

CODE OF ETHICS AND CONDUCT

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CLEVER STYLE S.r.l. (hereinafter referred to as "CLEVER STYLE" or "Company") is a small enterprise based in the Marche region in Italy. The Company is engaged in the production and marketing of clothing, knitwear, and knitted accessories. Such products are characterized by a **high added value for the final customer**, as well as by the capacity to **generate value within the supply chain**.

The expertise of the company, which operates in a B2B environment, spans from sub-contracted manufacturing to prototyping, commercial consultancy, support for pattern book, research and development for product innovation, identification of groundbreaking raw materials, pattern-making, quality control, logistics, sample warehouse management, and production.

The acceleration of **inclusive and sustainable development at a local level** is one of CLEVER STYLE's primary objectives. Its ambition is to enhance the well-being of the community in which it operates.

The Company is committed to adopting a holistic approach, aimed at the welfare of all the stakeholders involved at all levels. CLEVER STYLE pays specific attention to the ethical aspects related to business management, **respects the dignity of employees and collaborators**, adopts conscious commercial practices, ensures fair wages, gender equality and professional growth.



CLEVER STYLE's pledge extends to all tangible and intangible resources. Its corporate culture is grounded not only in the creation of high-quality items, but also in the **respect for the environment, the territory and the resources** exploited to realize a given product.

The Company's mission, which is reflected in its commercial and production strategies, is to **contribute to the rise of the Marche region as a recognized excellence hub for knitwear**. Such a condition was inner to the area during the 1960s/70s, but subsequently lost due to the offshoring phenomenon.

Against this background, CLEVER STYLE is committed to the creation of high-quality knitted products that are **ambassadors of the territory**, while embedding the **know-how of employees, partners, and suppliers**. At the same time, these tangible creations are meant to be **consistent with the customers' dreams and needs**, thanks to continuous research.

To ensure a very short supply chain and the creation of a "*km 0*" Made in Italy product, the Company works mainly with **suppliers and partners operating in the Marche region**. This makes it possible, on the one hand, to create a network with like-minded entities, enabling them to survive on the market and, on the other, to preserve local know-how, which has been handed down for generations.

Preliminary note

*The Code of Ethics and Conduct (hereinafter the "Code") has been conceived by CLEVER STYLE to clearly outline the **values, principles, and rules of conduct** by which all the Recipients, as identified below, must abide. The rules enshrined in this document shall guide the daily actions and the management of relations inside and outside the Company. CLEVER STYLE's reputation and image are based on the full capacity to align with the values embedded herein.*

*Compliance with this Code is considered an essential requirement for **effective and cautious company management**, in addition to civil, administrative, and criminal law provisions, mandatory regulations, collective bargaining, and the Company's internal procedures.*

*The Code is inspired by the main guidelines and regulations in force at the national and international levels on **corporate social responsibility (CSR), human rights, labor, and the environment**. It aims to shape the Company's activities under the values of loyalty, integrity, diligence, impartiality, fairness, and transparency. Within this regulatory framework, the Code aims not only to prevent crimes, even attempted, but also to recommend, promote or prohibit certain behaviors - beyond the legal provisions.*

This self-regulatory tool supports decision-making processes at all levels, shapes corporate strategy, guides innovation, promotes performance improvement and value creation.

*CLEVER STYLE seeks, indeed, to maintain and develop a **relationship of trust and dialogue with all its stakeholders**, as an essential condition to favor - among other things - customer loyalty, reliability of suppliers, agents and business brokers, the continuous growth of human resources working for the Company, development of a virtuous dialogue with local communities and institutions, transparent and correct management of relations with the Public Administration, truthfulness and completeness of information provided to the press, prevention of unlawful acts and crimes.*

The principles expressed in this Code represent a common and binding value base that must guide all Recipients in the performance of their duties. Hence, the belief of acting to the advantage or in the interest of CLEVER STYLE cannot in any way justify any misbehavior, in breach of the provisions illustrated below.



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1. GENERAL PRINCIPLES

1.1. Scope and Recipients

This Code is adopted by CLEVER STYLE and **governs all decisions and actions** in the Company's facilities, production plants, and warehouses.

The Code is binding for the **directors and all the members of the corporate bodies**, for **staff and employees** working to pursue the company objectives (including any permanent, temporary, part-time, on-call employees, etc.), as well as for **external collaborators** and **direct suppliers** in all the countries in which the Company operates (hereinafter "Recipients").

1.2. Recipients' obligations

Compliance with the Code must be considered an essential part of the Recipients' obligations. They are required to understand and respect the Code's provisions both in internal and external relations, and to contribute to its actual implementation.

Shareholders, directors of the Company, and top management specifically undertake to abide by the principles of the Code when setting the Company's objectives, considering investments and partnerships, implementing projects, and taking any decision related to the Company management.

Employees are expected to act professionally and proficiently in the performance of any task, ensuring integrity, loyalty, and mutual respect.

All Recipients shall:

- **be familiar and duly comply with the Code's provisions**, as well as with the laws and the Company policies concerning responsibility and ethical commitment at work, refraining from any misbehaviour.
- Promptly **report** any conducts that breach laws, regulations, and this Code.
- **Cooperate** in the control, inspection, and supervision activities.

Where there is a need to **manage and supervise teams**, the people in charge bear the following **additional responsibilities**:

- to promote a positive environment within the Company, through responsible leadership and guidance, in harmony with the Code's principles.
- To actively ensure the respect of the Code, so that workers are aware that the performance of their duties is not detached from compliance with the law or with the provisions contained in this document.
- To support colleagues when they ask questions and/or raise concerns about their own or others' actions. At the same time, make sure that no violations of the Code or the law occur.
- To ensure that any breach and/or suspected breach of the Code or the law is appropriately addressed as soon as they become aware of it.

1.3. Compliance with laws and regulations

CLEVER STYLE carries out its business under the principles of legality and legitimacy, and in compliance with the laws and regulations in force in all the countries in which it operates. Similarly, it ensures compliance with the Company's internal regulations and this Code.

1.4. Respect for the people

CLEVER STYLE recognises and protects the **fundamental and undisputable rights of its employees and partners**. The centrality of the person in the internal organisational system is considered the core value-generating factor.

The Company safeguards and upholds the right to self-determination, a decorous existence, personal freedom, as well as the protection of personal data. It also ensures equal opportunities and safeguards the physical, cultural, and moral integrity of all women and men with whom it has relations in any capacity.

Furthermore, it is committed to ensuring a **safe, healthy, fair, productive, non-discriminatory working environment**, in which everyone is valued according to their personal contribution, in a cohesive climate based on mutual trust. In particular:

- promotes **dialogue** and **active participation** of every employee, fostering a constant strengthening of organisational and relational skills.
- Supports the **enhancement of different professional skills, qualities, and attitudes**.
- Encourages the **development of new specialized skills**.
- Fosters **creativity, solidarity, cohesion, mutual trust, well-being, and autonomy** of each individual worker.



1.5. Respect for the environment

CLEVER STYLE is aware of the importance of the environment as a common resource and primary asset to be safeguarded. For the benefit of the community and future generations and with a view to sustainable development, it is committed to ensuring **continuous improvement in its business performance**, mindful of the impact of its production activities on the natural ecosystem.

Against this background, CLEVER STYLE runs its activities:

- Strictly complying with national and international environmental legislation.
- Making every effort to minimize the environmental impact of its production facilities by using energy-saving equipment and installing solar panels.
- Eliminating or minimizing environmental risks, taking advantage of technical progress.
- Controlling its production processes to monitor performance.
- Selecting high quality raw materials, with low environmental impact.
- Reducing the packaging.
- Managing pre-consumer and post-consumer waste in a circular way, and exploiting stocks to the maximum extent.
- Using materials in a circular way and promoting their recycling.

CLEVER STYLE also adheres to **RE.VER.SO.'s Pre-Consumer program**, through which it recovers textile waste, which is manually selected and transformed into regenerated yarns and fabrics.

In addition, the production processes have obtained the endorsement of the **Textile and Health Association**, following assessment according to the parameters of the voluntary certification system, which confirms the absence of hazardous substances.

1.6. Support to the community

CLEVER STYLE is committed to fostering the **social, cultural, environmental, and economic development** of the communities in which it operates.

The company actively supports a series of organisations, active at local and national level, that pursue **socio-cultural goals**, through sponsorships, donations, and charity activities. It also undertakes to carefully assess, according to its internal policies, any requests for contributions and sponsorships. The Company will only provide support to profit, or non-profit organizations and associations committed to solidarity, cultural, and social goals, in favor of the local community, the artistic, and cultural heritage.

Moreover, it actively encourages voluntary work and other forms of social commitment undertaken by employees. It condemns, on the other hand, any form of participation by the Recipients in associations whose purposes are prohibited by law and/or contrary to public order.



1.7. Commitment to free and fair competition

CLEVER STYLE recognises free and fair competition in a market economy as key elements for growth and continuous business improvement. It believes that, within this framework, the quality of its products could be further enhanced.

The Company acts in full compliance with national and European regulations, as well as related international laws, to protect competition and the free market.

In no case may the pursuit of the Company's interest justify any conducts that do not comply with the principles of fair competition.

1.8. Impartiality, conflict of interest¹, and independence

Fairness, objectivity, independence, and impartiality are fundamental principles that inspire CLEVER STYLE in its business conduct, at the core of its reputation.

In this perspective, the management of the Company and all related decisions (including, for instance, employees' supervision and work-flow organisation, supplier selection and management, relations with the community and Institutions, etc.), the Recipients must operate independently and in the interest of the company. They shall act following **professional rigour**, according to **neutral and unbiased assessment criteria**. They shall not tolerate corruption and/or collusive conducts, nor undue favouritism.

The Company establishes relationships of trust with the Recipients. In this framework, it is the primary duty of all individuals to use their working skills and the Company assets for the realisation of corporate interest. Recipients shall avoid any circumstance in which a conflict of interest may arise between personal economic activities and the duties covered within the Company.

Recipients are prevented from **taking advantage of their functional position within the Company for personal, family or friendship causes or the interest of other companies**.

Recipients must refrain from adopting or influencing, directly or indirectly (e.g., by attending meetings, accessing confidential information), decisions that could involve subjects or entities with whom there may be a possible conflict.

Recipients must refrain from any conduct that, by its nature, clashes with their duties or is otherwise likely to undermine the trust basis of their employment relationship. The **loyalty obligation** also translates into the ban to carry out activities for third parties, even if not in competition with CLEVER STYLE.

The Recipients undertake to promptly inform the Company, in the person of the CEO, should actual or potential conflict of interest arise, or should they become aware of such circumstances.

Conflict of interest, in addition to being contrary to the principles set out in this Code, is detrimental to the image, reputation and integrity of the Company, as well as financially damaging. Any conduct in breach of this provision shall therefore be sanctioned.

¹ A **conflict of interest** arises when an employee or administrator:

- Pursues an objective conflicting with the Company's ones.
- Acts to the detriment of the Company's interests.
- Carries out activities that may interfere with the Company's decision-making process.
- Benefits or attempts to benefit him/herself or his/her family or another third party while carrying out activities in the interest of the Company.

2. CORPORATE ASSETS AND INFORMATION

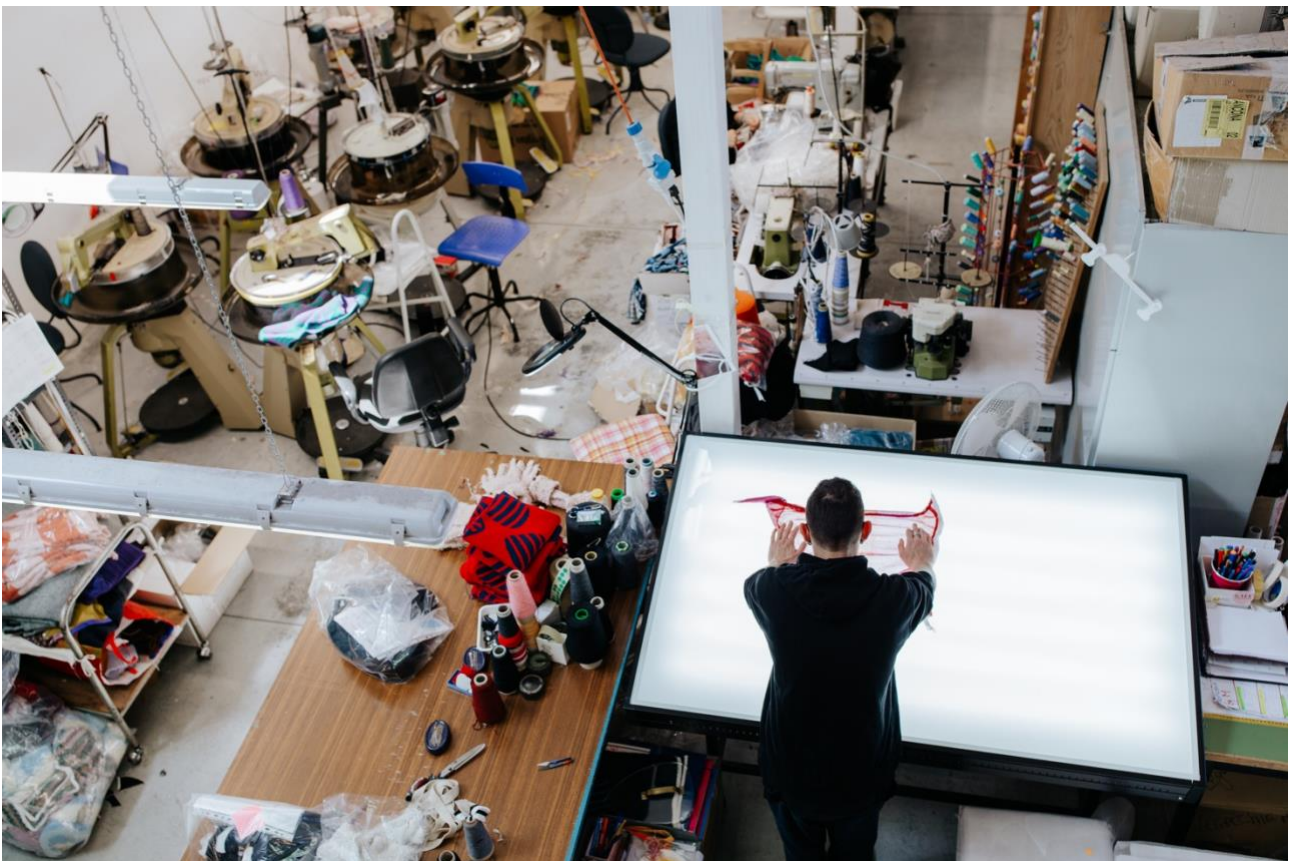
2.1. Protection of corporate assets

CLEVER STYLE owns or obtains for lease corporate assets that are essential for effective, efficient, and sustainable business management. These assets are both **tangible** - such as production facilities, vehicles, working tools, supplies, computers - and **intangible** - such as corporate image and reputation, data, information, intellectual property, software, hardware.

The Company provides each Recipient with different corporate assets and equipment for the performance of their duties and trusts that such assets will be handled carefully, **avoiding any misuse** or actions that may cause damage or reduce efficiency, or which conflict with Company interests.

Each Recipient has, therefore, the duty to protect and use the Company's tangible and intangible assets correctly and for the planned purposes only, adopting the appropriate measures to **safeguard the Company's resources** from any form (even attempted) of theft, loss, damage, abuse or unauthorised use, intrusion, sabotage, destruction, including illegal uses or other uses considered inappropriate from any point of view.

Personal use of Company assets is permitted provided that such use is consistent with Company policies and applicable laws. Such use must in any case be kept to a minimum and must not have any negative effect on productivity or on the working environment.



2.2. Intellectual property protection

Company know-how, intellectual property rights (registered or not), copyrighted works (such as software, databases, advertising creations and multimedia products), business strategies, trade secrets and other confidential internal information (such as industrial plans, strategic projects, marketing, pricing and sales data,

commercial and organizational reports) constitute an **extremely valuable asset** on which CLEVER STYLE's competitive strength is based.

The Company promotes and protects research, development and innovation activities and acts in full respect of intellectual property rights legitimately held by CLEVER STYLE itself and by third parties, as well as of laws, regulations, and conventions (also at European and/or international level) protecting such rights, which are considered as crucial factors for competitiveness and sustainability in a free market.

All Recipients are required to **respect and protect** the Company's intellectual property and to **prevent any violation** of third parties' IP rights.

Recipients must refrain from engaging in any conduct that may amount to a breach of intellectual property rights, alteration or counterfeiting of distinctive signs of industrial products, patents, industrial designs, or models, both domestic and foreign, or violation of intellectual property protected by copyright.

Furthermore, they must not allow third parties to use the intangible assets owned by CLEVER STYLE without the necessary authorizations and/or without a due license and/or confidentiality agreements.

2.3. Tradition and heritage

The Company, which is well-rooted in the craft and creative culture of the Marche region, embeds such "heritage" in all its products through the quality and research of materials, the evolution of creativity and traditional craftsmanship.

For its production processes, CLEVER STYLE makes extensive use of local craftsmen and makes the most of the *savoir-faire* of the Marche area in which the Company is based.

This knowledge and expertise, together with unique and excellent know-how, enable the Company to assist customers towards the realization of their "desires", both in stylistic and product-related terms.



2.4. Company archives

CLEVER STYLE has recently organized its archive, with the main goal of preserving, classifying, and making available to the public relevant evidence linked to the **creative activity of the Company over the last 30 years**.

This work is extremely valuable for professionals and scholars operating in contemporary fashion, as well as for experts committed to the study of *Made in Italy* products, students undergoing training and, more broadly, people interested in deepening the links between fashion and manufacturing activities. Indeed, the archive aims to become an open space, where the public can carry out an in-depth analysis of fashion products' evolution, assessing how cultural changes interact with the design, style, and image.

Furthermore, CLEVER STYLE is committed to promoting initiatives related to its philosophy and design culture, rooted in decades of history in the Marche region. Such activities will act as a driving force and professional stimulus for daily activities, in the wake of tradition.

2.5. Fairness, reliability, and transparency of corporate information

CLEVER STYLE believes that the accuracy, truthfulness, clarity, and reliability of both corporate information and financial statements are key. The Company's accounting records perform **internal and external verification functions**, according to the criteria mandated by law and accounting standards.

Therefore, CLEVER STYLE ensures that its accounts and financial statements **faithfully represent its assets, liabilities, financial position, profit, or loss**.

The Company implements rigorous, reliable, and effective procedures, also through advanced technologies, that support information flows. It also ensures that every action, operation, or transaction is reported and faithfully represented in the administrative/accounting systems. Each transaction shall be legitimate, consistent, and congruous, promptly and correctly recorded, as well as duly authorised and verifiable based on supporting documents. To this end, all documents shall be **adequately filed and ordered** according to consistent criteria and levels of responsibility, to ensure transparency and avoid false, misleading, or deceptive information.

CLEVER STYLE makes every effort, at all levels, to provide correct and truthful information on the Company's activities, assets, and operations, and to facilitate the internal and external control procedures by the competent bodies. The Recipients are required, within the scope of their functions, to actively collaborate in the accurate and effective functioning of the internal controls system.

CLEVER STYLE refrains from any conduct that may impair the transparency and traceability of financial statement information.

2.6. Proper use of IT tools

All data and information stored in the Company computer and technological systems, including e-mails, belong to CLEVER STYLE and shall be **used for the performance of Company activities only**, in compliance with internal policies.

Being aware of the importance of guaranteeing data confidentiality, CLEVER STYLE also **protects the information from unauthorised access and ensures data integrity**. Consequently, it requires all Recipients to behave properly and to avoid any form, even attempted, of undue intrusion or damage to data, computer, or technological systems belonging to the Company or any third party. At the same time, every Recipient shall comply with the regulations aimed at preventing or punishing computer crimes.

It is also forbidden to use any computer or technological programme on which third parties hold copyright, not having been previously licensed to the Company.

2.7. Secrecy, confidentiality, and privacy

CLEVER STYLE undertakes to ensure the confidentiality, secrecy, and integrity of information and refrains from using confidential data. The only exceptions relate to cases of express and informed consent and, in any case, in the strictest compliance with binding legislation on Privacy and data protection.

The Company adopts specific rules and procedures aimed at guaranteeing the **safekeeping, secrecy, and security of data**, and ensures the reliance upon reliable, safe, and protected ICT systems.

In the same vein, all Recipients undertake to process personal data in strict compliance both with the applicable laws and the best practices in the Privacy and data protection field.

Under the general obligation of loyalty referred to in Article 2105 of the Italian Civil Code, all Recipients must also refrain from using or disclosing confidential information that is not in the public domain, of which they have become aware because of their office and/or profession. Similarly, they are mandated to **fully respect non-disclosure agreements** signed by CLEVER STYLE with its business partners.

No Recipient may benefit in any way, directly or indirectly, personally, or financially, from the use of confidential or proprietary information related to the Company, its organisation, production methods, suppliers, customers, business partners or other third parties. The data shall not be transferred to third parties, and no person or business entity shall be recommended or encouraged to use such information.

Confidential information encompasses all manufacturing processes, sales techniques, customer lists, or price lists that, although not strictly covered by secrecy, influence the production cycle, as well as the product quality, and therefore, by their very nature, constitute a characterising and vital element for the company.

Such information must be kept absolutely confidential by all Recipients, except in circumstances where the disclosure of such information is authorised or mandated by the law.

Any communication to third parties of any information shall be made exclusively by authorised persons and, in any case, shall comply with the Company's internal policies and existing secrecy agreements.



2.8. Prevention of money laundering and fencing activities

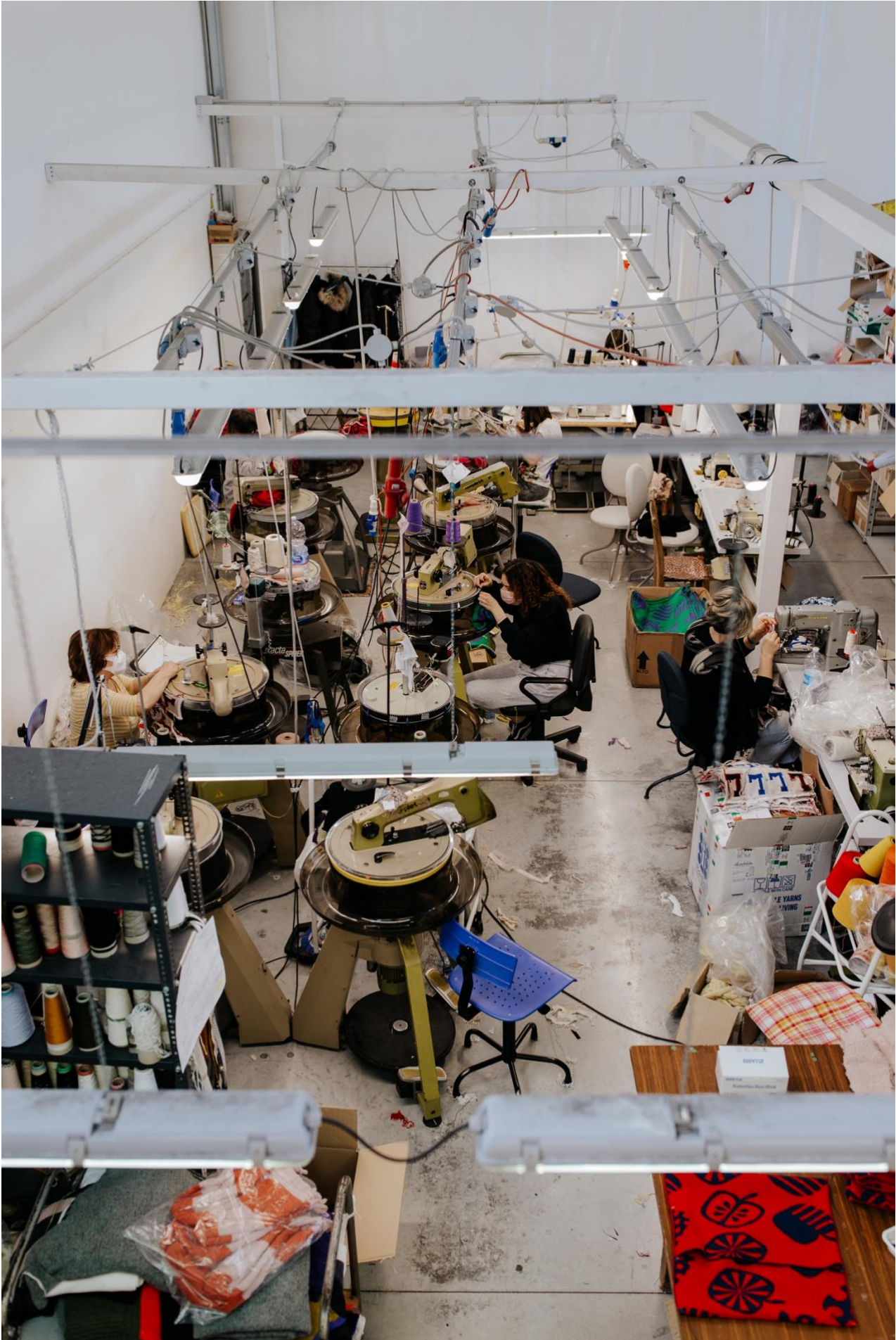
The principles of fairness and transparency inspire CLEVER STYLE business conducts. The Company refrains from and encounters all forms of the illegal economy. It strictly complies with national and international regulations aimed at preventing money laundering, self-laundering, fencing, as well as financing criminal activities and/or terrorism.

To this end, the Recipients must not, in any way or under any circumstances, be involved or implicated in operations that could, even potentially, favour money laundering and/or the laundering of proceeds from criminal and illegal activities.

In detail, they are required to:

- **carefully check the available information on counterparties** - especially if they are occasional business partners -, verify their identity, integrity, and reputation, to ensure the legitimacy of their activities.
- **Avoid entering or maintaining business / financial relations** where there is a reasonable doubt that the counterparties may engage in conduct amounting to the criminal offences referred to in the previous paragraph.
- **Immediately report unusual circumstances** - even potential - of which they become aware, so as to facilitate the prevention and punishment of the above-mentioned offences.
- **Make and accept payments in cash only within the thresholds and for the amounts allowed by law.** In any case, reduce as much as possible the use of cash or other bearer financial instruments, to ensure traceability of payments.
- Refrain from using anonymous bank or savings accounts or accounts bearing fictitious names.
- Ensure **maximum cooperation with the competent authorities** in preventing, reducing, and repressing counterfeiting and forgery of banknotes, coins, and any other means of payment.

In the management of financial flows, it is **forbidden to tolerate any irregularities** that, according to normal professional diligence, give rise to suspicions as to the legality and proper origin of the money received.



3. CONDUCT CRITERIA

3.1 RESPONSIBILITY TOWARDS EMPLOYEES

3.1.1 Non-discrimination

The Company rejects and takes all necessary steps to avoid any form of **discrimination**, whether carried out internally or externally, based on ethnic origin, skin color, gender, sexual orientation, religion, nationality, age, political opinion, trade union affiliation, marital status, different physical or mental ability or any other status or personal characteristics.

CLEVER STYLE takes every action to **prevent any form of discrimination, intimidation, threat, harassment, and/or abuse** (psychological, physical, and sexual) of any employee or collaborator.

The Company does not tolerate any form of harassment, sexual misconduct, or bullying, whether physical or verbal, carried out or attempted by an employee or partner.

3.1.2 Centrality of the company's human resources

The Company's recruitment, selection, development, and remuneration policies are based on the **recognition of merits** and are aimed at promoting and enhancing personal skills, motivation, and qualities.

The Company protects **legal work**, carried out in a healthy and safe environment. It rejects the use of forced, child, illegal, clandestine, or undeclared labor, as well as the use of workforce having experienced human trafficking violations, in Italy and/or in the other countries in which the Company operates. Personnel is hired with a regular employment contract, according to binding legislation and collective bargaining.

Before the employment relationship is established, each employee receives **adequate information** on the work conditions and remuneration parameters, so that the acceptance of the job is based on effective knowledge and awareness.

During the employment relationship, the Company encourages **skills development** processes, promotes participation in training courses for its staff, as well as on-the-job learning and the passing down of knowledge between operators of different generations.

The working environment is rooted in **mutual cooperation** and a climate of harmony and integrity, in order to foster mutual and profitable interdependence in the creation of value. The creation of cohesive, autonomous, and responsible groups, capable of solving problems, managing conflicts, promoting innovation, is also aimed at facilitating a more effective internal control system, as the conduct of individuals is reciprocally and positively influenced by colleagues, as well as inspired by shared ethical principles.

3.1.3 Work-life balance

CLEVER STYLE is aware of the positive effects of a proper balance between paid work and private and family life, in terms of personal and professional satisfaction - for both men and women - and, consequently, of company productivity.

Therefore, it promotes **work-life balance policies and tools**, with particular consideration to men and women with caring responsibilities or education commitments, to enable them to effectively reconcile their career and private life.

Such measures include, among others: part-time work; flexible entry and exit; time banking; self-management of shifts and substitutions within small groups; remote working; use of leave, including study leave, and parental leave; and re-employment opportunities for those who have left the labor market to care for children or relatives in need.

3.1.4 Inclusion and diversity

The Company sees the diversity of each worker as a success factor and constantly values their experience, skills, and qualities. CLEVER STYLE believes that uniqueness is a strategic advantage for **cultural enrichment and openness**, and encourages an inclusive work environment, rooted in collaboration and a sense of belonging. Consequently, it **invites each person to express themselves freely** to realise their potential and increase their motivation.

CLEVER STYLE particularly cares about the condition of **working women** and aims to ensure their widest and most effective participation, removing the obstacles that prevent their full inclusion in the labour market. Respectful of the history and cultural identity of its workers, it also supports the generative force of **younger generations** and combines tradition and innovation, creativity, and technology, past and present in its production activity, upholding the **intergenerational heritage**.

Lastly, the Company encourages the recruitment of unemployed persons, close to retirement, allowing them to accrue pension rights.

3.1.5 Fair wages

CLEVER STYLE complies with all laws and regulations relating to employees' remuneration and mandatory benefits. Employees are paid fairly and promptly, based on pre-determined and jointly agreed parameters.

3.1.6 Health and safety

CLEVER STYLE carries out **health surveillance** and acts in full compliance with the applicable health and safety regulations. CLEVER STYLE also guarantees **healthy working environments**, adopts all the preventive measures necessary to avoid putting the safety of workers at risk (carrying out regular maintenance of workplaces, equipment, installations and safety and protection devices) and adopts innovative technologies and systems to operate in safety.

Every work environment - offices, factories, warehouses, etc. - in which workers operate is technically and logistically configured and equipped to facilitate safe and decorous work, to avoid accidents or injuries that may be caused by or related to manipulation of work equipment.

Manual work is supported by mechanical equipment to increase productivity and to relieve the employee from excessively heavy and/or exhausting work.

The Company also undertakes to disseminate and consolidate a **culture of work safety**, increasing awareness of operational risks, ensuring compliance with mandatory regulations, and promoting safe and responsible behavior through detailed operating instructions.

The Recipients of this Code are required to thoroughly comply with legal obligations, procedures and internal regulations on risk prevention, health protection, safety and hygiene in the workplace pursuant to the provisions of the **Italian Legislative Decree 81/2008**. To protect themselves and others, all employees receive adequate initial and ongoing training.

Employees exposed to the greatest risks along the production line are provided with **personal protective equipment** (PPE), which must be used accurately and with care, reporting any specific defects or inconveniences.

Finally, the Recipients undertake to avoid any form of violence, either physical or verbal; they do not abuse alcoholic beverages and/or use drugs or any other substance that may prevent them from carrying out their work effectively, exposing themselves and others to a safety risk.

3.1.7 Freedom of trade union association and right to collective bargaining

CLEVER STYLE takes an open and constructive attitude towards trade union activities.

The company respects and recognizes the right of each employee to associate, organize or join a trade union, as well as to collectively and lawfully negotiate agreements, without being subjected to any interference, sanctions, retaliation, discrimination or harassment.

With the ultimate goal of protecting workers' rights, CLEVER STYLE is committed to and encourages good and continuous relations with trade union organizations, through the Company's authorized figures.

It does not favor nor discriminates, either directly or indirectly, any trade union organization.



3.2 RESPONSIBILITY TOWARDS EXTERNAL STAKEHOLDERS

3.2.1 Relations with Clients

In all relations with customers, Recipients follow the highest professional standards. Their behavior is oriented at fully satisfying customers' needs, with the aim of creating an **enduring and long-lasting relationship**.

The Company complies with the provisions on the **safety of materials and chemical substances**, while pursuing the continuous improvement of its products.

CLEVER STYLE undertakes to supply products that comply with industry standards and meet the expectations generated by advertising messages.

The Company undertakes to communicate with the Customers in an accurate, clear, truthful, and transparent way, accurately informing them about the characteristics, quantity, quality, origin, and provenance of the products offered, using a comprehensible language, and complying with the fashion sector's best practices. It does not resort to any deceptive, elusive, or incorrect behavior and always ensures equality and impartiality towards all Customers.

CLEVER STYLE commits to define **marketing and advertising messages** addressed to Customers with extreme care and sensitivity, so that they are in line with the Company's values, respect human dignity, are not discriminatory, do not recall violent conducts or dangerous behavioral models.

The Company ensures the correct and diligent fulfilment of all its contractual obligations. While pursuing continuous improvement, it establishes an open and dynamic dialogue with customers, paying the utmost attention to their suggestions and any complaints. Through a system of detection and management of **Customer Satisfaction**, it guarantees the timely adoption of the most appropriate preventive and corrective measures for any critical issues, through dedicated and competent professionals.

All information acquired as part of the activities carried out by / for customers must be considered confidential and may not be disclosed to third parties, nor used to obtain personal benefits, direct or indirect.

3.2.2 Relations with suppliers

CLEVER STYLE relies exclusively on suppliers who operate in compliance with binding regulations and with the rules embedded in this Code. Hence, its business relations are grounded on the principles of fairness, integrity, professionalism, transparency, legality, and impartiality. The broader purpose is to create **trustworthy and long-lasting relationships of trust**, as well as opportunities for mutual improvement.

The supplier selection criteria are inspired, first and foremost, by **territorial proximity and professional expertise**. This allows to shorten the value chain - which consists of 5 to 15 steps - and collaborate with experienced partners, in a climate of synergies and shared values.

To foster the local supply chain and improve supplier management, 80% of the manufacturing process is carried out by providers located in the Marche region. Raw materials are also largely purchased from Italian suppliers, except for excellences being produced in specific geographical areas (such as Shetland wool, Japanese fabrics, etc.).

To guarantee the stability of its business relations and with a view to **long-term partnerships**, the company **organizes its production activities in advance**, through medium-term planning shared with suppliers. This allows continuous coverage, even during the less busy periods of the year, from a production perspective. In addition, timely payment methods are adopted, in accordance with commercial agreements.

An accurate assessment of the quality, convenience and cost-effectiveness of the services is carried out for each supplier, as well as an analysis of their fairness and reliability. This allows guaranteeing excellent products and workmanship to the end customer, together with a **fair quality/price ratio**.

Business commitments and relations management with current and potential suppliers is carried out in compliance with the Company's directives on conflict of interest and confidentiality of information. Undue pressures, aimed at favoring one supplier to the detriment of another and such as to undermine the credibility and trust that the Company built in the market, as regards transparency and rigor in the application of the law and internal regulations, are not permitted or accepted. In no case shall a supplier be preferred because of personal relationships or advantages, other than those of the exclusive interest and benefit of the Company.

CLEVER STYLE does not take advantage of its contractual power to impose vexatious or excessively onerous conditions.

Finally, the Company ensures the **fairness and legitimacy of its business relations** and avoids starting or continuing affairs with suppliers suspected of belonging to and/or facilitating criminal organizations or whose behavior does not comply with the applicable rules and principles established in this Code.

3.2.3 Relations with competitors

CLEVER STYLE believes that it is of the utmost importance that the market is based on fair and equitable competition, which rewards innovation, product quality, craftsmanship, expertise, and efficiency.

The Company acts in **full compliance with national and European antitrust regulations**, as well as with relevant non-EU regulations, to protect competition and the free market. Furthermore, it undertakes to cooperate actively with competent authorities and not to deny, hide or delay the disclosure of any information requested during inspection activities or preliminary investigation procedures.

Any action or omission aimed at altering fair competition is contrary to the Company policy.

Consequently, each Recipient acting on behalf of the CLEVER STYLE must **refrain from implementing and/or encouraging unfair commercial practices**. These anti-competitive behaviours, meant to obtain unfair competitive advantages, include – among others – the following conducts:

- imitation of products or activities that are likely to create confusion with a competitor's business.
- Dissemination of news and/or comments that bring a competitor's activity into disrepute.
- Exaggerated and hyperbolic statements relating to the Company's own products, lacking a clear and unbiased basis.
- Voluntary infringements of intellectual property rights belonging to third parties.
- Appropriation of the merits of a competitor's product or business.

CLEVER STYLE shall not enter business relations with competitors or counterparties to engage in anti-competitive behaviour, including price-fixing or customers, suppliers, or markets sharing.

If Recipients become aware of potential antitrust violations, carried out either by the Company or its competitors, they must promptly inform the Administrative Board.



3.2.4 Relations with the Judicial Authority

CLEVER STYLE relations with the Judicial Authorities, administrative entities, or other public bodies are grounded on the principles of **accuracy, extensiveness, and truthfulness**. The Company also undertakes to comply with the rules established by Independent Public Authorities.

Relations with the Judicial Authorities and other institutions are managed exclusively by the Company representatives who have been entrusted to do so, according to the existing proxy system.

The Company's responses to the legitimate requests and orders issued by the Judicial Authority – either during legal proceedings, investigations, or inspections – shall be accurate and relevant.

Reticent, omissive, and misleading behaviours are forbidden, and so are the provision of deceptive documents, forged data, altered and falsified declarations. It is not allowed to conceal or destroy

information related to an investigation, whether it relates to proceedings in progress or proceedings that may be expected to start.

It is also forbidden to exert pressure of any kind on any persons called upon to testify before the Judicial Authority, to persuade them to make or refrain from conveying false statements.



3.2.5 Relations with associations

CLEVER STYLE supports **like-minded non-profit organizations** and **adheres to trade associations**, such as CNA, Confapi, Confartigianato, Tessilivari.

Cooperation with NGOs or associations, other than trade unions, is possible if their values can be traced back to the corporate mission or relate to initiatives of public interest. Furthermore, the allocation of resources shall be clear and properly reported. In any event, an express authorization from the entrusted corporate representatives, according to the existing proxy system, is always required.

The Company carefully evaluates which initiatives to back, based on the following criteria: reliability, conformity to CLEVER STYLE values and policies, and rejection of any conflict of interests (either personal or company-related).

Where **sponsorship** activities are undertaken, they must undergo thorough scrutiny on the honourability of the beneficiary and the event/initiative, as well as be based on specific agreements. These procedures, in compliance with existing laws, are meant to avoid funding counterparts who may belong to criminal organisations or be involved in money-laundering offences.

In no circumstances is it allowed to promise or grant any money, goods, or other benefits to entities of any kind to promote or favour the Company's interests.

3.2.6 Relations with the press and media

CLEVER STYLE's external communication activities are based on the principles of truthfulness, fairness, transparency, and prudence, in compliance with laws, regulations and this Code.

Disclosed information shall be unambiguous, undisputable, and consistent with each other.

Communication plays an important role in building and enhancing the Company's public image, as well as in the **promotion of the values that inspire the business activity**. Therefore, the Company's website and social media channels are managed and structured in compliance with this Code.

Relations with the press and the media are **managed exclusively by the people expressly entrusted to do so**, according to the existing corporate roles and tasks.

Any request for information addressed to employees or business partners from press or media agents shall be communicated to the persons in charge of external communication, without expressing any opinion.

CLEVER STYLE prohibits:

- in general, the disclosure or promise to disclose information concerning the Company, without specific authorisation from the dedicated corporate functions.
- The disclosure of "sensitive" information and/or false or misleading data concerning CLEVER STYLE, its competitors or other entities that established relations of any kind with the Company in the performance of its activities.
- any form of pressure aimed at obtaining favours from the press or media agents.

Relations with the media must be managed in compliance with the Company's directives on conflict of interest, protection of intellectual property, the confidentiality of information, and fair competition, as described in the previous sections.

3.2.7 Use of social media by Recipients

CLEVER STYLE is aware of the importance of social media as a relevant communication and business development tool. Therefore, it aims to optimise the opportunities deriving from social media platforms and undertakes to minimise the reputation risks that may arise from incorrect, irresponsible, or unconscious practices.

Considering that the Recipients of this Code are always ambassadors of the Company, CLEVER STYLE:

- acknowledges the Recipients' right to use social media for personal purposes, through their own private profiles.
- Encourages the Recipients to add a formal statement, such as *"The opinions expressed are my own and do not reflect CLEVER STYLE's view"*, and only share messages or thoughts that do not expose the Company to negative outcomes. Opinions expressed and activities carried out online must be conscious, not discriminatory, consistent with the Company values, respectful of the privacy and intellectual property rights of customers, colleagues, external collaborators, business partners, and competitors.
- Expressly forbids direct or indirect disclosure of the Company's confidential information, as well as the publication or dissemination of documents, photos, videos, images, and any other material belonging to the Company or anyhow related to its activities.
- Demands reporting to the CEO any comments (both positive and negative) found online that concern the Company, its people, or its activities.
- Has the right to hold its employees accountable for any economic or reputational damage arising from improper use of social media, contrary to this Code or company practices, both within and outside working hours.



4. ENFORCEMENT

4.1 Code dissemination

CLEVER STYLE is committed to **ensuring the widest possible dissemination** of this Code. It ensures awareness and requires compliance, through:

- Display on **notice boards** accessible to all staff and visitors in all Company locations.
- Publication on the **company website**.
- **Hyperlink** at the bottom of every company **email**.
- Hyperlink in **invoices and Transport Documents (D.D.T.)** referring to the company;
- **Training initiatives** at the time of the adoption, **and continuous learning** on the Code's contents and supporting initiatives, delivered by senior staff to diverse working groups.
- **Constant dissemination** and awareness raising initiatives at meetings, conventions, meetings, etc.

All Recipients are required to get familiar with this Code, share its principles and implement them, contributing, within the scope of their own responsibility, to its compliance, promotion, and dissemination.

4.2 Violations and sanctions

Compliance with the rules embedded in the Code must be considered an essential part of the contractual obligations to which all Recipients are bound.

Violation of the provisions of this document compromises the relationship of trust between the Company and the Recipients, amounting to a **breach of contractual obligations** arising from the employment relationship, professional collaboration, with all related legal consequences.

Should a violation of the provisions of this Code occur, appropriate and proportionate measures will be adopted. The sanctions will vary depending on the case and will be proportionate, within the boundaries established by the law and collective agreements at national level.

Violations may also legitimate an employee dismissal and give rise to a **claim for damages**.

The Board of Directors oversees the fulfilment of the obligations set by the Code.

4.3 Reporting methods

Should any Recipients become aware of alleged violations of this Code or appraise any conduct that does not comply with the rules embedded hereto, they must **promptly inform the Board of Directors**. The Board will carry out the necessary assessments and evaluations and, eventually, take appropriate measures.

Reports or complaints may be addressed also anonymously, **directly to the members of the Board of Directors**.

As an alternative, a report can be:

- posted in the **containers next to the notice boards**
- addressed to the following **e-mail account**: info@ideeinmaglia.it
- complaints in paper can be sent to the following physical address: **Via dell'Artigianato, 4/a, 60010 Casine di Ostra (AN)**.

Complaints may be signed or anonymous. For practical reasons, providing contact details would facilitate communication procedures to find further details and information during the investigation phase.

All information provided and the identity of the person making the report will only be shared with the responsible in charge of audits and investigations.

The Company undertakes to protect whistle-blowers from any form of discrimination, ensuring confidentiality - except for disclosure mandated by law.

All reports will be investigated. Depending on the case, qualified personnel or experts in the subject matter may be consulted. The latter must follow protocols and procedures that guarantee the integrity of the reports and protect the Company in the event of any legal action.

Under no circumstances shall Recipients independently investigate blatant or suspected violations of the Code. The Company guarantees that all cases will be handled until they are finally resolved and undertakes to **provide feedback on the outcome of investigations** to anyone who makes a report.

In the event of misconduct, appropriate action will be defined, regardless of the level or position of the person(s) involved.

Procedures for reporting and verifying violations are confidential and safeguarded.

No one may be downgraded, dismissed, suspended, threatened, harassed, or intimidated after reporting, in good faith, ethical misconduct or participating in a Code enforcement investigation.

Retaliation or discriminatory treatment against anyone who, in good faith, raises a concern about a possible Code violation, makes a report, or participates in an investigation will be subject to disciplinary action, which may include dismissal.

To safeguard CLEVER STYLE interests, people who make reports with malicious intent or gross misconduct that prove to be unfounded will be sanctioned.

4.4 Adoption of the Code, amendments, and updates

This Code was approved by the CLEVER STYLE Board of Directors, after a broad consultation with employees, on 24 November 2021.

Any amendments and/or updates to the Code will be approved by the Board of Directors, after a broad consultation with employees, and promptly communicated to the Recipients.



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