



# Code of Ethics

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Annex 1  
Organisation,  
Management and Control System  
Under  
Legislative Decree 231/2001

*Document approved by Cifra S.p.A.  
Board of Directors  
at its 28 December 2021 meeting*



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## 1 INTRODUCTION

The Code of Ethics can be defined as the company's **Constitutional Charter**, which contains rights and duties defining the ethical and social responsibilities of each individual in the company.

The activities must be guided daily by values such as transparency, commitment, ethics in business, continuous research aimed at creating a combination of innovation and reliability, respect and responsibility towards oneself, everybody else and the environment.

No Code can cover all possible situations that people may face during their activities. Legal compliance must be a prerequisite, but it is not the sole requirement to be observed before acting, since all company decisions and behaviour must be based on ethical rules and responsible, loyal and common-sense attitudes.

The Code of Ethics is a tool available to companies to prevent irresponsible or unlawful conduct by those who act in the name and on behalf of the Company.

It is the main tool for implementing ethics in Cifra S.p.A. and a means of ensuring fair and effective management of transactions and human relations, to support the company reputation and create internal and external trust.

The Code of Ethics rules apply to everyone, without distinction, regardless of position or hierarchical level and their violation will result in the adoption of sanctions and measures.

## 2 THE COMPANY

Cifra S.p.A. is an international leader in the production of seamless sportswear and undergarments.

Cifra S.p.A. carries out its business under the principles of fairness, honesty, responsibility, freedom and dignity of people and respect for diversity, rejecting any form of discrimination, such as race, gender, religion, political beliefs, and personal or social conditions.

Cifra values are based on:

- **Compliance with applicable laws and regulations:** the Company sets compliance with applicable laws and regulations as an essential principle.
- **Reliability and focus on results:** the Company pursues the achievement of results by constantly defining programmes, monitoring management and generating practical outcome.



- **Health and Safety:** the Company guarantees the health and safety of its employees, partners and consultants, and working conditions that respect individual dignity and provide a safe and healthy working environment, under applicable regulations.
- **Environmental:** the Company promotes respect for the environment, which is a common resource to be safeguarded, for the benefit of the community and future generations, with a view to sustainable development.
- **Experience:** the Company puts its experience at the service of its customers to best meet their needs.
- **Focus on people:** the Company firmly believes that no machine can ever replace the added value that people give to the Company. For this reason, it acknowledges people's value as an expression and foundation of its culture and its way of being.

### 3 APPLICATION SCOPE

The Code of Ethics' principles and rules of conduct are binding for top management, those linked by employment relationships ("**Employees**"), partners, consultants and those who work in the name and on behalf of Cifra whatever the binding short or long-term relationship, (hereafter, collectively, the "**Recipients**").

The Recipients agree to undergo checks and controls decided by the Company, under applicable regulations and any internal procedures.

The Recipients must:

- a) refrain from conduct which is contrary to the Code of Ethics;
- b) refer to their hierarchical superiors or the Company's appointed departments/bodies, if there is a need to clarify the Code of Ethics' applications;
- c) promptly report to their superiors or the Company's appointed departments/bodies:
  - any information, directly or indirectly reported, regarding possible violations of the Code of Ethics;
  - any received request to violate the rules;
- d) work with the Company departments responsible for verifying possible violations of the Code of Ethics, providing any information requested.



None of the Recipients may conduct personal investigations or report the information to others except to those referred to in point c) above.

Cifra S.p.A. requires all suppliers and partners to adopt a conduct that is consistent with this Code of Ethics.

## 4 GENERAL PRINCIPLES

In carrying out its daily activities, Cifra operates under the principles of human freedom and dignity.

Cifra is committed to keeping its environment free from discrimination or harassment related to gender, race, language, personal and social conditions, religious and political beliefs.

Cifra recognises that human resources are a key factor in its development. The management of human resources is based on respect for individual personalities and professionalism as part of the legal framework.

### 4.1 BUSINESS ETHICS

In carrying out their daily activities, the Recipients must act with diligence, moral integrity and fairness, making the best use of the tools provided.

Recipients must:

- a. always adopt a *behaviour under the principles of loyalty and good faith* towards the Company, hierarchical superiors, colleagues and partners, basing their conduct on mutual collaboration;
- b. ensure that all business transactions are undertaken *in the Company's interest* and not personal or third parties' interest. Employees who find themselves in a personal, financial, family or other type of conflict of interest, even potentially, must inform their Managers, refraining from any act that is prejudicial to the company's interests, or is likely to cause conflict of interest.

To avoid situations where the persons involved are, or may appear to be, in conflict with the Company's interests, Cifra prohibits corruption, illegitimate favours, collusive behaviour, direct or indirect solicitation of personal and career advantages for oneself or others and other similar behaviour.



- c. Guarantee the *information integrity*: the information managed within their responsibility must be handled and reported in a complete, precise and truthful manner.
- d. Preserve the *confidentiality of information* learned in the performance of their duties and prohibit the use or disclosure of privileged information for their own or third parties' benefit.

#### 4.2 LIABILITY

Continuous improvement is the result of responsible, personal and active cooperation between different areas, employees and partners belonging to the same division. Any action, at all levels and degrees of responsibility, must be mutually aimed at the creation of the best possible product, to encourage the sharing of the corporate mission.

Anyone who holds the senior manager role must set an example, provide leadership and guidance under the Code of Ethics. Their conduct must prove to colleagues that compliance with the Code of Ethics is a fundamental requirement for everyone's work and the achievement of business results.

#### 4.3 TRANSPARENCY AND HONESTY

It is each Recipient's duty to act with transparency, providing their colleagues, superiors and suppliers with authentic, essential and truthful information while performing their duties.

Honesty is fundamental to all Cifra's activities, initiatives, reports and communications and is essential to the company's management.

#### 4.4 PROFESSIONALISM

Cifra acknowledges the importance of professionalism and requires Recipients to act with the professionalism and due diligence required by the entrusted tasks and duties, using the utmost commitment to achieve the objectives.



#### 4.5 HUMAN RESOURCES

Our people focus is reflected in the daily creation of a positive working environment, where everyone can develop and increase their skills and knowledge. Cifra bases its employee relations on principles such as loyalty and trust.

Cifra is committed to spreading and consolidating a culture of safety by developing risk awareness and promoting responsible behaviour by all employees.

The Company aims to maintain and encourage a positive working environment, inspired by the protection of freedom, dignity and inviolability of the individual, and fairness in interpersonal relationships.

The Company rejects the hiring and use of workers from foreign countries with invalid residence permits and prevents their use by its suppliers and business partners.

The Company combats the exploitation of child labour and any illegal form of labour.

#### 4.6 COMMUNICATION

The Company acknowledges the primary role of *clear and effective communication* in internal and external relations.

External information should be coordinated at a Company level and managed exclusively by appointed employees with a communication responsibility. Conduct and actions contrary to this principle will be sanctioned under the Code of Ethics, contracts and applicable laws.

#### 4.7 TRANSPARENCY AND TRACEABILITY

Cifra operates under the principle of transparency and traceability. Every Company action and transaction must be supported by adequate recording.

The activities and actions carried out by the Recipients during their work must be documented under applicable laws, using accurate, complete and reliable documentation and, if required by applicable regulations and accounting principles, must be correctly and promptly recorded in the accounts.



During checks, this documentation must provide the features and reasons for the transaction and those who authorised, carried out or reported the transaction.

To ensure compliance with the Code of Ethics, authorisation to execute a certain transaction must be the responsibility of a person other than those who carry out, control and report the transaction.

#### 4.8 ANTI-MONEY LAUNDERING

Cifra S.p.A. follows national and international anti-money laundering regulations and provisions and requires Recipients to refrain from carrying out any transaction that may contribute to the transfer, replacement, or use illicit proceeds or that may hinder the identification of money, goods or other benefits of criminal origin.

#### 4.9 ANTI-CORRUPTION

Cifra S.p.A., considering corruption as an obstacle to efficiency and healthy competitiveness and disapproves of any conduct that is in conflict with these values.

Compliance with this Code of Ethics and legislation is one of the essential principles of Cifra's activities. All Recipients must act with transparency, honesty, integrity, fairness and loyalty.

### 5 RULES OF CONDUCT

#### 5.1 CIFRA AND THIRD PARTIES

Recipients shall not directly or indirectly promise, accept or offer gifts, presents, benefits and acts of courtesy or hospitality that have a quality or value that exceeds normal business practices, local customs and ordinary courtesy or that are intended to acquire preferential treatment, or other undue advantages, relating Cifra business operations in their relations with third parties, including customers, suppliers, political institutions and the Public Administration.





If gifts, presents, benefits or acts of courtesy or hospitality are offered or promised to the Recipients, they must promptly inform the corporate bodies that will decide if what is offered or promised is acceptable.

The Recipients shall not directly and indirectly offer or promise customers, political institutions, Public Administrations and any third parties gifts, gratuities, benefits and acts of courtesy or hospitality that exceed the limits, or have the features mentioned above. If Recipients are requested to do so, they shall promptly notify the relevant corporate bodies.

It is forbidden to hire, as Company employees, or stipulate consultancy or other contracts with public officials, public or private employees (or their cohabitants, spouses or relatives within the third degree) who have personally and actively participated in a business negotiation involving the Company or have participated in endorsing Company requests to the Public Administration or a private company.

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#### 5.1.1 RELATIONS WITH INSTITUTIONS AND PUBLIC OFFICIALS

Cifra's relations with national, European and international public institutions ("**Institutions**"), and public officials or persons in charge of a public service, i.e. bodies, representatives, members, employees, consultants, persons in charge of public functions or services, public institutions and public administrations and bodies, including financial, local, national or international public bodies or companies ("**Public Officials**") are held by each Recipient, whatever their function or position, under current legislation and the principles defined in this Code of Ethics, based on fairness and loyalty.

Recipients shall refrain from making false statements to the Legal Authority or induce third parties to make false statements to Legal Authority to manipulate the judges' decisions to their own advantage.

Each Recipient must act according to conscience and provide the requested testimony correctly and without omissions.

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#### 5.1.2 CUSTOMER RELATIONS

Cifra deals with its customers under ethical and fairness principles, considering this fundamentally important for the establishment or continuation of a business relationship. Every customer must be promptly informed of the existence of the Code of Ethics and its commitments and obligations imposed on external parties.

Cifra respects others' intellectual property rights, trademarks and patents registered by customers and provided to Cifra because of their business relationships.



### 5.1.3 RELATIONS WITH SUPPLIERS, BUSINESS PARTNERS AND CONSULTANTS

Cifra requires its suppliers, business partners and external consultants to respect the same ethical and environmental principles, considering this fundamentally important for the establishment or continuation of a business relationship. Each supplier, Business Partner or consultant must be promptly informed of the existence of the Code of Ethics and its commitments and obligations imposed on external parties.

The selection of suppliers, Business Partners and consultants, and the establishment of purchase conditions, are based on an objective evaluation of the quality, price, and ability to provide and guarantee adequate goods and services. Cifra considers the following requirements as a reference:

- counterparty professionalism;
- suitably documented availability of financial resources, organised structures, project skills and resources, knowledge, etc.;
- existence and implementation of company quality systems, suitable to guarantee the ability to operate safely.

Cifra requires its suppliers, Business Partners and external consultants to respect their intellectual property rights, trademarks and patents registered and provided by Cifra as part of their business relationship.

In the management of relations with suppliers, Business Partners and consultants, the Company undertakes to pay fees exclusively proportionate to the contract service and not to make payments to parties other than the contractual party.

## 5.2 CIFRA AND RELATIONS WITH EMPLOYEES AND PARTNERS

Acting with integrity with employees and partners means acknowledging that they are a resource for Cifra.

The Company evaluates the contribution of each individual and undertakes to treat them with respect, particularly by:

- keeping Recipients' documents and information confidential in compliance with privacy laws;
- working constantly to create a working environment free of any form of discrimination based on race, ethnicity, gender, political and religious beliefs, age or sexual orientation;
- offering everyone equal opportunities for recruitment, remuneration, training, promotion and other employment conditions;
- not tolerating and punishing any kind of harassment, including verbal or physical conduct that constitutes humiliation or threat.



The Company requires that each Recipient carry out their work in suitable physical and psychophysical conditions and contribute personally to maintaining the work environment respecting the others' sensitivities. Abusing alcohol, using psychotropic or narcotic substances or supplying narcotic substances during work and in the workplace is a conscious violation of this Code of Ethics. The Company shall carry out the controls provided for in the relevant legislation.

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#### *5.2.1 CIFRA S.P.A. EMPLOYEES AND PARTNERS OBLIGATIONS*

Cifra Employees and Partners shall:

- comply with the legal provisions concerning the duties of workers and the collective agreements applied to the company;
- comply with the Code of Ethics' values and principles;
- adopt and maintain highly professional conduct towards the Company;
- protect the Company's interests;
- follow the principles of transparency, correctness, honesty and professionalism inside and outside the company while working.
- take their role responsibly and comply with the instructions given by their superiors, adopting the Company health and safety measures.

Failure to comply with the Code obligations and principles may result in disciplinary measures, as provided for in paragraph VII below.

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#### *5.2.2 PROTECTION OF BUSINESS ASSETS*

Each Recipient shall act with due care and diligence to protect the company's assets, through responsible conduct and under operating procedures, providing the related documentation, if needed. Each Recipient is responsible for the protection of resources entrusted to them and must promptly inform the relevant departments of any threats or events harmful to the Company or its assets.

Recipients shall:

- avoid improper use that could cause undue costs, damage or reduction of efficiency or use which is in conflict with the Company's interests;
- follow safety rules provided for by law and internal procedures, to prevent possible damage to property, people or the environment;
- use any company assets correctly under the law and internal company regulations;



- reduce the risk of theft, damage or other threats to Company assets and resources and promptly inform the relevant departments if there are unusual situations.

Code of Ethics Recipients are forbidden from altering the operation of a computer or telematic system, data, information or programs contained in them without permission.

Recipients shall:

- comply with Regulations, applicable legal provisions and the conditions provided for in licence agreements entered into by the Company;
- adopt a correct and transparent conduct when using the Company computer systems or tools;
- refrain from activity that could lead to the modification, deletion or fraudulent creation of public or private computer documents that could provide evidence. They must refrain from unauthorised access to the company computer or telematic system to modify or delete their data, documents and information;
- use personal identification codes to access the Company's computer, electronic systems or tools, avoiding their dissemination to third parties.

### 5.3 HEALTH, SAFETY AND ENVIRONMENT

Cifra considers environmental and safety issues as an essential Company value as part of its business sector and constructively contributes to ecological sustainability.

Cifra is committed to minimising the environmental impact of its services since it considers the environment as a public asset.

The operational management of its activities must refer to environmental protection and energy efficiency criteria, to promote improvement of health and safety conditions at work.

Research and technological innovation must be focused on promoting products, services and processes that are environmentally friendly and compatible with the safety and health of operators.

The Recipients and other parties required to comply with this Article, as part of their duties participate in risk prevention, environmental and health and safety protection for themselves, colleagues and third parties.

### 5.3.1 HEALTH AND SAFETY IN THE WORKPLACE

For protection of health and safety in the workplace, Cifra S.p.A.:

- implements the measures necessary for the protection of the health and physical integrity of its employees and partners, adopting corporate Organisation systems based on the constant improvement of workplace safety and health;
- respects health in the workplace principles when organising work, designing work stations and choosing equipment;
- complies with safety regulations;
- eliminates or minimises the risks according to the knowledge acquired through the technological development;
- provides continuous training and awareness of its management and personnel regarding safety issues. It applies and disseminates the safety culture in the workplace as part of its safety policy.

Each Recipient shall pay attention in carrying out their activities, strictly observing safety and prevention measures to avoid any risk for themselves, colleagues, partners, and the community.

Recipients must:

- take care of their own safety and health and that of others in the workplace who may be affected by their actions or omissions, based on their training and instructions and tools provided by the Employer;
- comply with the instructions given by the Employer, Managers and Supervisors;
- use machinery and equipment, transport and other work equipment and safety devices correctly;
- make appropriate use of the available PPE;
- immediately notify the Employer, Managers and those in charge of the deficiencies of the tools and devices and any other dangerous conditions of which they are aware;
- undergo the health checks required;
- participate in the related information and training initiatives;
- together with the Employer, cooperate to fulfil the obligations imposed by the relevant authority necessary to protect the safety and health of workers.

Recipients must not:

- implement, aid or give rise to the implementation of behaviours that, taken individually or collectively, directly or indirectly, constitute offences relating to the health and safety of workers;



- engage in or cause any violation of this Protocol;
- remove or modify or compromise the safety, reporting or control devices without authorisation;
- carry out on their own initiative operations or manoeuvres that are not within their abilities or that could compromise their or other workers' safety.

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### 5.3.2 ENVIRONMENTAL PROTECTION

The Company:

- takes measures to limit or eliminate the negative impact of business activity on the environment;
- plans to continuously monitor scientific progress and regulatory developments in the environmental field;
- promotes production policies that balance the needs of financial development and value creation, typical of its business activities, while respecting and protecting the environment, spreading the environmental risk prevention culture.

Recipients must:

- scrupulously comply with environmental legislation;
- assess potential risks and develop appropriate prevention programmes to protect the environment;
- establish and update emergency procedures to minimise the effects of any accidental discharges;
- manage collection, temporary storage, transport and disposal of company waste, even if they are carried out by third parties, in compliance with the provisions of the Environmental Code and other relevant provisions.
- monitor the management of ozone depleting substances contained in the plant and office air conditioning circuits.

Recipients must not:

- abandon or illegally deposit waste on and in the soil;
- illegally dump any solid or liquid waste into surface or groundwater;
- carry out harmful air emissions.

## 5.4 ECONOMIC AND FINANCIAL RESOURCES

Cifra carries out its activities under currency regulations and legislation. Recipients and those required to comply with this Code of Ethics shall verify in advance the information available on business counterparties, suppliers and consultants. This includes their respectability and legitimacy. They undertake to avoid implications in transactions that could potentially favour the laundering of money deriving from illegal or criminal activities, acting under primary and secondary anti-money laundering regulations.

When managing economic and financial resources, Recipients are required to follow the principles of transparency, accuracy and completeness of accounting information so that:

- each operation is correctly recorded, authorised, verifiable, legitimate, consistent and congruous;
- the economic and financial positions reported are true, correct and timely.

Each Recipient must:

- cooperate and behave correctly and transparently under the law and recognised accounting principles, in activities aimed at accounting and the preparation of financial statements (and other corporate reports), to provide shareholders and third parties with truthful and correct information on the Company economic and financial situation;
- pay attention and accurately acquire, process and illustrate data and information meeting deadlines, to keep the accounts and prepare financial statements for the year;
- pay attention, and accurately manage and meet deadlines and requirements to comply with tax regulations.

## 6 IMPLEMENTATION RULES

### 6.1 PENALTY SYSTEM

This Code of Ethics contains principles and rules of conduct and Cifra considers compliance fundamental. Through designated bodies and departments, Cifra S.p.A. shall consistently and impartially impose sanctions that are proportionate to Code of Ethics violations and based on the sanctioning systems provided for by regulations.



### 6.1.1 EMPLOYEES AND DIRECTORS

Failure by Company employees to comply with the Code's rules of conduct constitutes a breach of the obligations deriving from the employment relationship, and will result in the application of disciplinary sanctions.

The penalties will be applied according to legal provisions and proportionate to the breach's seriousness and type.

Any non-compliance during employment constitutes a breach of the obligations under Article 2104 of the Civil Code and is a disciplinary or criminal offence, with legal and Collective Labour Agreement consequences.

If employees breach this Code, the Company will adopt disciplinary sanctions proportionate to the violations committed and following employment provisions, after completing the disciplinary measure procedure referred to in art. 7 of Law 300/1970.

In the most serious cases, the employee violation may result in the employment termination for just cause under applicable laws and the Collective Labour Agreement.

The appointed company departments are responsible for confirming such breaches, management of disciplinary procedures and sanctions.

If directors violate the Code of Ethics, the event must be reported to the Board of Directors, so that it can take appropriate legal initiatives.

### 6.1.2 EMPLOYEES, CONSULTANTS, ETC.

Any behaviour carried out by Partners, Consultants or other parties with contractual relationships with the Company, violating the Code of Ethics, may lead to contract termination, without prejudice to Cifra's claim for compensation if such behaviour causes damages.

## 6.2 DISSEMINATION OF THE CODE OF ETHICS

Cifra informs Recipients of the provisions and application of the Code of Ethics, recommending its compliance.

The Company shall:

- disseminate the Code of Ethics to Recipients;
- interpret and clarify the provisions;





- verify compliance;
- update the provisions based on future needs.

The Code will be published on the Company website for third parties who receive assignments from Cifra or have lasting relationships.

To guarantee the Code effectiveness, the Company provides information channels through which those who become aware of any conduct violating the Code of Ethics' principles and provisions can freely, directly and confidentially report it to the appointed Company departments.

Cifra will ensure the confidentiality of the whistle-blower's identity and protection from any retaliation, illegal pressure, inconvenience and discrimination in the workplace, for having reported the Code's violation.

## **7 ENTRY INTO FORCE AND COORDINATION WITH COMPANY PROCEDURES**

The Code of Ethics was approved by the Cifra S.p.A. Board of Directors on 28 December 2021.

Any future updates based on regulatory or civil awareness changes, will be approved by the Board of Directors and promptly distributed to Recipients.

The Code of Ethics does not replace current and future company procedures that continue to be effective if they do not conflict with the Code.