

# **CODE OF ETHICS**

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## I. INTRODUCTION AND COMMITMENT

FURLA BELIEVES THAT AN ETHICAL, TRANSPARENT AND RESPONSIBLE BEHAVIOR, a behavior that looks at the four fundamental principles of human rights, working conditions, respect for the environment and refusal of any form of corruption, IS A CRUCIAL CONDITION FOR THE SUCCESS OF ITS BUSINESS, so that it can have a positive impact not only on the Company itself but – also on all those who are involved in the value chain.

Being aware of its direct or indirect impact, the Furla Group – meaning Furla Spa as Parent Company and its subsidiaries and foreign branches, that implement the Code of Ethics in compliance with the laws and any applicable legislation in area of competence with respect for mutual autonomy (hereinafter "Furla") –, has voluntarily created its own Code of Ethics starting from 11 April 2012, the date on which the Board of Directors of Furla Spa approved the first version.

Subsequently, it was integrated and re-approved on July 24<sup>th</sup>, 2018, since it was conceived as an instrument subjected to possible implementations based on internal and external changes to the Company, as well as the experience acquired by the Company over time, accordingly to the aim of a continuous improvement.

Furla's Code of Ethics:

- pronounces the rights, duties and responsibilities of the businesses directly and indirectly controlled by Furla towards all the subjects it deals with (better specified in chapter "III. Relations with Stakeholders"), and is therefore, but not only, an INSTRUMENT OF INTERNAL ENFORCEMENT, to prove Furla's commitment towards the ethical issues
- is also aimed at creating a clear framework within which it is allowed to operate, without violating any existing policy or conduct, and contributing to the implementation of the Group's Social Responsibility policy
- attempts to establish ETHICAL REFERENCE STANDARDS and RULES OF BEHAVIOR to drive the Company's strategy and the conduct of the Companies belonging to the Furla Group, of all its employees at any hierarchical level and role, and of all those which may have relations with Furla
- bases these principles on some international standards listed in the specific chapter "IV. References". Furthermore, it can be considered a benchmark for the employees of the Italian companies for what concerns the PREVENTION OF CRIMES PROVIDED BY D. LGS. 231/01.

This Code contains a series of requirements that all employees are asked to comply with, shared with all business partners, who, by signing the Code, accept it in all its parts.

### I. I – Addressees

The Code of Ethics is binding on the employees, the members of the Corporate Bodies, the Top Management, employees at any hierarchical level and in any function, including executives, collaborators, trainees, as well as for all those who, even though they're not part of the Company, operate in place of Furla directly or indirectly also by mandates or powers of attorney. Furla also requires compliance with these principles to its partners, in particular - but not limited to - customers, suppliers, consultants, distributors, civil institutions, trade associations and trade unions.

Those holding corporate positions within the Group have the duty to carry out the assigned tasks with loyalty and correctness, to encourage communication among Group companies, to solicit and use intragroup synergies, cooperating in the interests of common goals.

All the above-mentioned recipients are required to observe and, to the extent of their own responsibility, to make others observe the principles contained in the Code of Ethics. Under no circumstance the claim to act in the interest of the Company can justify the adoption of behavior that might contrast with those stated in this document. Furthermore, compliance with the provisions of the Code must be considered as an essential part of the obligations of the Company's employees, according to provisions of art. 2104 and following of the

Italian Civil Code.

## **I.II – Distribution**

The Code of Ethics and its updates are shared at all levels:

- internally, meaning among employees, to all newly hired to Furla Spa and to companies of the Furla Group, regardless of level, role, duration of the employment contract, collaboration or internship. A signature is required for the acceptance of all its terms.
- externally, to all the partners with whom, as distributors, customers or suppliers, Furla concludes an agreement.

The recipients of this Code must report any instruction received that can be contrary to law, employment contracts, internal regulations and this Code of Ethics. The notification can be made in writing, to the direct manager whenever possible, or to the Ethics Committee.

The Company will not tolerate any kind of retaliation, discrimination and penalization against reports made in good faith, without prejudice to the obligations of the law and the protection of the rights of those who are accused wrongly and/ or in bad faith.

## **I.III – Discipline**

All recipients of the Code of Ethics are required to know and respect the principles that it conveys, as a contractual obligation. In case of proven violations, Furla provides the disciplinary measures stated here:

- Employees and collaborators  
Penalties will be applied according to Law and the Company Supplementary Contract. These sanctions will be applied based on the nature and the importance of each case considered and will be proportionate to their gravity. The ascertainment of the infringements, the management of disciplinary procedures and the imposition of sanctions are the responsibility of the corporate functions appointed and delegated for this purpose, also pursuant to the mentioned National Collective Labor Agreement.
- Managers and directors  
In case of violation of the behavioral rules indicated in the Code of Ethics by managers and administrators, the Company will first assess the facts, and then conduct and take appropriate action against them in accordance with the provisions of the law and the applicable National Collective Labor Agreement, keeping in mind that such violations are non-compliance against the employment duties.
- External collaborators, consultants and other third parties  
Any behavior of external collaborators, consultants or other third parties linked to the Company by a non-employment contract in violation of the provisions of the Code of Ethics, may determine, in cases of utmost seriousness, the termination of the contractual relation, plus any appropriate compensation if any damage to the Company derives from such behavior, even if the contract is terminated.

## **I.IV – Complaints and non-compliance**

For the evaluation and management of reports that may be triggered in case of a non-compliance against the principles set out in this Code, [FURLA CREATED ITS ETHICS COMMITTEE](#), composed of some Furla's employees representing the heterogeneity among the team. The Committee evaluates and manages the report, delegating it to the relevant corporate function, which preserves the confidentiality of sensitive data within the limits of the law. In case the management of the non-compliance goes beyond the Committee's possibilities, or in case there is a conflict of interests, the Committee has the right to select an external consultant who will have the task of verifying and possibly managing it. If the Committee believes that the complaint concerns the provisions of Legislative Decree 231/01, it is responsible for reporting it to the Organismo di Vigilanza (Supervisory Body).

The complaint with related data of both the reporting and the possible reported will be treated confidentially, within the limits of the law, by the Ethics Committee and its deputies; anonymous reports can't be collected. If the investigation proves the complaint as not subsisting, the reported will be considered free from any provision, otherwise he/she will be subjected to disciplinary provisions as per the previous paragraph. Likewise, the whistleblower is fully guaranteed if the complaint itself, even if later revealed to be incorrect, was risen in good faith; on the contrary, intentionally false and biased reports will not be tolerated. The whistleblower, from anywhere in the world, can send an email to [ethicscommittee@furla.com](mailto:ethicscommittee@furla.com), containing all the possible information regarding the non-compliance, possibly in English. If the complaint comes from an employee, he/ she may also write to the personal email address of one of the members belonging to the Ethics Committee, in the event of a conflict of interest with a member of the Committee.

Please refer to the Privacy Policy concerning the Processing of Personal Data of Furla's Employees and Recipients of the Code of Ethics.

Moreover, for further clarifications on how to report a non-compliance, please refer to the relevant Report of Non-Compliance against the Code of Ethics.

## II. GENERAL PRINCIPLES

Even though at the time of drafting the document Furla has not joined the United Nations Global Compact yet, for its own Code of Ethics **FURLA TAKES INSPIRATION FROM THE FOUR CORE THEMES ON WHICH THE TEN PRINCIPLES OF THE CORPORATE RESPONSIBILITY ARE BASED.**

In turn, the UN Global Compact refers to some international standards. The main standards, which Furla recognizes and respects, are listed in the chapter "IV. References".

These standards state that Companies should:

### II.I – Human Rights

- support and respect the protection of internationally proclaimed human rights
- make sure that they are not complicit in human rights abuses

### II.II – Labor

- uphold the freedom of association and the effective recognition of the right to collective bargaining
- the elimination of all forms of forced and compulsory labor
- the effective elimination of child labor
- the elimination of discrimination in respect of employment and occupation

### II.III – Environment

- support a precautionary approach to environmental challenges
- undertake initiatives to promote greater environmental responsibility
- encourage the development and diffusion of environmentally friendly technologies

### II.IV – Fight against Corruption

- work against corruption in all its forms, including extortion and bribery.

To these four cardinal principles, Furla voluntarily adds a further fundamental theme, meaning it as follows:

### II.V – Transparency and Confidentiality

- promote a flow of truthful, complete, transparent, comprehensible and verified information
- respect the trusted relation towards customers by guaranteeing confidentiality.

By translating these principles into general behaviors, the manifesto of the commitment in Furla is therefore:

- To work with respect for the dignity and rights of every individual, **REFUSING ANY**

- **DISCRIMINATION** – especially by origin, nationality, ethnicity, gender, age, disability, or sexual, religious, philosophical, political, trade union orientation – and any practice that can be harmful to health or human dignity
- **TO REPUDIATE THE ILLEGAL EXPLOITATION**, and to prevent activities that benefit or tolerate it from entering the supply chain, with particular reference to modern slavery, child labor, trafficking in human beings, but also arms trafficking, terrorism and smuggling, war activities; and to commit not to maintain relations with partners who have proven responsibility in this regard
- To respect any possible **APPLICABLE LEGISLATION** concerning Furla's business and operations
- To act in the **RESPECT OF THE ENVIRONMENT**, the protection of **BIODIVERSITY** and the **NATURAL RESOURCES** used, respecting the law and applying best practice wherever possible
- **NEVER BEING INVOLVED IN ANY FORM OF CORRUPTION, EXTORTION, BRIBERY, MONEY LAUNDERING**
- To tend to the **MAXIMUM TRANSPARENCY** in all business activities, making them as traceable and verifiable as possible, and sharing information in an unbiased, honest and fair way
- To maintain in every work relation full **INTEGRITY, HONESTY, CORRECTNESS, LOYALTY**
- To use the Company's resources in the interest of the latter, yet respecting the constraints accordingly to Italian Legislative Decree 231 whenever applicable.

### III. STAKEHOLDER RELATION

#### III.I – Employees

As it recognizes its people as key in business development, Furla believes that it is important to build and preserve a **RELATION BASED ON RECIPROCAL TRUST AND ON THE VALORIZATION** of professional skills with employees and collaborators.

**FURLA REFUSES ANY KIND OF DISCRIMINATION** based - for example - on origin, nationality, ethnicity, gender, age, disability, or sexual, religious, philosophical, political, trade union orientation; likewise, it commits to the evaluation of its employees, collaborators and business partners only on a meritocratic basis, with a fair system shared with the interested party.

**NON-TRANSPARENT OPERATIONS, FAVORITISM**, as well as **MOBBING, STALKING, HARASSMENT**, or any other unjustified pressure at the workplace **ARE NEVER TOLERATED**, especially if they have an impact on health and safety of the worker, or his/her psychophysical well-being.

With a view to the goal of a continuous improvement, **FURLA UNDERTAKES TO DEVELOP ATTITUDES AND POTENTIAL OF ITS PEOPLE** in the performance of their skills, so that their abilities and legitimate aspirations of professional growth can be developed consistently with the achievement of corporate goals.

All employees are hired, managed and assessed by contracts and methods that comply with the appropriate business and country regulation; no form of irregular work is tolerated. The form of a stable contract is promoted whenever possible.

Upon recruitment, the candidate receives clear and specific information on regulatory and remuneration issues. Moreover, for the entire duration of the employment, the employee or collaborator receives indications that allow him / her to understand the nature of his / her job and to do it properly, respecting his / her own qualification.

In the same way, also **PROFESSIONALISM AND COMMITMENT OF THE EMPLOYEE REPRESENT A SPECIFIC OBLIGATION**.

First, the utmost loyalty to the Company is required to all the employees, while using Company's resources

in Furla's best interests, while employing their professional skills with a view to achieving Company's goals as well as their own, while creating a work environment which can be positive and stimulating for everyone, inside or outside the Company.

Also, relations with external stakeholders must be based on collaboration and transparency, with an eye on a careful management of sensitive data. In fact, the confidential information acquired in carrying out the assigned activities must remain confidential and protected in compliance with the provisions of Italian Legislative Decree no. 196 of 30/06/2003 and EU Regulation 2016/679 – and subsequent implementing decrees –, and cannot be used, communicated or disclosed to third parties. The information that may or should be disclosed must be complete, accurate and verified.

Employees must avoid any situation or activity that could lead to conflicts of interest against the Company, even potential ones, or that could interfere with the ability to make impartial decisions, in the best interests of the Company; in particular, it is forbidden to accept or propose, even indirectly, money, gifts, goods, services, or favors from or to any third party with whom the Company has an existing relation, that might influence the employee's decisions, with the exception of gifts of symbolic value directly due to normal commercial courtesy relations. If this happens, the employee must inform immediately his / her hierarchical manager.

### **III.II – Political and trade union organizations**

The principles of transparency, independence and integrity must also characterize the relations maintained by the appropriate corporate functions with the political organizations and trade unions. Relations with the latter are based on favoring a correct dialogue, without any discrimination or diversity of treatment, in order to promote a climate of mutual trust and a solid dialogue towards joint decision.

Any contact with representatives of political organizations and trade unions is allowed only for authorized people named by the Company.

Participation – on a personal basis – of employees to political organizations takes place according to the terms established by the National Collective Labor Agreement and without any connection with the role performed in the Company.

### **III.III – Corporate bodies**

To the Corporate Bodies, in the awareness of their responsibility towards the Company (for which a dutiful and active participation in Corporate activities is required), as well as in compliance with the Law, current regulations, company bylaws and statutes, it is required to keep a behavior inspired by integrity, loyalty and responsibility towards each stakeholder; of correctness, independence and autonomy towards public institutions, private entities, economic associations, political organizations, as well as towards every other national and international subject, without situations of conflict of interest.

Some more principles must be always respected: the confidentiality on Company's information; the prohibition to use one's position to obtain personal advantages, and to acquire shares or quotas, and the obligation not to carry out reductions in share capital, mergers or demergers with other companies that may cause any damage to investors; the obligation to comply with requests of information from the Board of Statutory Auditors on the application of specific regulations; the obligation to share only complete and unaltered documents and information.

### **III.IV – Customers**

Customers represent the recipients of Furla's business. This is why **THE RELATION WITH BOTH FINAL CUSTOMERS AND DISTRIBUTORS – AND ITS CONTINUOUS IMPROVEMENT – IS KEY**. Furla is committed to the maximum of professional skills towards customers' satisfaction, maintaining high standards in the normal course of sales.

While dealing with customers, each employee represents Furla; therefore, everybody is required to carry out his / her activities with professionalism, fairness, courtesy and transparency.

The general principles previously set out in terms of transparency, respecting the limits of confidentiality and privacy, and general respect for the applicable legislation remain valid, as well as the fundamental principles mentioned.

With special attention, but not only, to new business relations, Furla will avoid any partnership with subjects of proven – or only suspected – involvement in illicit activities, such as laundering, illicit trafficking, environmental and health crimes, or operations that violate the fundamental human rights; and in any case, in general with persons or institutions without the necessary requisites of seriousness and commercial reliability.

### **III.V – Suppliers**

The same principles applied to relations with customers must also characterize the Company's commercial agreements towards its suppliers, with whom Furla commits to develop a fair collaboration, based on transparency starting from suppliers' evaluation, and taking their professionalism, entrepreneurial structure, quality, price, service delivery and delivery, also with reference to the verification of behavior over the years, as criteria of evaluation.

Furthermore, their success on the market, their ability to meet confidentiality obligations and social responsibility criteria will be much valued. On its side, Furla commits to the constant control of the quality of services and goods provided, and to construct agreements based on fairness, mutual respect and transparency, especially with reference to payment terms and the administrative compliance.

The Supplier Manual is specifically dedicated to relations with suppliers, which always refers to the fundamental principles highlighted by this Code of Ethics: human rights, work, environment, honesty and anti-corruption, transparency, confidentiality.

### **III.VI – Partners**

One of the Company's primary interests is to encourage the investment of its partners, implementing a business policy that ensures them, over time, an adequate return of investment, through the optimization of available resources as well as the increase in competitiveness and financial soundness.

Consistently with its core values, and in order to strengthen long-lasting and satisfying agreements, Furla guarantees its shareholders a relation based on the founding principles.

In particular, the Company commits to promptly and transparently communicate the state of implementation of its strategies and its financial results, in order to provide a clear, complete and accurate framework, in constant attention to all members, without discrimination, promoting a conscious exercise of the right to vote and participate to decision-making processes.

### **III.VII – Public Administration**

Furla commits to the full respect and correct communication with all the stakeholders belonging to the Public Administration (i.e. the Ministries, the Authority for the Competition and the Market, the Authority for Communications Guarantees, the Guarantor Authority for the Protection of Personal Data, the Revenue Agency, etc.) at local, national and international level.

Relations with the Public Administration are in charge of the appropriate Company departments, that have been previously authorized; they are required to perform their duties with integrity, independence and fairness. Relations are based on collaboration, without ever hindering institutional activity and preserving correct areas of mutual independence, avoiding any action or attitude that can be interpreted as an attempt to improperly influence decisions. It is absolutely forbidden to promise or offer to Public Officials, Public Service Officers, or in general to employees belonging to the Public Administration, any gift or benefit to favour the interests of the Company; in particular, this is referred to gifts (excluding those of symbolic value, representing standard commercial courtesy), but also to special treatments such as representation cost not regulated by the contract, for purposes that are not clear and different from the transparent promotion of the Company's image, for job opportunities for employees of the Public Administration (or relatives and similar), commercial opportunities of any kind that could unduly benefit them, outside the ordinary

treatment reserved for customers.

In the principle of confidentiality of information, Furla undertakes to obtain or solicit confidential information and / or documents only if by legitimate request, without compromising the integrity or reputation of one or both parties. At the same time, the information provided must never knowingly contain altered data, nor should it be possible to steal or omit documents and information, in order to unduly orientate the decisions of the Public Administration to its own or its customers' advantage. This clause is especially applied in technical-economic evaluation of the products and services offered / supplied, to improperly obtained contributions, funding, subsidized loans or other disbursements by the State, the European Communities or other public bodies.

Furla and its people are required to verify that any public disbursement, funding or subsidized loan granted to the Company, is used to carry out the activities for which it was granted; any other use is prohibited.

Anyone who receives explicit or implicit requests or offers of benefits of any kind from Public Officials or any employee in the Public Administration must immediately suspend all relations with them and report the incident to his / her direct manager and inform the Ethics Committee.

### **III.VIII – Mass Media**

Furla recognizes the fundamental informative role played by the Mass Media towards the public; for this reason, the Company strives to maintain a careful balance between on the one hand a full, transparent collaboration on the information communicated, using it in a correct and non-instrumental way, on the other hand the confidentiality of some data, due to their strategic or confidential impact.

Because of the extreme importance given to this relation between the Company and the Media, the communication is in charge to the corporate bodies and some selected departments only.

In order to guarantee clear information and support those who have to deal with the Media, the declarations made on behalf of the Company must be submitted to the prior authorization of the appropriate corporate bodies and departments, so that the message is consistent with the core values and the corporate identity.

### **III.IX – Competitors**

It is essential that the market is based on fair, transparent and stimulating competition. The Company, the Group and the Collaborators are therefore committed to the maximum observance of the laws regarding the protection of competition and the market in any jurisdiction, in particular regarding antitrust and intellectual property.

No collaborator may be involved in initiatives or contacts with competitors (for example agreements on prices, prices and discriminatory agreements) that may appear to be a violation of regulations to protect competition and the market.

Regarding intellectual property, Furla recognizes the strategic and identity value of copyrights, trademarks and patents, both as regards its own creative and commercial activity and that of others; for this reason the Company undertakes to comply with the law, to comply with the internal, community and international regulations for the protection of industrial and intellectual property, by not permitting counterfeiting, alteration, duplication, reproduction or diffusion, in any form and without right, of Furla's own creative asset by others, and of others' asset by Furla.

## **IV. REFERENCES**

This Code of Ethics is inspired by the ten principles of the United Nations Global Compact; indirectly, therefore, their reference are the international standards listed hereunder:

- Universal Declaration of Human Rights
- United Nations Guiding Principles for Business and Human Rights
- United Nations Guidelines on Women's Empowerment
- United Nations Convention on the Rights of the Child

- United Nations Convention Against Corruption
- Rio Declaration on Environment and Development
- OECD Guidelines
- International Labor Organization (ILO) 's Declaration on Fundamental Principles and Rights at Work
- Children's Rights and Business Principles.

Specifically for Italy, a country in which Furla has its roots, as well as its registered office, this Code of Ethics is recognized also as a tool aimed at preventing any infringement against Italian Legislative Decree 231/01 (Discipline of administrative responsibility legal entities, companies and associations also without legal personality, pursuant to Article 11 of the Law of 29 September 2000, No. 300). Reference is also made to Italian Legislative Decree no. 196/03 (Code regarding the protection of personal data) and Regulation (EU) 2016/679 and related implementing decrees.