

CODE OF ETHICS

gruppoGabel



Pretti*

Vallesusa CS&C

Text approved by the Board of Directors of
Gabel Industria Tessile SpA
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Index

Summary

INTRODUCTION	4
1. GENERAL PRINCIPLES	6
1.1 Recipients	6
1.2 Principles and values.....	7
1.3 Commitments of the Gabel Group	8
1.4 Obligations for all Employees	9
1.5 Obligations for Department and Production Unit Supervisors	10
1.6 Validity of the CODE towards third parties	11
1.7 Value of the CODE for contractual purposes	11
1.8 Reference bodies.....	11
2. EXTERNAL RELATIONS	12
2.1 Relations with shareholders.....	12
2.2 Relations with customers.....	12
2.3 Relations with suppliers.....	12
2.4 Gifts.....	12
2.5 Relations with partners.....	13
2.6 Relations with the Public Administration.....	13
2.7 Relations with political parties and trade unions.....	13
2.8 Relations with competitors.....	13
3. COMMUNICATION AND INFORMATION.....	14
3.1 Privacy.....	14
3.2 The Ethics Committee	14
3.3 Sanctions	15
4. CONTRACTUAL REFERENCES.....	15
4.1 Working hours	15
4.2 Staff in Gabel and its operations offices	16

" Of course these values can only increase our sense of belonging and everyone's commitment towards their full respect, and so I ask you to follow our Code of Ethics strictly. Our path towards excellence and creating value for the company depends on the ability of each of us to support these principles in everyday business, aware that our ethical way of doing business depends on our reputation and the sustainability of our success. "

PRESIDENT

Michele Moltrasio



INTRODUCTION

Our history has always been intertwined with values such as quality, authenticity, integrity, excellence. Values which make our products unique and exclusive, an expression of our passion and commitment to the community in which we operate, generation after generation. Starting from the solid foundations of our past, today we aim to take a further step and embed our actions within a Code of Ethics that is a guarantee and reconfirmation of our values.

The goal is to inspire our behaviour, to state the principles that animate us every day, to reaffirm the culture and the set of values with strength in which, as a Group, we recognise ourselves.

The will therefore is to adopt this CODE OF ETHICS which summarises the principles and rules of conduct to which the activities of the company must be inspired, with the clear objective of forming a solid ethical integrity and a company philosophy that leads to compliance with existing law.

OUR VALUES

The leitmotif of the Gabel Group, hereinafter the Group, has always been a constant attention to total quality: from the creative idea to its realisation following all the production phases up to the sale in our physical and online stores.

The careful selection of raw materials, modern production lines, research and development and the ability to study unique styles are certainly the first step in creating collections with a strong, distinctive character.

We are a Group that places corporate social responsibility, sustainability, attention to and centrality of the customer at its core. We guarantee our consumers the use of dyes free of harmful substances in all products, thanks to a careful and constant verification of the entire production chain.

The values we believe in flow through a respect for the environment; all production activities always take place in full compliance with the strictest regulations on the subject, using only clean energy and through a policy of waste disposal processing in compliance with the most stringent regulations.

Attention to the environment also constantly pushes us to optimise water consumption and energy in our production cycles; we constantly develop and pursue new strategies for a more eco-sustainable company and with great attention to the surrounding area.

The Group's philosophy is based on long-term objectives, in continuity with the entrepreneurial thinking of its founder, on the basis of rigid founding ethics and a careful and rigorous governance in directing the management, intellectually prepared to face the above issues.

We summarise the main values we believe in:

Product : The product is at the center of all our activities and daily commitments. The Gabel Group will concentrate its efforts on innovation to generate superior quality products, perceived by people and customers as highly distinctive.

Brands: The brands of the Group are the identity of the company. The support of our brands will be pursued through the coherence of our products and the quality of communication.

Clients: Clients are our partners in achieving business success; we establish trustworthy relationships and collaborate with them in order to have a qualified presence in the market.

Profit: Profit is an important indicator of the health of the company and is a fundamental element for the creation of development and well-being.

Suppliers: Suppliers are carefully chosen to ensure the best possible service in compliance with the values and rules of the Code of Ethics.

Centrality of the person: Diversity and Inclusion. In line with its ethical vision, the Gabel Group intends to develop the value of each person, respecting their physical, cultural and moral integrity, as well as the right to interact and associate with others. The Group does not tolerate any form of discrimination or exclusion, among other things with regard to age, culture, ethnicity, nationality, religious belief, race, political opinion, marital status, pregnancy, veteran status, gender and sexual orientation, identity and/or expression of gender, genetic information, health or disability.

Labour protection : The Gabel Group guarantees the freedom of association of workers and recognises the right to collective bargaining. It makes the commitment not to take advantage of, even indirectly, either forced and mandatory labour, or of child labor.

Environmental protection: The Gabel Group's commitment to the Earth is aimed at safeguarding its abundance and beauty for present and future generations, with the aim of transmitting to them the values and traditions that support the long-term development of human and environmental communities.

Corruption and extortion: The Gabel Group makes the commitment to implement all the necessary measures to prevent and avoid corruption and bribery.

Diligence and fairness in contract management: Contracts and work assignments must be performed in accordance with what is knowingly established by the parties. It is standard practice, in the interest of the Group Gabel, to always request more than one quote in the search for the best service at the most correct cost.

1. GENERAL PRINCIPLES

1.1 Recipients

All subjects to whom the rules of this CODE apply to are identified as *recipients* within the CODE OF ETHICS:

1a- Directors and members of the corporate bodies of the company headed by the Group, directors, and finally to any persons in top positions who have a function of both internal and external representation or management (hereinafter *EXPONENTS*);

2a- all employees of the GROUP, including temporary workers, with part-time contracts, interns in various forms of contract or project (hereinafter *EMPLOYEES*).

3a- all those who, directly or indirectly, permanently or temporarily, maintain a relationship with the GROUP itself aimed at achieving the objectives of the Group itself (hereinafter *COLLABORATORS*).

The individual and collective behaviour of the Group's employees and collaborators must therefore be in harmony with company policies and must be concretely translated **into collaboration, social responsibility and compliance with current legislation following the standards of conduct identified here by the Code of Ethics**. The adoption of this Code completes and enriches the rules contained in the Company Regulations, and more precisely in the:

- Code of Conduct for Company Personnel;
- Company regulations for the use of the IT system;
- Procedures of the Quality Management System.

All recipients are required to know the Code of Ethics, to contribute to its implementation, to its improvement and its circulation. The Gabel Group undertakes to distribute to all employees and collaborators a copy of this Code and to circulate its contents and objectives.

1.2 Principles and values

The burden of implementing the concrete realisation of values and principles contained in the CODE OF ETHICS in the first place falls upon the *EXPONENTS*, ensuring full internal and external application with responsibility and firmly emphasising the trust, cohesion and spirit of the GROUP.

THE *EMPLOYEES* of the GROUP, without prejudice to and with full respect of the law and regulations in force, will align their actions and related behaviour to the PRINCIPLES, objectives and commitments contained in the CODE OF ETHICS.

To COLLABORATORS, it asks that all behaviour adopted in carrying out the tasks entrusted with the aim of achieving the objectives of the working activity must be inspired by total precision of management, truthfulness and transparency of information, diligence in carrying out their assignments in terms of time and dedication to the tasks and in the pursuit of shared objectives, respectful behaviour towards all individuals with whom they come into contact, whether they are internal or external to the Group. Collaborators shall contribute to the creation of a professional climate in which all colleagues feel positively involved in the confidential use of information deriving from the performance of their duties up to the truthfulness of the accounting records.

To specify the most important, the following behaviour shall be followed:

RESPONSIBILITY • provide the contracted service, consistently with the tasks, objectives and responsibilities assigned, without delegating decisions pertaining to them;

DILIGENCE • devote adequate resources, in terms of time and dedication to shared objectives and assigned tasks for the pursuit of the same objectives;

RESPECT • adopt a respectful and sensitive behaviour towards others;

COMPANY CLIMATE • contribute to the creation of a professional climate in which all colleagues feel positively involved in the achievement of corporate objectives;

HONESTY • use goods and resources made available in compliance with corporate requirements and protect their state and functioning;

CONFIDENTIALITY • information and any other material obtained in carrying out one's work belongs to the Group. The recipients undertake not to disclose, use or communicate information and/or any other kind of information, documents, data, etc., connected to the duties and operations of each task or responsibility which is confidential in nature, without specific authorisation;

CONFLICT OF INTEREST • avoid all situations and activities in which a conflict of interest may arise between personal economic activities and duties held within the Company or interests the Company itself;

HEALTH AND SAFETY • participate in the process of risk prevention, environmental protection and protection of health and safety towards oneself, colleagues and third parties.

ADMINISTRATIVE RESPONSIBILITY • transparency, accuracy and completeness of financial statement information bears particular significance. In this regard, each employee is required to collaborate so that the management facts are represented correctly. The information that flows into the periodic "reports" or accounting, both general and analytical, must comply with the principles of transparency, correctness, completeness and accuracy. Accounting records must be based on precise information, which is comprehensive and verifiable. Each entry in the accounting books must reflect the nature of the transaction, represent the facts and must be based on adequate supporting documentation in order to allow:

- easy accounting entry;
- identification of the different levels of responsibility;
- the accurate reconstruction of the operation.

1.3 Commitments of the Gabel Group

The Gabel Group commits itself to giving substance to the values and principles contained in the Code, taking on board internal and external responsibilities and by strengthening trust, cohesion and corporate spirit. It therefore engages in training/information regarding the contents of the Code with the objectives of:

- promoting and strengthening business culture around recognised values;
- disclosing the rules, procedures and practices to be followed;
- expanding the sharing of the basic principles of this Code.

The ethical standards of conduct that the Group intends to pursue are as follows:

- **equity and equality in the treatment and recognition of the value of human resources;**
- **diligence, transparency, honesty, confidentiality and impartiality in carrying out business activities;**
- **protection of the person and the environment**

The mission is to promote and guarantee the right to offer equal employment opportunities to all employees and collaborators on the basis of professional qualifications and performance capabilities, without discrimination, based on ethnicity, religion, opinion, nationality, sex, sexual orientation, age, physical and social conditions;

WORKING ENVIRONMENT • ensure that in internal and external working relationships, no place is given to sexual harassment or engaging in any conduct or initiatives that create an intimidating work environment, which is hostile or isolating towards individuals or groups of workers, and which negatively interferes with the execution of work performed by others or which hinders the prospects of work and/or career, for mere reasons of personal competitiveness;

DEVELOPMENT • develop the skills and competences of each employee and collaborator through training activities and refresher courses;

RESOURCE VALUE• guarantee fair treatment based on merit and competence criteria;

PRIVACY • protect information relating to employees and collaborators generated or acquired internally and outside the Group and to take all useful measures to avoid improper use of such information;

HEALTH AND SAFETY • promote and protect the health and safety of its employees and collaborators.

The Group guarantees, also through specific functions (ETHICS COMMITTEE "reference bodies"):

- the communication of the **CODE** to all *RECIPIENTS*;
- the updating of the **CODE** with a constant commitment to adapting it to the continuous evolution of civil society, in full compliance with the regulatory context and its evolution;
- the commitment to verify any report of violation of the rules of the **CODE**, for the purpose of guaranteeing full application and compliance with the designations;
- the assessment of the facts and the consequent formal notice, and in the event of an ascertained violation, of appropriate sanctions;
- that there are no retaliatory attitudes in general towards those who have notified possible violations of the **CODE**.

1.4 Obligations for all Employees

All *RECIPIENTS* are required to know the CODE OF ETHICS and to actively contribute to its implementation and when necessary to report situations of any shortcomings to the reference bodies. Furthermore, each Employee, when aware of conflicting situations with what is governed by the code itself, must promptly report to his/her direct superior. Every employee must provide professional contributions appropriate to the role held and the responsibilities that arise from it.

Group employees are obliged to observe the following rules:

- refrain from conduct contrary to these rules;
- contact their superiors or the Ethics Committee if they require clarification regarding the application of the rules themselves;

- immediately report to superiors or to the Ethics Committee any facts, learned directly or from others, in relation to possible violations or in relation to any request received for violation of the standards;
- follow the rules contained in the Code of Ethics regarding required employee behaviour, which integrates with civil and criminal laws in force and the obligations established by collective bargaining.

The violation of the rules of the Code damages the relationship of trust established with the Group and, when it is assessed as non-fulfilment of the contractual obligations of the employment relationship or of the professional collaboration, pursuant to Art. 2104 of the Civil Code, may lead to legal or criminal disciplinary action; in the most serious cases, the violation may lead to the termination of the employment relationship, when referred to an employee, or the interruption of the relationship, when referred to a collaborator or third party (supplier, etc.).

1.5 Obligations for the Heads of Department and Production Units

Each Head of Department, any subject who exercises any form of management or control of production units/business divisions, has the obligation to:

- maintain his/her conduct by conforming to the principles set out in the **CODE** and demand compliance with them by collaborators, supervising in this sense and applying the necessary measures to prevent any violations;
- work to ensure that their collaborators understand and share compliance with the regulations of the **CODE** along with the procedures and the resulting safety standards which form an essential part the quality of work;
- be accurate, within the limits of his/her competence, in the choice of internal and external collaborators that ensure total confidence in their commitment to observing the rules of the **CODE** and related procedures;
- implement corrective measures when required by the situation.

MEASURES AGAINST EXECUTIVES: In case of violation, on the part of executives, of the provisions of the Code of Ethics or the adoption, in carrying out activities in the areas at risk, of non-compliant behaviour with respect to the provisions of the Code itself, or in cases in which the manager consents (by either hierarchical or functional collaborators) behaviour that does not comply with the above described and/or in violation of the same, the most suitable measures will be applied in accordance with what is required by current contractual and legal regulations.

- company assets: as regards to the management of company benefits - (such as cars, PCs, smartphones etc.) must be managed with common sense and attention, as expected by a "good family man", in the use of any benefit furnished by the Gabel Group.
- as regards to the use of payment services aimed at employment activity, he/she shall behave in compliance with the principle of a "good family man". By way of example but not limited to such, are flights which must be booked in time to take advantage of the

best fares, this applies also to hotels and car parks, which will be chosen with established agreements or within the predetermined cost range.

1.6 Validity of the **CODE** towards third parties

All **Recipients**, by virtue of their skills and/or functions, must, in the case of relationships with external parties:

- adequately inform them about the obligations imposed by the **CODE**;
- demand compliance with the **CODE** in carrying out their activity;
- in case of non-compliance with the obligations by third parties with regard to the rules contained in the **CODE**, take the appropriate measures.

1.7 Value of the **CODE** for contractual purposes

Compliance with the rules of the **CODE** is considered an integral part of the obligations of Group Employees (pursuant to Article 2104 of the Italian Civil Code).

Violation of the norms of the **CODE** is considered 'non-fulfilment of the obligations of the employment relationship' or a 'disciplinary offence', with the respective legal consequences, including, when necessary, termination of the relationship of work, and may take the form of legal action for compensation for any damages deriving from the violations themselves.

For those who are external Recipients (non-Employees), non-compliance with the **CODE** precludes the continuation of the existing professional/collaborative relationship.

1.8 Reference body

The competent body for the application of the **CODE** is:

The **Ethics Committee**, with the following task:

communicate and promote knowledge of the **CODE** within the Group in the following ways:

- transmission with delivery of a copy, also in electronic format, of the **CODE** to all Employees and collection of the confirmation of receipt;
- posting of the **CODE** on the bulletin board;
- publication of the **CODE** on the Company website;

It must also take the appropriate measures in case of ascertained violation of the rules of behaviour.

2. RELATIONS WITH THE OUTSIDE

As part of the Group's operations, we are committed to meeting the highest standards of moral integrity, in accordance with national and international laws on the fight against corruption.

We condemn the exploitation of child labour and all forms of exploitation of women and men.

We consider corruption an obstacle to fair competition and we therefore follow procedures to maintain serious behaviour; we will not initiate or continue any relationship with anyone who does not intend to align with such principles.

We make the commitment to refuse to receive stolen goods or money laundering from criminal activities, to verify, as a preliminary step, the information available on our suppliers to ascertain their respectability.

2.1 Relations with shareholders

We aim to maximise the value of the company for our shareholders.

The communication of false news and the abuse of privileged information is prohibited, committing ourselves so that it remains out of the public domain in strict compliance with the regulations on management of confidential information.

2.2 Relations with customers

We are committed to respecting the defined agreements and establishing trustworthy and collaborative relationships, participating in the resolution of any problems, always providing truthful information and guaranteeing the utmost service.

2.3 Relations with suppliers

We select our suppliers not only on the basis of economic suitability, but also by carefully examining quality, in the service of and compliant with current regulations on safety, protection of workers, as well as financial strength.

2.4 Gifts

Accepting or offering, directly or indirectly, commercial courtesies, such as gifts, payments and benefits, only when they are such that they cannot be interpreted as aimed at acquiring advantages for self-interest or for the Company in an improper way.

2.5 Relations with partners

As part of commercial initiatives with other companies, Gabel Group undertakes to verify the reputation, moral integrity, professionalism and the legality of the activities carried out.

2.6 Relations with the Public Administration

The Group manages its business in a spirit of full cooperation with all the institutions, the authorities of vigilance, always ensuring maximum transparency and truthfulness and recognising and respecting their roles.

By way of example, it is forbidden to promise or offer sums, material goods or other benefits to public officials or persons in charge of public service in order to improperly influence their decisions. Furthermore, it is forbidden to supply, promise to supply, solicit or obtain confidential information and documents which compromise the integrity or reputation of one or both parties.

2.7 Relations with political parties and trade union organisations

The Group promotes dialogue with all trade union organisations and does not make direct or indirect contributions to political parties, political or trade union organisations.

2.8 Relations with competitors

We operate in the national and international marketplace in full compliance with competition and national laws and supranational organisations that protect it.

Ethically and professionally incorrect initiatives aimed at obtaining illicit advantages and/or damaging the rules that govern the free market are prohibited.

3. COMMUNICATION AND INFORMATION

All corporate communications with the media (newspapers, television, radio and digital) are managed in a coordinated manner by the Group exclusively by the functions officially appointed.

We are committed to using all means of communication correctly and responsibly, ensuring maximum protection of the Group's image and reputation.

3.1 Privacy

We collect personal data in the course of our business which we make the commitment to process in compliance with all applicable laws and regulations on the subject.

Information on the processing of personal data for commercial purposes pursuant to Article 13 of the Legislative Decree 196/2003 and art. 13 EU Regulation 2016/679 (GDPR - general regulation on the protection of data) is available on the company website.

3.2 The Ethics Committee

The committee is established by the Board of Directors and remains in office for the period established in the appointment.

The Ethics Committee is identified with the function of examining the reports of possible violations, proceeding with the appropriate investigations followed by assessing and communicating the nature and the severity of the code violation to the Managing Director.

The Ethics Committee, as guarantor of the code (pursuant to Legislative Decree 231/2001), assumes the function of reference for the interpretation of relevant aspects of the Code itself.

It has the task of ensuring the application of the principles of the Code of Ethics, examining and managing of any reports and requests for clarification.

The Gabel Group intends to encourage all recipients to report violations (alleged or actual) to the Ethics Committee.

Reports can be sent by e-mail to the address: comitato.etico@gabelgroup.com or by formal letter to the address: via XX Settembre, 35 - 220169 Rovellasca.

to the attention of the GABEL GROUP ETHICS COMMITTEE, indicating on the envelope: RESERVED, DO NOT OPEN

The Ethics Committee will examine all the reports received and will start investigations also using the support of other Group functions and, if confirmed, will act with corrective and/or disciplinary measures, legal action and all that is deemed necessary, guaranteeing maximum confidentiality on the identity of whom has reported.

Any form of retaliation or discrimination against the person making the report is forbidden and will be sanctioned if occurs.

3.3 Sanctions

No conduct that is illegal or in violation of the principles of the Code of Ethics, illegitimate or incorrect, shall be justified; non-compliance with these principles and rules of conduct will be sanctioned with the opening of the foreseen disciplinary procedures.

4. CONTRACTUAL REFERENCES

CCNL Textile Clothing Fashion integrated into company contractual bargaining.

The salaries paid by the employer to the workers, which correspond to the work performed, are provided in compliance with the laws, the base pay and the various employment levels within the collective bargaining agreement.

The company adopts

- the principle of equal treatment without distinction of a person's race and ethnic origin;
- equal treatment of workers assigned to the same duties;
- a non-discriminatory wage policy for male and female workers;

and pays, in relation to the tasks performed, differentiated super-minimums, in favour of some workers, by virtue of particular merits.

The salary is paid on a fixed monthly basis.

The company delivers to its employees (workers, clerks and managers), upon payment of the salary, a pay schedule.

Salary slips are delivered in a sealed envelope or by non-certified e-mail.

4.1 Working hours

The working hours are normally 40 hours per week and normally 8 hours per day, distributed over the first 5 days of the week.

In the organization of work, shifts and night work is adopted.

Part-time work: this may concern the staff within departments and offices.

4.2 Staff numbers in Gabel and the operational offices

Reference year 2021: (situation in May 2021)

TOTAL STAFF	341 of which women 202 men 139
RESIDENTS IN LOMBARDY	262
AVERAGE AGE	46
AVERAGE SENIORITY OF SERVICE	13.5
RECRUITMENT from 01/2019 to 04/2021	85 of which 71 women and 14 men
TERMINATIONS from 01/2019 to 04/2021	88 of which 58 women and 30 men
over 40 years of service	9
from 30 to 39 years of service	6
20 to 30 years of service	11

PRODUCTION UNITS 3

Rovellasca
Nova Milanese
Buglio in Monte

STORES 37 of which 23 in Lombardy

Bagnolo
Boretto
Busnago
Corsico
Milan Corso Genova
Milan Corso San Gottardo
Milan Piazza Naples
Milan Via Piero della Francesca
Milan Corso Vercelli
Rescaldina
Rodengo Saiano
Voghera
Rovellasca
Grass
Segrate
Curno
Tradate
Gallarate
San Giuliano Milanese
San Vittore Olona
Nova Milanese
Mornago
Buglio in Monte

DEPARTMENT STORE 'CORNERS' 10 of which 3 in Lombardy

Coin Milan

Rinascente Milan
Coin Bergamo

NEW STORE OPENINGS year 2020

Fidenza
Rescaldina
Bologna
San Giuliano Milanese

NEW STORE OPENINGS year 2021

Boretto
Gallarate (opening soon)

At this date, the Gabel Group has 341 employees, mostly women (59%).

Particular attention is shown to the needs of disabled and pregnant employees. The company has, in fact, decided to dedicate the parking spaces closest to the entrances to them. Such spaces will be identified with different colours: yellow for the disabled and pink for pregnant women.

Furthermore, the Company has decided to use a room on the ground floor, adjacent to the entrance, as a common area for employees who have temporary mobility difficulties, where it is possible to carry out their work; it was also decided to name this room "GABELperTUTTI". Access to this room shall be in agreement with the employee's superior and by booking the work-station.