

Company and stakeholders Code of conduct

Falcotex s.r.l.

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Falcotex s.r.l. (from now on also called **"the company"**) has been working for many years on the contract manufacturing of man, woman and child clothing, guaranteeing high quality products and services. The company places great importance on ensuring that its stakeholders, including without limitation suppliers, services providers or any third part linked by a commercial relationship, as well as its subcontractors, share a set of rules, practices and principles common with the company about labour standards and social liability, environmental protection, work ethic and integrity.

Therefore, Falcotex s.r.l. establishes and promotes exemplary relationships with all its stakeholders founded on principles of liability, equity, integrity and inclusion. It is of little importance if they are enacted in the conduct of business or in the ordinary company activities. They must be adopted by all its members, employees and executives with no exception.

Falcotex s.r.l. asks its stakeholders to respect the principles written in this Code of conduct (from now on also called **"the code"**), to implement adequate company politics (including the monitoring) to guarantee the conformity with this code, as well for their suppliers and subcontractors.

During its activities Falcotex s.r.l. commit into following the laws, the regulations and the national and international conventions, as well as the best possible habits, regarding labour standards and social liability, environmental protection, work ethic and integrity.

Falcotex s.r.l. expects its stakeholders to apply the same respect for laws, regulations, conventions and working and ethic principles in their company management.

The code is a supplementary tool for the behaviour rules dictated by the lawgiver and Falcotex s.r.l. consider the consistent laws application a fundamental prerequisite for its activity, not comprehensive nor sufficient.

In case a law and this code treated the same topics with different methods, the higher standards will be applied.

This code is inspired and complied with the following laws:

- **Italian D. Lgs 231/2001 (Administrative responsibility of legal persons)**: it explain the companies liability in the field of offences committed by their employees or executives.
- **Italian Civil Code**: general laws about contracts, liabilities and legal obligations.
- **General Data Protection Regulation (GDPR 2016/679)**: Laws in the field of personal data protection and privacy.
- **Italian D. Lgs 81/2008 (Labour safety laws)**: it regulates the health care and workplace safety.
- **International Labour Organization (ILO)**: principles about decent work and workers rights.

Labour standards and social liabilities

Falcotex s.r.l. ask its stakeholders to give proof, in their conduct, of an exemplary social liability.

Prohibition of child labour

Work made by children under 16 years of age is strictly forbidden. In Countries where the local laws establish an age of legal minor labour or fulfillment of compulsory schooling older than 16 years, the elder age will be applied. The employees under 18 years of age must not do overtime or riskful works, nor cover night shifts. The company and its stakeholders can utilize apprenticeship programs in their facility only if they are legal, legit and managed in an adequate method, as well for students internships.

Prohibition of forced labour and human trafficking

Falcotex s.r.l. will not allow, in its supply chain, any form of illegal work based on abuse, like forced labour or human trafficking. Any form of forced labour, slavery, servitude or human trafficking from the stakeholders, as well as IDs or labour permits seizure, the request to post bonds or any other use of constraints are strictly forbidden. Every employee has the right to freely keep or leave their job. The company and its stakeholders must respect the free movement principle and cannot force their employees to work in order to pay dues back to them or to a third part.

Prohibition of illegal or undeclared work

The company and its stakeholders are expected to respect every applicable law and follow any measure to prevent illegal or undeclared labour.

Prohibition of harassment and abuse

The company and its stakeholders are expected to treat their employees with respect and dignity. The company and its stakeholders must forbid any form of intimidation, humiliation, menace, abuse, violence, corporal punishment and physical, sexual, verbal or moral harassment committed by behaviours, actions, gestures or written in any form.

Prohibition of discrimination

The company and its stakeholders are expected to treat their employees with equity. The company and its stakeholders commit to avoid any kind of discrimination, in particular regarding new hires, wages, working hours, free time, paid holidays, maternity or paternity, safety at work, workplaces, evaluations, training or career perspectives basing on ethnicity, national, social or cultural origin, genre, sexual orientation, disability, age, family situation, religion, political thoughts or trade union membership.

Wages and benefits

The company and its stakeholders commit to adopt correct and equal remuneration practices. The wages must be paid in their entirety, at regular intervals (at least one a month) and with no delay. The company and its stakeholders must pay their employees for any overtime hour following the legal tax and satisfy every law requirements regarding workers benefits. If no tax or minimum legal wage was provided by the law for overtime payment, the company and its stakeholders must guarantee that the wages are at least equal to the minimum medium amount of their industry and that the overtime payment are at least equal to the normal hour retribution. The wages must be sufficient to satisfy the employees basic needs and give them a certain discretionary income. The wage deductions must be authorized only at the conditions and within the limits provided by the national law or established by a collective agreement, an arbitration award or an administrative decision. The company and its stakeholders must communicate the pay structure and the payment periods to every employee. The company and its stakeholders must guarantee that all the employees receive the benefits decided by the law or by any collective bargaining agreements, company agreements or any other applicable collective or individual agreement.

In addition to what written above, after the recent events that have shaken the luxury fashion industry, and let to the closure of countless small businesses ran by chinese owners, the company took the decision to hire a large number of these companies' staff, acknowledging their innate ability in these duties. To the new chinese employees the company gave a personal benefit, not only economic, thanks to the documentation concerning them translated in their mother language, to remark and demonstrate the effort put by the owner to apply a principle of total transparency with its workers.

Working hours

The company and its stakeholders must respect all the laws and regulations regarding working hours, that, in any case, must not be higher than the maximum limit established by the standards recognized on an international level, like the Intenational Labour Organization. The company and its stakeholders cannot impose excessive overtime hours. The total number of weekly working hours, including the overtime, cannot be higher than the limits provided by the law. The employees have the rights to a minimum number of days off, established by the applicable law, and must be able to have at least one day off every seven days.

Freedom of association

The company and its stakeholders must respect and recognize the workers right to bargaign collectively and to create or join a trade union organization without any sanction, discrimination or vexation. The company and its stakeholders must provide to the workers representatives all the appropriate tools to excercise their rights. Intimidations, menaces or discriminational practices against the workers representatives are forbidden.

Health and safety insurance

The company and its stakeholders are expected to provide to their employees a safe and healthy workplace in order to avoid accidents, personal injuries and any exposures to dangers that might be caused or derive from their work, for example during the operation of equipment, the handling of chemical products or during work trips. The company and its stakeholders are expected to define procedures and dispense trainings in order to find, avoid and reduce as much as possible the dangers that represent a risk to the health, hygiene and safety of their workers. The company and its stakeholders are expected to respect at least all the applicable local and international regulations about those topics. Laws regarding health and safety must be adopted and widely communicated. Their respect by the workers must be periodically evaluated. The workers must be supplied with protection tools suitable to their activities. These principles have to be applied to all the areas used by the company and its stakeholders.

Local communities and indigenous populations protection

Falcotex s.r.l. commit to share a positive influence on any society or working area in which is operating, to prevent any damage to local communities and asks its stakeholders to embrace the same behaviour. If the activities were made with the collaboration of indigenous populations, as defined by United Nations Declaration of Rights of Indigenous People, the company and its stakeholders must ask their free, prior and informed consent (FPIC) and guarantee their protection in matter of human rights.

Enviromental conformity

Falcotex s.r.l. established an enviromental strategy and adopt actual measures in order to protect the enviroment with a specific plan that includes the cooperation with its stakeholders for guaranteeing the best practices application along the whole production chain.

Falcotex s.r.l. encourage its stakeholders initiatives to reduce their activities enviromental impact using the best possible ecologic solutions:

- adopt a precautionary approach to the enviromental challenges;
- undertake initiatives to promote an higher enviromental liability;
- encourage the development and diffusion of respectful technologies for the enviroment.

Falcotex s.r.l. encourages its stakeholders to share their enviromental data with the company.

Falcotex s.r.l. asks its stakeholders to respect the laws, the regulations and the best local and international applicable standards regarding the enviroment, to obtain all the necessary enviromental authorizations and to be able to demonstrate their actual implementation about what follows, where they can do it:

Activity (workplaces, production...)

- Application of a system for environmental management in conformity with the current rules, in particular for companies with more than 50 employees;
- Environmental impact improvement for all the worksites and production resources, in particular through garbage correct management, air and soil pollution elimination (including groundwaters and waste waters) and greenhouse gas emission reduction, with particular attention to the renewable energies usage and the water and energy consumption reduction;
- Adoption of adapt plans in order to ensure that the workers, of which the activities have a direct impact on the environment, are well trained, qualified and have all the necessary tools to do their job in an efficient way, in particular for companies with more than 50 employees.

Raw materials, components, products and packaging

- Contributions in order to constantly improve the environmental activities along all the products' life cycle of Falcotex s.r.l. customers, for example the stakeholders commit to share with the company more responsible options (certified materials, recycled materials, materials from regenerative farming practices...), when reasonably available;
- Adoption of measures aimed at ensuring the chemical substances safe handling and the chemical conformity of products and raw materials accordingly with the applicable regulations and the best professional standards;
- Adoption of measures for maintaining the biodiversity and guarantee the conformity with the international standards and environmental regulations like CITES;
- Adoption of measures to guarantee the absence of direct or indirect links with the illegal deforestation and high risk areas logging;
- Adoption of measures to avoid the sourcing from areas with a strong drought stress;
- Adoption of measures to guarantee the tracking, to share informations about the raw materials' origin and the conformity of materials and substances used along the production.
- Adoption of measures common to all the production chain in order to respect the animals well being.

Green IT

Falcotex s.r.l. aims to reduce the environmental impact of its computer systems. The stakeholders are expected to be transparent about the environmental impact of the IT solutions supplied to the company and to cooperate in order to reduce said impact, if necessary.

Ethic standards and company integrity

Falcotex s.r.l. asks for an exemplary integrity from its stakeholders during their business activities. The company act in the full respect of the laws and the local, national and international regulations applicable to its business, and expect that its stakeholders do the exact same. In particular referring to: fight against corruption, international sanctions respect, anti-money laundering, respect for competition and personal data protection.

Prohibition of any form of corruption

Falcotex s.r.l. applies a zero tolerance politics in matter of corruption and influence peddling. The company adopt and expect its stakeholder to adopt adequate measures in order to prevent, track and punish any corruption, bribery or trading in influence episode, enacted directly or not, during their activities. This includes facilitation payments or any other benefits given to public officials in order to facilitate their daily actions.

Presents and invitations

Caution should be exercised when giving presents or invitations since they could be used as corruption or trading in influence tools. Any presents or invitations, both given or received, must have a reasonable origin and value, must be given and accepted with utmost transparency, must be occasional, must not be given during negotiations, calls for tender or tenders and must be given in a business setting expecting nothing in return.

Prevention of conflicts of interest

The company and its stakeholders must put every possible effort in order to avoid situations that could create a conflict of interest, both real, potential or perceived, during their business relationship with any member of Falcotex s.r.l.

Money laundering prohibition

The company and its stakeholders must adopt all the correct measures in order to impede the usage of their activities as money laundering tools.

Competition laws respect

The company and its stakeholders commit to adopt all the correct measures in order to prevent any abuse derived by dominant positions, as well as anti-competition agreements or concerted practices, like prices fixation, production rate limitation, market or customers breakdown, boycotts between competitors and fixed or minimum selling prices imposition.

Confidentiality

The company and its stakeholders commit to adopt all the necessary measures in order to guarantee the confidentiality of all the professional secrets and other private informations received or accessible to them during their business relationship with Falcotex customers.

Privacy and personal data protection

The company and its stakeholders must adopt all the correct measures to respect the applicable laws and regulations in matter of privacy and personal data protection.

Artificial intelligence

The company and its stakeholders must notify Falcotex s.r.l. customers with due advance about any possible usage of artificial intelligence (traditional or generative) considered as used during the services made for them. They are expected to respect all the applicable laws and regulations in matter of artificial intelligence. The company and its stakeholders must adopt a responsible approach regarding artificial intelligence used during the services made for Falcotex s.r.l. customers. They commit not to use Falcotex s.r.l. customers' data to train their artificial intelligence systems for their own purposes, unless prior written consent.

Customs authorities and security

The company and its stakeholders must respect all the applicable laws and regulations, including those about import and prohibition of goods transshipment in the importing Country.

Trade restrictions and international sanctions

The company and its stakeholders must respect all the applicable international trade restrictions and the economic and commercial sanctions, as well as the applicable laws and regulations in matter of export and import checks, considering potential changes of said rules.

Goods protection

The company and its stakeholders are expected to adopt all the necessary measures in order to ensure the respect of all the Falcotex s.r.l. customers rights regarding resources and goods, in particular about brand image and intellectual property rights.

Public statements

The company and its stakeholders are expected to pay close attention to their public statements, in particular on the Internet and social media, and guarantee that none of these statements is referred to Falcotex s.r.l. customers, to their managers, officers or employees, and that said statements are consistent to the company and its stakeholders effort about privacy and professional secrets respect.

Informations transparency

The company and its stakeholders are expected to provide clear and accurate informations about used methods and resources, workplaces and products or services' characteristics, and to refrain from any misleading claim.

Subcontracting

The stakeholders cannot subcontract any of their obligations towards Falcotex s.r.l., unless prior written authorization from the company itself.
The stakeholders must guarantee that their subcontractors respect all the principles written in this code.

Complaint process for employees and stakeholders

Complaint process or warning method from the stakeholders

The company and its stakeholders must establish processes or mechanisms with which their employees or third parts can raise concerning issues without fear of any retaliation or negative consequences.

Code respect

Falcotex s.r.l. customers can claim the right to verify the respect of the principles established in this code by the company and its stakeholders. Any verification will be related to the business relationship between the company and the customer, and will be made by the customer itself or by a designated third part. If the company or a stakeholder is subjected to specific professional obligations by the law, any verification will be conducted considering said professional obligations.

If a stakeholder is authorized to subcontract some of its obligations, following the conditions defined by the "Subcontracting" section written above, the stakeholder commit to verify the respect of the principles established in this code by its subcontractor and to fully collaborate in case of verification by Falcotex s.r.l. or its customers.

The company and its stakeholders are expected to provide, on request, any information or supporting evidence stating the respect of this code.

The company and its stakeholders must commit to improve and correct any found deficiencies. Falcotex s.r.l. can also help its stakeholders in the implementation and application of the better practices in order to solve the non conformities.

In case of non conformity with this code from a stakeholder, Falcotex s.r.l. reserves the right to ask the correction of the violations or suspend the business relationship until the non conformity will be corrected, and can definitively stop its working relationship with the stakeholder.