employee is required to protect the privacy and confidentiality of information obtained by reason of their position, and in particular to comply with the confidentiality clauses requested by customers and other counterparties.

All the information, knowledge and data collected or processed by employees during their duties belong to the company and may not be used, communicated or disseminated without the prior authorization of their immediate superior.

RELATIONS WITH CUSTOMERS, SUPPLIERS AND PARTNERS

RELATIONS WITH SUPPLIERS

Filmar S.p.A.'s relations with its suppliers are managed based on respect for the ethical values set out in this Code of Ethics.

The management of relations with suppliers in the procurement phase is characterised by the pursuit of quality and cost-saving, and the recognition of equal opportunities for all suppliers.

The company undertakes to develop cooperative relationships with suppliers based on the reciprocal exchange of skills and information, and aims to encourage an outcome of mutual interest.

When stipulating contracts with suppliers, employees are required to observe corporate regulations and procedures as well as the directives imposed by law.

Suppliers are selected based on objective parameters, such as their professional skills, quality, convenience, price, ability, efficiency, ethics, respect for the law, as well as their conduct regarding environmental and health and safety issues in the workplace.

Filmar adopts specific procedures to assess, in a transparent and impartial manner, the reliability and skills of each supplier, the benefits of the quotation and timeliness of performance.

The company does not accept recommendations or gifts that could be interpreted as going beyond normal commercial practices or courtesy, aimed at receiving preferential treatment for themselves or their company.

Filmar includes specific termination clauses in suppliers' contracts, which are immediately applicable upon the occurrence of any infringement of this Code of Ethics by the suppliers.

RELATIONS WITH CUSTOMERS

Customer relationships are based on listening, availability, courtesy, honesty, loyalty, professional skills and, in any event, compliance with the ethical values set out in this Code of Ethics.

In managing its customer relations, the company undertakes to:

- provide high quality products that meet customers' expectations;
- comply with obligations and commitments entered into with customers;
- provide information that is accurate, complete and truthful;
- be consistent with marketing, commercial and any other types of communications.

Customer satisfaction is a primary resource. For this reason, the company implements measures and procedures to verify and evaluate customers' satisfaction with the products offered, so as to continuously improve the level of their commercial offering and quickly and effectively solve any instances of customer dissatisfaction.

The company guarantees the safety of products placed on the market, and the health of consumers. In order to do this, the company strictly observes all applicable legal, regulatory and technical standards and establishes adequate monitoring procedures. To this end, the company has obtained special certification of product traceability (Traceability & Fashion for traceability throughout the whole supply chain, Oeko Tex for harmful substances and Project textile and Health which is supported by the Ministry of Health, for the verification of allergy-causing products).

RELATIONS WITH PARTNERS

Filmar S.p.A.'s relations with its partners are managed based on respect for the ethical values set out in this Code of Ethics.

In managing relations with partners, the company promotes partnerships with the goal of building strong and lasting relationships. In compliance with this principle, recipients must work with partners in a manner that is honest, transparent, legal and impartial.

Suppliers are selected based on objective and documentable parameters, such as their professional skills, quality, convenience, price, ability, efficiency, ethics, compliance with the law, as well as their conduct regarding environmental and health and safety issues in the workplace.

In managing relations with partners, recipients must not offer, promise or accept, or try to gain benefits or advantages that could in any way influence their impartiality and honesty.

RELATIONS WITH PUBLIC ADMINISTRATION

RELATIONS WITH PUBLIC OFFICIALS OR OFFICERS RESPONSIBLE FOR A PUBLIC SERVICE

Relations with Public Administration representatives (Public Officials and Officers responsible for a Public Service) are based on the principles of honesty, clarity, legality and transparency.

Relations with Public Administration must therefore conform to the values and forecasts contained in this Code of Ethics and to the company's business practices, and can be carried out solely by company staff charged with this specific duty.

In dealings with Public Officials and Officers responsible for a Public Service, it is prohibited to:

- offer money or gifts to executives, officials working in Public Administration or their close relatives;
- display conduct of a collusive nature;
- obtain an unfair advantage, or any other benefit to the company by way of altered or falsified declarations, documents, or statements, or omitted information; or, more generally, through artifices or deceptions, including those carried out by means of computers or electronic systems, designed to mislead the awarding body;

Statements made to Institutions and the Public Administration must contain information that is true, complete and documentable, so as to ensure proper evaluation by the relevant Public Administration.

IMPLEMENTATION SYSTEM OF THE CODE OF ETHICS**INFORMATION AND TRAINING**

The Code of Ethics is brought to the attention of all stakeholders inside and outside the Company through special training and information.

To ensure adequate understanding of the Code of Ethics, Filmar S.p.A. prepares and implements, in accordance with directions from the Supervisory Body, a plan for dissemination, information and training aimed at promoting awareness of the principles and rules contained in the Code of Ethics.

SUPERVISORY BOARD (SB)

The Supervisory Board established at the company and provided for by Legislative Decree 231/01 is tasked with ensuring the implementation of the Code of Ethics.

The Supervisory Board is an internal body operating within the company, composed of internal and external parties who are given independent monitoring powers for the implementation of the Code of Ethics, and more generally for the Organisational, Management and Control Model, of which the Code of Ethics forms an integral part.

Objectives of the SB:

- to monitor the implementation of the Code of Ethics by the stakeholders, through the application of specific internal audit plans;
- to report any significant breaches of the Code of Ethics;
- to express opinions regarding the revision of the most significant policies and procedures, in order to ensure consistency with the Code of Ethics;
- to provide, where necessary, the proposal of a periodic review of the Code of Ethics.

Recipients of the Code of Ethics can contact the Supervisory Board for clarifications, further information or to report any violations, by sending an email to the following address: odv@filmar.it

The Code of Ethics also applies to third parties, namely to persons outside the company who work directly or indirectly for Filmar S.p.A. (but not limited to employees, consultants and suppliers, business partners, etc.).

Third parties are therefore obliged, through specific contractual agreements, to comply with the provisions contained in the Code of Ethics, within the limits of their powers and responsibilities, as well as the specific rules and procedures set out in the Organisational Model that governs relations with third parties.

Where applicable, any violations of the Code of Ethics and of the Organisational Model will determine, on the basis of the terms contractually agreed, the termination of the relationship.

STAKEHOLDER REPORTING

Recipients of the Code of Ethics are required to abide by the principles of conduct defined in the Code.

In cases where the recipients are aware of violations or alleged violations of the Code of Ethics, they are required to report these directly to the Supervisory Board by sending an e-mail to the address specified above. The Supervisory Board will consider the case, and will listen to the account of the perpetrator or person responsible for the alleged violation.

The Supervisory Board acts to ensure that persons reporting a violation are protected from any kind of retaliation, namely any act which may also give rise to the suspicion of being a form of discrimination or penalization. The identity of the persons reporting a violation will also remain confidential, without prejudice to the provisions of the law.

VIOLATIONS AND SANCTIONS

The violation of the principles established in the Code of Ethics and business practices undermines the relationship of trust between Filmar S.p.A., and anyone who commits the violation (administrators, corporate staff, collaborators, customers, suppliers).

Violations, once established, will be investigated in a timely manner, by adopting, in accordance with the provisions of the existing regulatory framework (National Collective Bargaining Agreement for the industry and/or Civil Code) and the disciplinary measures provided for by a special Disciplinary or Sanction System forming an integral part of the Organisational, Management and Control Model, in a way that is appropriate and proportional to the violation, regardless of any criminal consequence that such conduct may have and the establishment of a criminal case.

