

CODE OF ETHICS



INTRODUCTION

This Code of Ethics is mandatory for all business partners having a business relation with VIOLA CALZIFICIO S.p.A by supplying goods and/or services, acting on behalf of or having other kind of collaborations with VIOLA CALZIFICIO S.p.A. such as e.g. suppliers, vendors, consultants, landlords, agents, service providers and organizations (hereafter referred to as business partner)

VIOLA CALZIFICIO S.p.A. and all companies included in the Group (hereafter referred to as VIOLA CALZIFICIO S.p.A. or the Company) value the fact that all the operations of the Company are characterised by honesty, transparency, integrity and fair play. As a business partner to VIOLA CALZIFICIO S.p.A., you should read and comprehend the content in VIOLA CALZIFICIO S.p.A. 's Code of Ethics and comply with it in all business s with the Company.

All business carried out with or on behalf of VIOLA CALZIFICIO S.p.A. should always be conducted in accordance with the Company's Code of Ethics and applicable laws and regulations in the country of business.

1. LEGAL REQUIREMENTS

Our general rule is that all our suppliers and other business partners must, in all their activities, follow the national laws in the countries in which they operate. Should any requirement in this Code conflict with the national law in any country or territory, the law must always be followed. In such cases the supplier must notify *VIOLA CALZIFICIO S.p.A.* immediately, before signing this Code.

2. CHILD LABOUR IS NOT ACCEPTED

(Refer to ILO Conventions 138 and 182 and to the UN Convention on the Rights of the Child)

2.1 Child Labour

VIOLA CALZIFICIO S.p.A. does not accept child labour. No person shall be employed at an age younger than 15 (or 14 where the national law so allows) or younger than the legal age for employment if this age is higher than 15.

The company must take the necessary preventive measures to ensure that it does not employ anyone below the legal age of employment.

2.2 Young Workers

All legal limitations on the employment of persons below the age of 18 years must be followed.

We acknowledge that according to the UN Convention on the Rights of the Child, a person is a child until the age of 18. We recognise the rights of every child to be protected from economic exploitation and from performing any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development.

For further clarification regarding the prevention and remediation of child labour please see our Code of Conduct Guidance for Implementation of Good Labour Practice.

3. HEALTH AND SAFETY

3.1 Building Safety

We require our suppliers and other business partners to make employees' safety a priority at all times. No hazardous equipment or unsafe buildings are accepted.

3.2 Fire Safety

Emergency exits on all floors must be clearly marked, well lit and unblocked all the way out of the building. Evacuation through emergency exits must always be possible during working hours.

Everyone working on the premises, including managers and guards, must be regularly trained in how to act in case of fire or other emergency. Regular evacuation drills for all employees are required; evacuation plans and fire fighting equipment must be in place.

3.3 Accidents and First Aid

The employer must work proactively to avoid accidents causing harm to any employee in the workplace.

Relevant first aid equipment must be available and where legally required a doctor or nurse should be available during working hour.

3.4 Working Environment

The premises must be regularly maintained and cleaned and must provide a healthy working environment.

4. WORKERS' RIGHTS

4.1 Basic Rights

4.1.1 We do not accept any forms of forced or bonded labour and we do not accept the use of prison labour or illegal labour in the production of goods or services for *VIOLA CALZIFICIO S.p.A.* . (Refer to ILO Conventions 29 and 105)

4.1.2 Migrant workers shall have exactly the same entitlements as local employees. Any commissions and other fees in connection with employment of migrant workers must be covered by the employer. The employer must not require the employee to submit his/her identification documents. Deposits are not allowed. Workers employed through an agent or contractor are the responsibility of *VIOLA CALZIFICIO S.p.A.*'s supplier and other business partners, and are thus covered by this Code.

4.1.3 Every employee shall be treated with respect and dignity. Under no circumstances do we accept the use by our suppliers, their subcontractors or other business partners of humiliating or corporal punishment, and no employee shall be subject to physical, sexual, psychological or verbal harassment or abuse.

4.1.4 All employees have the right to form or join associations of their own choosing, and to bargain collectively. *VIOLA CALZIFICIO S.p.A.* does not accept disciplinary or discriminatory actions from the employer against employees who choose to peacefully and lawfully organise or join an association.

(Refer to ILO Conventions 87, 98 and 135)

4.1.5 No employee shall be discriminated against in employment or occupation on the grounds of sex, race, colour, age, pregnancy, sexual orientation, religion, political opinion, nationality, ethnic origin, disease or disability. (Refer to ILO Conventions 100 and 111)

4.1.6 All employees are entitled to a written employment contract, in the local language, stipulating the employment terms and conditions. The employer has a responsibility to ensure that all employees are aware of their legal rights and obligations.

4.2 Wages, Benefits, Working Hours and Leave

As background to this chapter we quote from the Universal Declaration of Human Rights Article 23:3, as guidance concerning our ambition for our suppliers and business partners: "Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity..."

4.2.1 Wages must be paid regularly, on time, and must reflect the experience,

qualifications and performance of the employee. *VIOLA CALZIFICIO S.p.A.*'s minimum requirement is that employers shall pay at least the statutory minimum wage, the prevailing industry wage or the wage negotiated in a collective agreement, whichever is higher. All other types of legally mandated benefits and compensations shall be paid. No unfair deductions are allowed, and the employee has the right to a written specification of how the wage has been calculated.

4.2.2 Ordinary working hours must not exceed the legal limit and shall never exceed 40 hour per week. Overtime hours must not exceed the numbers allowed by the law of the country. If such limits do not exist, overtime work should not exceed 8 hours per week. Overtime work must always be voluntary and compensated in accordance with the law. Piece-rate work should not be exempted from the right to overtime compensation.

Employees are entitled to at least one day off in every seven-day period.

4.2.3 The employees shall be granted and correctly compensated for any types of paid leave to which they are legally entitled. Examples of such leave include annual leave, maternity/parental leave and sick leave.

5. HOUSING CONDITIONS

If a company provides housing facilities for its employees, the requirements regarding fire safety and cleanliness under point 3 above should also cover the dormitory. The dormitory must be separated from the workplace and have a separate entrance. Employees should have free access to the dormitory.

6. ENVIRONMENT

The environment is of increasing concern globally and *VIOLA CALZIFICIO S.p.A.* expects its suppliers and other business partners to act responsibly in this respect. Our suppliers must comply with all applicable environmental laws and regulations in the country of operation. In particular, we are concerned about how the production of our garments and other products contributes to climate change and water stress.

6.1 Environmental Permits

The company must have the relevant environmental permits and licences for its operations.

6.2 Handling of Chemicals

Chemicals used must be in compliance with Chemical Restrictions for the relevant product type. Chemical containers must be properly labelled and safely stored. A material safety data sheet (MSDS) must be available (in the local language) in the workshop. The instructions in the MSDS must be followed.

(Refer to ILO Convention 170)

6.3 Chemical Restrictions

All suppliers must ensure compliance of the products sold at *VIOLA CALZIFICIO SpA* with the requirements of OEKO TEX (standard 1 or 2) and REACH (Registration, Evaluation and Authorisation of Chemicals).

6.4 Water Management and Wastewater Treatment

Water is a scarce resource in many parts of the world and should be used as efficiently as possible. All outgoing wastewater from wet processes must be treated before it is discharged. The treated wastewater quality must meet the requirements in local legislation or the BSR guidelines², whichever is stricter.

6.5 Waste Management

Any waste and in particular hazardous waste must be taken care of in a responsible manner and in accordance with local law.

7. SYSTEMS APPROACH

In order to maintain compliance with *VIOLA CALZIFICIO S.p.A.*'s Code of Conduct, local labour laws and environmental laws, it is important that *VIOLA CALZIFICIO S.p.A.*'s suppliers and other business partners have the necessary policies and management systems in place.

8. MONITORING AND ENFORCEMENT

8.1 Transparency and Co-operation

VIOLA CALZIFICIO S.p.A. expects all its suppliers and other business partners to respect this Code of Conduct and to actively do their utmost to achieve our standards. We also expect our suppliers and other business partners to be transparent and do not use any kind of deception. We believe in co-operation and we are willing to work with our suppliers and other business partners to achieve sustainable solutions and to promote suppliers and other business partners who are in compliance.

8.2 Monitoring

All suppliers and other business partners are obliged to keep *VIOLA CALZIFICIO S.p.A.* informed at all times of where each product is being produced, including subcontracting and homework. Relevant documentation must be maintained for auditing purposes. We reserve the right to make unannounced visits to all units producing goods or services for *VIOLA CALZIFICIO S.p.A.*, at any time. We also reserve the right to appoint an independent third party of our choice to conduct audits in order to evaluate compliance with our Code of Conduct.

8.3 Supply Chain

CALZIFICIO S.p.A.'s Code of Conduct applies only to our direct suppliers, other business partners and manufacturers of goods or services for *VIOLA CALZIFICIO S.p.A.* and their downstream subcontractors. However, we encourage our suppliers and other business partners to impose social and environmental requirements upstream in their supply chain, for example on suppliers of fabric, labels, cotton and other components and raw materials. Examples of such requirements include banning the use of forced labour and child labour, chemical restrictions and treatment of wastewater.

8.4 Corrective Action

VIOLA CALZIFICIO S.p.A.'s audits aim to identify gaps between the requirements in this Code of Conduct and the actual practices and conditions in the workplace. The audited company will usually be given the opportunity to propose and implement a corrective action plan. *VIOLA CALZIFICIO S.p.A.* will follow up the implementation of the plan and verify that violations have been remedied. A supplier failing to undertake sustainable improvements within the stipulated time frame would seriously damage its relationship with *VIOLA CALZIFICIO S.p.A.*. Unwillingness to cooperate or repeated serious violations of *VIOLA CALZIFICIO S.p.A.*'s Code of Conduct and local law may lead to reduced business and ultimately termination of the business relationship with *VIOLA CALZIFICIO S.p.A.*.

9.ZERO TOLERANCE - BRIBERY AND CORRUPTION

VIOLA CALZIFICIO S.p.A. has a zero tolerance policy on bribery and corruption. This applies to all the Company's business and transactions in all the countries in which the Company and its business partners operate. The Company does not tolerate bribery in any form and commits to a strong anti-corruption program, including this Code of Ethics. The Company is determined to ensure that the objectives of this Code of Ethics are fulfilled and will therefore further instruct and educate all concerned employee as well as business partners to secure their knowledge and compliance with the principles in this Code.

Under this Code of Ethics a bribe includes financial or other advantages which are given, promised, offered, accepted, requested or received with the intention to influence the ability to make objective and fair business decisions. As a business partner to *VIOLA CALZIFICIO S.p.A.*, you must not carry out any actions involving bribes when you act in connection with the *VIOLA CALZIFICIO S.p.A.* business. This includes both domestic and international business and it should be incorporated in all deals, both with private actors and public officials.

Facilitation payments are not permitted when acting for or on behalf of *VIOLA CALZIFICIO S.p.A.*

Whether an action constitutes a bribe is determined by the standards set forth herein. Any local practice or custom will thus be disregarded, unless explicitly permitted or required by local written law.

ADVANTAGE - GIFTS AND HOSPITALITY

VIOLA CALZIFICIO S.p.A. does not allow its employees other representatives to request, accept, arrange, offer or give any kind of advantage in connection with Company's business. In accordance the Company has a strict no-gift policy. *VIOLA CALZIFICIO S.p.A.* particularly wishes to point out that employee or other representatives of the Company are not allowed to take any commission from *VIOLA CALZIFICIO S.p.A.* business partners. Should any of the Company's employees or representatives openly or implied, ask for a commission or advantage of any kind, you are advised to immediately inform *VIOLA CALZIFICIO S.p.A.* .

In the conduct of company business it is a violation of *VIOLA CALZIFICIO S.p.A.* 's Code of Ethics if a business partner offers any kind of advantage to an employee of the Company or other *VIOLA CALZIFICIO S.p.A.* representatives.

The term 'advantage' may include – but is not limited to – the following: gift, loan, money (regardless currency), fees, reward, journeys, services, bonuses, lavish meals, vouchers of any kind, product samples for personal use, event tickets, discount on private purchases ,sponsoring or any kind of personal favours.

It does not matter whether the person to whom the advantage is offered, promised or given

is the same person as the one who is to perform, or has performed, the relevant action. Further it does not matter whether the advantage is given directly or by a third party, the recipient is in breach of this Code regardless of the fact that he or she receives the advantage directly or through a third party or if another person is the genuine beneficiary. Be aware that *VIOLA CALZIFICIO S.p.A.* does not allow the offer or receipt of hospitality whenever such arrangements could affect the outcome of business transactions i.e. the purpose is to obtain or retain business with *VIOLA CALZIFICIO S.p.A.* .

CONFIDENTIAL INFORMATION

Confidential information represents trade secrets and other company information not generally known outside *VIOLA CALZIFICIO S.p.A.* . A business partner of *VIOLA CALZIFICIO S.p.A.* must never disclose confidential information to any person outside or within your company except to persons to whom disclosure is necessary for the purpose of the contract with *VIOLA CALZIFICIO S.p.A.* or required from authorities by law or local regulation

You must keep confidential information about *VIOLA CALZIFICIO S.p.A.* safeguarded in your organisation.

Confidential information includes, but is not limited to; *VIOLA CALZIFICIO S.p.A.*'s financial or commercial relationships, trade secrets, buying, offers, strategies, all supplier related information, IT solutions, analyses and sensitive personnel data, information concerning *VIOLA CALZIFICIO S.p.A.* and/or the business carried on within *VIOLA CALZIFICIO S.p.A.* and which is not in the public domain.

Signing this document is a confirmation of your undertaking to not disclose any confidential information.

COMPLIANCE

You should read and comprehend the content in *VIOLA CALZIFICIO S.p.A.* 's Code of Ethics and commit to comply with the policies and procedures mentioned in the Code.

You have the responsibility to inform all your employees, involved in the *VIOLA CALZIFICIO S.p.A.* business, about the content in *VIOLA CALZIFICIO S.p.A.*'s Code of Ethics to secure their compliance.

In addition you also have the responsibility to inform all related subsidiary and subcontractors about *VIOLA CALZIFICIO S.p.A.*'s Code of Ethics to secure their awareness and possibility to comply.

A deliberate violation of *VIOLA CALZIFICIO S.p.A.*'s Code of Ethics may lead to termination of all business connections with the Company.

Since most sections of *VIOLA CALZIFICIO S.p.A.*'s Code of Ethics follow the law in each country where the Company operates, any deliberate violation of the Code of Ethics may be a criminal act.

If you, your employees, subsidiary, subcontractors or any other representatives of your company have questions concerning the meaning or application of *VIOLA CALZIFICIO S.p.A.*'s Code of Ethics or have anything related to report, please contact: info@violacalzificio.com

VIOLA CALZIFICIO S.p.A. is committed to continuously review and update its policies and procedures, therefore this Code of Ethics can be subject to modification. The Company will

inform whenever there is any major changes or updates in the Code.

Please sign the compliance commitment on the last page of this Code of Ethics and return it to the Company, indicating that you have received, read, understood and agreed to comply with *VIOLA CALZIFICIO S.p.A.* 's Code of Ethics.

If your company has an Anti-Corruption Policy/Code you are welcome to enclose this when you submit the signature page to *VIOLA CALZIFICIO S.p.A.* .

For your information, all concerned *VIOLA CALZIFICIO S.p.A.* employees sign *VIOLA CALZIFICIO S.p.A.*'s Code of Ethics and thereby undertake to comply with it.

VIOLA CALZIFICIO S.p.A.

CODE OF ETHICS COMPLIANCE COMMITMENT

We hereby confirm that we have received, read and understood the content of *VIOLA CALZIFICIO S.p.A.*'s Code of Ethics.

We commit to comply with ' *VIOLA CALZIFICIO S.p.A.* s Code of Ethics, take the responsibility to inform all our concerned employees about the content in *VIOLA CALZIFICIO S.p.A.*'s Code of Ethics and to make sure they comply with the Code accordingly.

In addition we also take the responsibility to inform all related subsidiaries and subcontractors about *VIOLA CALZIFICIO S.p.A.*'s Code of Ethics to secure their awareness and possibility to comply.

If we, any representative of my company, subsidiary or subcontractors, have questions concerning the meaning or application of ' *VIOLA CALZIFICIO S.p.A.* s Code of Ethics, or have anything to report, we know that we should contact the Company, knowing that our questions or reports to these sources will be maintained in confidence.

Yes, we have an Anti-Corruption Policy/Code and it is enclosed for your reference.

Place and date Business Partner Company name

Title Signature

Name in printed letters Business partner Company stamp

Please sign and submit only this page to VIOLA CALZIFICIO S.p.A.. Thank you.