

**ORGANISATION, MANAGEMENT AND
CONTROL
PERSUANT TO LEGISLATIVE DECREE N.
231/2001**

**GENERAL SECTION
IMPLEMENTATIONAL RULES
*CODE OF ETHICS***

TABLE OF REVIEWS

REVIEW	DATE	NOTES
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Sommario

ALPE-ADRIA TEXTIL S.R.L. - CODE OF ETHICS 3

1. DRAFTING AND APPROVAL OF THE CODE OF ETHICS 3

2. PURPOSE, STRUCTURE, RECIPIENTS OF THE CODE OF ETHICS..... 3

3. GENERAL PRINCIPLES REGULATING COMPANY ACTIVITY 3

4. PRINCIPLES AND RULES OF CONDUCT..... 4

 4.1 Principles and rules of conduct for members of corporate bodies 4

 4.2. Principles and rules of conduct for Personnel 4

 4.3. Conflict of interest 5

 4.4. Relations with Public Authorities 5

 4.5. Relations with customers and suppliers 5

 4.6. Conferences, congresses and meetings 5

 4.7. Bidding in tenders 5

 4.8. Obligation to keep up to date 6

 4.9. Confidentiality 6

 4.10. Diligence in the use of the Company's assets 6

 4.11. Financial statements and other corporate documents 6

 4.12. Occupational Health, Safety and Environment..... 6

 4.13. Combating money laundering, self-laundering and handling of illegally gained assets 6

 4.14. Use of computer systems..... 7

 4.15. Corruption between private individuals..... 7

5. PRINCIPLES AND RULES OF CONDUCT FOR THIRD-PARTY RECIPIENTS 7

6. OBLIGATION TO REPORT TO THE SUPERVISORY BOARD 7

7. MODES OF IMPLEMENTATION AND CONTROL OF COMPLIANCE TO THE CODE OF ETHICS..... 8

ALPE-ADRIA TEXTIL S.R.L. - CODE OF ETHICS

ALPE -ADRIA TEXTIL S.R.L. conforms the conduct of its business to the principles and rules of conduct expressed in this Code of Ethics (hereinafter also the "Code"). ALPE-ADRIA TEXTIL S. R.L. recognises the importance of ethical-social responsibility and environmental protection in the conduct of the Company's business and activities to be integrated with the principles of mutuality proper to a cooperative. To this end, it promotes Company governance aimed at balancing the legitimate interests of its stakeholders and the community in which it operates, i.e. the pursuit of the objectives of creating new job opportunities for its members, guaranteeing them the best economic, social and professional conditions on the one hand, and this Code is, therefore, marked by an ideal of cooperation and respect for all the interests of the parties involved. The stakeholders of ALPE-ADRIA TEXTIL S.R.L. are to be considered the human resources (employees and collaborators), the users/customers, the shareholders, the suppliers, the public administration, the community and, in a broader sense, all the subjects involved, directly and/or indirectly, in the activities of the Company.

1. DRAFTING AND APPROVAL OF THE CODE OF ETHICS

ALPE-ADRIA TEXTIL S.R.L. has always paid careful attention to enhancing and safeguarding the ethical profiles of its business activity, having identified the concept of "ethicity" as a core value of its culture and behaviour.

In this context, the Company has been particularly active in guaranteeing adequate training for its employees, focused on sharing its culture of commitment, correctness and compliance to rules.

To this end, the Company has drawn up its own Code of Ethics, with the aim of clearly and thoroughly identifying and defining the set of values, fundamental principles and rules of conduct that constitute the inalienable prerequisite for the correct performance of company activities.

2. PURPOSE, STRUCTURE, RECIPIENTS OF THE CODE OF ETHICS.

ALPE-ADRIA TEXTIL S.R.L. Code of Ethics sets forth the general principles and rules of conduct with which the Company recognises positive ethical value and with which all recipients must comply.

Recipients are all the directors, employees (hereinafter, for the sake of brevity, jointly referred to as 'Personnel'), as well as all those who, although external to the Company, work, directly or indirectly, for ALPE-ADRIA TEXTIL S.R.L. (for example, representatives, agents, collaborators in any role, consultants, suppliers, business partners, hereinafter, referred to as 'Third Party Recipients').

The Recipients are required to observe and, to the extent of their competence, have observed the principles contained in the Model and/or in the Code of Ethics of which it is part, and which are binding for everyone, and are also applicable to activities carried out by the Company abroad.

The set of rules contained in the Code of Ethics, moreover, by conforming the Company's conduct to particularly high ethical standards marked by the utmost fairness and transparency, guarantees the possibility of safeguarding the stakeholders' interests, as well as preserving the Company's image and reputation, while ensuring an ethical approach to the market, with regard both to activities carried out within the Italian territory and to those relating to international relations.

The Code of Ethics is subdivided as follows:

- an introductory part, which also includes the names of Recipients;
- reference ethical principles, i.e. the values underlying ALPE-ADRIA TEXTIL S.R.L. business activities and that all Recipients must abide by
- rules and principles of conduct with regard to each category of Recipients
- methods of implementation and compliance control of the Code of Ethics by the Supervisory Board.

Below is a summary of the principles, rules of conduct, communication obligations, methods of implementation and compliance control of the Code of Ethics, it being understood that for the complete regulation of these aspects, reference shall be made to the Code of Ethics in its entirety, which forms an integral part of the Model.

3. GENERAL PRINCIPLES REGULATING COMPANY ACTIVITY

In the first section of the Code of Ethics, the general principles governing the activities of ALPE-ADRIA TEXTIL are identified.

The Company, in fact, has felt the need to arrive at an exhaustive and clear formalisation of the principles to which it assigns positive, primary and absolute ethical value. These principles represent the fundamental values to which the subjects required to comply with the Code of Ethics must adhere in the pursuit of the corporate mission and, in general, in the conduct of corporate activities.

In particular, the fundamental ethical principles adopted by ALPE-ADRIA TEXTIL concern the values and areas of activity listed below

- responsibility and law abidance
- fairness;
- impartiality;
- honesty;
- integrity;
- transparency;
- efficiency;
- fair competition;
- the protection of privacy;
- the value of human resources;
- relations with public institutions and local authorities;
- relations with the community and environmental protection;
- relations with associations, trade unions and political parties;
- the refusal of all forms of terrorism;
- the protection of individual personality;
- the protection of health and safety at work;
- the refusal of criminal organisations;
- the protection of industrial and intellectual property rights;
- cooperation with the authorities in the event of investigations;
- the correct use of IT systems;
- relations with private individuals and refusal of corruption;
- the protection of share capital and creditors;
- accounting control and transparency;
- anti-money laundering;
- internal control.

4. PRINCIPLES AND RULES OF CONDUCT

ALPE-ADRIA TEXTIL S.R.L. has reserved a special section of the Code of Ethics for the rules and principles of conduct that must be complied with in business activities, indicating the rules and principles of conduct to be followed by each category of Recipients.

4.1 Principles and rules of conduct for members of corporate bodies

The members of the corporate bodies, by reason of their fundamental role, even if they are not employees of the Company, are required to comply with the provisions of the Model and the Code of Ethics of which it is part.

In particular, in carrying out their activities, they must behave in a manner inspired by autonomy, independence and fairness in relations with any interlocutor, whether public or private.

Likewise, they must behave responsibly and loyally towards the Company and refrain from performing acts in the presence of a conflict of interest. They must also make confidential use of the information they become aware of by reason of their office.

4.2. Principles and rules of conduct for Personnel

The Personnel must conform their conduct, both in their internal relations and with external interlocutors of the Company, to the regulations in force, to the principles expressed by the Code of Ethics and to the rules of conduct specifically indicated, in compliance with the Model and the company procedures in force.

As a general rule, the personnel of ALPE-ADRIA TEXTIL S.R.L. shall not commit, cause or be involved in any conduct that may, even potentially, constitute any of the offences referred to in the Decree, and must cooperate with the Supervisory Body during verification and supervision activities carried out by the latter, providing whatsoever information and data requested.

The transmission to the Supervisory Body of communications indicated therein is also prescribed, among which the reporting of any violations of the Model and/or the Code of Ethics is particularly important. The section on Personnel also illustrates the rules and principles of conduct with particular regard to particular issues and specific sectors of corporate life as set out below.

4.3. Conflict of interest

Personnel must avoid carrying out or facilitating operations in conflict of interest - actual or potential - with the Company, as well as activities that may interfere with the ability to impartially take decisions in the best interest of the Company and in full compliance with the rules of this Code.

Personnel, in particular, must not have financial interests in a supplier, competitor or customer and may not carry out work activities that may lead to a conflict of interest.

If they find themselves in a situation of conflict of interest, even if only potential, Personnel must communicate this circumstance to their hierarchical superior, refraining from carrying out any operation.

4.4. Relations with Public Authorities

All relations with persons who can be qualified as Public Officers or Persons in Charge of a Public Service and, in any case, all relations with "politically involved persons" or with their relatives or with "persons closely related" to them, as defined by Legislative Decree 231/2007, must be conducted in full compliance with the laws and regulations in force, as well as with the Model and the Code of Ethics, in order to ensure the legitimacy, transparency and integrity of the Company's operations.

The Personnel of ALPE-ADRIA TEXTIL S.R.L. are absolutely forbidden from accepting, offering or promising, even indirectly, money, gifts, goods, services or favours (also in terms of employment opportunities or by means of activities - also commercial - directly or indirectly referable to the employee) in relations with Public Officers, Persons in Charge of a Public Service or with "politically involved persons" or with their family members or with "persons closely related" to them, as defined by Legislative Decree 231/2007, in order to influence their decisions, with a view to more favourable treatment or undue benefits or for any other purpose, including the performance of acts pertaining their office.

Gifts and acts of courtesy towards Public Officers, Persons in Charge of a Public Service or public employees are allowed only when, being of modest value, they do not compromise in any way the integrity and independence of the parties and cannot be interpreted as a means of obtaining improper advantages.

In the event of investigations, inspections or requests by the Public Authorities, personnel are required to ensure due cooperation.

4.5. Relations with customers and suppliers

The Personnel of ALPE-ADRIA TEXTIL S.R.L. must base their relations with customers and suppliers on the utmost fairness and transparency, taking into prime consideration the provisions of law that regulate the performance of the activity as well as the specific ethical principles on which the activity of the Company is based.

4.6. Conferences, congresses and meetings

The rules and principles relating to conferences, congresses, courses, meetings, visits to company premises and sponsorships have, as their main purpose, the aim of ensuring the absolute legitimacy of the Company's operations and the utmost transparency in its relations with its customers and suppliers, as well as with external parties.

4.7. Bidding in tenders

With regard to tenders in which the Company participates, the obligation to act in compliance with the principles of fairness, transparency and good faith applies.

To this end, the Board of Directors of ALPE-ADRIA TEXTIL S.R.L. shall

- assess, during the examination of the tender notice, the congruity and executability of the services requested

- provide all data, information and knowledge requested during the selection of participants and functional to the awarding of the tender;

- in the case of public tenders, maintain clear and correct relations with the public officers in charge, avoiding any behaviour likely to compromise the freedom of judgement of the competent officers.
- Moreover, in the event of the award of a tender, in relations with the contracting authority it is necessary to:
 - ensure that negotiation and business relations are conducted clearly and correctly;
 - ensure the diligent performance of contractual obligations.

4.8. Obligation to keep up to date

When carrying out activities on behalf of ALPE-ADRIA TEXTIL S.R.L., employees are obliged to maintain a high degree of professionalism at all times.

Furthermore, all employees, in relation to their specific field of competence, are obliged to constantly update their knowledge.

4.9. Confidentiality

The personnel of ALPE-ADRIA TEXTIL S.R.L. must treat with absolute confidentiality, even after the termination of the employment relationship, data, knowledge and information that comes into their possession in the performance of their duties, avoiding their diffusion or use for their own or third parties' speculative purposes. Information of a confidential nature may only be disclosed, within the Company, to those who have a real need to know it for work reasons.

4.10. Diligence in the use of the Company's assets

The workers of ALPE-ADRIA TEXTIL S.R.L. must protect and take care of the Company's values and assets they are entrusted with and shall contribute to the protection of the Company's assets in general, avoiding situations that may negatively affect the integrity and safety of such assets.

In any case, workers must avoid using for their own benefit, or in any case for improper purposes, resources, goods or materials belonging to the Company.

4.11. Financial statements and other corporate documents

ALPE-ADRIA TEXTIL S.R.L. pays special attention to the preparation of the balance sheet and other corporate documents. The following is ensured:

- adequate cooperation with the corporate offices in charge of drawing up corporate documents
- completeness, clarity and accuracy of the data and information provided;
- observance of the principles for drafting accounting documents.

4.12. Occupational Health, Safety and Environment

ALPE-ADRIA TEXTIL S.R.L. places policies for the safety of workers and the protection of the environment among its primary values.

The aim is to minimise the risk of operational accidents and work-related injuries.

Workers must in any case comply with the requirements of Legislative Decree 81/2008 and T.U. 152/2006. Each employee is obliged to inform the Employer, the Manager or the Person in charge without delay of any anomalies and irregularities found in the field of safety and hygiene at work.

4.13. Combating money laundering, self-laundering and handling of illegally gained assets

In order to guarantee transparency and correctness of commercial transactions, Personnel are required to adopt the appropriate instruments and precautions. In particular, the Company imposes the obligation to:

- draw up in writing the assignments given to any service companies and/or natural persons who attend to the economic/financial interests of the Company indicating contents and agreed economic conditions;
- ensure, by the competent offices, the control of the regularity of payments to all counterparties, as well as to verify the coincidence between the person to whom the order is addressed and the person who collects the relevant sums
- diligently comply with the minimum requirements established and required for the purpose of selecting the parties bidding for the goods and/or services that the Company intends to acquire

- establish the criteria for evaluating offers on the basis of the commercial and professional reliability of suppliers and partners, and to request and obtain all necessary information
- guarantee maximum transparency in stipulating agreements aimed at investments.

4.14. Use of computer systems

When carrying out their professional activities, workers are obliged to use computer or telematic tools and services in full compliance with the relevant regulations in force (and, in particular, with regard to computer crimes, computer security, privacy and copyright) as well as with internal procedures.

Workers are prohibited from loading borrowed or unauthorised software onto company systems; they are also prohibited from making unauthorised copies of licensed programmes for personal, company or third-party use.

Computers and IT tools made available by the Company must be used solely for company purposes; consequently, the Company reserves the right to check that the content of computers and the correct use of IT tools comply with company procedures.

Workers are also forbidden to send threatening and insulting e-mail messages, as well as to resort to linguistic expressions that do not conform to the Company's style, or in any case to inappropriate language.

4.15. Corruption between private individuals

Workers are prohibited from instigating, promising, giving, offering money or other benefits, whether direct or indirect, of any kind whatsoever to a private individual (suppliers, customers, agencies, business partners, consultants, etc.) for the purpose of performing (or even omitting) an act of their office, in violation of their professional obligations and loyalty, in order to receive an advantage of any kind whatsoever for the Company and/or themselves and/or third parties; this is regardless of whether the act is subsequently performed.

Likewise, it is forbidden to accept money or other benefits, whether financial or of any other nature, for the Company and/or oneself and/or third parties, if such conduct is intended to influence the performance of an act of one's office.

It is possible to give/accept gifts of modest value, provided that they comply with the provisions of the law and company procedures, and only where the conduct is not aimed at influencing the recipient.

5. PRINCIPLES AND RULES OF CONDUCT FOR THIRD-PARTY RECIPIENTS

The Code of Ethics also applies to Third Party Recipients, i.e. subjects, external to the Company, who operate, directly or indirectly, for the fulfilment of the company objectives (by way of example but not limited to, collaborators in any capacity, consultants, suppliers, business partners).

These subjects, within the limits of their respective competences and responsibilities, are obliged to comply with the provisions of this Code of Ethics, which is an integral part of the Management and Control Model drawn up pursuant to Legislative Decree 231/01.

To this end, the insertion in the contractual templates/letters of assignment and/or in the negotiation agreements, of special clauses differentiated according to whether the third party acts in the name and/or on behalf of ALPE-ADRIA TEXTIL S.R.L. (e.g. collaborators, etc.) compared to the cases in which the third party does not act in the name and/or on behalf of the Company (e.g. suppliers of goods and/or services), as better detailed in the Disciplinary System, is envisaged.

In the absence of the signing of the aforementioned clauses, the Company shall not conclude and/or continue any relationship with the third party.

6. OBLIGATION TO REPORT TO THE SUPERVISORY BOARD

The Recipients of the Code of Ethics must fulfil precise obligations to inform the Supervisory Body, with particular reference to possible violations of laws or regulations, the Model, the Code of Ethics, and internal procedures.

Communications to the SB may be made either by e-mail or in writing.

In any case, the SB shall take steps to ensure that the person making the communication, if identified or identifiable, is not subject to retaliation, discrimination or, in any case, penalisation, thus ensuring confidentiality (unless otherwise required by law).

7. MODES OF IMPLEMENTATION AND CONTROL OF COMPLIANCE TO THE CODE OF ETHICS

Control over the implementation of and compliance with the Model and the Code of Ethics, in relation to the principles and rules relating to the risk and instrumental areas set out in the Special Sections, is entrusted to the Supervisory Board, which is also required, inter alia, to:

- supervise compliance with the Model and the Code of Ethics, in relation to the principles and rules relating to the risk and instrumental areas set out in the Special Sections of the Model, with a view to reducing the danger of committing offences set out in the Decree
- formulate its own observations concerning both problems of an ethical nature that may arise in the context of company decisions, and alleged violations of the Model or the Code of Ethics, in relation to the principles and rules relating to the risk and instrumental areas set out in the Special Sections, of which it becomes aware
- provide interested parties with all the clarifications and explanations requested, also with reference to specific conduct, or to the correct interpretation of the provisions of the Model or the Code of Ethics, in relation to the principles and rules regarding risk and instrumental areas set out in the Special Sections
- monitor the updating of the Model and the Code of Ethics, in relation to the principles and rules regarding the risk and instrumental areas set out in the Special Sections, also through its own proposals for adjustment and/or updating
- promote and monitor the implementation, by the Company, of communication and training activities on the Model and, in particular, on the Code of Ethics
- report to the competent corporate bodies any breach of the Model or the Code of Ethics, in relation to the principles and rules relating to the risk and instrumental areas as set out in the Special Sections; verify the effectiveness of any sanctions imposed in the event of reported significant breaches of the Model and/or the Code of Ethics.

Upon receiving the report of the breach, the Board of Directors (as indicated in the Disciplinary System) shall decide on the possible adoption and/or modification of the sanctions, activating the competent corporate offices from time to time for their effective application.

In any case, the stages of breach, as well as those determining and actually applying the sanctions, are carried out in compliance with the laws and regulations in force, as well as the provisions of collective bargaining and company regulations, where existing and applicable.