



**MISSONI**

ORGANISATIONAL  
AND MANAGEMENT MODEL

Revision 03

**MISSONI S.P.A.**

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**ORGANISATIONAL AND MANAGEMENT MODEL  
PURSUANT TO LEGISLATIVE DECREE  
NO. 231 OF 8 JUNE 2001**

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## CHAPTER 1.

### DESCRIPTION OF THE REGULATORY FRAMEWORK

#### 1.1 The administrative liability of Entities

Legislative Decree no. 231 of 8 June 2001, containing the "Provisions on the administrative liability of legal persons, companies and associations, including those without legal status", pursuant to article 11 of Law no. 300 of 29 September 2000, (hereinafter referred to as the "**Decree**"), introduced into the Italian legal order a regime of administrative liability (substantially involving criminal liability) applicable to "Entities" (intended as companies, associations, consortia, etc.) hereinafter referred to as "Entities" for a number of specific offences committed in the interest or for the benefit of the Entity by:

- natural persons holding representation, administration or management positions in the Entity or in a financially and functionally independent organisational unit thereof;
- natural persons who exercise, also de facto, powers of management and control in the Entity;
- natural persons subject to the management or supervision of one of the persons indicated above.

#### **This liability supplements the liability (criminal) of the individual who actually commits the offence.**

With the implementation of the Decree, Italy aligned its national legislation on the liability of legal persons, with the international agreements to which Italy had already been party<sup>1</sup>.

#### 1.1.1 The sanctions

The sanctions applied<sup>2</sup> against the Entity, as a result of the commission or attempted commission of the aforesaid offences, are:

- monetary fines (up to EUR 1.5 million);
- debarment sanctions, such as disqualification from business activities, suspension or revocation of licenses or concessions, prohibition on formal dealings with the Public Administration, exclusion from or revocation of funding and contributions, prohibition of advertising goods and services;
- confiscation (and seizure - attachment - in the interlocutory stage) of the proceeds of the crime obtained by the Entity, even by equivalents;
- Publication of the judgement (in the event of application of an interdictive sanction<sup>3</sup>).

#### 1.1.2 Types of offence

The types of offences of relevance for purposes of the Decree, as amended, may be included in the following categories:

- offences Against the Public Administration<sup>4</sup>;
- computer crimes and illegal processing of data<sup>5</sup>;
- organised crime offences<sup>6</sup>;
- crimes against public trust<sup>7</sup> such as counterfeiting of currency, public credit notes, official stamps, and identification instruments or marks;
- offences against industry and commerce<sup>8</sup>;
- corporate offences<sup>9</sup>;
- offences for the purposes of terrorism or subversion of democratic order<sup>10</sup>;
- female genital mutilation<sup>11</sup>;

<sup>1</sup> These are, specifically: 1) the *Brussels Convention of the European Community of 26 July 1995* on the protection of financial interests; 2) the *Convention of 26 May 1997* on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, also signed in Brussels; and 3) the *OECD Convention of 17 December 1997* on combating bribery of foreign public officials in international business transactions.

<sup>2</sup> Art. 9 et sequitur, Chapter I, Section II "General Sanctions" of the Decree.

<sup>3</sup> Article 18, Section II mentioned above.

<sup>4</sup> Articles 24 and 25, Chapter I, Section III "Administrative liability for offences" of the Decree.

<sup>5</sup> Article 24-bis, Section III mentioned above.

<sup>6</sup> Article 24-ter, Section III mentioned above.

<sup>7</sup> Article 25-bis, Section III mentioned above.

<sup>8</sup> Article 25-bis1, Section III mentioned above.

<sup>9</sup> Article 25-ter, Section III mentioned above.

<sup>10</sup> Article 25-quater, Section III mentioned above.

<sup>11</sup> Article 25-quarter1, Section III mentioned above.

- criminal offences against individuals, such as the exploitation of child prostitution, child pornography even on the Web, solicitation of minors, trafficking of human beings and enslavement or keeping persons enslaved<sup>12</sup>;
- market abuse<sup>13</sup>;
- manslaughter and serious or very serious negligent injury in breach of workplace health and safety laws<sup>14</sup>;
- receiving stolen goods and money-laundering and use of money, goods or assets of criminal origin, as well as self-laundering<sup>15</sup>;
- offences relating to instruments of payment other than cash<sup>16</sup>;
- offences concerning copyright infringement<sup>17</sup>;
- coercion not to make statements or to make untrue statements to the judicial authority<sup>18</sup>;
- environmental offences<sup>19</sup>;
- commission of the offence of employing illegal aliens, when this constitutes a crime<sup>20</sup>;
- transnational crimes<sup>21</sup>;
- offences of aiding and abetting illegal entry and illegal stay<sup>22</sup>;
- racism and xenophobia<sup>23</sup>;
- offences of fraud in sports competitions and illegal gambling or betting<sup>24</sup>;
- tax offences<sup>25</sup>;
- smuggling offences<sup>26</sup>
- offences against cultural heritage<sup>27</sup>
- laundering of cultural assets and devastation and plundering of cultural and landscape assets<sup>28</sup>.

### 1.1.3 Commission of offences abroad

The criminal liability provided by the above Decree also applies to offences committed abroad in the cases provided by articles 7, 8, 9 e 10 of the Criminal Code, and provided that the country in which the offence was committed does not initiate proceedings in respect of such offences

## 1.2 The introduction of the "Organisational and Management Model" representing the rules of conduct the company follows to prevent the commission of the offences provided by the Decree, insofar as possible.

Article 6 of the Decree introduces a particular form of exemption of the liability in question if the Entity is able to prove:

- a) to have adopted and effectively implemented through the managing body, prior to the commission of an offence, organisation and management models suitable for preventing offences of the type that occurred;
- b) an internal supervisory body with independent powers of initiative and control has been tasked with supervising the operation of and compliance with the models, and updating them;
- c) that the persons who committed the offence acted by fraudulently circumventing the above organisation and management models;
- d) there has not been any omitted or insufficient supervision by the body specified in lett. b) above.

The Decree also provides that the models specified by letter a) should comply with the following requirements:

1. identification of the areas at risk with respect to the commission of the offences provided by the Decree;
2. to put in place specific protocols that can guide the process of formulating and implementing the entity's decisions in relation to the offences to be prevented;

<sup>12</sup>Article 25-quinquies, Section III mentioned above.

<sup>13</sup>Article 25-sexies, Section III mentioned above.

<sup>14</sup>Article 25-septies, Section III mentioned above.

<sup>15</sup>Article 25-octies, Section III mentioned above.

<sup>16</sup>Article 25-octies 1, Section III mentioned above.

<sup>17</sup>Article 25-novies, Section III mentioned above.

<sup>18</sup>Article 25-decies, Section III mentioned above.

<sup>19</sup>Article 25-undecies, Section III mentioned above.

<sup>20</sup>Article 25-duodecies, Section III mentioned above.

<sup>21</sup>Law No. 146 of 16 March 2006.

<sup>22</sup>Article 25-duodecies, Section III mentioned above.

<sup>23</sup>Article 25-terdecies, Section III mentioned above.

<sup>24</sup>Article 25-quaterdecies, Section III mentioned above.

<sup>25</sup>Article 25-quinquiesdecies, Section III mentioned above.

<sup>26</sup>Article 25-sexiesdecies, Section III mentioned above.

<sup>27</sup>Article 25-septiesdecies, Section III mentioned above.

<sup>28</sup>Article 25-duodevicies, Section III mentioned above.

3. to define procedures for identifying and managing the company's financial resources to prevent such offences from being committed;
4. establish reporting obligations to the body responsible for monitoring model operation and compliance;
5. configure an internal disciplinary system fit to punish any failed compliance with the measures indicated under the model.

The Decree provides that organisation and management models may be adopted, guaranteeing the above requirements, on the basis of guidelines, published by representative trade associations, considered to be suitable by the competent Ministries.

### 1.3 The Guidelines published by Confindustria

In 2002, Confindustria issued its "Guidelines for the creation of organizational, management and control models pursuant to Legislative Decree 231/01" ("Guidelines"), subsequently updated over the years, which may be summarized as follows:

- identification of areas of risk, aimed at verifying in which area/sector of the company it is possible to commit the offences provided by the Decree;
- preparation of a control system that is able to prevent the risks of committing the aforesaid offences through the introduction of specific protocols.

The Guidelines therefore constitute specific directives that should be followed in the process of introducing and implementing the organisational, management and control model pursuant to Legislative Decree 231/01.



## CHAPTER 2.

### DESCRIPTION OF THE COMPANY REALITY - ASPECTS OF THE GOVERNANCE MODEL

#### 2.1 Company Business

MISSONI S.p.A. (hereinafter referred to as the "Company" or "Missoni") is a company established under Italian law with registered office in Sumirago (VA), that operates in the field of fashion, clothing, luxury accessories and furniture and accessories for the home; more specifically, the Company operates:

- (for the fashion, clothing and luxury accessories sector) at its Sumirago, Albusciago, Menzago and Albizzate facilities, where production development and planning are carried out, even through subcontractors. In particular, production includes the procurement of raw materials (i.e., yarns) that are processed by dyeing, weaving and finishing, as well as the production of paper patterns, samples and prototypes including the packaging of the finished product.
- (for the furniture and "Home" accessories sector) at its Golasecca (VA) facility, where the manufacturing activity takes place, which includes the following phases, also through work provided by and management of subcontractors: procurement of raw materials (i.e., yarns), that are processed by dyeing, weaving and finishing, samples and prototypes, creation of the goods, packaging of the finished product.

The administrative processes are performed in the local units in Milan and there are also showrooms.

Marketing takes place throughout the world through its own sales outlets, online, or by transfer to its foreign subsidiaries or distributors.

#### 2.2 Description of the corporate structure

##### 2.2.1 Organisational structure

The organisational structure of the Company is shown in the attached organisation chart (Annex 1). The most important functions to identify the *process owners* are indicated below.

##### Board of Directors

The Board of Directors is vested with all the powers of ordinary and extraordinary administration to attain the corporate purpose, in accordance with the provisions of the Articles of Association.

##### Chief Executive Officer (CEO)

The Chief Executive Officer is vested with specific powers of legal representation, signing powers, banking powers, within the limits provided by the powers granted thereto by the Board. The Chief Executive Officer supervises the performance of company activities, and coordinates the Company's operational departments.

##### Creative Fashion Department

The department is responsible for designing and producing the collections of the different lines.

##### Design Sport / Home

These departments are responsible for processes of design and planning for the sport and Home lines.

##### Missoni Home BU

This department is responsible for the creation and development of "Home" products.

##### Archive

This department is responsible for cataloguing and the historical archive of the collections.

##### Chief Services Officer

This department is responsible for the legal and administrative support services for the company's activities and coordinates the relevant functions, which have responsibility

##### Finance & Accounting



This department ensures that mandatory accounts and corporate books are kept in compliance with national corporate and tax regulations and accounting principles. In particular, this department is responsible for the following services:

- preparation of the annual financial statements;
- preparation of the budgets;
- preparation of periodic economic and financial statements;
- preparation of periodic and annual tax returns;
- treasury management.

#### Head of Legal Department

The Head of Legal Department supervises contractual and legal issues in general; more specifically this department:

- (i) manages the preparation of the necessary documentation and verifies compliance with applicable regulations for authorisation processes;
- (ii) manages the drafting of contracts;
- (iii) manages issues related to litigation;
- (iv) monitors compliance with intellectual property law
- (v) manages corporate issues.

#### Management Control

This department is responsible for controlling costs and general performance.

#### HR Manager

This function is responsible for the management of personnel and remuneration policies.

#### Sustainability

The function is responsible for identifying and implementing corporate processes/behaviours with a view to a constant and growing focus on ESG issues

#### Head of Business & Omnichannel Innovation

This function is responsible for the processes of innovation, digitisation and IT.

#### Director of Property, Facility & Logistics

This function supervises the management of general services, such as doorkeeping, security services, cleaning contracts, maintenance of buildings and shops, maintenance of production plants and machinery; this function is also responsible for the study, design and acquisition of new plants, extraordinary maintenance, and technical support for the opening of new shops. Moreover, the function ensures compliance with workplace safety regulations and is responsible for logistics.

#### CHIEF SALES & MARKETING

This department is responsible for communications and marketing through different channels (press, digital, etc.), publishing, PR in general, preparation and production of fashion shows and events, shows, relations with celebrities, and special communication projects. It is also responsible for sales through the various channels used by the company (direct retail, franchising, e-commerce, multi-brand).

#### Operations

The department is responsible for production (planning, scheduling, purchases), industrialisation, related development processes and the creation of prototypes.

#### Merchandising Department

This department assists the Sales and Creative Departments to identify the most appropriate methods of product development and placement on the market, including visual merchandising activities (window dressing and store visuals).

#### Retail

This department is responsible for the management of the physical stores.

APAC

This department is responsible for development and penetration activities on the Asian market.

USA

This department is responsible for market development and penetration in the US.

## CHAPTER 3.

### ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL AND PREPARATION METHODOLOGY

#### 3.1 Methodology

The introduction of an organizational, management and control Model complying with the Decree (hereinafter also referred to as the "Model"), and the Code of Ethics (Annex 2, hereinafter also referred to as the "Code"), do not only exempt the Company's liability with respect to the commission of certain types of crime, but is also an act of corporate responsibility of Missoni, to the benefit of all stakeholders: shareholders, users, employees, creditors and anyone else whose interests are linked to the success of the Company.

The introduction of an efficient and effective control system, and the establishment and disclosure of ethical principles, on one hand increases the trust and excellent reputation that Missoni enjoys with third parties (which are "assets" that are increasingly valuable to the company) and, above all, has a regulatory function. These instruments indeed help to regulate the behaviour and decisions of persons who work in the name or on behalf of the Company every day in accordance with the above ethical principles and *standards of conduct*.

Missoni has therefore taken measures to ensure that its organisational model complies with the requirements of the Decree and the indications contained in the Guidelines. To this end, a process has been started to prepare the Model (hereinafter the "Project"), taking into account Missoni's business reality and the types of offences that fall under the scope of application of the Decree.

The methodology chosen to implement the Project, in terms of organisation, the definition of operating methods, structuring in phases and the allocation of responsibilities to different various company departments, has been developed in order to guarantee high quality and authoritative results. The Project was divided into the following phases:

Phases	Activity
Phase 1	<b>Start-up of the Project and identification of the processes and activities in which the offences within the meaning of Legislative Decree 231/01 may be committed</b> Obtaining and analysis of documentation, and preliminary identification of the processes/activities in which the offences specified by the Decree may theoretically be committed (so-called "sensitive" processes/activities).
Phase 2	<b>Identification of key officers</b> Identification of the key officers, namely Company personnel who, given their duties and responsibilities, have a thorough knowledge of sensitive areas/activities, and the control mechanisms currently in place, in order to determine the areas of intervention and define a detailed plan for interviews.
Phase 3	<b>Analytical identification of sensitive activities and processes</b> Identification and analysis of sensitive activities and processes and the control mechanisms in place, above all as regards preventive controls and other compliance aspects/activities.
Phase 4	<b>Identification of Control Protocols</b> Identification of the organisational requirements that characterise an appropriate organisational, management and control model within the meaning of the Decree and control protocols for penal-preventive purposes, taking into account Missoni's existing operational practices.
Step 5	<b>Definition of the Organisational, Management and Control Model</b> Definition of the Organisational, Management and Control Model within the meaning of the Decree structured with all the relevant sections and operating regulations.

The same methodology is used for subsequent updates of the Model due to the introduction of new regulatory aspects, that affect the mapping of sensitive processes.

#### 3.2 Purpose and structure of the Model: General and Special Sections according to the different categories of offences

The scope of the Model is to provide a structured and organic system of protocols and control activities, in order to prevent, as far as possible, any conduct that may constitute any of the offences within the meaning of the Decree.

The identification of sensitive activities and the creation of procedures for the same, on one hand, is intended to ensure that all those who work in the name and on behalf of Missoni are aware of the risks of committing punishable offences; and on the other hand, thanks to constant monitoring of the activity, allows Missoni to introduce prompt measures to prevent or combat the commission of such offences.

The Model is subdivided into this "General Section", which contains a description of the activities carried out by the Company and a definition of the structure required to implement the Model, such as the functioning of the Supervisory Body and the

penalty system, and the "Special Sections" whose contents aim at identifying potential activities at risk for the commission of the offences provided by the Decree, as well as the control protocols. In particular, the structure of the Model with its "Special Sections" means that it may be promptly updated, through appropriate additions, should the Legislator include any further criminal offences.

Within each of the sections taken into account, a description is given of the sensitive activities and control instruments used for prevention. These instruments are binding for the recipients of the Model, as defined below, and consist of obligations to do (compliance with protocols, reports to control bodies) and obligations not to do (compliance with prohibitions), which are specifically reported. Compliance with these obligations has a precise legal value; in the case of infringement of these obligations, Missoni will apply the above disciplinary and penalty system.

The Special Sections should also be associated with the principles of conduct contained in the company procedures (already implemented or that may be implemented in the future) and the Code that guide the behaviour of recipients in different operational areas, in order to prevent improper behaviour or behaviour that is not in line with Missoni's directives.

The Special Sections are the following:

- Special Section A – Offences committed in the context of relations with the Public Administration;
- Special Section B – Computer crimes;
- Special Section C – Counterfeiting of currency, public credit notes, official stamps, Offences against industry and commerce, as well as counterfeiting and violation of copyrights;
- Special Section D – Corporate offences;
- Special Section E - Negligent offences in breach of workplace health and safety laws;
- Special Section F - Money laundering, receiving stolen goods and self-laundering;
- Special Section G – Crimes related to immigration;
- Special Section H – Environmental offences;
- Special Section I – Coercion not to make statements or to make untrue statements to the judicial authority;
- Special Section J – Crimes against individuals;
- Special Section K - Tax Offences;
- Special Section L – Smuggling offences;
- Special Part M - Instrumental Processes.

As regards the other "predicate offences" of the administrative liability of entities pursuant to the Decree, crimes for purposes of terrorism or subversion of the democratic order, transnational crimes, crimes of association, organised crime, offences relating to instruments of payment other than cash, market abuse crimes, crimes of racism and xenophobia, offences of fraud in sports competitions and illegal gambling or betting, offences against cultural heritage and laundering of cultural assets and devastation and plundering of cultural and landscape assets, it should be noted that although these have been taken into account in the preliminary analysis, no sensitive activities were identified (after analysis, considerations and interviews with key officers), given that the risk of the actual commission of such crimes is considered to be negligible and, therefore, no specific rules and/or procedures have been provided, without prejudice to the references made to conduct in compliance with the applicable regulations contained in the Code.

Should it be necessary to issue additional Special Sections, in the case of new types of offences relating to the Company's business area that may be included in the future under the scope of application of the Decree, Missoni's Board of Directors has the authority to supplement this Model pursuant to a specific resolution.

### 3.3 Recipients of the Model

The Model and the General and Special Sections thereof are addressed to Missoni's directors, managers and employees (hereinafter referred to as "Company Officers") employed in sensitive activities, as well as external Collaborators and Partners (hereinafter referred to jointly as "Recipients").

In particular, the scope of the Special Sections is to ensure that all Recipients identified as above follow rules of conduct that comply with the provisions thereof, in order to prevent the commission of the offences provided by the Decree.

## CHAPTER 4.

### SUPERVISORY BODY PURSUANT TO LEGISLATIVE DECREE 231/01

#### 4.1 Identification of the Supervisory Body

On the basis of the provisions of the Decree (article 6, subsection 1, letters a) and b) the entity may be exempt from liability resulting from the commission of offences by qualified persons (pursuant to the Decree), if the managing body has assigned the task of continuously monitoring the functioning and compliance with the model and updates, to a body holding autonomous initiative and control powers, whose requisites (as also suggested by the Guidelines) are

- **autonomy and independence;**
  - absence of conflicts of interest, including potential conflicts, with Missoni;
  - holding of autonomous initiative and control powers;
  - no assignment of operational tasks within the Missoni organization;
  - reports directly to Board of Directors;
- **professionalism** understood as:
  - appropriate specialist expertise;
  - specialized tools and techniques to carry out the business, also making use of external consultants;
- **continuity of action** understood as:
  - term of office different to that of the other corporate bodies;
  - check frequency.

#### 4.2 Establishment, appointment and replacement of the Supervisory Body

The Missoni's Supervisory Body (hereinafter also referred to as "**SB**") is established pursuant to resolution of the Board of Directors and remains in office for the period decided at the time of appointment: the body may have one or more members. The SB goes out of office on the date established in the appointment, but shall continue to perform its duties on an *interim* basis until a new board is appointed. The BoD has the power to convene the Supervisory Board at any time.

Appointment as a member of Supervisory Board is subject to the presence of the subjective prerequisites of honourability and integrity, and the absence of causes of incompatibility with the appointment, such as potential conflicts of interest with respect to the relevant role and duties. It follows that when the appointment is made, each person designated as a member of the SB should issue a declaration certifying that there are no grounds of incompatibility such as those listed by the above paragraph. These rules also apply when a member of the SB is replaced.

The powers may be revoked and attributed to other persons, upon expiry of the mandate, or for just cause alone, even linked to the objective organizational restructuring of the Company, pursuant to a specific resolution of the Board of Directors. A "just cause" for revocation of the powers of a member of the SB is intended, by way of example but not in a limiting sense, as:

- serious negligence in the performance of tasks associated with the assignment such as: failure to draw up the annual business report; failure to draw up the supervisory programme;
- "*Omission or insufficient supervision*" by the SB - in accordance with the provisions of article 6, subsection 1, letter d), of the Decree - resulting from a judgement, even if the same is not final, published against Missoni pursuant to the Decree or judgments applying a plea bargaining agreement;
- in the case of member of the SB, the assignment of operational functions and responsibilities within the company organisation that are not compatible with the requirements of "*autonomy and independence*" and "*continuity of action*" of the SB. Any organizational provision concerning the member (e.g. termination of employment, transfer to another position, dismissal, disciplinary measures, appointment of a new manager) should in any case be brought to the attention of the Board of Directors;
- in the case of a person who is not a member of the board, in the case of serious and established grounds of incompatibility that undermine the independence and autonomy thereof;
- if even one of the eligibility requirements no longer exist.

Any decision regarding individual members or the SB as a whole regarding any revocation or replacement, shall be made exclusively by the Board of Directors.

#### 4.3 Financial resources assigned to the Supervisory Body

The Board of Directors assigns, each year, an expense budget to the SB taking into account its requests.



The allocation of the budget allows the SB to operate autonomously and with the appropriate instruments in order to efficiently perform the duties assigned to the board by this Model, in accordance with the provisions of the Decree.

#### 4.4 Supervisory Body's duties and powers

In performing the tasks assigned, the SB may avail itself, under its direct supervision and responsibility, of the collaboration of all the departments and structures of the Company, or external consultants. This allows the SB to ensure a high level of professionalism and the necessary continuity of action.

The SB has autonomous powers of initiative, intervention and control, which extend to all and any sector and department of Missoni, and which should be exercised in order to effectively and promptly carry out the functions provided by the Model and the regulations implementing the Model.

In particular, the SB has the following duties and powers to perform and exercise its functions:

- supervise the functioning of the Model both to prevent the commission of the offences specified by the Decree and ability to bring to light any unlawful conduct;
- carry out routine inspections and checks - according to the frequency and method established by the programme of supervisory activities - and surprise checks in consideration of the various sectors of intervention or types of activities and the critical points thereof in order to verify the efficiency and effectiveness of the Model;
- free access to any department and unit of Missoni - without the prior consent - in order to request and obtain any information, documents and data, considered to be necessary to perform the duties provided by the Decree, from employees and managers. In the event of a reasoned refusal to provide access to documents, the SB shall draw up a report for the Board of Directors if it does not agree with the reasons refusing such access;
- request key information or the production of documents, including computerised documents, relevant to activities at risk, from Directors, control bodies, collaborators, consultants and, in general, from anyone who is required to comply with the Model;
- develop and encourage the constant updating of the Model, submitting, where necessary, proposals to the management body for any updates and adjustments that may be necessary as a result of: i) significant infringement of the provisions of the Model; ii) significant changes to Missoni's internal structure and/or the way the company's activities are carried out; iii) regulatory amendments;
- monitor compliance with the provisions of the Model, in relation to the different types of offences specified by the Decree and subsequent laws that extend its scope of application, verifying compliance with the procedures set forth in the Model and identify any discrepancies in behaviour that may be ascertained from the analysis of information flows and any reports received;
- ensure periodic updating of mapping and identification of sensitive areas;
- maintain contacts with the control bodies, and any other consultants and collaborators involved in the implementation of the Model;
- liaise with and ensure the information flows to the Board of Directors;
- promote communications and training on the contents of the Decree and Model, the impact of the law on the company's business and rules of conduct, also introducing controls on the frequency and, if necessary, differentiated programmes for persons who carry out sensitive activities;
- ensure that an effective internal communications system is introduced to permit reporting of information relevant to the Decree while protecting and ensuring the confidentiality of the whistleblower;
- provide explanations on the meaning and application of the provisions contained in the Model;
- formulate and submit for approval to the Board of Directors the expenditure forecast necessary to ensure the proper performance of the tasks assigned, with absolute independence. The SB may autonomously allocate resources that exceed its spending powers, if the use of such resources is necessary to deal with exceptional and urgent situations. In such cases, the SB should inform the Board of Directors at the next meeting;
- promptly report to the managing body any infringement of the Model that may imply Missoni's liability, to allow the managing body to introduce appropriate measures;
- promote any disciplinary proceedings that may be necessary and suggest the application of the penalties specified by Chapter 7 of this Model;
- verify and assess the suitability of the disciplinary system within the meaning of the Decree.



**4.5 Functions of the SB: Reporting to corporate bodies**

The SB provides reports on the implementation of the Model, any critical aspects that may arise, the need to introduce modifications and, to this end, also prepares:

- i) once a year, a report summarising the activities carried out during the current year and a plan of the activities for the year ahead, to submit to the Board of Directors;
- ii) immediately, a communication relating to extraordinary situations (for example: serious infringement of the principles contained in the Model, legislative innovations regarding the administrative liability of entities, etc.) and in the case of urgent reports, that must be submitted to the Chief Executive Officer and the Chairman of the Board of Directors.

Meetings of Missoni's bodies should be documented with minutes.

**4.6 Collection and preservation of information**

Any information and reports provided by the Model shall be filed by the SB (either on electronic or paper medium) for a period of at least 10 years.

## CHAPTER 5.

### INFORMATION FLOWS TO THE SUPERVISORY BODY

#### 5.1 Reporting obligations to the Supervisory Body

Reporting obligations to the Supervisory Body include the following:

- information, data, news, documents that enable the SB to perform checks in an informed manner;
- reports of events that might imply the Company's liability within the meaning of the Decree.

The Recipients of the Model shall comply with such obligations.

#### 5.1.1 Information flows

Even by introducing a specific procedure, the Supervisory Board may establish the types of information that the managers who deal with sensitive activities are required to provide, including the frequency and manner in which such communications are forwarded to the Board.

Company departments involved in sensitive activities should forward to the Supervisory Board the following information:

- the periodic results of the checks they carry out in implementing the Model, even on request (reports of the activities carried out, etc.);
- any errors or irregularities found in the information available.

Merely by way of example but not in a limiting sense, such information may concern:

- transactions considered to be sensitive activities (e.g. periodic summary prospectuses of licences/authorisations issued by public entities, information relating to the recruitment of staff or use of financial resources for the purchase of goods or services or other investments, etc.);
- orders and/or information originating from criminal police bodies, or from any other authority, indicating the conduct of inquiries, even against unknown persons, for the offences specified in Legislative Decree no. 231/2001 and that can involve Missoni;
- requests for legal assistance submitted by employees in the event that legal proceedings are instituted against them and in relation to the offences specified by the Decree, unless expressly prohibited by the judicial authorities;
- reports prepared by managers of other company divisions within the scope of their control activities and that could lead to critical facts, acts, events or omissions in relation to the observance of the provisions of the Model;
- information relating to the disciplinary proceedings initiated and the penalties applied (including measures against employees) or the proceedings for dismissal of such proceedings with the relative reasons;
- any other information, even if not included in the above list, which is deemed to be relevant to ensure correct and complete supervision and updating of the Model.

The SB in any case defines and communicates a detailed outline of Information Flows to the same.

The information flows should be sent to the SB by sending the documents to the specific email address.

#### 5.1.2 Reports - Whistleblowing

The obligation to report any conduct in breach of the provisions contained in the Model is part of the broader duty of diligence and loyalty of employees. In the case of consultants or external collaborators, etc., the contracts signed with the latter include the specific obligation to immediately report any direct or indirect request from a Missoni employee/representative for conduct that may imply any infringement of the Model.

Therefore, all company personnel, including the top management and employees, and non-company collaborators who receive this document, shall communicate directly with the Supervisory Body to report cases of the commission of crimes, circumstances of illegal conduct within the meaning of the Decree based on specific and concordant facts, any breach of the Model, as well as any departure from the principles of conduct provided by the Model and the Code of Ethics, of which they may become aware in performing their duties, through several alternative communication channels that guarantee, by

computerised procedures, the confidentiality of the identity of the whistleblower as provided by article 6, subsection 2 bis, (b) of the Decree.

#### Report contents

For purposes of the above, the whistleblower shall report all the facts that he or she knows, in order to confirm, subject to the necessary checks, the facts reported. In particular, the report shall contain the following essential information:

Subject: A clear description of the facts reported is required, explaining the circumstances (if known) of the time and place in which the facts were committed/observed.

Person reported: The whistleblower should provide the personal details or any other information (such as the company department/position) that helps to easily identify the person who allegedly committed the illegal conduct.

Moreover, the whistleblower may also indicate the following additional information: (i) his or her personal details, if he or she does not wish to avail itself of the right to keep its identity confidential; (ii) the name of any other person who may provide further information about the facts as reported; (iii) any documents that may confirm the facts and circumstances.

The contents of reports, even when these are made anonymously, should always be relevant within the meaning of the Decree. Employees should not use anonymity to create disagreements or conflicts between employees. The following shall not be accepted:

- the use of insulting language;
- reports submitted for purely defamatory or slanderous purposes;
- reports relating exclusively to aspects of private life, and having no direct or indirect association with business activities. Such reports will be considered even more serious when they involve sexual, religious, political and philosophical habits and beliefs.

In short, the sole purpose of the report should be to protect the integrity of the Company or prevent and/or repress illegal conduct as defined by the Model.

#### Communication channels

The channels of communication with the Supervisory Board indicated below, in compliance with the *Whistleblowing* law, guarantee the confidentiality and protection of the *whistleblower* even from any form of retaliation; furthermore, the Company monitors that the career of any *whistleblower* is not subject to form of discrimination and punishes at a disciplinary level according to the seriousness of the facts, and in any case pursuant to the criteria provided by Chapter 7 of the Model, *whistleblowers* who with intent or gross negligence report facts that are ascertained to be unfounded.

The reporting channels are as follows:

*Confidential internal mail:* using the specific mailboxes. The envelope should clearly be marked "*Strictly confidential. Employee information*", in order to guarantee absolute confidentiality.

*Dedicated email address of the Supervisory Board.*

*Further channels identified and activated in compliance with the provisions of article 6, 2 bis (D) of the Decree.*

#### Management of reports

The Supervisory Board adopts appropriate measures to guarantee the confidentiality of the identity of anyone who forwards information to the Supervisory Board. Any conduct whose scope is exclusively to slow down the activities of the Supervisory Board should be appropriately punished. The Company guarantees that whistleblowers who submit information in good faith will be protected against any form of retaliation, discrimination or penalisation, in any case, ensuring the confidentiality of the identity of the whistleblower, without prejudice to any applicable legal obligations and the protection of the rights of the company or persons incorrectly accused or accused in bad faith.

For the above purposes, the Supervisory Board collects and keeps the reports received in a special file (in electronic and/or hardcopy format) to which only members of the Board are allowed access. The Supervisory Board evaluates, at its exclusive discretion and responsibility, the reports received and the cases in which it is necessary to take action. Reasons for decisions related to the results of the investigation should be provided in writing.

## CHAPTER 6.

### TRAINING AND COMMUNICATION PLAN

#### 6.1 Introduction

In order to effectively implement the Model, Missoni shall ensure the proper disclosure of the contents and principles of the Model within the Company and outside its organisation, communicating the contents and principles of the Model not only to its employees, but also to persons who are not employees, but work – on an ongoing basis – to attain Missoni's objectives. Missoni intends to:

- make aware all those who work in sensitive activities in its name and on its behalf that they may commit a punishable offence if they violate the provisions set forth therein;
- inform all those who work in any capacity in its name, on its behalf or in any case in its interest that the violation of the provisions contained in the Model will result in the application of appropriate penalties or the termination of the contractual relationship, as they entail a breach of the duties of loyalty, propriety and diligence that arise from the legal relationships established by Missoni;
- reiterate that Missoni does not tolerate unlawful conduct of any kind and regardless of any purpose, as such conduct (even if Missoni is apparently in a position to benefit from it) is in any case contrary to the ethical principles which Missoni intends to implement.

Communication and training must be diversified according to those involved, and in any case must be based on the principles of completeness, clarity, accessibility and continuity in order to allow the various recipients to be fully aware of the company provisions that they are required to comply with and the ethical standards that must inspire their conduct.

Communication and training are supervised by the SB, as part of its responsibilities.

Training can also be done remotely through the use of computer systems (e.g. video conferencing, e-learning).

#### 6.2 Availability of the Model and of the Code of Ethics

In order to ensure effective and rational communication and training, Missoni promotes knowledge of the Model's contents and principles and the implementation of its procedures to every employee, whether executive/manager or non-manager, and every external contractor with a stable relationship, with a degree of detail that varies depending on the position and role held.

The Code of Ethics is made available to employees (including new hires) and external contractors on the Company's website, or by some alternative means (for example, along with payslips or posted on company bulletin boards).

A copy of the Model is made available to members of the corporate bodies and to persons who represent Missoni, upon acceptance of the office. Appropriate communication and training tools will be used to update them on: i) any changes to the Model; ii) significant procedural, regulatory or organisational changes.

Third parties external to Missoni (for example, Consultants and Partners) are given a letter with information on the adoption of the Model and on the consequences of non-compliance therewith, after being invited to view the copy available on the website.

Where possible, contractual texts shall include specific clauses aimed at regulating the aforesaid consequences.

## CHAPTER 7.

### DISCIPLINARY SYSTEM

#### 7.1 General principles

As a condition for an effective implementation of the organisational, management and control model, Article 6, subsection 2, letter e) and Article 7, subsection 4, letter b) of the Decree specify the introduction of a system to punish non-compliance with the measures indicated in the model itself. Therefore, the definition of an adequate disciplinary and sanctioning system constitutes an essential prerequisite for the effectiveness of the organisational, management and control model under the meaning of the Decree.

The penalties envisaged will be applied to any violation of the provisions contained in the Model regardless of the outcome of any criminal proceedings initiated by the Court, in the event in which the conduct to be censured constitutes a relevant offence pursuant to the Decree.

The assessment and the imposition of disciplinary sanctions takes place in compliance with the procedures envisaged in Article 7 of Law no. 300 of 30/5/1970 ("Workers' Statute") and any applicable special regulations, and must take into account the principles of proportionality and adequacy with respect to the alleged violation. The following circumstances are of relevance in this context:

- type of offense alleged;
- actual circumstances in which the offence is committed;
- manner in which the offence is committed;
- seriousness of the infringement, also taking into account the agent's subjective intent;
- possibility of multiple infringements inherent in the same act/conduct;
- possible complicity of more than one person in the offence;
- possible recidivism of the perpetrator of the offence.

#### 7.2 Parties

Missoni's employees, directors and contractors, as well as all those who have contractual relations with the Company, are subject to the disciplinary system envisaged in this Model for all matters relevant to their relationships with the Company.

The procedure for the imposition of sanctions referred to in this chapter takes into account the particular characteristics arising from the legal status of the party against which action is being taken.

In any case, the SB must be informed of the procedure for imposing disciplinary sanctions. The HR Manager function and the Chief Executive Officer are responsible for the concrete application of the disciplinary measures, and will impose sanctions based on any reports that may be issued by the SB, after hearing the non-binding opinion of the line manager of the person being disciplined. However, the SB, in collaboration with the HR Manager function, has the task of assessing the compliance of the disciplinary system with the requirements established by the Decree.

In consultation with the HR Manager function, the SB also makes sure that specific procedures are adopted for informing all the parties referred to above from the beginning of their relationship with the company about the existence and the content of this disciplinary system.

#### 7.3 Sanctions against blue-collar workers, white-collar workers and middle managers

The National Collective Labour Agreement of the Textile and Clothing Industry ("Fashion Industry CCNL") shall apply to employees of the Company classified as blue-collar workers, white-collar workers and middle managers.

Any conduct of non-management personnel in violation of the rules of conduct set forth in this Model will constitute disciplinary offences, also in compliance with and in application of the provisions of the Fashion Industry CCNL and in compliance with the procedures envisaged in the Workers' Statute and any applicable special regulations.

The penalties envisaged therein are: verbal warning/reprimand, written warning/reprimand, a fine not exceeding two hours' pay, suspension from work and pay for a period not exceeding three days of actual work, termination of the employment relationship with or without notice.

The type and severity of each of the penalties mentioned above shall be determined based on:

- the intentionality of the conduct or the degree of negligence, imprudence or incompetence, also with regard to the predictability of the event;
- the overall conduct of the worker, with particular regard to the existence or otherwise of previous disciplinary actions, to the extent permitted by law;



- the responsibilities of the worker;
- the positions of the persons involved in the matter;
- other particular circumstances related to the violation.

In detail, disciplinary actions are taken as follows:

- 1) verbal warning/reprimand, applicable if the worker violates one of the internal protocols envisaged in the Model (for example, failure to comply with the prescribed protocols, failure to communicate the prescribed information to the Supervisory Body, failure to carry out necessary checks, etc.) or who behaves in a manner that does not comply with the provisions of the Model when in sensitive areas;
- 2) written warning/reprimand, applicable if the worker repeatedly violates the protocols envisaged in the Model or behaves in a manner that does not comply with the provisions of the Model when in sensitive areas;
- 3) a fine of up to 2 hours' pay and suspension from work and remuneration (not exceeding 3 days) are applicable if the worker, while violating one of the internal rules envisaged by the Model or behaving in a manner that does not comply with the provisions of the Model when in sensitive areas, causes damage or creates a situation of potential danger to the Company, or if the worker has received repeated written warnings/reprimands as per point 2);
- 4) termination of the employment relationship with notice, applicable if the worker behaves in a manner that does not comply with the provisions of the Model when carrying out activities in sensitive areas and thus commits a serious violation, directed unequivocally to the performance of an offence sanctioned by Legislative Decree no. 231/01 or that results in the concrete application against the Company of the measures envisaged by Legislative Decree no. 231/01;
- 5) termination of the employment relationship without notice, applicable if the worker behaves in a manner that does not comply with the provisions of the Model when carrying out activities in sensitive areas and thus commits an extremely severe violation, directed unequivocally to the performance of an offence sanctioned by Legislative Decree no. 231/01 or that results in the concrete application against the Company of the measures envisaged by Legislative Decree no. 231/01, as well as the worker who has repeatedly been subjected to fines as per point 3).

Notwithstanding the foregoing, the Company retains the right to seek compensation for damages resulting from an employee's violation of the Model.

#### **7.4 Disciplinary measures against executives/managers**

The National Collective Labour Agreement for Executives of Companies producing goods and services shall apply to personnel classified as Executives.

In carrying out their professional activities, Missoni executives are obliged both to comply with and to ensure that their employees comply with the requirements contained in the Model. If the internal rules envisaged in this Model are violated or in the event of conduct in areas at risk of crime that does not comply with the provisions of the Model, the most appropriate measures will be taken with respect to those responsible in compliance with the provisions of the law and the applicable National Collective Labour Agreement.

Finally, it is stressed that executives' compliance with the principles and rules contained in the Model will be an element of professional evaluation that may have repercussions on their career.

Following are a few examples of unlawful conduct by executives that are punishable due to violation of the provisions contained in the Model:

- failure to supervise the personnel hierarchically dependent on him/her so as to ensure compliance with the provisions of the Model for the performance of activities in areas at risk of crime and for activities instrumental to operational processes at risk of crime;
- failure to report non-compliance and/or anomalies related to the fulfilment of the obligations referred to in the Model if he/she becomes aware of them, such as to render the Model ineffective, with consequent potential danger to Missoni of being subjected to the penalties referred to in the Decree;
- failure to report to the Supervisory Body any critical issues relating to the performance of activities in areas at risk of crime, found during monitoring by the competent regulators;
- violation of one or more provisions of the Model, resulting in the commission of crimes contemplated in the Model, thus exposing Missoni to the application of the penalties referred to in the Decree.

In the event of an executive's violation of the provisions and rules of conduct contained in the Model, the Company takes the measure deemed most appropriate in compliance with the provisions of the law and the applicable National Collective Labour Agreement. In general, particular attention shall be paid to any harm to the particular relationship of trust between the Company and the executive that could arise from the violation of the Model.

**7.5 Disciplinary measures against Directors and Statutory Auditors**

In the event of violation of the Model by one or more directors and/or statutory auditors, the SB will inform the board of statutory auditors and the Chairman of the BoD, which, according to their respective powers and in accordance with the powers envisaged by law and/or the By-Laws, shall take the appropriate measures, including, where necessary, the convening of the shareholders' meeting in order to implement the most appropriate measures.

**7.6 Disciplinary measures against external consultants and contractors**

The conduct of consultants or external contractors (both in the case of stable and occasional collaborative relationships), however called, or other parties with contractual relationships with Missoni that is contrary to the precepts contained in the Decree or the Code of Ethics will be punished in accordance with the provisions of the specific contractual clauses included in the relevant contracts.

With these clauses, the third party agrees to adopt and effectively implement company procedures and/or behave appropriately to prevent the commission – even attempted – of the crimes punishable under the Decree. Failure to comply even partially with this obligation is punished with the right of Missoni to suspend the execution of the contract and/or unilaterally withdraw from it, even during execution, possibly triggering penalties, or to terminate said contract, in any case without prejudice to Missoni's right to compensation for any damages suffered. These penalties must be communicated to the SB.

**7.7 Measures implementing Whistleblowing rules**

In accordance with the provisions of article 2-bis, subsection 1, letter d) of the Decree, the penalties referred to in the previous paragraphs and in compliance with the principles and criteria set forth therein apply to those who violate the measures protecting whistleblowers, as well as against those who wilfully or negligently make faulty or unfounded reports. More specifically, retaliation against a good faith whistleblower constitutes a serious disciplinary violation that will be punished in accordance with the procedures envisaged in the previous paragraphs. Discrimination against whistleblowers may be reported to the National Labour Inspectorate for the measures falling within its purview both by the whistleblower and the trade union specified thereby. Retaliatory or discriminatory dismissal of the whistleblower is null and void. The change of duties within the meaning of article 2103 of the Civil Code, as well as any other retaliatory or discriminatory measures taken against a whistleblower shall also be null and void.

In the event of a dispute relating to the imposition of disciplinary sanctions or to a demotion, redundancies, transfers, or the subjecting of a whistleblower to another organisational measure having adverse effects, the employer must demonstrate that such measures are based on reasons having nothing to do with the report made.

Any misuse of reporting channels is also prohibited. The identity of the whistleblower will not be protected in the event of reports that are manifestly unfounded and deliberately made with the objective of damaging the person reported or the company. Again in this case, such conduct constitutes a serious disciplinary violation and is punished in accordance with the above procedures.

**CHAPTER 8.****ADOPTION OF THE MODEL – CRITERIA FOR UPDATING AND ADAPTING THE MODEL****8.1 Model checks and controls**

The SB must draw up an annual supervisory programme with which it generally plans its activities, including: a calendar of activities to be performed during the year, the determination of the timing of checks, the identification of analysis criteria and procedures, the possibility of carrying out unscheduled checks and controls.

In carrying out its activities, the SB may avail itself both of the support of functions and structures within Missoni having specific skills in the business sectors being checked, and of external consultants for the execution of the technical operations necessary for the performance of controls. In this case, the consultants must always report the results of their work to the SB.

During checks and inspections, the SB is granted the broadest powers in order to effectively perform the tasks assigned to it.

**8.2 Updates and adaptations**

The BoD shall resolve upon the Model's update and adaptation in respect of amendments and/or supplements which may become necessary as a result of:

- i) significant breaches of Model provisions;
- ii) changes to Missoni's internal structure and/or to the ways it does business;
- iii) regulatory changes;
- iv) results of checks;
- v) ascertainment of serious criminal offences committed even before the approval of the model.

The BoD is solely responsible for this area.

Once approved, the changes and instructions for their immediate application are communicated to the SB, which in turn will promptly make such operational changes and make them known to parties internal and external to Missoni.

The SB will also inform the BoD about the outcome of the activity undertaken by means of a specific report. In any event, the SB shall retain precise duties and powers with respect to the care, development and promotion of the Model's constant updating. To this end, it submits observations and proposals relating to the organisation and control system to the company structures responsible for them, or in cases of particular importance to the BoD. More specifically, in order to ensure that changes to the Model are made with the necessary timeliness and effectiveness without at the same time creating issues with the coordination between the operating processes, the provisions contained in the Model and their dissemination, the member of the BoD delegated for this purpose is responsible for periodically making changes to the Model that relate to descriptive aspects, promptly informing the Board and the SB. The Board must ratify the amendments at its next meeting. Note that the term "descriptive aspects" refers to elements and information that do not affect the substantive content of the Special Sections of the Model and/or that derive from acts approved by the Missoni's Bodies (such as amendments to the by-laws, etc.) or from corporate departments with specific assignments (such as the redefinition of the organisation chart, etc.).

In any event, the Model shall be subject to periodic review at least on a three-year basis.

 The Missoni logo, featuring the word "MISSONI" in a bold, white, sans-serif font, centered within a square area that has a background of vertical, multi-colored lines in shades of blue, red, and black.	ORGANISATIONAL AND MANAGEMENT MODEL	Revision 03
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**Annex 1 – Organisation chart**

The current company organisation chart is attached.

 The Missoni logo, featuring the word "MISSONI" in a bold, white, sans-serif font, centered against a background of vertical, multi-colored stripes in shades of blue, red, green, and black.	ORGANISATIONAL AND MANAGEMENT MODEL	Revision 03
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**Annex 2 - Missoni Group's Code of Ethics**

## THE MODEL'S SPECIAL SECTIONS

### 1 SENSITIVE ACTIVITIES AND THE CONTROL SYSTEM

Article 6, subsection 2, letter a) of the Decree specifies that one of the essential elements of the organisational and management models is the identification of so-called “sensitive” or “at-risk” activities, i.e. those business activities where the risk of committing one of the offences expressly referred to by the Decree may arise (hereinafter the “**Sensitive Activities**”).

Consequently, for each special section dedicated to the macro-categories of potential crimes the Sensitive Activities, the related process owners, the crimes that can be committed and the controls to apply to prevent such crimes are identified.

In this regard, the control system developed by Missoni based on the guidance provided by the main trade associations, such as the Confindustria Guidelines, calls for the adoption of:

- general principles of conduct;
- “specific” control protocols applied to the individual Sensitive Activities.

The control protocols are based on the following general rules, valid for each special section, which must be respected in the context of each sensitive activity identified:

- **Separation of duties:** preventive and balanced distribution of responsibilities and the introduction of adequate authorization levels, to prevent any mixing of potentially incompatible roles or the excessive concentration of responsibility and power on single persons. In particular, a separation of activities and responsibilities should be guaranteed between the person authorising, the person who executes and the person who controls a given transaction in sensitive activities.
- **Laws:** existence of company regulations and/or formally approved procedures that provide principles of conduct, operating procedures for the performance of sensitive activities as well as methods to file the relevant documentation. Any operational instructions or procedures, such as, for example, the procedures relating to the Quality Management System in line with UNI EN ISO 9001, that have been or may be adopted by the Company, shall be an integral part of the Model.
- **Authorization and signing powers:** authorization and signature powers should be: i) consistent with the organizational and management responsibilities assigned, providing, where necessary, an indication of the approval thresholds for expenses; ii) clearly defined and known in the Missoni organization.
- **Traceability:**
  - each and any transaction relating to a sensitive activity should, if possible, be appropriately recorded;
  - the decision-making process, the authorisation process and performance of the sensitive activity should be verifiable *ex post*, including by means of appropriate documentary evidence;
  - in any case, the possibility of deleting or destroying the entries should be regulated in detail.

Consistently with the above, the following Special Sections identify the specific control protocols for each Sensitive Activity and list the general principles of conduct.



**SPECIAL SECTION "A"**  
**OFFENCES AGAINST THE PUBLIC ADMINISTRATION**

**1 OFFENCES AGAINST THE PUBLIC ADMINISTRATION**

Articles 24 and 25 of the Decree list a series of offences against the Public Administration that imply the liability of Entities. These are:

- **embezzlement of public disbursements**<sup>29</sup>: failure to use contributions, subsidies, grants, subsidised loans or similar for the purposes for which they were intended, in order to obtain a public disbursement or other subsidy;
- **unlawful receipt of public disbursements**<sup>30</sup> by submitting forged documents or declarations certifying things which are untrue, or omitting due information;
- **fraud in supplies to public entities**<sup>31</sup>: any alteration of the performance and non-fulfilment of supply contracts entered into with the State or another public entity, or with a company that provides public services or services of public interest;
- **aggravated fraud to obtain public funds**<sup>32</sup>: unlawful receipt of grants, subsidies, loans or other disbursements from the State, any other public or community entity by deceptive stratagems other than forged documents or false statements or the omission of information that must be provided;
- **aggravated fraud to the detriment of the State or other public entity**<sup>33</sup>: the use of artifice and deception to obtain an unfair profit to the detriment of the State or other public entity;
- **cyber fraud to the detriment of the State or other public body**<sup>34</sup>: altering the functioning of a computer or information technology, or meddling in the data, information or programs of an information technology or computer system in order to obtain illegitimate profit to the detriment of the State or another public body;
- **extortion**<sup>35</sup>, when a public official or public service officer, by abusing its powers and status, forces somebody to unduly give or promise money or any other advantage to him/her or to a third party
- **bribery relating to the exercise of duties**<sup>36</sup>, when a public official or public service officer receives, for its own benefit or for the benefit of others, money or other benefits, or accepts a promise thereof, to perform its duties or exercise its powers;
- **acceptance of bribes in return for an act contrary to official duties**<sup>37</sup>, when a public official or public service officer, in order to omit or delay, or for having omitted or delayed, an act falling within its duties, or to perform or for having performed an act contrary to its official duties, receives cash or another benefit, or accepts a promise therefor, for itself or for a third party.
- **acceptance of bribes in judicial proceedings**<sup>38</sup>: in both cases of bribery defined above, anyone who receives (or agrees to receive) for itself or a third party, money or other benefits in order to favour or damage a party in any civil, criminal or administrative lawsuit;
- **unlawful inducement by an official to give or promise a benefit**<sup>39</sup>: when a public official or public service officer, by abusing its powers and status, induces somebody to unduly give or promise money or any other benefit to him/her or to a third party; criminal liability is also extended to anyone who gives or promises money or another benefit;
- **incitement to bribery**<sup>40</sup>: in both the cases of bribery defined above, when a public official does not agree to receive or a person refuses to give money or other benefits;
- **embezzlement**<sup>41</sup>: the misappropriation or diversion, for personal profit or that of others, of funds or other goods belonging to others, by a public official who has privileged access to said funds or goods because of his or her office, when the fact damages the financial interests of the European Union;

<sup>29</sup> Article 316-bis of the Criminal Code.

<sup>30</sup> Article 316-ter of the Criminal Code.

<sup>31</sup> Article 356 of the Criminal Code.

<sup>32</sup> Article 640-bis of the Criminal Code.

<sup>33</sup> Article 640, subsection 2, no. 1, of the Criminal Code.

<sup>34</sup> Article 640-ter of the Criminal Code.

<sup>35</sup> Article 317 of the Criminal Code.

<sup>36</sup> Article 318 of the Criminal Code.

<sup>37</sup> Article 319 of the Criminal Code.

<sup>38</sup> Article 319-ter of the Criminal Code.

<sup>39</sup> Article 319-quater of the Criminal Code.

<sup>40</sup> Article 322 of the Criminal Code.

<sup>41</sup> Article 314 of the Criminal Code.

- **misappropriation by taking advantage of the error of others**<sup>42</sup>: when a public official or a person in charge of a public service, in exercising his or her duties or service, takes advantage of the error of others, and receives or unduly retains, for him or herself or a third party, funds or any other benefit, thus damaging the financial interests of the European Union;
- **fraudulent conversion, extortion, unlawful inducement by an official to give or promise a benefit, bribery and incitement to bribery of members of International Criminal Court or of European Union bodies and of officials of the European Union and foreign States**<sup>43</sup>: the case provided by the legislator is that of the above crimes committed against foreign officials;
- **trading in influence**<sup>44</sup>: this offence may be committed in those cases where, outside the instances of complicity in offences provided by article 318, 319, 319-ter and bribery provided by article 322-bis, a person exploits or relies upon existing or alleged dealings with a public official or public service officer or any of the officials or officers provided by article 322-bis, in order to illegitimately receive or be promised, for oneself or others, money or other benefits in exchange for their own illegitimate intermediation with a public official or public service officer, or any officer or official provided by article 322-bis, or to remunerate the public official for the performance of his/her functions or powers;
- **fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development**<sup>45</sup>: the use of artifice and deception to obtain subsidies, incentives, allowances, refunds, contributions or other disbursements, in whole or in part, from the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development;
- **abuse of office**<sup>46</sup>: when a public official or civil servant, in carrying out his or her duties or a service, in breach of laws or regulations, or by failing to abstain when there is a personal interest or that of a close relative or in any of the other cases provided, intentionally obtains an unfair financial advantage for him or herself or others, damaging the financial interests of the European Union.

In order to better understand the terminology used in this paragraph, it should be noted that:

- a "Public Administration" ("P.A.") is considered as any public entity or individual, who perform a *public function* or a *public service*;
- a "public function" means the activities governed by public law relating legislative functions (State, Regions, Provinces governed by a special act, etc.), administrative functions (members of state and territorial administrations, Law Enforcement Bodies, members of supranational administrations, members of Authorities, Chambers of Commerce, etc.), judicial functions (judges, bailiffs, auxiliary bodies of the Administration of Justice such as receivers or liquidators in bankruptcy, etc.). A **public function** is characterised by the exercise of:
  - *authoritative power*, means the power that allows the P.A. to attain its own objectives by issuing orders that individuals are required to comply with. This is the activity in which the so-called power of sovereign power is expressed, which includes both coercive powers (arrest, search, etc.) and the power to file charges for violations of the law (fines, etc.), and the powers of hierarchical supremacy within public offices;
  - *certifying power* gives the certifier the authority to certify a fact as proof;
- public service means activities:
  - *governed by public law*;
  - *characterised by the lack of the authoritative or certifying powers typical of the civil service*;
  - *excluding the performance of ordinary tasks or the provision of merely material labour*.
- a "public official" is intended as anyone who "exercises" legislative, judicial or administrative public function.

## 2 Sensitive Activities and the Protocols

The analysis of Missoni's business processes has permitted identifying the activities in the context of which the various crimes mentioned above could theoretically occur and the processes that could be considered to be "instrumental" to the commission of the so-called "predicate" offences.

<sup>42</sup> Article 316 of the Criminal Code.

<sup>43</sup> Article 322-bis of the Criminal Code.

<sup>44</sup> Article 346-bis of the Criminal Code.

<sup>45</sup> Article 2 of Law no. 898 of 23 December 1986

<sup>46</sup> Article 323 of the Criminal Code.

The **Instrumental Processes** relating to the commission of the offence described by this section are as follows:

- Donations and donations of goods;
- Sponsorships;
- Free samples of products;
- Purchase of goods or services.
- Management of monetary and financial flows;
- Reimbursement of expenses;
- Gifts, entertainment expenses;
- Recruitment of employees;
- Management of bonuses and benefits;
- Selection and management of agents.

For more information on the control protocols, please see Special Section M.

The following are listed hereunder: i) Sensitive Activities; ii) the departments/organisational units involved; iii) the crimes that may potentially be committed; iv) the specific protocols used.

**Management of relations with public entities to obtain authorisations, licences:** these are applications made to Municipalities for building permits for factories or stores, for the organisation of events and shows, and applications for specific certificates for leather filed with the Chamber of Commerce.

- **Main Parties, Departments and Organisational Units involved:**  
Chief Executive Officer, Chief Sales & Marketing, Director of Property, Facility & Logistics, Chief Services Officer, Head of Legal Department, Finance & Accounting, Operations
- **Potential crimes:**
  - Bribery relating to the exercise of duties (Article 318 of the Criminal Code)
  - Bribery relating to an act contrary to official duties (Article 319 of the Italian Criminal Code)
  - Illegal inducement to give or promise benefits (Article 319-quater of the Criminal Code)
  - Incitement to bribery (Article 322 of the Criminal Code)
  - Aggravated fraud to the detriment of the State or any other public body (article 640, subsection 2, (1) of the Criminal Code)
  - Trading in influence (article 346-bis of the Criminal Code)
- **The Protocols**  
As regards this sensitive area, the following protocols should be followed:
  - identification of the roles and responsibilities of the persons authorised to deal with the competent public bodies;
  - clear separation of roles of the persons who draw up the documentation and the persons who check its accuracy, before authorising its submission to the Public Administration;
  - only persons who hold a power of attorney have the authority to sign the supporting documentation;
  - at least two duly delegated persons shall attend meetings with officials;
  - the ex-post traceability and verifiability of transactions with the Public Administration should be ensured with a suitable paper or electronic trail;
  - the documentation sent to the Public Administration should be prepared by competent personnel;
  - the Public Administration should be informed promptly of any significant changes that may have an impact on the possibility of obtaining/holding the authorisation, licence, etc.;
  - outsourcers, consultants, partners and collaborators, used by the Company to assist it during the process in question should be recruited using a transparent procedure and should have the required professionalism and expertise;
  - a list of the applications filed with the Public Administration should be sent to the Supervisory Body periodically.

**Management of collaboration relationships with universities:** relationships with Universities for specific training courses in the fashion industry.

- **Main Parties, Departments and Organisational Units involved:**  
Chief Executive Officer, HR Manager, Head of Legal Department, Finance & Accounting; Sustainability
- **Potential crimes:**
  - Bribery relating to the exercise of duties (Article 318 of the Criminal Code)
  - Bribery relating to an act contrary to official duties (Article 319 of the Italian Criminal Code)
  - Illegal inducement to give or promise benefits (Article 319-quater of the Criminal Code)
  - Incitement to bribery (Article 322 of the Criminal Code)
  - Aggravated fraud to the detriment of the State or any other public body (article 640, subsection 2, (1) of the Criminal Code)
- **The Protocols**  
As regards this sensitive area, the following protocols should be followed:
  - identification of the roles and responsibilities of the persons authorised to decide and deal with the Universities;
  - collaboration relationships and partnerships should be formalised with Universities pursuant to written agreements establishing the roles, responsibilities, rights and obligations of each of the parties;
  - only persons who hold a power of attorney have the authority to sign the supporting documentation and agreements;

**Management and acquisition of public funding/contributions:** this involves the preparation of the documents necessary to obtain the contributions, management of the same and itemisation of the related expenses, tax credits recognised by the Revenue Office, contributions for staff training.

- **Main Parties, Departments and Organisational Units involved:**  
Chief Executive Officer, HR Manager, Finance & Accounting, Director of Property, Facility & Logistics, Management Control
- **Potential crimes:**
  - Unlawful receipt of public disbursements (article 316-ter of the Italian Criminal Code)
  - Fraud to the detriment of the State or other public body (article 640, subsection 2 of the Italian Criminal Code)
  - Embezzlement of public disbursements (article 316-bis of the Italian Criminal Code)
  - Aggravated fraud to obtain public funds (article 640-bis of the Italian Criminal Code)
  - Trading in influence (article 346-bis of the Criminal Code)
- **The Protocols**  
As regards this sensitive area, the following protocols should be followed:
  - identification of the roles and responsibilities of the persons authorised to deal with the competent national or community public bodies;
  - clear separation of the roles of the persons who prepare the funding applications/expenditure report and the persons who checks its accuracy, before submitting the same to the Disbursing Authority/Supervising Authority;
  - the person who signs the declarations/communications to obtain the loans/contributions/tax credits should have the necessary power of attorney;
  - the information or documents provided should be verified, if possible, by the persons responsible for the matter related to the loan/contribution/tax credit or, in their absence, by persons who report directly to them that should be identified previously and, if possible, signed at the time of delivery;
  - the person designated to manage relations with the national or EU public bodies, should document the procedures completed, keeping track of the information or documents provided even to the other departments involved in the procedure to obtain the loan/contribution/tax credit and indicating the persons who have had

relations with the public body in question, so that the characteristics and reasons for the procedures, may be reconstructed ex post at all times, making it possible to identify the persons involved ("traceability");

- the exchange of information, prior to or relating to obtaining the loan/contribution/tax credit, should always be in writing and, as far as Missoni is concerned, through the person or department expressly authorised to do so;
- all reports sent to the national and/or Community bodies related to the use of the funds/contributions should contain absolutely truthful information and should be consistent with the purpose for which the funds were requested. To this end, all reports produced by Missoni should be kept in a special file duly signed by the manager of the department/organisational unit in question;
- the financial resources obtained as contributions should be used exclusively for the purposes for which they were requested and obtained;
- outsourcers, consultants, partners and collaborators, who participate in the process in question should be selected according to a transparent process and should have the required professionalism and expertise; these relationships should be formalised by means of a contract which should specify that the third party agrees to comply with the provisions of Legislative Decree 231/2001 and the Code of Ethics.

**Management of audits and inspections by the P.A.:** these are activities related to the management of inspections and/or investigations by public bodies and/or public service providers (e.g. INAIL, INPS, Customs, Revenue Office, Guardia di Finanza, Fire Brigade, ATS, Arpa, etc.).

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, HR Manager, Finance & Accounting, Director of Property, Facility & Logistics

➤ **Potential crimes:**

- Bribery relating to the exercise of duties (Article 318 of the Criminal Code)
- Incitement to bribery (Article 322 of the Criminal Code)
- Illegal inducement to give or promise benefits (Article 319-quater of the Criminal Code)
- Trading in influence (article 346-bis of the Criminal Code)

➤ **The Protocols**

As regards this sensitive area, the following protocols should be followed:

- clear separation of roles of the persons who deal with the P.A. during inspections and the persons who supervise the inspection (e.g. inspection verification report);
- only persons who hold the necessary power of attorney may sign the reports, the documentation requested, during verifications and controls;
- during judicial, tax and administrative inspections, the persons expressly delegated to do so (at least two) should participate in the inspection. Records must be kept of the complete inspection process. If the final report mentions critical issues, the manager of the department/organizational unit involved should send a written report to the SB;
- full cooperation should be afforded to Public Officials during inspections;
- the existence of any conflict of interest should be ascertained with respect to personal, financial, legal or other relationships with individuals or legal entities of the Public Administration with which Missoni's personnel may have dealings in relation to sensitive activity in question;
- the ex-post traceability and verifiability of transactions with the Public Administration should be ensured with a suitable paper or electronic trail;
- the outsourcers, consultants, partners and collaborators used during the audit/inspection should be recruited using a transparent procedure and should have the required professionalism and expertise;
- a list of the audits/visits carried out should be sent periodically to the SB.

**Management of litigation:** this is intended as the management of litigation involving Missoni.

➤ **Main Parties, Departments and Organisational Units involved:**



Chief Executive Officer, HR Manager, Finance & Accounting, Chief Services Officer, Head of Legal Department

➤ **Potential crimes:**

- Bribery in judicial proceedings (article 319-ter of the Criminal Code)
- Bribery relating to the exercise of duties (Article 318 of the Criminal Code)
- Incitement to bribery (article 322, subsections 1-4 of the Criminal Code)
- Illegal inducement to give or promise benefits (Article 319-quater of the Criminal Code)

➤ **The Protocols**

As regards this sensitive area, the following protocols should be followed:

- clear definition of the roles and duties of the Departments/Organisational Units responsible for the management of actions brought or defended;
- the existence of any conflicts of interest should be verified;
- the traceability and verifiability ex-post of the different stages of litigation should be ensured;
- all documents produced for the management of litigation and relations with the Courts should be signed by persons duly vested with the necessary powers;
- the documentation concerning each activity should be filed in order to ensure the complete traceability of information and the decisions made, in order to allow the reconstruction of responsibilities, the reasons for the choices made and the sources of information used;
- legal advisors should be selected using transparent procedures and in compliance with the requirements of expertise and professionalism;
- relations with legal advisors should be defined with contracts/letters of appointment containing clauses specifying the consultant's obligation to comply with the principles set forth in Legislative Decree 231/2001 and the Company's Code of Ethics;
- any differences between the amounts budgeted by the legal advisors and the final amounts should be examined;
- a list of actions brought or defended together with the subject matter of the litigation should be sent periodically to the SB.

**3 General principles of conduct applicable to sensitive activities**

Pursuant to express obligations of this Special Section, **Recipients shall:**

1. strictly comply with all the laws and regulations governing the company's activities, above all activities involving contacts and relations with the Public Administration and activities relating to the performance of a public function or a public service;
2. establish and continue relationships with the P.A. in accordance with criteria of complete propriety and transparency;
3. establish and maintain relationships with third parties in all activities relating to the performance of a public function or a public service according to criteria of propriety and transparency that guarantee the proper performance of the function or service and impartiality in the execution thereof;
4. not initiate, collaborate in or contribute to any conduct which, taken separately or together, directly or indirectly constitute the offences falling under those considered above (articles 24 and 25 of the Decree);
5. not violate the principles and protocols set forth in this section.

**It is forbidden in particular**, in relation to the aforementioned conduct to:

- give or promise gifts in monies or similar/equivalent securities to Italian or foreign public officials;
- offer gifts beyond normal company practices (for instance, gifts of any kind over and above normal commercial or courtesy practices, or in any case where such gifts are given to gain preferential treatment or terms in any activities involving the Company); In particular, no gifts of any kind may be offered to Italian and foreign public officials (even in those countries where giving gifts is a common practice), or to the family members thereof, which may influence their decisions or independence of judgement or induce them to ensure any type of advantage to the company; the applicable provisions of the Code in any case apply;
- offer other advantages of any kind (for example, promising to take on the person concerned or any close relative thereof) to the representatives of a Public Administration, which may entail the same consequences provided under the above point;



- pay fees or provide services in favour of consultants and suppliers that are not justified in the context of a contractual relationship with the latter or existing practices;
- submit false statements to national or Community public bodies in order to obtain public payments, contributions or subsidised loans;
- in any case act with the intention of improperly influencing the decisions of officials who deal with or make decisions on behalf of the Public Administration;
- accept recommendations or give in to pressure from public officials or persons in charge of a public service.

### 3.1 System of Delegated Powers

For this particular area, the system of delegated powers used by the company which complies with the following fundamental requirements is of fundamental importance:

- the Manager of the Department/Organisational Unit should ensure that all its collaborators, who represent the Company even occasionally before the P.A., receive a written delegation of authority;
- the delegation of authority contains:
  - the name of the delegating party (person to whom the delegated party reports);
  - the name and duties of the delegated party, consistent with the position held by him/her;
  - scope of the delegation of authority (e.g. project, duration, product, etc.);
  - date of issue.

With the assistance of other departments, the Supervisory Body periodically audits the existing system of delegations of authority and powers of attorney and the consistency thereof with the system of organisational communications as a whole (these are the internal documents of the company pursuant to which delegations of authority are granted), recommending modifications if the management authority and/or position do not correspond to the powers of representation granted to the representative, or if there are other irregularities.

**SPECIAL SECTION "B"  
COMPUTER CRIMES**

**1 Computer crimes and illegal processing of data**

Article 24-bis of Legislative Decree no. 48 of 4 April 2008 ratifying and implementing the Budapest Convention of the Council of Europe on computer crimes introduced the following types of offences within the scope of application of the Decree:

- forgery of computer documents (article 491-bis of the Italian Criminal Code)
- unauthorised access to a computer or telecommunications system (article 615 ter, Criminal Code);
- unlawful possession, distribution and installation of equipment, passwords or other means of access to computer or telecommunication systems (article 615-quater of the Italian Criminal Code)
- unlawful possession, distribution and installation of computer equipment, devices or software for the purpose of damaging or interrupting the operation of a computer or telecommunications system (article 615-quinquies of the Italian Criminal Code);
- unlawful interception, obstruction or interruption of computer or electronic communications (article 617-quater of the Italian Criminal Code);
- possession, distribution and installation of equipment and other means designed to intercept, obstruct or interrupt computer or electronic system communications (article 617-quinquies of the Italian Criminal Code);
- damaging information, data and computer software (article 635-bis of the Italian Criminal Code)
- damaging information, data and computer software used by the State or another public entity or, in any case, of public interest (article 635-ter of the Italian Criminal Code)
- damaging computer or telecommunications systems (article 635-quater of the Italian Criminal Code);
- damaging computer or telecommunication systems of public interest (article 635-quinquies of the Italian Criminal Code)
- cyber-fraud by the provider of electronic signature certification services (article 640-quinquies of the Italian Criminal Code)

Legislative Decree no. 93 of 14 August 2013, containing: "Urgent provisions on security and to combat violence in general, and on civil protection and the administration of the provinces by an external commissioner", introduced in the scope of application of the Decree (article 24) the crime of computer fraud, committed by replacing a digital identity to the detriment of one or more persons (article 640 ter, subsection three of the Criminal Code).

**2 Sensitive Activities and Protocols**

The analysis of Missoni's business processes has permitted identifying the activities in the context of which the various crimes mentioned above could theoretically occur.

The following are listed hereunder: i) Sensitive Activities; ii) the departments/organisational units involved; iii) the crimes that may potentially be committed; iv) the specific protocols used.

**Management of the information systems:** i.e. the management of computer systems, databases and computer networks, with particular reference to:

- compliance with the security measures provided ensuring that these comply with the requirements of EU Regulation 2016/679;
- verification of the presence of access codes to software protected by copyright, malicious software and data flow capture systems;
- data protection against the risk of breaking into a computer system or use by third parties and *mailing list* management.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Operations, Head of Business & Ominchannel Innovation (IT), HR Manager

➤ **Potential crimes:**

- Unauthorised access to a computer or telecommunications system (article 615 ter, Criminal Code);

- Unlawful possession, distribution and installation of equipment, passwords or other means of access to computer or telecommunication systems (article 615-quater of the Italian Criminal Code).

➤ **The Protocols**

The Company must fulfil the following obligations:

- provide to Recipients adequate information/training in relation to:
  - the proper use of company IT resources;
  - risk of computer crimes being committed;
  - the importance of ensuring the confidentiality of access codes (username and password), and the prohibition to disclose them to third parties;
  - the need to not leave computer systems unattended and the importance of locking them before moving away from the workstation;
- enforce compliance with the Internal Regulations on the use of computer devices, the Internet and email;
- as far as possible limit the use of computer systems and access to them (also from and to the outside through the connection to the Internet) by Recipients, exclusively for the purposes related to their assigned tasks;
- in compliance with privacy regulations, existing trade union agreements and the Workers' Statute, check the company computer network if there are any anomalies;
- prepare and maintain adequate physical defences to protect servers and all other company IT systems;
- set up the computer systems so that if they are not used for a certain period of time they automatically lock down;
- as far as possible protect any computer system of the Company in order to prevent the illegal installation of hardware devices capable of intercepting communications relating to a computer or electronic system, or between several systems, or capable of preventing or interrupting them (keyloggers, backdoors, malicious software, etc.);
- provide each computer system with adequate firewall and antivirus software and ensure that these cannot be deactivated where possible;
- prevent the installation and use of software not approved by the Company or not related to the work assigned;
- limit access to particularly sensitive areas and websites as a vehicle for the distribution and dissemination of infected programs (so-called "viruses") capable of damaging or destroying computer systems or data contained therein (for example, email sites or sites for the dissemination of information and files);
- if wireless connections (i.e. wireless, via routers equipped with Wi-Fi antenna) are used to connect to the Internet, protect them by setting a password in order to prevent third parties from illegally connecting to the network through routers and committing offences attributable to Company employees;
- ensure that access to information systems is personal, limited and protected by authentication tools;
- define the criteria and methods for creating passwords for accessing the network, applications, corporate information assets and critical or sensitive systems (e.g. minimum password length, complexity rules, expiration);
- ensure a regular updating of passwords;
- attentively safeguard credentials for accessing the Company's information systems, preventing third parties from learning them;
- ensure that the administrators' profiles are managed exclusively by persons with specific powers;
- where third parties are used to manage cybersecurity, ensure that relationships are formalised through written contracts containing clauses specifying the third party's obligation to comply with the principles set forth in Legislative Decree 231/2001 and the Company's Code of Ethics.

**Management of physical access to sites where there are computer platforms for data transmission and sharing:** these include accesses to digital platforms for social media analysis and business processes, as well as to the digital platforms of INPS, INAIL, Revenue Agency, Chamber of Commerce.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, HR Manager, Operations, Head of Business & Omnichannel Innovation (IT), Finance & Accounting

➤ **Potential crimes:**

- Unauthorised access to a computer or telecommunications system (article 615 ter, Criminal Code);
- Unlawful possession, distribution and installation of equipment, passwords or other means of access to computer or telecommunication systems (article 615-quater of the Italian Criminal Code)

➤ **The Protocols**

The Company must fulfil the following obligations:

- provide for a clear separation of the roles and tasks of the departments responsible for the management of the various phases of the sensitive process, and specifically for the management of the ways in which Missoni accesses the IT and telecommunications systems of third parties that Missoni works with;
- put in place controls to prevent unauthorised access, damage and interference at Missoni and third parties that Missoni works with;
- clearly identify the persons in the Company authorised to access the IT and telecommunications systems of third parties, providing them with access keys and passwords with relative accreditation on the platforms;
- put in place clear, precise rules in order to prevent the possession and/or misuse of codes, keywords or other means of accessing the computer or telecommunications system of third parties that Missoni works with;
- monitor access to information, information systems, the network, operating systems and applications of third parties that Missoni works with;
- define appropriate procedures for dealing with computer security incidents and problems.

**Management of digital documents:** this is the management of the submission of documents to the Public Administration via digital signature.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, HR Manager, Operations, Finance & Accounting, Head of Business & Omnichannel Innovation (IT)

➤ **Potential crimes:**

- Falsification of a public electronic document or a document constituting proof (article 491-bis, Criminal Code).

➤ **The Protocols**

As regards this sensitive area, the following protocols should be followed:

- define policies and methods for the generation, distribution, revocation and storage of keys (smart cards);
- formally regulate any management of smart cards by third parties;
- define controls for the protection of keys against possible modification, destruction and unauthorised use;
- ensure the traceability and adequate archiving of the documentation supporting the activities performed with the use of smart cards.

### 3 General principles of conduct

The Recipients of the Model must comply with the rules of conduct contained in this Special Section which envisages the express prohibition of conduct that constitutes the types of crimes considered above (pursuant to art. 24-bis of the Decree) or conduct that, while not criminal, could potentially constitute one of the crimes under consideration here.

More specifically, it is **absolutely prohibited** to:

- introduce computers, devices, other equipment or software into the company without the prior permission of the Head of Business & Omnichannel Innovation (IT) department or in any way change the configuration of fixed or mobile workstations issued by the Operations/IT department.
- acquire, own or use software and/or hardware that could be used to assess or compromise the security of computerised systems (such as systems to detect passwords, identify vulnerabilities, decrypt the encrypted files, intercept traffic, etc.);
- obtain access credentials to third-party corporate computer or telecommunications systems using methods or procedures other than those authorised by the Company for this purpose;

- disseminate, give away or share credentials for accessing the corporate network and systems of third parties with internal or external staff: each account holder is responsible for the actions carried out through their account on the corporate network and systems;
- distort, obscure, replace one's identity or send anonymous emails or false information;
- carry out tests or attempt to compromise the security controls of company IT systems, unless explicitly envisaged in their work duties;
- exploit vulnerabilities or inadequacies in the IT security measures of the computer or telecommunications systems of the company, of customers or of any third party to gain access to resources or information other than that for which access has been authorised, even if such an intrusion does not cause damage to data, programs or systems;
- inform unauthorised persons, internal or external to the company, of the controls implemented on information systems and how they are used;
- alter public or private electronic documents for evidentiary purposes;
- access a computer or telecommunications system without authorisation or evade the express or tacit will of those entitled to exclude him/her (the prohibition includes both access to internal information systems and access to information systems of competing public or private entities for the purpose of obtaining information on commercial or industrial developments);
- procure, produce, reproduce, import, disseminate, communicate, deliver or in any case make available to others computer equipment, devices or software in order to illegally damage a computer system or the information, data or software contained therein or pertaining thereto or to facilitate the full or partial interruption, the alteration of its operation (the prohibition includes the transmission of viruses in order to damage the information systems of competing entities);
- destroy, damage, delete, alter or suppress computer information, data and programs (the prohibition includes the unauthorised intrusion into the computer system of a competing company with the purpose of altering its information and data);
- destroy, damage, delete, alter or suppress computer information, data and programs used by the State or by another public entity or pertaining to them or in any event of public utility;
- destroy, damage or render another party's computer or telecommunications systems partially or fully inoperable or seriously obstruct their operation;
- destroy, damage or render them partially or fully impossible to use computer or telecommunications systems of public interest or seriously obstruct their operation.

In addition, **the following obligations must be observed:**

- comply with the procedures adopted to implement the GDPR Regulation;
- use the company email service in compliance with the Code of Ethics, using only one's own account;
- each account holder must perform a daily/weekly/bi-weekly backup of the databases used (depending on the type of database to be copied, for example accounting and management, emails, personal folders of the staff) in collaboration with the operator or operators assigned to manage and maintain electronic instruments, in order to guarantee the integrity of the data against the risks of destruction or loss;
- non-public data and information relating to customers and third parties (commercial, organisational, technical) including remote connection methods must be managed as confidential data;
- when sending data, pay attention both during the drafting phase and the storage/preservation phase so that the information is accessible only to those who are authorised to know it and there is no risk of alteration.



**SPECIAL SECTION “C”**  
**COUNTERFEITING OF CURRENCY, PUBLIC CREDIT NOTES, OFFICIAL STAMPS, OFFENCES AGAINST**  
**INDUSTRY AND COMMERCE, AS WELL AS COUNTERFEITING AND VIOLATION OF COPYRIGHTS**

**1 Counterfeiting of currency, public credit notes, official stamps, offences against industry and commerce, as well as counterfeiting and violation of copyrights**

Law no. 409 of 23 November 2001 containing “Urgent provisions with a view to the introduction of the euro” introduced art. 25-*bis* as part of the Decree, which punishes the crime of “counterfeiting of currency, public credit notes and official stamps” and other types of offences relevant to corporate criminal liability:

- counterfeiting currency, spending and introducing into the State (by agreement) counterfeit currency (Art. 453 of the Criminal Code);
- altering currency (article 454, Criminal Code);
- counterfeiting of watermarked paper used to make public credit notes or official stamps (article 460, Criminal Code);
- manufacturer or possession of watermarks or tools used to forge currency, official stamps or watermarked paper (article 461, Criminal Code);
- spending and introducing into the State counterfeit currency, other than by agreement (article 455, Criminal Code)
- spending counterfeit currency received in good faith (article 457, Criminal Code);
- use of counterfeited or altered official stamps received in good faith (article 464, subsection 2, Criminal Code);
- counterfeiting of official stamps, bringing into the State, acquiring, possessing or placing counterfeit official stamps in circulation (article 459, Criminal Code);
- use of counterfeited or altered official stamps (article 464, subsection 1, Criminal Code).

Law no. 99 of 23 July 2009 “Provisions for the development and internationalisation of businesses, as well as energy”, which entered into force on 15 August 2009, introduced into the body of the Decree,

➤ in article 25-*bis*1, the following types of offences:

- counterfeiting, alteration or use of trademarks or distinguishing marks or of patents, models and designs (article 473, Criminal Code)
- introducing into the country and selling products bearing counterfeit marks (article 474 of the Criminal Code);
- disrupting the freedom of industry or commerce (article 513, Criminal Code);
- illegal competition through threats or violence (article 513-*bis*, Criminal Code);
- fraud against national industries (article 514, Criminal Code);
- fraudulent trading (article 515, Criminal Code);
- sale of non-genuine foodstuffs as genuine (article 516, Criminal Code);
- sale of industrial products with deceptive marks (article 517, Criminal Code);
- manufacture and sale of goods made by usurping industrial property rights (article 517-*ter*, Criminal Code);
- counterfeiting of geographical indications or denominations of origin of agricultural food products (article 517-*quater*, Criminal Code);

➤ in article 25-*novies*, the following types of offences:

- offences concerning copyright infringement (articles 171, subsection one a-*bis*) and subsection three, 171-*bis*, 171-*ter*, 171-*septies* and 171-*octies* of Law no. 633 of 22 April 1941).

**2 Sensitive Activities and Protocols**

The analysis of Missoni's business processes has permitted identifying the activities in the context of which the various crimes mentioned above could theoretically occur.

The following are listed hereunder: i) Sensitive Activities; ii) the departments/organisational units involved; iii) the crimes that may potentially be committed; iv) the specific protocols used.



**Production of goods:** these are activities related to production and quality control, which relate to all phases and processes aimed at the creation of clothing items, furniture for the Home and accessories, from the purchase of raw materials to packaging, labelling, packaging, shipping to distribution centres and warehouses.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Operations, Chief Services Officer, Head of Legal Department, Creative Fashion Department, Finance & Accounting,

➤ **Potential crimes:**

- Fraudulent trading (article 515, Criminal Code);
- Sale of industrial products with deceptive marks (article 517, Criminal Code);
- manufacture and sale of goods made by usurping industrial property rights (article 517-ter, Criminal Code);

➤ **The Protocols**

It is necessary to implement the following measures:

- as part of the selection and purchase of raw materials and any other material used in the production process, the Company identifies quality requirements that goods supplied by third parties must meet. To this end, it adopts "General supply specifications" and "Technical supply specifications" to ensure the compliance of the raw materials and materials used with applicable technical regulations and high quality standards;
- the Company adds clauses to contracts with suppliers throughout the entire production and distribution chain that require that they and any sub-suppliers not harm the direct rights of third parties while in the performance of their activities;
- the Company acquires the "Made in" certificate from suppliers;
- the Company constantly carries out controls on the quality, origin and source of raw materials/semi-finished products and products to be subsequently sold. With particular regard to the provisions of law in the regulations on the protection of products Made in Italy (Law 350/03 art. 4 subsection 49 as subsequently amended by art. 16 of Legislative Decree 135/09), the Company implements operating procedures to ensure that the products it sells are accompanied by precise, clear indications of origin or provenance, or in any case do not include the use of signs, figures or wording bearing false indications that can mislead the consumer as to the product's actual origin when the products themselves have not been entirely made in Italy in accordance with European regulations on origin;

In addition, specific and actual controls are foreseen, including, for example:

- preparation of the products' declarations of conformity;
- presence of a specific validation process for product labels;
- presence of a specific process for managing claims;
- presence of a specific process for managing the collection and archiving of product documentation.

**Management of trademarks, patents, distinctive signs, names to be attributed to the lines:** these are the activities connected with the adoption, use and management in general of trademarks and other industrial property rights relating to the production and manufacture of clothing items and accessories.

➤ **Main Parties, Departments and Organisational Units involved:**

Board of Directors, Chief Executive Officer, Creative Fashion Department, Chief Services Officer, Head of Legal Department, Merchandising, Design Sport / Home, Chief Sales & Marketing

➤ **Potential crimes:**

- counterfeiting, alteration or use of trademarks or distinguishing marks or of patents, models and designs (article 473, Criminal Code);
- Introducing into the country and selling products bearing counterfeit marks (article 474, Criminal Code);
- fraud against national industries (article 514, Criminal Code);
- Sale of industrial products with deceptive marks (article 517, Criminal Code);
- Manufacture and sale of goods made by usurping industrial property rights (article 517-ter, Criminal Code);

➤ **The Protocols**

The regulation of the activity described must:

- ensure that the adoption of any new trademark, distinctive sign or other element that can be protected under the regulations on industrial property is always subject to prior verification that this new trademark, sign or element does not harm the pre-existing rights of third parties. To this end, the trademarks, patents, distinguishing marks and naming to attribute to the lines should be sent by the Shareholders, the Creative Fashion Department, Chief Sales & Marketing and the Chief Executive Officer to the Head of Legal Department who shall: (i) carry out, at its discretion, a clearance search on the above, even with the assistance of specialized consultants if necessary and (ii) prepare the paperwork for the registration of the idea and send preliminary information to the Board of Directors. Once all the checks have been completed, the Head of Legal Department communicates the results of said checks to the Creative Fashion Department (with copy to the managers of the Design Sport and Design Home lines, if involved) and the Chief Sales & Marketing. In the event of a negative outcome, the Head of Legal Department will file the paperwork together with the supporting documentation in its hardcopy and computer database; in the event of a positive outcome, the Head of Legal Department, with the assistance of specialized consultants, will assess how best to protect the proposed sign, through the appropriate registration and/or document collection procedures, and will propose these to the Chief Executive Officer to decide the best application and budget strategy to pursue;
- ensure that relations with advisors specialised in intellectual property rights are defined with contracts/letters of appointment containing clauses specifying the consultant's obligation to comply with the principles set forth in Legislative Decree 231/2001 and the Company's Code of Ethics;
- ensure that the use of trademarks and distinctive signs, on products and in internal and external communications, complies with applicable legislation and the above procedure.

**Management of marketing and communication activities, through the use of distinguishing marks, images of third parties and various sales channels (direct retail franchising, e-commerce, multi-brand):** these are activities for marketing and promoting products through co-branding, advertising campaigns and organisation of events, fashion shows, shows, and management of the website and social media for promotional purposes.

➤ **Main Parties, Departments and Organisational Units involved:**

Board of Directors, Chief Executive Officer, Chief Services Officer, Head of Legal Department, Chief Sales & Marketing Merchandising, Creative Fashion Department

➤ **Potential crimes:**

- Counterfeiting, alteration or use of trademarks or distinguishing marks or of patents, models and designs (article 473 of the Italian Criminal Code)
- Reproduction and dissemination of a protected work (article 171, subsection 1, letter a-bis and subsection 3 of Law no. 633/1941);
- Duplication and sale of protected works (article 171-ter, Law no. 633/1941).

➤ **The Protocols**

The regulation of the described activity requires compliance with the following protocols:

- clear identification of the roles and functions responsible for marketing and communications;
- provide for the prior authorisation of each promotional campaign and co-branding activity by the Chief Sales & Marketing, Merchandising Departments and the Chief Executive Officer, with subsequent control of the budgeted expenditures; once the examination has been completed and, subject to authorization, the Chief Executive Officer will propose the promotional campaign and/or co-branding activity to the Board of Directors for final approval;
- engage the Head of Legal Department and a consultant specialised in the field to perform preventive verification of the possible existence of copyrights on texts, music, drawings, images, photographs and

programs that are intended to be used in promotional campaigns, co-branding, the organisation of events, on the website and/or on social media, also for the purpose of online sales;

- ensure that the use of trademarks, distinctive signs and any other work protected by copyright in promotional campaigns complies with applicable legislation;
- provide for the stipulation of specific contracts that regulate Missoni's use of copyrights;
- acquire specific releases for the use of images, videos, photos, music, etc.

**Management of stores:** this involves the marketing of products in stores and payments.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Chief Sales & Marketing

➤ **Potential crimes:**

- Fraudulent trading (article 515, Criminal Code);
- Sale of industrial products with deceptive marks (article 517, Criminal Code);
- Spending counterfeit currency received in good faith (article 457, Criminal Code)

➤ **The Protocols**

The regulation of the described activity requires compliance with the following protocols:

- provide training for employees of stores concerning the protection of industrial property rights;
- ensure that the products sold in each store are accompanied by precise, clear indications of their origin or provenance, or in any case do not use signs, figures or marks bearing false indications that can mislead the consumer on the product's actual origin when the products themselves have not been entirely made in Italy, in accordance with European legislation on origin.

Moreover, for the proper management of receipts, the following procedural rules must be followed:

- store personnel are prohibited from holding personal money while performing their activities;
- it is prohibited to take money for the goods sold without issuing the corresponding receipt;
- the main criteria for the recognition of counterfeit cash are formalised and communicated to the Company personnel who come into contact with cash;
- tools able to recognise counterfeit banknotes are made available in the stores.

**Management of the showrooms and company outlets:** these are the marketing activities for the products in the showrooms and company outlets with the consequent phases of sale and collection of receipts.

➤ **Main Parties, Departments and Organisational Units involved:**

Missoni Home BU, Chief Sales & Marketing

➤ **Potential crimes:**

- Fraudulent trading (article 515, Criminal Code);
- Sale of industrial products with deceptive marks (article 517, Criminal Code);
- Spending counterfeit currency received in good faith (article 457, Criminal Code)

➤ **The Protocols**

The regulation of the described activity requires compliance with the following protocols:

- provide training for employees of showrooms and company outlets concerning the protection of industrial property rights;
- ensure that the products sold in each showroom and/or outlet are accompanied by precise, clear indications of their origin or provenance, or in any case that they do not use signs, figures or wordings bearing false

information that can mislead the consumer about the product's actual origin when the products themselves have not been entirely made in Italy, in accordance with European legislation on origin.

Moreover, for the proper management of receipts, the following procedural rules must be followed:

- showroom and company outlet personnel are prohibited from holding personal money while performing their activities;
- it is prohibited to take money for the goods sold without issuing the corresponding receipt;
- the main criteria for the recognition of counterfeit cash are formalised and communicated to the Company personnel who come into contact with cash;
- tools able to recognise counterfeit banknotes are made available in the showrooms and company outlets.

**Management of computer licences and software:** this activity is related to the control of the conditions for accessing, using and protecting the IT resources used in Missoni.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Operations, Head of Business & Omnichannel Innovation

➤ **Potential crimes:**

- Unauthorised duplication, transformation, distribution and communication of copyrighted programs (article 171, Law 633/1941).

➤ **The Protocols**

It is necessary to:

- provide for the obligation to comply with the legal provisions protecting the authorship of computer programs and databases covered by copyright (the "Works"), as well as the limitations established for the right to duplicate computer programs and the reproduction, transfer, distribution and/or communication of the content of databases;
- provide for authorisation mechanisms for the use, reproduction, processing, duplication and distribution of Works or parts thereof;
- provide for the adoption of protection tools (e.g. access rights) relating to the preservation and archiving of Works, ensuring they are inventoried;
- upon receipt of media containing computer programs, databases, audio or video of musical, cinematographic or audio-visual works and/or sequences of moving images, provide for the formalised verification of their having been marked by the authorities responsible for supervision in the field of copyright, or the exemption of the media in question from this obligation;
- provide for systems that prevent unlicensed software from being downloaded.

### 3 General principles of conduct

This Special Section envisages the express prohibition of conduct that constitutes the types of crimes considered above (pursuant to art. 25-bis, 25-bis 1 and 25-novies of the Decree) or conduct that, while not criminal, could potentially constitute one of the crimes under consideration here.

More specifically, **it is mandatory to:**

- check the supplies of finished products both preventively and when placing them on the market;
- research and develop new models and designs, as well as carry on all the verification and control activities related to them, in compliance with the law and in implementation of internal, Community and international standards for the protection of industrial property;
- before the registration of any trademark, logo or any distinctive sign, or the patenting of inventions, designs or any other intellectual property, verify or have verified by the competent bodies that they have not already been registered or patented nationally, internationally, and at a Community level;
- obtain a licensing agreement for each distinctive sign or work of intellectual property used by the Company that it does not own;

- purchase, create and publish on the internet only content (photographs, video sequences, poems, comments, reviews, articles and other written content, files containing music in any format) licensed for use or otherwise in compliance with copyright and other rights related to their use;
- promptly and strictly verify (via one or more managers expressly delegated to do so) – in advance where possible or through specific periodic monitoring – that the content on the internet complies with current regulations on copyrights and rights related to the use of protected intellectual property works;
- verify that, for all the aforementioned content that is placed on the internet by third parties or purchased by the Company and placed on the internet, there is express assumption of responsibility by said third parties regarding compliance with the regulations on copyright and other rights related to the use of intellectual property works;
- use only software licensed for use and within the limits and conditions envisaged by current legislation and the licence itself, with the exception of those computer programs available for download and free use, always under the conditions and within the limits envisaged by law or by the copyright holder and other rights related to its use;
- use only databases licensed for use and within the limits and conditions envisaged by current regulations and the licence itself, with the exception of those freely available, always under the conditions and within the limits envisaged by law or by the copyright holder and other rights related to their use, including with regard to the search, extraction, processing, re-processing and publication of the data contained therein.

Furthermore, **it is forbidden to:**

- reproduce, promote or offer for sale designs or models such as to cause confusion about the identification or origin of the product, as well as to use names or distinctive signs that evoke other products in the absence of a valid licence or outside the limits defined by the relevant contracts;
- engage in any form of intimidation or harassment of other competitors operating in the same sector (e.g. through boycotts, hiring away employees, refusal to negotiate, etc.);
- stipulate commercial collaboration agreements of any kind aimed at disturbing competition or having such a result;
- counterfeit or alter national or foreign distinctive brands or signs of clothing items and accessories being able to know of the existence of an industrial property right, or make use of counterfeit or altered distinctive brands or signs;
- introduce into the country clothing items and accessories with counterfeit or altered national or foreign trademarks or other distinguishing signs, so as to profit therefrom;
- deliver one clothing item or accessory in place of another, i.e. a product that by origin, provenance, quality or quantity is different from what is declared or agreed to;
- sell or otherwise place into circulation intellectual property works or clothing items and accessories, having national or foreign names, brands or distinctive signs capable of misleading the buyer about the origin, provenance or quality of the works or product;
- produce clothing items or accessories, by usurping or in breach of industrial property rights, while being able to know of the existence of such industrial property rights;
- unlawfully duplicating software programs for profit or, for the same purpose, importing, distributing, selling, holding for commercial or business purposes or renting out programs on media not marked by the Italian Association of Authors and Publishers (Società italiana degli autori ed editori, or SIAE);
- for profit, reproduce on media not bearing the SIAE markings or transfer onto other media, distribute, communicate, present or demonstrate in public the content of a database in violation of the provisions referred to in articles 64-quinquies and 64-sexies of law no. 633/1941, or extract or reuse the database in violation of the provisions referred to in articles 102-bis and 102-ter of the same law, or distribute, sell or rent out a database;
- purchase or receive counterfeit or altered coins from the counterfeiter or alterer or an intermediary for the purpose of placing them into circulation;
- buy or hold counterfeit or altered coins for the purpose of placing them into circulation;
- spend or place into circulation counterfeit or altered currency, even if received in good faith.



**SPECIAL SECTION “D”  
CORPORATE OFFENCES**

**1 Corporate Offences**

As part of the reform of corporate law, Legislative Decree no. 61 of 11 April 2002, in force since 16 April 2002, introduced art. 25-ter of the Decree, extending the administrative liability of Entities to so-called "corporate offences". The types of corporate offences considered are:

- **False corporate reporting and minor acts (article 2621 and 2621-bis of the Italian Civil Code):** the presentation, in order to realise an unjust gain for themselves or others in the financial statements, reports or other corporate reports and notices addressed to the shareholders and the public as required by law, of untrue material facts or omit important material facts which must be reported under the law in regard to the profit and loss, balance sheet and financial situation of the company or the group to which it belongs, by doing so in such a way as could effectively mislead others. It should be noted that Law no. 69 of 27 May 2015, published in the Italian State Gazette no. 124 of 30 May 2015, introduced significant changes to the criminal provisions on false corporate reporting, contained in the Italian Civil Code; more specifically, the main changes concern (i) the automatic prosecution of the offence, (ii) the psychological aspect, constituted by intent, with the altered scope of "obtaining an unfair profit for oneself or others", but that is no longer characterized by any element of the intention to deceive, (iii) the partial revision of the typical conduct, (iv) the elimination of the quantitative thresholds of criminal relevance of the conduct;
- **illegal repayment of contributions (article 2626 of the Italian Civil Code):** repayment of contributions to shareholders or release from the obligation of making said contributions;
- **unlawful distribution of profits and reserves (article 2627 of the Italian Civil Code):** distribution of profits and reserves that by law cannot be distributed;
- **unlawful trading in the stocks or shares of the company or its parent company (article 2628 of the Italian Civil Code):** acquisition or subscription of shares, even of the parent company, to the detriment of the share capital;
- **transactions detrimental to creditors (article 2629 of the Italian Civil Code):** reduction of share capital, spin offs and mergers to the detriment of creditors;
- **failure to disclose a conflict of interest (article 2629 bis of the Italian Civil Code):** breach of the obligation to disclose a conflict of interest to the detriment of the company or third parties;
- **fictitiously payment of capital (article 2632 of the Italian Civil Code):** fictitious increase of the share capital, reciprocal subscription of shares and overestimation of contributions or assets in the event of transformation;
- **improper distribution of the company assets by liquidators (article 2633 of the Italian Civil Code):** distribution of company assets before paying off the company's creditors or appropriating the sums necessary to satisfy creditors' claims;
- **obstruction of control (article 2625, subsection 2, of the Italian Civil Code):** concealing documents so as to prevent controls by shareholders and other company bodies;
- **bribery among private individuals (art. 2635, subsection 3 of the Italian Civil Code) and incitement to bribery among private individuals (art. 2635 bis of the Italian Civil Code):** offering, even against solicitation, or promises of money or other undue benefits (in the capacity of bribe-giver) in favour of directors, general managers, managers responsible for the preparation of the accounting documents, auditors and liquidators, and in favour of anyone who exercises management functions other than those described above, in order to perform or omit an act, in breach of the obligations inherent to the position thereof or their obligations of loyalty (in the capacity of bribe-giver); the liability pursuant to Legislative Decree 231/2001 concerns the bribe-giver and is applicable even if the offer or promise of money or other undue benefit is not accepted;
- **unlawfully influencing the shareholders' meeting (article 2636 of the Italian Civil Code):** commission of simulated and fraudulent acts in order to determine an illegal majority at a shareholders' meeting;
- **manipulation (article 2637 of the Italian Civil Code):** spreading of false information or set-up of sham transactions that may significantly alter the price of unlisted financial instruments;
- **obstruction of the duties of the public supervisory authorities (articles 2638, subsections 1 and 2, of the Italian Civil Code):** issue of untruthful declarations concerning material facts under examination in order to



obstruct the supervisory functions, on the financial situation of the parties subject to such supervision or, for the same purpose, concealment in any other fraudulent manner, of facts that should have been disclosed concerning such situation.

## 2 Sensitive Activities and the Protocols

The analysis of Missoni's business processes has permitted identifying the activities in the context of which the various crimes mentioned above could theoretically occur and the processes that could be considered to be "instrumental" to the commission of the so-called "predicate" offences.

The **Instrumental Processes** relating to the commission of the offence described by this section are as follows:

- Donations and donations of goods;
- Sponsorships;
- Free samples of products;
- Purchase of goods or services.
- Management of monetary and financial flows;
- Reimbursement of expenses;
- Gifts, entertainment expenses;
- Recruitment of employees;
- Management of bonuses and benefits;
- Selection and management of agents.

For more information on the control protocols, please see Special Section M.

The following are listed below: i) Sensitive Activities; ii) the departments/organisational units involved; iii) the crimes that may potentially be committed; iv) the specific protocols used, making a distinction between Sensitive Activities relating to corporate offences in general and Sensitive Activities relating to bribery among private individuals.

### Sensitive Activities – Corporate Offences

***Preparation of the financial statements, the management report and other corporate communications:***

concerns transactions relating to the posting, recording and representation of the business activity in the accounting records, financial statements, reports and any other statements relating to the economic, equity and financial situation of Missoni required by law and legislative obligations relating to the keeping of accounting records and company books.

- **Main Parties, Departments and Organisational Units involved:**  
Board of Directors, Chief Executive Officer, Finance & Accounting, Management Control
- **Potential crimes:**
  - False corporate reporting (article 2621-2621-bis of the Civil Code)
  - Obstruction of controls (article 2625, subsection 1 of the Civil Code)
  - Unlawfully influencing the shareholders' meeting (Article 2636 of the Civil Code)
  - Market rigging (Article 2637 of the Civil Code)
  - Obstructing the functions of the public supervisory authorities (article 2638 of the Civil Code)
- **The Protocols**  
As regards this sensitive area, the following protocols should be followed:
  - comply with rules of clear, accurate and complete accounting records of the facts relating to the management of the Company;
  - promptly post any accounting records that reflect a corporate transaction, keeping adequate supporting documentation to identify the reason for the transaction that generated the post and the related authorisation;
  - proceed with the valuation and recording of economic assets in compliance with the criteria of

reasonableness and prudence, clearly illustrating the criteria that guided the determination of the value of the asset in the relevant documentation;

- ensure compliance with the rules of separation of duties among the person who performed the transaction, those who record it in the accounts and those who perform the related controls;
- manage in a correct and sufficiently detailed manner documents, reports and other annotations, maintaining documentation of the activities performed and ensuring their preservation through archiving;
- carry out adequate training on the correct use of the accounting management system in use at the Company;
- carry out checks on the proper functioning of the interfaces and sharing of data between the accounting management system and the production and retail process management software used to record the fees;
- make changes to the accounting data only with the authorisation of the department/organisational unit that generated them;
- hold one or more meetings, of which the minutes will be taken, between the auditing firm, Board of Statutory Auditors and the SB – before the meeting of the Board of Directors and the shareholders' meeting convened to approve the financial statements – whose agenda includes the draft financial statements if any critical issues have emerged during the audits;
- schedule regular meetings and/or exchanges of information with any accounting, tax and other outsourcers in order to verify their regular and constant professionalism in the management of the service and in the drafting of the accounting documents;
- in the event that documentation is wholly or partially produced with the aid of third parties (professional firms, consultants, professionals, etc.), ensure that relations with them are formalised through written contracts containing clauses specifying the third party's obligation to comply with the principles of Legislative Decree 231/2001 and the Code of Ethics.

**Management of corporate transactions:** these are operations of an extraordinary nature, such as distribution of reserves, reductions in share capital, mergers, demergers, contributions, which can lead to changes in the share capital.

➤ **Main Parties, Departments and Organisational Units involved:**

Board of Directors, Chief Executive Officer, Finance & Accounting

➤ **Potential crimes:**

- Obstruction of controls (article 2625, subsection 1 of the Civil Code)
- Undue repayment of contributions (Article 2626 of the Civil Code)
- Unlawful distribution of profits and reserves (Article 2627 of the Civil Code)
- Unlawful dealing in the stocks or shares of the company or its parent company (Article 2628 of the Civil Code)
- Transactions prejudicial to creditors (Article 2629 of the Civil Code)
- Failure to disclose conflicts of interest (article 2629-bis of the Civil Code)
- Fictitious capital formation (Article 2632 of the Civil Code)
- Unlawfully influencing the shareholders' meeting (Article 2636 of the Civil Code)
- Market rigging (Article 2637 of the Civil Code)
- Obstructing the functions of the public supervisory authorities (article 2638 of the Civil Code)

➤ **The Protocols**

As regards this sensitive area, the following protocols should be followed:

- clear definition of the roles and duties of the Departments/Organisational Units responsible for the management of corporate transactions, providing for checks on the completeness and veracity of the information necessary for the taking of decisions and execution of corporate transactions;
- identify the function and the person responsible for managing extraordinary corporate transactions on behalf of Missoni, to which to grant specific delegated powers and written power of attorney;
- prepare documentation to assess the feasibility and strategic and economic convenience of the transaction,

including, where applicable:

- ✓ qualitative and quantitative description of the target (feasibility study, financial analysis, studies and statistics of the market of reference, comparisons between different alternatives for executing the transaction);
- ✓ characteristics and parties involved in the transaction;
- ✓ technical structure, main collateral and collateral arrangements and financial coverage of the transaction;
- ✓ method of determining the economic conditions of the transaction and specification of any external consultants/intermediaries/advisors involved;
- ✓ impact on the prospective economic, financial and equity situation;
- ✓ assessments of the transaction's correspondence and compliance with the Company's interest.
- record, archive and retain (in paper and electronic format) the relevant documentation (agenda, convocations, resolutions, minutes);
- enter the minutes of Board and Shareholders' Meetings in the Corporate Books;
- permit access to persons appointed to carry audits of the Corporate Social Books in accordance with the provisions of the applicable law.

It is also necessary to monitor powers above all verifying the signatures of documents relating to corporate transactions.

***Management of the relationship with the Independent Auditors, with the Board of Statutory Auditors:***  
these are relationships with the Independent Auditors concerning audits that the latter may carry out in accordance with the provisions of the law, and relationships with the Board of Statutory Auditors.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Finance & Accounting

➤ **Potential crimes:**

- Obstruction of controls (article 2625, subsection 1 of the Civil Code)
- bribery among private individuals (article 2635, subsection 3 of the Civil Code)
- Unlawfully influencing the shareholders' meeting (article 2636 of the Civil Code).

➤ **The Protocols**

As regards this sensitive area, the following protocols should be followed:

- clear definition of the roles and duties of the Departments/Organisational Units responsible for the management of various phases of the sensitive process (e.g. obtaining and providing data to forward to the Board of Statutory Auditors, the Independent Auditors, checks on the accuracy of the documentation/information obtained);
- selection of the Independent Auditors using transparent procedures and in compliance with the provisions of Article 13 of Legislative Decree no. 39/2010;
- hold one or more meetings, of which the minutes will be taken, between the Auditing Firm, Board of Statutory Auditors and the SB – before the meeting of the Board of Directors and the shareholders' meeting convened to approve the financial statements – whose agenda includes the draft financial statements if any critical issues have emerged during the audits;
- relations with control bodies shall be based on complete transparency, collaboration and availability and in full complying with the provisions of applicable existing laws, the general principles and rules of conduct referenced in the Code of Conduct and this Special Section.
- promptly comply with any requests for audits of the Board of Statutory Auditors and/or the Independent Auditors, with the utmost diligence and professionalism, in such a way as to provide clear, accurate, complete, faithful and true information, avoiding and, in any event, reporting any conflict of interest in a prompt and appropriate manner.

**Sensitive activities – Bribery among private individuals**

**Sale of goods:** these activities involve the marketing of products with distributors, chains, franchisees, multi-branding, market place platforms.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Chief Sales & Marketing, Chief Services Officer, Head of Legal Department

➤ **Potential crimes:**

- Bribery among private individuals (article 2635, subsection 3 of the Civil Code)
- Incitement to bribery among private individuals (article 2635-bis of the Civil Code)

➤ **The Protocols**

As regards this sensitive area, the following protocols should be followed:

- clear definition of the roles and duties of the Departments/Organisational Units responsible for the management of various phases of the sensitive process (identification of the counterparty, management of the relationship, contractual offer, signing of the agreement);
- liaise with customers, who meet the moral and professional requirements established by the Company, also taking into account the creditworthiness thereof analysed through an external provider;
- work in full compliance with the applicable laws and regulations, standards of conduct and principles of loyalty, propriety, clarity and transparency;
- ensure that relations with customers are managed exclusively by delegated persons;
- maintain high standards of integrity in all dealings with customers, in a transparent and responsible manner;
- ensure the traceability of all stages of the sales process, including the definition of prices and discounts applied;
- ensure that business offers are checked by the designated departments and approved by persons vested with the necessary powers, according to the procedure of normal company practice;
- ensure that business offers (in terms of prices and discounts) are defined on the basis of a specific approved price list;
- ensure compliance with the limits of authorised;
- guarantee that the documentation sent to customers is complete, clear, truthful and accurate;
- if sales activities are carried out - in whole or in part - with the assistance of third parties (agents), ensure that these are selected at all times in compliance with the provisions of Special Section M - Instrumental processes, "Selection and management of agents";
- ensure that relations with counterparties are formalised through specific contracts/orders, signed by persons who have the necessary powers/powers of attorney;
- ensure that all documentation relating to the sales management process for goods is filed by the company departments involved in the process, even with use of specific IT tools;
- promptly communicate, to one's line manager or the management of the Company and, at the same time, to the Supervisory Body any conduct on the part of persons who work for the counterparty, aimed at obtaining favours, illegal donations of money or other benefits, as well as any critical issues or conflict of interest that may arise in the relationship;
- arrange training courses on anti-bribery and conflicts of interest.

### 3 General principles of conduct

#### Corporate offences

##### **Prohibitions**

Pursuant to specific contractual clauses this Special Section specifically prohibits - Corporate Officers, directly, and non-company collaborators and Partners - from:

- initiating, collaborating in or contributing to the cause of acts or conduct that constitutes the offences mentioned

- above (article 25-ter of the Decree);
- initiating, collaborating in or contributing to the cause of acts or conduct that, although not constituting one of the offences above, could potentially become one.

It is forbidden in particular, in relation to the aforementioned conduct:

- recognise or transmit for processing and recognition in financial statements, budgets and reports or in other corporate communications, false, incomplete or howsoever inaccurate data on the Company's profit and loss, balance sheet and financial situation;
- omit the disclosure of data and information imposed by the law on the Company's profit and loss, balance sheet and financial situation.
- return contributions to shareholders or release them from the obligation to make them, other than in the case of a lawful share capital reductions, in any form not specifically included in those described hereunder;
- to distribute profits or payments on account of profits not actually obtained or intended for reserves by law;
- to make reductions of share capital, mergers or demergers in breach of the provisions of the law protecting creditors;
- to make fictitious capital formation or increases, allocating shares at a value under the nominal value thereof at the time of establishment of the company or increases of the share capital;
- to divert company assets, upon liquidation of the Company, from their allocation to creditors, distributing such assets to the shareholder before making payments to company creditors or the apportionment of the sums required to pay them.
- to engage in any conduct that physically prevents, by the concealment of documents or use of other fraudulent means, the control or auditing of corporate management activities by the Statutory Board of Auditors or by the Independent Auditors.
- to determine or influence the adoption of resolutions by the shareholders' meeting, through simulated or fraudulent acts whose scope is to alter the regular procedure of the meeting in reaching decisions.

#### **Duties**

Pursuant to the express obligations of this section, the persons specified above shall:

- conduct themselves in a proper, transparent and collaborative manner, in compliance with the applicable law, in all activities involving processing of accounting data, preparation and formation of Missoni's financial statements;
- strictly comply with all the regulations that protect the integrity and effectiveness of the Company's share capital;
- not set up sham, or in any case, fraudulent transactions likely to significantly distort the economic/financial results attained by the Company;
- manage in a correct and sufficiently detailed manner documents, reports and other annotations, maintaining documentation of the activities performed and ensuring their preservation through archiving;
- promptly and accurately arrange, in a truthful and complete manner, any communications required by applicable laws;
- report to the line manager or company management and, at the same time, to the Supervisory Body, the existence of errors or omissions in the accounting entries relating to operational events as well as any conduct not in line with the provisions of this Special Section;
- provide training on accounting rules and accounting standards for the staff of the FINANCE & ACCOUNTING area.

#### **Bribery Among Private Individuals**

#### **Prohibitions**

Pursuant to specific contractual clauses this Special Section specifically prohibits - Corporate Officers, directly, and non-company collaborators and Partners - from:

- giving or promising money or other benefits to directors, general managers, financial reporting officers, statutory auditors and liquidators, as well as to those who exercise management functions other than the above, to customer companies or potential customers, or partners in general belonging to the private sector;



- engaging in conduct that, while not likely to constitute crimes under article 2635 and 2635-bis of the Italian Civil Code, can potentially become so;
- being involved in or giving rise to any situation of conflict of interest with regard to partners, customers or potential customers in relation to the provisions of the aforementioned offence;
- submit offers without following the approval procedure required by company practices;
- enter into contracts with conditions established according to non-objective parameters and/or in violation of company practices;
- produce untruthful documentation and data in order to obtain acceptance of an offer by a private counterparty.

#### **Duties**

For the purposes of committing the acts indicated hereinabove:

- Company Officers must not accept or solicit gifts or acts of courtesy such as gifts, forms of hospitality or other benefits that exceed normal practices and such as to be considered normal in relation to the event and not be interpreted by an impartial observer as intended to improperly gain benefits. It is not allowed to offer, promise or give gifts, acts of courtesy, such as gifts, forms of hospitality or other benefits in excess of normal courtesy practices. In any case, these expenses must always be authorised, documented and in compliance with budget limits;
- in the course of a business negotiation, request or business relationship with a private entity, the following actions must not be taken (directly or indirectly):
  - examine or propose employment and/or commercial opportunities that may benefit employees of private entities.
  - solicit or obtain confidential information that may compromise the integrity or reputation of both parties.



**SPECIAL SECTION “E”  
NEGLIGENT OFFENCES IN BREACH OF WORKPLACE HEALTH AND SAFETY REGULATIONS**

**1 Manslaughter and serious or very serious negligent injury crimes in breach of the regulations on accident prevention and on the protection of hygiene and safety at work.**

Law no. 123 of 3 August 2007 introduced article 25-septies in the Decree, subsequently amended by Legislative Decree no. 81/2008 (Consolidated Law on Safety), according to which the organisation is also liable in the following cases:

- manslaughter (article 589, Criminal Code) and
- serious and very serious negligent injury (article 590 of the Criminal Code)

committed in breach of the regulations on accident prevention and on the protection of hygiene and safety at work. The pertinent regulations are contained in the Consolidated Law on Safety.

Moreover, it should be specified that any breach of the employer's obligation to ensure the safety of the workplace (article 2087 of the Civil Code) – resulting in a serious injury – entails the automatic initiation of proceedings against the company. In fact, case law has established that any violation of regulations concerning the safety of work aggravate the crime of manslaughter and serious and very serious negligent injury, and therefore render article 25-septies of the Decree applicable.

Serious or very serious injury (article 583 of the Criminal Code) are understood to mean an injury that causes:

- an illness that endangers the life of the injured party or an illness or inability to perform normal activities for more than 40 days;
- the permanent weakening of a sense or an organ; an illness that is definitely or likely to be incurable; the loss of a sense; the loss of a limb or a mutilation which renders the limb useless, or the loss of the use of an organ or of the ability to procreate, or a permanent and serious difficulty of speech; deformation or permanent scarring of the face.

In this regard, it should be emphasised that in these cases the crime is punished as mere negligence, unlike the other predicate offences that require awareness and voluntary action.

**2 Sensitive Activities and Protocols**

The analysis of Missoni's business processes has permitted identifying the activities in the context of which the various crimes mentioned above could theoretically occur.

The following are listed hereunder: i) Sensitive Activities; ii) the departments/organisational units involved; iii) the crimes that may potentially be committed; iv) the specific protocols used.

**System for assigning responsibility and safety organisation:** these are the activities aimed at the correct identification of roles and responsibilities with respect to workplace safety, with the consequent identification of the various roles: Employer (“DL”), Employer's Delegate (“DDL”), Prevention and Protection Service Manager (“RSPP”), Workers' Safety Representative (“RLS”), Company Physician, executives and supervisors.

➤ **Main Parties, Departments and Organisational Units involved:**  
Chief Executive Officer, Director of Property, Facility & Logistics, Operations, HR Manager

- **Potential crimes:**
- Manslaughter (article 589 of the Italian Criminal Code)
  - Personal injury due to negligence (article 590 of the Italian Criminal Code)

➤ **The Protocols**

As regards this sensitive area, the following protocols should be followed:

- the DL (natural person according to official corporate documentation to whom the responsibility of the company organisation is attributed even for the purposes of current health and safety legislation) defines

and communicates to the Board of Directors and the SB the organisational structure responsible for overseeing safety at work, as well as any subsequent modification thereof;

- the organisational structure must ensure a clear identification of the DL and a formalised system of delegations of functions in the area of health and safety prepared according to the following principles of case law: (i) effectiveness - existence and presence of decision-making and financial autonomy of the delegate; (ii) technical and professional suitability of the delegate; (iii) supervision of the delegate's activity, non-acquiescence, non-interference; (iv) certainty, specificity and awareness;
- confer the delegation of tasks by the DL according to the requirements prescribed by article 16 of Legislative Decree 81/2008. The system of delegated powers must be documented and traceable;
- carry out the assignment of the tasks of RSPP, Company Physician, the election or appointment of the Workers' Safety Representative, the identification of the functions of executive and supervisor. These roles must be performed in compliance with current regulations and in such a way as to ensure compliance with the principles of propriety, transparency, traceability. In detail, it is necessary to: (i) verify the existence of specific requirements consistent with the provisions of the law in force on the subject; (ii) ensure the traceability of the verifications carried out regarding the possession of the specific requirements envisaged by the law; (iii) assess personnel to understand their capabilities and time availability in order to fill these specific roles; (iv) provide for a formal appointment and assignment of the tasks; (v) ensure the traceability of the formal acceptance of the assignments made;
- if the Prevention and Protection Service is outsourced, ensure that the relationship between the Service and the companies is contractually formalised and specific clauses are included that require the outsourcer to comply with the principles contained in Legislative Decree 231/2001 and in this Special Section, and regulate the consequences deriving from the violation of the requirements contained therein.

**Identification and assessment of risks:** these are the activities aimed at the assessment of company risks in accordance with the requirements contained in Legislative Decree no. 81/2008.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Director of Property, Facility & Logistics, Operations, HR Manager

➤ **Potential crimes:**

- Manslaughter (article 589 of the Italian Criminal Code)
- Personal injury due to negligence (article 590 of the Italian Criminal Code)

➤ **The Protocols**

As regards this sensitive area, the following protocols should be followed:

- clearly define roles and tasks in order to identify: (i) the responsibilities for verifying, approving and updating the contents of the Risk Assessment Document (RAD); (ii) the methods and criteria for reviewing the hazard identification and risk assessment processes; (iii) the traceability of the Company Physician's involvement in the hazard identification and risk assessment process;
- identify workers' tasks;
- explicitly define the assessment criteria adopted for the different risk categories in compliance with current legislation and requirements;
- draw up the RAD in accordance with the provisions of the law and taking into account the specific risks of plants and stores; more specifically, the RAD must contain at least: (i) the assessment procedure, specifying the criteria adopted and the names of the persons who participated in the assessment; (ii) the identification of prevention and protection measures and personal protective equipment, the procedures for the implementation of the measures resulting from the assessment; (iii) the measures considered to be appropriate to ensure the improvement of safety levels in time; (iv) the identification of tasks that expose

workers to specific risks which require recognised professional skills and specific experience, education and training;

- promptly update the RAD in the event of a change in business risks, new regulatory provisions, significant accidents or events that suggest a change;
- make the RAD available to the SB and inform it of any updates.

**Process of definition and management of protection and prevention procedures:** these are the activities of identification, preparation, application and dissemination of procedures to prevent accidents at work both in ordinary conditions and in emergency conditions.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Director of Property, Facility & Logistics, Operations, HR Manager

➤ **Potential crimes:**

- Manslaughter (article 589 of the Italian Criminal Code)
- Personal injury due to negligence (article 590 of the Italian Criminal Code)

➤ **The Protocols**

As regards this sensitive area, the following protocols should be followed:

- define procedures for the acquisition, assessment and management of the provisions relevant to the organisation in order to comply with applicable technical and structural standards, including changes to machines, systems and work environments;
- define plans and periodically carry out training and information sessions to make known and disseminate both management and operational safety procedures;
- review any safety procedures that may have been violated in the event of accidents, near misses or emergency situations, analyse the event and, where appropriate:
- keep all machines, systems, work environments (including the stores) under control through preventive and routine maintenance, guaranteeing the functional efficiency of all the safety and alarm devices;
- organise the procedures for managing emergencies and evacuations, also carrying out the appropriate drills (including the stores);
- involve in the process of defining, implementing, disseminating and monitoring prevention and protection procedures each of the figures involved in the organisational structure to oversee workplace safety (DL, Prevention and Protection Service Manager, Workers' Safety Representative, Company Physician, executives and supervisors), each in compliance with their roles and responsibilities.

Therefore, for the proper implementation of the above:

- in compliance with articles 17 and 29 of Legislative Decree 81/2008, the DL defines and maintains the criteria and methods for the identification of corporate and specific risks;
- the Prevention and Protection Service Manager: (i) reports at least every six months to the DL on the status of effectiveness and efficiency of the system to protect the health and safety of workers in Missoni workplaces. This report highlights any critical issues, including those related to significant changes in the work organisation or in the evolution of techniques, prevention and protection or following significant accidents, reporting on the strategies already planned and/or adopted to contrast and mitigate such events (solution/person responsible) and the situations not yet dealt with; (ii) verifies the adequacy of the company rules on occupational safety; (iii) oversees the activities of the Protection and Prevention Service; (iv) convenes the annual meeting with the interested parties;
- the Company Physician reports at least once a year to the DL on the work done and the critical issues encountered. If the Company Physician finds that the DL has not complied with the judgements of temporary or permanent unfitness relating to a specific task of one or more workers, he/she shall promptly report it to the SB;

- the RLS works with the DL, reporting any irregularities found and proposing appropriate solutions. In compliance with regulations, the same RLS has the right to access workplaces to perform inspections and can also access company documentation concerning the risk assessment and the related prevention measures;
- the RSPP meets at least once a year with the RLS, the company physician and the DL or his/her representative pursuant to article 35 of the Consolidated Law on Safety. A copy of the minutes is submitted by the DL to the SB;
- once the activity is completed, a report is drawn up containing the results related to the assessment performed. Based on the findings that emerged and the written report the actions to be implemented are defined in order to eliminate the non-conformities found.

**Management of work contracts and work sites:** this deals with maintenance, works on buildings at the plants, sites for the organisation of events and fashion shows.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Director of Property, Facility & Logistics, Operations, HR Manager

➤ **Potential crimes:**

- Manslaughter (article 589 of the Italian Criminal Code)
- Personal injury due to negligence (article 590 of the Italian Criminal Code)

➤ **The Protocols**

For the selection and contracting of works contracts, Missoni:

- checks the technical and professional requirements of the contractual counterparties (as per article 26, subsection a) of Legislative Decree 81/2008);
- checks that the contractual counterparties are current with their mandatory contributions (pursuant to article 26, subsection 4 of Legislative Decree 81/2008);
- attaches the Unified Document for the Evaluation of Interference Risks (DUVRI) where applicable;
- archives the documents relating to contracts so that they are always accessible for any controls performed by the Supervisory Body.

It is mandatory to ensure compliance with the "Contract Management" procedure and the regulations set forth by the "Stages and Fairs" Decree.

### 3 General principles of conduct

In compliance with the provisions of article 30 of Legislative Decree no. 81/2008, this Special Section requires:

- compliance with the technical-structural standards required by law in respect of equipment, plants, workplaces, and chemical, physical and biological hazards;
- the performance of risk assessments and preparation of the resulting prevention and protection measures;
- the performance of organisational activities, such as emergencies, first aid, management of contracts, periodic safety meetings, consultation of workers' representatives concerning safety;
- the performance of health monitoring;
- the performance of worker information and training;
- the monitoring of workers' observance of safety operating procedures and instructions;
- the acquisition of documentation and certifications required by law;
- periodic checks on the application and efficacy of the procedures adopted.

In accordance with the requirements of the law, in order to pursue the above Missoni has implemented a process for the adoption and implementation of a Management System for Safety in the Workplace (MSSW) in accordance

with ISO 45001 (which replaces BS OHSAS 18001), in compliance with the provisions of article 30, subsection 5 of Legislative Decree 81/2008.

### **Prohibitions**

This Special Section consequently specifically prohibits Recipients from:

- engaging in conduct that exposes Missoni to one of the types of offences envisaged by article 25-septies of the Decree;
- engaging in conduct that facilitates the commission of the types of offences envisaged by article 25-septies of the Decree;
- failing to update the prevention measures subsequent to organisational changes that are relevant to health and safety at work;
- failing to fight fires and promptly evacuate in the event of serious and immediate danger.

### **Obligations**

Pursuant to express obligations of this Special Section, the persons specified above shall:

- appropriately use equipment, means of transport and all other work equipment, and safety devices;
- appropriately use the protective devices made available to employees;
- immediately report to the Prevention and Protection Service Manager any deficiencies of the equipment mentioned in the previous points, as well as any other dangerous conditions that may be identified, taking direct action in case of urgency;
- not remove, modify or in any case compromise the safety or signalling or control devices without authorisation;
- not perform any operations or manoeuvres on their own initiative that not fall within their competence or that may jeopardise their own safety or that of other workers;
- comply with any instructions on safety signs and with the safety procedures provided by the RSPP, including through classroom training.



**SPECIAL SECTION “F”  
MONEY LAUNDERING, RECEIVING STOLEN GOODS AND SELF-LAUNDERING****1 Receiving stolen goods, Money laundering and use of money, goods or assets of criminal origin**

Legislative Decree of 16 November 2007<sup>47</sup> introduced the cases enumerated in articles 648 (receiving stolen goods), 648 bis (money laundering) and 648 ter (use of money, goods or benefits of criminal origin) into the Decree's scope of application under art. 25-octies.

The objective of the law is to prevent that, once a crime has been committed (so-called predicate offence), persons other than those who have committed it ("Except in cases of complicity...") become involved with the things that derive from the crime itself. Therefore, the common element of these three criminal offences is found in the activities subsequent to the commission of a crime, activities which in any case involve the aggression of the legal asset (as regulations aimed at preventing any economic increase obtained through goods of criminal origin) and of the legal asset of the administration of justice (insofar as the goods of illegal origin, through said criminal conduct, risk being dispersed, creating an obstacle for the authorities in ascertaining and repressing the predicate offences).

Legislative Decree no. 195/2021 containing "Implementation of directive (EU) 2018/1673 of the European Parliament and of the Council, of 23 October 2018, on the fight against money laundering through criminal law", introducing changes to the cases of receiving stolen goods (art. 648 of the criminal code), money laundering (art. 648-bis of the criminal code), use of money, goods or assets of illegal origin (art. 648-ter of the criminal code), self-laundering (art. 648-ter.1 of the criminal code), has established that contraventions punished with imprisonment exceeding the maximum of one year or the minimum of six months are also considered as predicate offences of the crimes indicated above, (the sanctioning response will be different depending on whether the predicate offence consists of a crime or a contravention). Furthermore, among the predicate offences, there are culpable crimes also for money laundering and self-laundering, such as, for example, crimes relating to safety and health in the workplace.

The differences between articles 648, 648-bis and 648-ter of the Italian Criminal Code, on the other hand, lie essentially in the conduct (material element) and the subjective element (general or specific misconduct).

As for the material element:

- Receiving stolen goods: it is a punishable offence to purchase, receive, conceal or participate in the purchase, receipt or concealment of money or goods deriving from a crime.
- Money laundering: it is a punishable offence to replace, transfer or carry out other operations in such a way as to obstruct the identification of the criminal origin of money, goods or other benefits deriving from a crime.
- Use of money, goods or benefits of criminal origin: it is a punishable offence to use money, goods or benefits of criminal origin in economic or financial activities.

As for the subjective element:

- Receiving stolen goods: it is a punishable offence to procure a profit for oneself or others (specific intent) using money or things deriving from a crime.
- Money laundering: the offence has a generic intent.
- Use of money, goods or benefits of criminal origin: the offence has a generic intent.

Among these three criminal offences, in the context of corporate criminal law money laundering is undoubtedly the most relevant and therefore the most important risk to be considered.

These regulations, which are constantly evolving, establish limitations on the use and transfer of cash, obligations to identify customers, to register financial intermediaries and to report suspicious transactions, as well as operating rules for the prevention of criminal activities (know your customer rule and quantitative analysis of transactions) that can also guide the contents of the compliance model.

**Offence of self-laundering**

Article 3 of Law no. 186 of 15 December 2014 "Provisions on the disclosure and repatriation of capital held abroad as well as for stepping up the fight against tax evasion. Provisions on self-laundering" among other things introduced the crime of self-laundering to the Italian legal system (and to the Decree's scope of application), which punishes

<sup>47</sup> In implementation of Directive 2005/60/EC of 26 October 2005, Directive 2006/70/EC of 1 August 2006.

“anyone who commits or aids and abets an offence committed with criminal intent, uses, replaces and transfers, in economic, financial, entrepreneurial or speculative activities, any money, goods or other assets originating from a crime, in order to concretely prevent identifying the criminal origin thereof”.

The offence of self-laundering has multiple facets capable of damaging the assets of the victim of the predicate offence and also damaging the administration of justice and the public economy as a whole. Those who self-launder with investments and purchases of various kinds prevent or make restitution to the victims more difficult, pollute credit and price trends and, ultimately, the whole system of economic relations.

Self-laundering is a crime of its own in that the perpetrator must necessarily be the person who participated in the commission of the crime that the proceeds subject to reinvestment were derived from.

As far as the material element is concerned, the crime typically takes three different forms: substitution, transfer or use of the money, goods or other benefits deriving from the commission of the crime in economic or financial activities.

The determination of the punishable conduct is limited to that behaviour which, although not necessarily artificial in itself (i.e. involving the artifices and deceptions typical of fraud), objectively make it difficult to identify the criminal origin of the goods.

More specifically, the concept of substitution of money, goods or other benefits of criminal origin includes all the activities involved in the so-called “laundering” of the criminal product, detaching it from any possible connection with the crime (the substitution, therefore, can be executed in a wide variety of ways, for example through the exchange of cash with other banknotes, depositing funds in a bank followed by a subsequent withdrawal).

Transfer, on the other hand, concerns any action that requires the movement of valuables of criminal origin from one person to another or from one place to another, so as to lose track of the ownership, origin and actual destination. The transfer or replacement of illicit proceeds must concern financial, economic or speculative business activities, as envisaged in subsection 4 of article 648 ter.1 of the Criminal Code. In any case, the offence is not punishable if the money, goods or other benefits of illegal origin are intended for personal use or enjoyment.

Therefore, the objective element of the offence is missing if the money, goods or other benefits of illegal origin are intended for personal use or enjoyment.

As far as the subjective element is concerned, the crime is punishable with generic intent, which consists in the awareness and desire to perform the substitution, transfer or other operations concerning money, goods or other benefits, together with the awareness of the conduct’s capacity to create an obstacle to the identification of such origin.

As a result of the implementation of EU Directive 1873/2018 on the fight against money laundering through the criminal sanctioning system, the predicate offences of self-laundering can be, in addition to malicious crimes, also offences of a contravention nature and crimes of a culpable nature

The main categories of predicate offences for the crime of self-laundering may be:

- Tax offences;
- Offences against assets (e.g. usury, extortion, theft, embezzlement, robbery);
- Offences against the Public Administration;
- Offences against the administration of justice;
- Organised crime offences;
- Offences regarding health and safety in the workplace.

Therefore, as a result of the offence in question, the predicate offence may also be a crime not included in the scope of application of Legislative Decree 231/2001.

## 2 Sensitive Activities and the Protocols

The analysis of Missoni’s business processes has permitted identifying the activities in the context of which the various crimes mentioned above could theoretically occur and the processes that could be considered to be “instrumental” to the commission of the so-called “predicate” offences.

The **Instrumental Processes** relating to the commission of the offence described by this section are as follows:

- Purchase of goods and services;

- Management of monetary and financial flows.

For more information on the control protocols, please see Special Section M.

The following are listed hereunder: i) Sensitive Activities; ii) the departments/organisational units involved; iii) the crimes that may potentially be committed; iv) the specific protocols used.

**Management of investments:** these are activities relating to the management of investments made by the Company.

- **Main Parties, Departments and Organisational Units involved:**  
Board of Directors, Chief Executive Officer, Operations, Director of Property, Facility & Logistics, Finance & Accounting
- **Potential crimes:**
  - Money laundering (Article 648-bis of the Criminal Code)
  - Use of money, goods or assets of illegal origin (Article 648-ter of the Criminal Code)
  - Self-laundering (article 648-ter 1 of the Italian Criminal Code)
- **The Protocols**  
As regards this sensitive area, the following protocols should be followed:
  - clear definition of the roles and duties of the Departments/Organisational Units responsible for the management of the various phases of the sensitive process;
  - ensure the traceability of the decision-making process by preparing and archiving the relevant supporting documentation;
  - ensure that each investment is supported by (i) a clear economic cost-benefit analysis, (ii) clear identification of the counterparty;
  - comply with the investment authorisation procedures adopted by the Company through final approval by the Chief Executive Officer and/or the Board of Directors, in accordance with the system of delegated powers adopted;
  - promptly notify the Supervisory Board of any transactions that present possible indications of anomalies, such as, for example:
    - ✓ absence of plausible justification for executing transactions that are clearly not usual, not justified or not proportionate to the normal exercise of the activity;
    - ✓ execution of transactions that employ funds that appear excessive with respect to the Company's economic and financial resources;
    - ✓ execution of transactions that do not appear to have any economic or financial justification;
    - ✓ acquisitions for various reasons of the availability of assets of high value, including luxury goods, not justified by the company's turnover;
    - ✓ conclusion of contracts benefiting third parties, contracts for persons to be appointed or assigned trusts concerning rights to real estate, without any plausible justification.

**Management of intra-group transactions:** this concerns all activities related to relations with foreign subsidiaries.

- **Main Parties, Departments and Organisational Units involved:**  
Chief Executive Officer, Finance & Accounting, Chief Sales & Marketing
- **Potential crimes:**
  - Receipt of stolen goods (Article 648 of the Criminal Code)
  - Money laundering (Article 648-bis of the Criminal Code)

- Use of money, goods or assets of illegal origin (Article 648-ter of the Criminal Code)
- Self-laundering (article 648-ter 1 of the Italian Criminal Code)
- **The Protocols**  
As regards this sensitive area, the following protocols should be followed:
  - always evaluate the purpose, profitability and interest of the Company in the execution of an intra-group transaction;
  - formalise the contractual terms and conditions that regulate relations and transactions between companies belonging to the same Group. More specifically, for each infra-group transaction a contract must be stipulated in writing, containing:
    - ✓ an indication of the parties to the contract;
    - ✓ the description of the subject (provision of services, purchase/sale of goods, provision of financing) of the contract;
    - ✓ the consideration (price, commission, royalties, interest rate) or at least the criterion for determining the relative consideration;
    - ✓ the duration of the contract.
  - ensure that the consideration for intercompany transactions is at market value in accordance with the guidance contained in art. 110, subsection 7 of Presidential Decree no. 917 of 22 December 1986 and the OECD Guidelines on transfer pricing;
  - comply with the following operational protocols:
    - ✓ an original of the contract signed by the parties is properly filed and kept at the Company's registered office;
    - ✓ the services covered by the contract are actually performed by the various parties involved, in accordance with the agreed terms and conditions;
    - ✓ an adequate documentary record of purchases or sales, of services rendered or acquired is kept by the manager concerned, the relevant documents being archived at the Company's registered office;
    - ✓ the payments made or received as consideration are consistent with: (i) the sales/services actually rendered/received as well as (ii) the agreements contained in the relevant contract;
    - ✓ all payments are made against invoice or equivalent document, where required by law;
    - ✓ all payments are properly accounted for in accordance with applicable legal provisions.

**Supplier and customer information management:** this is the process of acquiring information on suppliers and customers (sole proprietorships or legal persons) in order to assess their worthiness, reliability and credibility.

- **Main Parties, Departments and Organisational Units involved:**  
Chief Executive Officer, Finance & Accounting, Director of Property, Facility & Logistics
- **Potential crimes:**
  - Receipt of stolen goods (Article 648 of the Criminal Code)
  - Money laundering (Article 648-bis of the Criminal Code)
  - Use of money, goods or assets of illegal origin (Article 648-ter of the Criminal Code)
  - Self-laundering (article 648-ter 1 of the Italian Criminal Code)
- **The Protocols**  
As regards this sensitive area, the following protocols should be followed:
  - acquire information (at the start of the relationship and subsequently on an annual basis) on the honourability of the customers (sole proprietorships, legal persons) and on their economic and financial standing through a specialised external provider and the completion of a specific information sheet;
  - acquire (at the start of the relationship and subsequently on an annual basis) the Chamber of Commerce extract, the latest available balance sheet, information on honourability (including, where applicable, the

environmental qualification), including through research on the internet, and request the completion of a specific information sheet, for suppliers of raw materials or semi-finished products, subcontractors, for annual amounts exceeding €25,000.00; for all other categories of suppliers, the aforementioned documentation is acquired for annual amounts exceeding €100,000.00;

- promptly notify the SB on behalf of the functions involved if:
  - ✓ the supplier refuses or is unjustifiably reluctant to provide the information necessary to declare the activity completed, to present accounting or other documentation, to provide any other information that under normal circumstances is acquired in the performance of normal company activities;
  - ✓ the supplier refuses or objects to providing the account number which the payment has been or will be paid to;
  - ✓ the supplier provides information that is manifestly incorrect or incomplete, manifesting an intent to conceal essential information;
  - ✓ the supplier uses IDs that appear to be forged;
  - ✓ the supplier uses the services of a figurehead without plausible justification.

**Management of corporate transactions:** these are activities aimed at carrying out extraordinary transactions.

➤ **Main Parties, Departments and Organisational Units involved:**

Board of Directors, Chief Executive Officer, Finance & Accounting

➤ **Potential crimes:**

- Money laundering (Article 648-bis of the Criminal Code)
- Use of money, goods or assets of illegal origin (Article 648-ter of the Criminal Code)
- Self-laundering (article 648-ter 1 of the Italian Criminal Code)

➤ **The Protocols**

As regards this sensitive area, the following protocols should be followed:

- provide for the submission of data and information, including on extraordinary corporate transactions (acquisitions, mergers, demergers, etc.), to the department responsible and to the Supervisory Board by means of a system (including computerised systems) that allows the tracking of individual transactions, also with regard to the incoming and outgoing flow of cash in order to verify, for example, the existence of certain indicators of anomalies, including but not limited to:
  - ✓ transactions financed with international payments, or involving counterparties located in foreign countries known as off-shore centres or having privileged regimes in terms of taxation or banking secrecy or specified by the Financial Action Task Force (FATF) as non-cooperative, and which are not justified by the business of the Company and/or the counterparty;
  - ✓ transactions involving unjustified recourse to payment by means of offsetting or elements such as the agent's address domiciled with a third party, the use of post office boxes or postal addresses different from the tax domicile or place of business;
  - ✓ settlement of payments by means of cheques with consecutive serial numbers or several cheques for the same amount with the same date or by means of cheques without specification of the payee;
  - ✓ transactions with counterparties in locations that are unusual for the Company;
  - ✓ transactions involving counterparties located in foreign countries known as off-shore centres or having privileged regimes in terms of taxation or banking secrecy or specified by the Financial Action Task Force (FATF) as non-cooperative, and which are not justified by the business of the customer or other circumstances;
  - ✓ requests for financing based on collateral, including securities or certificates, attesting to the existence of substantial deposits with foreign banks.



**Tax management and relative fulfilments:** this involves activities aimed at preparing tax documents, paying taxes, etc.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Finance & Accounting

➤ **Potential crimes:**

- Money laundering (Article 648-bis of the Criminal Code)
- Use of money, goods or assets of illegal origin (Article 648-ter of the Criminal Code)
- Self-laundering (article 648-ter 1 of the Italian Criminal Code)

➤ **The Protocols**

The management of this sensitive area must envisage:

- traceability of the decision-making process by means of documentation and archiving (electronic and/or hard copy) of each activity of the process by the function involved;
- use of the dedicated computer system for recording receivable and payable invoices, as well as any other financial transaction;
- regulation and monitoring of access to the computer system;
- entry in the accounts by the office responsible of only those receivable/payable invoices that have received approval for entry and for payment/collection only after receiving the approval of the function manager;
- recording of all the company's administrative events that have an economic and financial impact;
- regular keeping and maintenance of compulsory accounting records for income tax and value added tax purposes;
- correct tax treatment of income components, deductions and allowances in accordance with tax regulations;
- compliance with the requirements of direct and indirect tax regulations;
- dissemination of the main new tax regulations to personnel involved in tax management;
- calculation and determination of taxes due with the aid of a third-party consultant with whom a specific written contract has been stipulated, said contract including standard clauses regarding the consultant's unconditional acceptance of the principles set forth in Legislative Decree 231/2001 and the Code of Ethics;
- periodic training on tax issues and related obligations by a third-party consultant;
- periodic review of the correct execution of tax obligations;
- verification with a third-party consultant of any tax implications arising from the execution of a transaction of an ordinary or extraordinary nature.

Furthermore, the protocols envisaged by Special Section K - Tax Offences are applicable.

**Management of stores, showrooms and company outlets and e-commerce:** these are marketing activities for products at stores, showrooms and company outlets and through e-commerce and payment collection systems.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Chief Sales & Marketing

➤ **Potential crimes:**

- Money laundering (Article 648-bis of the Criminal Code)
- Use of money, goods or assets of illegal origin (Article 648-ter of the Criminal Code)

➤ **The Protocols**

The regulation of the described activity requires compliance with the following protocols:

- arrange training on money laundering for employees in stores, showrooms and company outlets;
- comply with the rules set out in Special Section C for the same sensitive process.

Moreover, for the proper management of receipts, the following procedural rules must be followed:

- staff at stores, showrooms and company outlets may not accept cash payments in excess of the legal limit;
- provide adequate payment systems for online sales that guarantee the protection of the means of payment, including through external outsourcers whose relationships are formalised with contracts that specify the provider's commitment to compliance with the principles of Legislative Decree 231/2001 and the Code of Ethics;
- provide for continuous maintenance of e-commerce platforms.

### 3 General principles of conduct

#### Prohibitions

This Special Section **specifically prohibits Recipients** from:

- initiating, collaborating in or contributing to the cause of acts or conduct that constitutes the offences mentioned above (article 25-octies of the Decree);
- initiating, collaborating in or contributing to the cause of acts or conduct that, although not constituting one of the offences above, could potentially become one.

#### Duties

Pursuant to express **obligations** of this section, the persons specified above shall:

- know and comply with all the measures aimed at ensuring the proper management of cash, and therefore of collections and payments;
- check the regularity of payments, with reference to full matching between recipients/persons ordering payments and other parties actually involved in the commercial transactions;
- carry out formal and substantial checks of the company's financial flows, with regard to collections from third parties, payments to third parties and intra-group transactions. Among other things, such checks shall take into consideration the registered office of the counterparty company (for instance, tax havens, Countries at risk of terrorism, etc.), of any Credit Institution used (registered office of the banks involved in the transactions and Institutions that do not have physical offices in any country).

**SPECIAL SECTION “G”  
OFFENCES RELATED TO IMMIGRATION**

**1 The Crimes envisaged by article 25-duodecies of the Decree**

**Employing illegal aliens**

Legislative Decree 109/2012, containing: "Implementation of Directive 2009/52/EC introducing minimum rules on sanctions and measures against employers that employ illegal aliens" included in art. 25-duodecies of the Decree the offence referred to in art. 22, subsection 12 bis of Legislative Decree no. 286/1998 (employment of illegal aliens).

**Offences of aiding and abetting illegal entry and illegal stay**

Article 30, subsection 4 of Law no. 161 of 17 October 2017 on "Amendments to the code of anti-Mafia laws and prevention measures referred to in Legislative Decree no. 159 of 6 September 2011, to the Criminal Code and to the implementing, coordinating and transitional rules of the criminal procedure code and other provisions. Delegation of authority to the government for the protection of employment in seized and confiscated companies" included among the predicate offences covered by the Decree, in article 25-duodecies, the crimes of aiding illegal entry as per art. 12, subsections 3, 3-bis, 3-ter of Legislative Decree no. 286 of 25 July 1998, and of aiding and abetting illegal stays as per art. 12, subsection 5 of Legislative Decree no. 286 of 25 July 1998.

**2 Sensitive Activities and Protocols**

The analysis of Missoni's business processes has permitted identifying the activities in the context of which the various crimes mentioned above could theoretically occur. The following are listed hereunder: i) Sensitive Activities; ii) the departments/organisational units involved; iii) the crimes that may potentially be committed; iv) the specific protocols used.

**Assignment of tasks for works and services:** this activity relates to the management of the selection of self-employed workers/individual companies/corporations and assignment of tasks relating to a work or a service that they agree to perform "autonomously" and "without any constraint of subordination", therefore outside of an employment relationship. This involves the provision of various services and maintenance of the plants.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Director of Property, Facility & Logistics

➤ **Potential crimes:**

- Employment of illegal aliens (article 22, subsection 12 bis of Legislative Decree no. 286 of 25 July 1998).

➤ **The Protocols**

With reference to this sensitive area, the protocols provided by Special Section M - Instrumental Processes, "Purchase of goods or services" apply.

Moreover, the Company requests a statement from the counterparty attesting to (i) compliance with regulations; (ii) the use of properly contracted personnel to provide the service to Missoni.

**Hiring personnel:** this activity is related to the selection of people to be hired with an employment contract.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, HR Manager, applicant department

➤ **Potential crimes:**

- Employment of illegal aliens (article 22, subsection 12 bis of Legislative Decree no. 286 of 25 July 1998);
- Offence of unlawful entry (article 12, subsection 3, 3-bis, 3-ter of Legislative Decree no. 286 of 25 July 1998);

- Offence of facilitating illegal stay, (article 12, subsection 5 of Legislative Decree no. 286 of 25 July 1998).

➤ **The Protocols**

The provisions of Special Section M - Instrumental Processes, "Recruitment of employees" must be complied with.

In addition, the following protocols must be observed:

- for non-EU job applicants about to be hired, perform preventive checks with the competent Authorities regarding the validity of their residence permits and whether they satisfy the requirements for working legally;
- perform subsequent periodic checks of the continued validity of the residence permits of non-EU foreigners hired and employed by the Company.

### 3 General principles of conduct

This Special Section specifically **prohibits**:

- conduct that constitutes the types of crimes considered above (pursuant to art. 25-*duodecies* of the Decree) or conduct that, while not criminal, could potentially constitute one of the crimes under consideration here;
- violating the principles and practices existing in the company and related to the hiring of foreign workers and/or envisaged in this Special Section.

Pursuant to express obligations of this Special Section, company officers **must** consequently:

- conduct themselves in a proper, transparent and collaborative manner, in compliance with the law on the employment of third-country nationals;
- send all communications required by law and regulations to the supervisory authorities promptly, correctly and in good faith, without in any way hindering the performance of their supervisory functions;
- hold the necessary training and information courses.

**SPECIAL SECTION “H”  
ENVIRONMENTAL OFFENCES**

**1 Environmental offences**

Some "Environmental Offences" have been added to the scope of application of the Decree, in article 25-undecies, including:

- killing, destruction, capture, removal, detention of specimens of protected wild animal or plant species (article 727-bis of the Criminal Code);
- destruction or deterioration of the habitat in a protected site (article 733-bis of the Criminal Code);
- trade in specimens of the species in annex A, appendix I, and annex C, part 1 of Regulation (EC) no. 338/97 (article 1 of Law no. 150 of 7 February 1992);
- trade in specimens of the species in annex A, appendices I and III, and annex C, part 2 of Regulation (EC) no. 338/97 (article 2 of Law no. 150 of 7 February 1992);
- prohibition against having specimens constituting a danger to public health and safety (article 6 of Law no. 150 of 7 February 1992);
- waste water discharges (article 137, subsections 2, 3, 5, 11, 13 of Legislative Decree no. 152 of 3 April 2006);
- discharges on the ground (article 103 of Legislative Decree no. 152 of 3 April 2006);
- discharges into the subsoil and underground water (article 104 of Legislative Decree no. 152 of 3 April 2006);
- discharges into sewer networks (article 107 of Legislative Decree no. 152 of 3 April 2006);
- discharges of hazardous substances (article 108 of Legislative Decree no. 152 of 3 April 2006);
- unauthorised waste management (article 256, subsections 1, 3, 5, 6 and articles 208, 209, 210, 211, 212, 214, 215, 216 of Legislative Decree no. 152 of 3 April 2006);
- prohibition against waste abandonment (article 192 of Legislative Decree no. 152 of 3 April 2006);
- prohibition against hazardous waste-mixing activities (article 187 of Legislative Decree no. 152 of 3 April 2006);
- electrical and electronic waste, medical waste, end-of-life vehicles and products containing asbestos (art. 227 of Legislative Decree no. 152 of 3 April 2006);
- site reclamation (art. 257, subsections 1 and 2 of Legislative Decree no. 152 of 3 April 2006);
- violation of obligations of notification and keeping of mandatory registers and forms (article 258, subsection 4, sentence 2 of Legislative Decree no. 152 of 3 April 2006);
- ideological falsification committed by a private person in a public deed (article 483 of the Criminal Code);
- illegal shipment of waste (article 259, subsection 1 of Legislative Decree no. 152 of 3 April 2006);
- activities organised for the illegal shipment of waste (article 452-quaterdecies of the Criminal Code);
- computer system for controlling the traceability of waste (article 260-bis of Legislative Decree no. 152 of 3 April 2006);
- violation of emission limits (article 279, subsection 5 of Legislative Decree 152/06);
- material falsification committed by a public official in administrative certificates or authorisations (article 477 of the Criminal Code);
- material falsification committed by a private person (article 482 of the Criminal Code);
- cessation and reduction of the use of ozone-depleting substances (article 3 of Law no. 549 of 28 December 1993);
- wilful pollution caused by ships (article 8 of Legislative Decree no. 202 of 6 November 2007);
- negligent pollution caused by ships (article 9 of Legislative Decree no. 202 of 6 November 2007);
- environmental pollution (article 452-bis of the Criminal Code);
- environmental disaster (article 452-quater of the Criminal Code);
- negligent offences against the environment (article 452-quinquies of the Criminal Code);
- aggravated associative offences (article 452-octies of the Criminal Code);
- trafficking and abandoning highly radioactive material (article 452-sexies of the Criminal Code).



## 2 Sensitive Activities and Protocols

The analysis of Missoni's business processes has permitted identifying the activities in the context of which the various crimes mentioned above could theoretically occur.

The following are listed hereunder: i) Sensitive Activities; ii) the departments/organisational units involved; iii) the crimes that may potentially be committed; iv) the specific protocols used.

<p><b>Waste management:</b> this system concerns the management of environmental protection systems, specifically:</p> <ul style="list-style-type: none"> <li>• the waste management process (collection, transport, recovery, disposal) and the related legislative and authorisation requirements; <sup>[1]</sup> <sub>[SEP]</sub></li> <li>• the selection, assessment and management of relations with the company assigned to dispose of waste;</li> <li>• the process of preparing the certificate of waste analysis and characterisation (where applicable); <sup>[1]</sup> <sub>[SEP]</sub></li> <li>• the waste traceability process.</li> </ul> <p>➤ <b><u>Main Parties, Departments and Organisational Units involved:</u></b> Chief Executive Officer, Director of Property, Facility &amp; Logistics</p> <p>➤ <b><u>Potential crimes:</u></b></p> <ul style="list-style-type: none"> <li>○ unauthorised waste management (art. 256, subsections 1, 3, 5, 6 and articles 208, 209, 210, 211, 212, 214, 215, 216 of Legislative Decree no. 152 of 3 April 2006);</li> <li>○ Violation of obligations of notification and keeping of mandatory registers and forms (article 258 of Legislative Decree no. 152 of 3 April 2006);</li> <li>○ Illegal shipment of waste (article 259 of Legislative Decree no. 152 of 3 April 2006);</li> <li>○ Activities organised for the illegal shipment of waste (article 452-quaterdecies of the Criminal Code);</li> <li>○ Computer system for controlling the traceability of waste (article 260-bis of Legislative Decree no. 152 of 3 April 2006).</li> </ul> <p>➤ <b><u>The Protocols</u></b> As regards this sensitive area, the following protocols should be followed:</p> <ul style="list-style-type: none"> <li>• be constantly updated on the regulations in force and comply with them;</li> <li>• identify the nature and characteristics of the waste and classify it correctly in order to dispose of it in the proper manner, in accordance with the law;</li> <li>• define the administrative procedures for the delivery of waste to the collection, storage and disposal companies, including the criteria for verifying in advance and during the course of the contract that they have the necessary authorisations;</li> <li>• complete the mandatory documentation (registers/forms);</li> <li>• verify the quantities by type of waste delivered to transporters or disposers;</li> <li>• promptly update the appropriate registers required by the regulations, where applicable;</li> <li>• periodically verify compliance with the administrative requirements of the relevant environmental legislation;</li> <li>• use the collection points for the temporary storage of waste at each establishment;</li> <li>• select suppliers of waste disposal and collection that have the proper permits;</li> <li>• regulate the relationship with suppliers of waste disposal and collection by means of a written contract specifying the third party's commitment to comply with Legislative Decree 231/2001 and the Code of Ethics.</li> </ul>
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## 3 General principles of conduct

In the performance of their respective activities/functions, the Recipients shall comply with the rules of conduct contained in this Model.

This Special Section provides the express prohibition to engage in conduct that may constitute the types of offences considered above (pursuant to articles 25-undecies of the Decree) or any conduct which, though not constituting an offence as such, could potentially constitute one of the offences under consideration herein. Specifically, the

following **prohibitions** apply:

- delivering waste to unauthorised dumps or dumps that do not have the appropriate authorisations according to the type of waste;
- using suppliers for waste collection, transport and disposal that do not have the appropriate authorisations;
- depositing or abandoning waste;
- making monetary donations or granting benefits of any kind (e.g. the promise of employment) to public officials also in charge of controls in the field of environmental regulations;
- behaving in any way that obstructs the exercise of supervisory functions, including during environmental inspections by public authorities (GdF, Arpa, Fire Brigade, etc.), such as, for example: express opposition, specious refusals, or even obstructive or non-cooperative behaviour such as delays in communications, the provision of documents, in meetings organised ahead of time. <sup>[1]</sup><sub>[SEP]</sub>

Pursuant to express obligations of this Special Section, Recipients ***shall*** consequently:

- conduct themselves in a proper, timely, transparent and collaborative manner, in compliance with the applicable law, in all activities involving environmental protection; <sup>[1]</sup><sub>[SEP]</sub>
- strictly comply with all the regulations laid down by law for the protection of the environment and always act in compliance with the internal company procedures that are based on such regulations;
- with regard to the Authorities assigned to supervise environmental regulations, manage the relationships with the Public Administration in a uniform, collaborative manner. <sup>[1]</sup><sub>[SEP]</sub>

**SPECIAL SECTION "I"**  
**INDUCEMENT NOT TO MAKE DECLARATIONS OR TO MAKE DECEITFUL DECLARATIONS TO THE JUDICIAL AUTHORITY**

**1 Inducement not to make declarations or to make deceitful declarations to the judicial authority**

Law no. 116 of 3 August 2009 "Ratification and implementation of the United Nations Convention against Corruption, adopted by the UN General Assembly on 31 October 2003 with resolution no. 58/4, signed by the Italian State on 9 December 2003, as well as provisions for internal updates and amendments to the Criminal Code and the Criminal Procedure Code", added to the list of offences included in the scope of application of the Decree, in article 25-decies, the offence of inducement not to make declarations or to make deceitful declarations to the judicial authority (article 377-bis of the Criminal Code).

**2 Sensitive Activities and the Protocols**

The analysis of Missoni's business processes has permitted identifying the activities in the context of which the various crimes mentioned above could theoretically occur.

The following are listed hereunder: i) Sensitive Activities; ii) the departments/organisational units involved; iii) the crimes that may potentially be committed; iv) the specific protocols used.

**Management of legal disputes and related issues:** this sensitive activity refers to the methods with which Missoni manages legal disputes and relations with persons called upon to make statements before the judicial authorities that may be used in the course of proceedings.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Chief Services Officer, Head of Legal Department, department involved in the litigation

➤ **Potential crimes:**

Inducement not to make statements, or to make deceitful statements to the judicial authority (article 377-bis of the Italian Criminal Code).

➤ **The Protocols**

With regard to this sensitive area, reference is made to the protocols envisaged in Special Section A - Offences committed in the context of relations with the Public Administration, with reference to the sensitive area "Management of legal disputes".

**3 General principles of conduct**

**Prohibitions**

This Special Section specifically prohibits Recipients from:

- initiating, collaborating in or contributing to the cause of acts or conduct that constitutes the offences mentioned above (article 25-decies of the Decree);
- initiating, collaborating in or contributing to the cause of acts or conduct that, although not constituting one of the offences above, could potentially become one;
- giving or promising money or other benefits to persons involved in lawsuits or disputes in order to influence the statements they should make to the judicial authority;
- resorting to physical force, threats or intimidation;
- promising, offering or granting an undue benefit in order to induce a person who can avail himself/herself of the right to remain silent in criminal proceedings not to make statements or to make false statements to the judicial authorities, with the intention of obtaining a decision favourable to Missoni or achieve any other benefit or advantage.

**Duties**

Pursuant to the express obligations of this section, the persons specified above shall:

- deal promptly, properly and in good faith with all requests from the judicial police and the investigating and judging judicial authorities, providing any useful information, data and news;
  - be helpful and cooperative in any situation involving the police and judicial authorities.
- It is also imperative to ensure full compliance with the law.

**SPECIAL SECTION “J”  
OFFENCES AGAINST INDIVIDUALS**

**1 Offences against individuals**

Article 25-quinquies of the Decree lists the following offences that entail the liability of Entities:

- forcing and holding persons in slavery or servitude (article 600 of the Criminal Code): forcing or keeping a person in a state of continuous subjection, which takes the form of work that involves exploitation;
- trafficking in human beings (article 601 of the Criminal Code): trafficking in slaves or persons in conditions similar to slavery;
- purchase and transfer of slaves (article 602 of the Criminal Code): any act involving the transfer of slaves or persons in conditions similar to slavery;
- child prostitution (art. 600-bis, subsections 1 and 2, Criminal Code): induction, facilitation or exploitation of child prostitution, or performance of sexual acts with minors in exchange for money or other economic benefits;
- child pornography (art. 600-ter, subsections 1, 2, 3 and 4 of the Criminal Code): exploitation of minors in order to make pornographic spectacles or to produce pornographic material; trade of pornographic material produced through exploitation; distribution, dissemination, advertising of pornographic material produced through exploitation of minors, or news or information aimed at soliciting or exploiting minors;
- tourist initiatives aimed at the exploitation of child prostitution (article 600-quinquies of the Criminal Code): organisation or sale of trips aimed at the exploitation of child prostitution;
- possession of child pornography (article 600-quater of the Criminal Code): obtaining or mere availability of pornographic material made through the exploitation of minors;
- virtual pornography (article 600-quater.1. of the Criminal Code): in the case of child pornography and possession of pornographic material featuring children, when the pornographic material is represented by virtual images;
- offence of female genital mutilation (article 583-bis of the Criminal Code) in the absence of therapeutic needs;
- solicitation of minors (article 609-undecies of the Criminal Code);
- illicit intermediation and exploitation of labour (article 603-bis of the Criminal Code).

**2 Sensitive Activities and Protocols**

The analysis of Missoni's business processes has permitted identifying the activities in the context of which the various crimes mentioned above could theoretically occur.

The following are listed hereunder: i) Sensitive Activities; ii) the departments/organisational units involved; iii) the crimes that may potentially be committed; iv) the specific protocols used.

**Selection and management of subcontractors:** this sensitive activity refers to the selection and management of relationships with subcontractors to which Missoni subcontracts the phases of the process used to produce clothing items, and involves the working conditions and environment.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Operations, Director of Property, Facility & Logistics, HR Manager, Head of Legal Department

➤ **Potential crimes:**

- Forcing and holding persons in slavery or servitude (article 600 of the Italian Criminal Code)
- Trafficking in human beings (article 601 of the Italian Criminal Code)
- Illicit intermediation and labour exploitation (article 603-bis of the Italian Criminal Code)

➤ **The Protocols**

For the selection and contracting of works contracts for subcontractors, Missoni:



- checks that the contractual counterparties are current with their mandatory contributions;
- governs the relationship with the contractor with a specific contract in which the counterparty declares that it will comply with the legislation on workplace health and safety, to have employees in good standing, to commit to the respect of Legislative Decree 231/2001 and Missoni's Code of Ethics. If these obligations are breached, Missoni shall have the right to terminate the contract;
- performs cyclical audits on the subcontractor in order to verify the working conditions of the subcontractor's employees and its compliance with safety regulations.

### 3 General principles of conduct

#### Prohibitions

This Special Section specifically prohibits Recipients from:

- initiating, collaborating in or causing any conduct that constitutes the offences mentioned above (article 25-quinquies of the Decree);
- initiating, collaborating in or contributing to the cause of acts or conduct that, although not constituting one of the offences above, could potentially become one;
- contribute to the exploitation of workers or persons or fail to report (to hierarchical managers and the SB) news or information of inhuman treatment in the workplace;
- employ workers in exploitative conditions and in defiance of regulations on safety and working hours and conditions;
- contribute to employing workers in exploitative conditions through third-party companies.

#### Duties

Pursuant to the express obligations of this section, the persons specified above shall:

- comply with the principles detailed in the Code of Ethics on the subject of respect for the individual and protection of workplace health and safety;
- report (to the hierarchical managers and to the SB) news or information of inhuman treatment in the workplace, including by subcontractors;
- require a commitment from third parties to comply with legal obligations regarding the protection of labour in general, especially child and women labour, health and safety conditions, trade union rights, or in any case the rights of association and representation required by applicable law.

**SPECIAL SECTION “K”  
TAX OFFENCES**

**1 Tax Offences**

Law no. 157 of 19 December 2019, converting Decree-Law no. 124 of 26 October 2019 with amendments, containing "Urgent provisions on tax matters and for non-deferrable needs" introduced the following types of offences into the body of the Decree, in article 25-quinquiesdecies:

- **fraudulent declaration through the use of invoices or other documents for non-existent transactions** (article 2 of Legislative Decree 74/2000): it is an offence to evade taxes on income or on value added using invoices or other documents for non-existent transactions indicating fictitious payables in one of the forms relating to said taxes. The offence is considered to have been committed by using invoices or other documents for non-existent transactions when such invoices or documents are recorded in the compulsory accounting records, or are held for the purpose of providing evidence to the tax authorities.
- **fraudulent declaration by means of other artifices** (article 3 of Legislative Decree 74/2000): it is an offence to evade taxes on income or on value added by carrying out objectively or subjectively simulated operations or by making use of false documents or other fraudulent means hindering audits and misleading tax authorities, reporting in one of the forms relating to said taxes assets for an amount lower than the actual value or fictitious payables or receivables and withholdings, when, jointly: a) with regard to some of the individual taxes the evaded tax is higher than €30,000.00; b) the total amount of the assets not subjected to taxation, including by specifying fictitious payables, is higher than five per cent of the total amount of the assets specified in the form, or in any case is higher than €1,500,000.00, or if the overall amount of the fictitious receivables and withholdings to reduce the tax is greater than five per cent of the total tax or in any case greater than €30,000.00. The offence is considered to have been committed by using false documents when such documents are recorded in the compulsory accounting records, or are held for the purpose of providing evidence to the tax authorities.
- **fraudulent return in the case of serious cross-border VAT fraud** (article 4, Legislative Decree 74/2000): offence consisting in declaring assets in a VAT return for an amount lower than the actual amount or fictitious liabilities or fictitious credits and withholdings, in order to evade value added tax for a total amount of no less than €10 million, within the framework of fraudulent cross-border systems, and carrying out objectively or subjectively simulated transactions or using false documents or other fraudulent methods capable of preventing the assessment and mislead the tax authorities.
- **failure to submit a return in the case of serious cross-border VAT fraud** (article 5, Legislative Decree 74/2000): offence consisting in the failure to submit the annual VAT return, within the framework of cross-border fraudulent systems, in order to evade value added tax for a total amount of no less than €10 million.
- **issue of invoices or other documents for non-existent transactions** (article 8 of Legislative Decree 74/2000): the offence consists in issuing invoices or other documents for non-existent transactions in order to allow third parties to evade income tax or value added tax.
- **concealment or destruction of accounting documents** (article 10 of Legislative Decree 74/2000): the offence consists in the total or partial concealment or destruction of accounting records or documents whose preservation is mandatory, so as not to allow the reconstruction of income or turnover in order to evade taxes on income or value added, or to allow third parties to evade.
- **unlawful setting off of credits in the case of serious cross-border VAT fraud** (article 10-quater, Legislative Decree 74/2000): offence consisting in the failure to pay sums due by offsetting non-existent credits or credits not due, within the framework of cross-border fraudulent systems, in order to evade value added tax for a total amount of no less than €10 million.
- **fraudulent withholding of taxes** (article 11 of Legislative Decree 74/2000): the conduct of a person constitutes an offence if: (i) in order to avoid payment of taxes on income or value added or interest or administrative sanctions relating to such taxes for a total amount of more than €50,000.00, he/she falsely transfers or carries out other fraudulent acts on his/her own assets or the assets of others that render the compulsory collection procedure wholly or partially ineffective; (ii) in order to obtain for himself/herself or others

partial payment of taxes and relative accessories, he/she specifies in the documentation submitted for the purposes of the tax settlement procedure assets for an amount lower than the actual amount or fictitious liabilities for a total amount of more than €50,000.00.

## 2 Sensitive Activities and Protocols

The analysis of Missoni's business processes has permitted identifying the activities in the context of which the various crimes mentioned above could theoretically occur.

The **Instrumental Processes** relating to the commission of the offence described by this section are as follows:

- Sponsorships;
- Purchase of goods or services.
- Management of monetary and financial flows;
- Gifts, entertainment expenses;
- Reimbursement of expenses;
- Management of agents.

For more information on the control protocols, please see Special Section M.

The following are listed hereunder: i) Sensitive Activities; ii) the departments/organisational units involved; iii) the crimes that may potentially be committed; iv) the specific protocols used.

**Preparation of tax returns and related fulfilments:** this involves the process of preparing tax returns based on the accounting documentation and related fulfilments, such as submission of returns, payment of related taxes, etc.

- **Main Parties, Departments and Organisational Units involved:**  
Chief Executive Officer, Finance & Accounting
- **Potential crimes:**
  - Fraudulent declaration through the use of invoices or other documents for non-existent transactions (article 2 of Legislative Decree 74/2000);
  - Fraudulent declaration through the use of other artifices (article 3 of Legislative Decree 74/2000).
- **The Protocols**

It is necessary to:

- provide for a clear separation of roles and responsibilities between those who oversee the recording and accounting of business transactions, those who calculate taxes and prepare tax returns and related payments;
- provide control mechanisms to ensure that each cost/revenue item can be traced back to an invoice or any other documentation certifying the existence of the transaction;
- ensure that the increases and/or decreases reported in the tax returns (IRES and IRAP) are supported by adequate documentation and justification in accordance with applicable tax regulations;
- ensure that the data and information in the VAT returns are consistent with the VAT Registers and the payments made;
- ensure that the taxes paid (IRES, IRAP, VAT, withholding taxes) are consistent with the data and information reported in the tax returns;
- ensure compliance with the requirements of direct and indirect tax regulations;
- organise periodic training on tax issues and related obligations by a third-party consultant;
- put in place mechanisms of periodic reviews of the correct execution of tax obligations;
- make use of the aid of a third-party consultant in the preparation and submission of tax forms, with whom a specific contract has been stipulated, said contract including standard clauses regarding the consultant's unconditional acceptance of the principles set forth in Legislative Decree 231/2001 and the Code of Ethics;

**Recognition, accounting and recording of payables:** this involves the management of payable transactions (purchase of goods and services) recorded in fiscal and accounting entries based on contractual and fiscal documentation.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, HR Manager, Finance & Accounting, Director of Property, Facility & Logistics, departments involved in the purchase process

➤ **Potential crimes:**

- Fraudulent declaration through the use of invoices or other documents for non-existent transactions (article 2 of Legislative Decree 74/2000);
- Fraudulent declaration through the use of other artifices (article 3 of Legislative Decree 74/2000).

➤ **The Protocols**

It is necessary to envisage:

- observance of the control protocols relating to accounting records outlined in Special Section D - Corporate Offences, sensitive process "Preparation of the financial statements, the management report and other corporate communications";
- observance of the control protocols envisaged by Special Section F - Offences of money laundering, receiving stolen goods and self-laundering, sensitive processes "Management of customer and supplier databases" and "Management of intra-group transactions";
- observance of the control protocols envisaged by Special Section M - Instrumental Processes, "Purchase of goods and services" process;
- traceability of the decision-making process by documenting and archiving (electronic and/or hardcopy) each activity of the payable cycle; more specifically, each purchase of goods and/or services not relating to the production cycle should be confirmed by a duly authorised purchase request, a purchase order, a contract, documents certifying the existence of the supplier, the relevant attribution, execution of the transaction (self-certification, general details, last financial statements for key suppliers, identification for VAT purposes, delivery note, transport documents, time-sheet, reports, etc.); as regards purchases relating to the production cycle, the purchase process should be managed through the management system, entering into the inventory the products purchased on the basis of the transport document, specification of the transport

document references on the invoice, input of the transport document references in the system for the final check to ensure the compliance of the products received, the products quoted, the order and the price shown on the invoice;

- clear and traceable identification of the supplier's contact person (role, email address, contact numbers, site/office);
- verification of the relationship between the party that performed the services/sale of goods and the party invoiced;
- mechanism for checking the financial validity of the transaction and its objectively and subjectively substantial effectiveness;
- mechanism for checking the value/price of goods/services with respect to what is normally practiced in the market;
- use of the dedicated computer system for recording payable invoices, as well as any other financial transaction, able to track each entry;
- regulation and monitoring of access to the computer system;
- entry in the accounts and VAT registers of payable invoices, by the office in charge according to the system authorisation levels, that include checking of documents before moving on to the next step;
- recording of all the company's payable administrative events that have an economic and financial impact;
- periodic verification of compliance between the salaries paid to employees and the amounts specified on payslips; final annual verification of certification data;
- detailed verification of expense reports by analysing authorisations and related receipts.

**Recognition, accounting and recording of receivables:** this involves the management of receivable transactions (sale of goods and services) recorded in fiscal and accounting entries based on contractual and fiscal documentation.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Finance & Accounting, Chief Sales & Marketing

➤ **Potential crimes:**

- Fraudulent declaration through the use of invoices or other documents for non-existent transactions (article 2 of Legislative Decree 74/2000);
- Fraudulent declaration through the use of other artifices (article 3 of Legislative Decree 74/2000);
- Issue of invoices or other documents for non-existent transactions (article 8 of Legislative Decree 74/2000);
- Fraudulent evasion of tax payments (article 11 of Legislative Decree 74/2000).

➤ **The Protocols**

It is necessary to envisage:

- observance of the control protocols relating to accounting records outlined in Special Section D - Corporate Offences, sensitive process "Preparation of the financial statements, the management report and other corporate communications";
- traceability of the decision-making process by means of documentation and archiving (electronic and/or paper) of each activity of the receivable cycle. Specifically, each sale of goods must correspond to a



purchase order submitted by the customer, a contract, documentation certifying the execution of the transaction (delivery note, transport documents, timesheet, reports, etc.);

- verification of the relationship between the party that received the goods sold and the party invoiced;
- mechanism for checking the financial validity of the transaction and its objectively and subjectively substantial effectiveness;
- use of the dedicated computer system for recording receivable invoices, as well as any other financial transaction, able to track each entry;
- regulation and monitoring of access to the computer system;
- entry in the accounts and VAT registers by the office in charge only of invoices receivable that have been approved for entry, once the Finance & Accounting Department has checked the invoices;
- verification that the VAT shown on the invoices issued corresponds to the VAT actually received;
- recording of all the company's receivable administrative events that have an economic and financial impact;
- verification with a third-party consultant of any tax implications arising from the execution of a transaction of an ordinary or extraordinary nature involving the transfer of Company assets, especially in the presence of a tax dispute.

**Accounting records management and archiving process:** this involves the management and preservation of accounting records and documents whose preservation is mandatory.

➤ **Main Parties, Departments and Organisational Units involved:**

Chief Executive Officer, Finance & Accounting

➤ **Potential crimes:**

- Concealment or destruction of accounting documents (article 10 of Legislative Decree 74/2000)

➤ **The Protocols**

It is necessary to envisage:

- regular keeping and maintenance of compulsory accounting records for income tax and value added tax purposes;
- compliance with the requirements of direct and indirect tax regulations, with regard to the terms and conditions for preserving accounting and tax documentation;
- adoption of a transparent, effective and efficient system for filing accounting and tax documents;
- true and correct indication and relative communications of the place where the accounting records are kept and preserved;
- mechanism for controlling and monitoring the transfer to remote archives and/or destruction of documentation, admissible only when the time limits for tax assessment have expired.

**Management of corporate transactions:** these are activities aimed at carrying out extraordinary transactions.

➤ **Main Parties, Departments and Organisational Units involved:**

Board of Directors, Chief Executive Officer, Finance & Accounting

➤ **Potential crimes:**

- Fraudulent declaration through the use of invoices or other documents for non-existent transactions (article 2 of Legislative Decree 74/2000);
- Fraudulent declaration through the use of other artifices (article 3 of Legislative Decree 74/2000);
- Issue of invoices or other documents for non-existent transactions (article 8 of Legislative Decree 74/2000);
- Fraudulent evasion of tax payments (article 11 of Legislative Decree 74/2000).
- Concealment or destruction of accounting documents (article 10 of Legislative Decree 74/2000).

➤ **The Protocols**

With regard to this sensitive area, reference is made to the protocols envisaged in Special Section D - Corporate offences and in Special Section F - Offences of money laundering, receiving stolen goods, self-laundering, with regard to the same sensitive area.

Moreover, for each transaction and with the aid of a third-party consultant it is necessary to analyse any possible tax avoidance of the transactions to be executed.

**3 General principles of conduct**

This Special Section provides the express prohibition to engage in conduct that may constitute the types of offences considered above (pursuant to articles 25-quinquiesdecies of the Decree) or any conduct which, though not constituting an offence as such, could potentially constitute one of the offences under consideration herein.

More specifically, **it is mandatory to:**

- submit tax returns within the legal deadlines;
- pay taxes when due or through the use of voluntary corrections;
- compile tax returns using absolutely truthful data and information;
- record invoices supported by documentation proving their existence in the VAT Registers;
- make monthly VAT payments in accordance with the legal deadlines;
- organise training and information sessions on tax obligations and deadlines;
- provide for reconciliation mechanisms between accounting data and tax data;
- provide maximum cooperation in the event of visits, inspections, accesses by the Revenue Agency or the Guardia di Finanza;
- provide true data and information in questionnaires served by the Revenue Agency.

Furthermore, **it is forbidden to:**

- specify fictitious payable items in tax returns;
- create simulated transactions;
- request, prepare invoices or other documentation for non-existent transactions;
- create false documents to alter tax results and reduce the tax burden;
- conceal and/or destroy all or part of the accounting records or documents that must be preserved;
- dispose of assets in order to make compulsory tax collection impossible (e.g. making payments to suppliers and third parties in order to not interrupt business continuity using funds that could have paid off taxes due);
- submit false documents, data and information as part of a tax transaction.

## SPECIAL SECTION “L” SMUGGLING OFFENCES

### 1 Smuggling offences

Legislative Decree no. 75 of 14 July 2020, issued in implementation of Directive (EU) 2017/1371, on the fight against fraud to the Union's financial interests by means of criminal law, introduced article 25-sexiesdecies in the body of the Decree, with the title “Smuggling”. This offence, as provided by the Consolidated Law on Customs (Presidential Decree 43/1973), consists of “introducing into the territory of the State, in breach of customs laws, goods that are subject to customs duties”. More specifically, the smuggling offences provided by the Decree are:

- **Smuggling of goods through land borders and into customs areas** (article 282 of Presidential Decree 43/1973);
- **Smuggling of goods by sea** (article 284 of Presidential Decree 43/1973);
- **Smuggling into customs-free zones** (article 286 of Presidential Decree 43/1973);
- **Smuggling for the unlawful use of goods imported with preferential customs tariffs** (article 287 of Presidential Decree 43/1973);
- **Smuggling via cabotage and water transport** (article 289 of Presidential Decree 43/1973);
- **Smuggling in the exportation of goods eligible for refund of duties** (article 290 of Presidential Decree 43/1973);
- **Smuggling in temporary importation or exportation** (article 291 of Presidential Decree 43/1973);
- **Smuggling of goods on lakes with international borders** (section 283 Presidential Decree 43/1973);
- **Smuggling of goods via air transport** (article 285 of Presidential Decree 43/1973);
- **Smuggling in customs warehouses** (article 288 of Presidential Decree 43/1973);
- **Smuggling of foreign manufactured tobacco** (article 291-bis of Presidential Decree 43/1973);
- **Criminal conspiracy for the purpose of smuggling foreign manufactured tobacco** (section 291-quater of Presidential Decree 43/1973)

### 2 Sensitive Activities and the Protocols

The analysis of Missoni's business processes has permitted identifying the activities in the context of which the various crimes mentioned above could theoretically occur.

The **Instrumental Processes** relating to the commission of the offence described by this section are as follows:

- Purchase of goods or services.
- Management of monetary and financial flows.

For more information on the control protocols, please see Special Section M.

The following are listed hereunder: i) Sensitive Activities; ii) the departments/organisational units involved; iii) the crimes that may potentially be committed; iv) the specific protocols used.

**Management of customs operations:** this is the management of import-export operations that involve the completion of customs formalities (declarations, payment of duties and VAT, etc.), even through freight forwarders.

➤ **Main Parties, Departments and Organisational Units involved:**

Director of Property, Facility & Logistics, Finance & Accounting.

➤ **Potential crimes:**

- Smuggling of goods through land borders and into customs areas (article 282 of Presidential Decree 43/1973);
- Smuggling of goods by sea (article 284 of Presidential Decree 43/1973);

- Smuggling into customs-free zones (article 286 of Presidential Decree 43/1973);
- Smuggling for the unlawful use of goods imported with preferential customs tariffs (article 287 of Presidential Decree 43/1973);
- Smuggling via cabotage and water transport (article 289 of Presidential Decree 43/1973);
- Smuggling in the exportation of goods eligible for refund of duties (article 290 of Presidential Decree 43/1973);
- Smuggling in temporary importation or exportation (article 291 of Presidential Decree 43/1973);
- Smuggling of goods via air transport (article 285 of Presidential Decree 43/1973).

➤ **The Protocols**

It is necessary to:

- ensure a clear separation of roles and responsibilities between those who supervise import-export operations and those who manage customs operations;
- make and prepare customs declarations, even through third-party forwarding agents, entering absolutely truthful data and information (for example tariff code, origin, value, quantity, etc.) and arrange the payment of duties and VAT, when due;
- select the forwarding agents according to the internal procurement procedures, after verifying the integrity and professionalism requirements;
- define the relationship of representation with the forwarding agents through specific contracts that establish the terms and conditions, and the profiles of responsibility;
- provide clauses in the contracts with the forwarding agents pursuant to which suppliers undertake to respect the organizational model and the code of ethics of the Company;
- provide control mechanisms on customs operations carried out by forwarding agents in the name and on behalf of the Company;
- ensure compliance with the requirements of customs regulations;
- organise periodic training courses on tax issues and related obligations through a third-party consultant, also using information and explanatory circulars;

### 3 General principles of conduct

This Special Section provides the express prohibition to engage in conduct that may constitute the types of offences considered above (pursuant to articles 25-sexiesdecies of the Decree) or any conduct which, though not constituting an offence as such, could potentially constitute one of the offences under consideration herein.

More specifically, **it is mandatory to:**

- behave in a correct, transparent and collaborative manner, in compliance with the law and internal company procedures, in all activities to draw up the documents required by customs laws, as regards import-export operations, in order to provide truthful and accurate information on the Company's customs obligations to the Customs Agency;
- comply with national customs laws and regulations;
- ensure the utmost cooperation in the case of visits, inspections and accesses by Customs Agency officials;
- provide true data and information in the questionnaires served by the Customs Agency.

Furthermore, **it is forbidden to:**

- implement/cooperate/cause any conduct that may constitute any of the offences taken into account for the purposes of Legislative Decree 231/2001:
- introduce into the territory of the State goods in violation of the provisions of customs laws;
- provide false and/or incorrect data and information in customs declarations, using inaccurate invoices or other documents;
- make use of undue preferential customs tariffs;
- unlawfully use temporary importation reliefs;
- issue or release invoices or other false documents, in order to circumvent customs obligations.

**SPECIAL SECTION “M”  
INSTRUMENTAL PROCESSES**

**1 The Instrumental processes**

The analysis of Missoni's company processes has also identified a series of processes that are instrumental for the commission of the offence, i.e. those processes that can be the means for committing the offence. For this reason, the control system for these processes must be particularly stringent.

Listed below are the instrumental processes and the classes of offences (and special sections) they relate to:

	<b>Article 24: Offences against the Public Administration  I.P. A</b>	<b>Article 25-ter - Corporate Offences  I.P. D</b>	<b>Article 25- octies: Money laundering, receiving stolen goods, self-money laundering I.P. F</b>	<b>Article 25- quiquiesdecies: Tax offences  I.P. K</b>	<b>Article 25- sexiesdecies: Smuggling offences  I.P. K</b>
<b>Instrumental process</b>					
Donations and donations of goods	✓	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sponsorships	✓	✓	<input type="checkbox"/>	✓	<input type="checkbox"/>
Free samples of products	✓	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Purchase of goods or services	✓	✓	✓	✓	✓
Management of monetary and financial flows	✓	✓	✓	✓	✓
Gifts, entertainment expenses	✓	✓	<input type="checkbox"/>	✓	<input type="checkbox"/>
Reimbursement of expenses	✓	✓	<input type="checkbox"/>	✓	<input type="checkbox"/>
Recruitment of employees	✓	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bonus and benefit management	✓	✓	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Management of agents	✓	✓	<input type="checkbox"/>	✓	<input type="checkbox"/>

**2 Control system - Specific control standards**

The specific control protocols relating to the individual Instrumental Processes identified are listed below:

**1) Donations and donations of goods**

As regards this sensitive area, the following protocols should be followed:

- carefully scrutinise donations and gifts in order to verify that they were given purely in a spirit of largesse, justified by a humanitarian purpose;
- establish an adequate multi-person authorisation process in compliance with the Company's internal practices;
- do not give donations to an individual (natural person) or a private commercial company (S.p.A., S.r.l., S.n.c., S.c.a.r.l., etc.);
- for donations to entities, they must be associations with a legal personality, non-profit organisations or foundations;
- budget the total amount allocated to donations on an annual basis.



**2) Sponsorships**

As regards this sensitive area, the following protocols should be followed:

- ensure that sponsorships are consistent with the company's mission;
- ensure that relations with counterparties are formalised through agreements or appropriate contractual instruments, which include the commitment of the third party to comply with the principles set out in Legislative Decree 231/2001 and in the Code of Ethics;
- ensure the transparency and traceability of the process of entering into a sponsorship agreement;
- budget the total amount allocated to sponsorships on an annual basis.

**3) Free samples of products**

As regards this sensitive area, the following protocols should be followed:

- the CHIEF SALES & MARKETING Department must allocate a specific budget;
- deliveries of samples must be made in compliance with the quantities and timing envisaged by the relevant legislation, including with respect to taxes;
- guarantee the traceability and archiving of all process documentation.

**4) Purchase of goods or services**

As regards this sensitive area, the following protocols should be followed:

- clearly separate the roles of those who request purchases, those who authorise and those who execute them, as well as those who make the payment after verifying receipt of the good or service;
- follow the steps hereunder for purchases exceeding €25,000.00 (for single amounts or, if applicable, cumulative over the year): (i) the department that submits the purchase request (the "requesting department") evaluates and examines the various supply possibilities, identifying the most suitable for the specific requirements; (ii) after making this preliminary assessment, the requesting department submits the purchase request to the Chief Executive Officer together with the quote from the selected supplier specifying the reason the supplier was selected, or several different quotes; (iii) the Chief Executive Officer examines the purchase request, ensuring that it is consistent with the budget, and the single quote and the reason given, or the different quotes submitted; (iv) after the assessment, the Chief Executive Officer may: a) request an additional quote from the requesting department if it considers that the reason submitted with the single quote is insufficient; b) authorise the purchase request, considering the reason given for the single quote to be sufficient, or after selecting the quote together with the requesting department; c) if the amount of the purchase request exceeds the limits of the spending powers granted to the Chief Executive Officer, the latter submits the purchase request and the quote to a person having sufficient powers (director or board of directors in accordance with the current system of delegated powers); (iv) once it has been authorised, the order is sent to the supplier (where possible, pursuant to a contract); (v) once the outcome and verification of the services/goods supplied has been completed, payment is made;
- for purchases valued less than €25,000.00 the principles of separation and traceability must in any case be respected;
- in the contract, and in the absence thereof in purchase orders, there must be a clause included committing the supplier to comply with the principles set out in Legislative Decree 231/2001 and the Code of Ethics;
- the existence of any conflict of interest should be ascertained with respect to personal, financial, legal or other relationships with individuals or legal entities of the counterparties with which Missoni's personnel may have dealings in relation to sensitive activity in question;
- no payment may be made in cash or in excess of the limit prescribed by law. In any case, payments must be made according to specific administrative procedures that document the traceability of the expenditure;
- any critical issues that emerge in the performance of consultancy/supply assignments must be promptly communicated to one's superior, Company management and the Supervisory Body where appropriate.

**5) Management of monetary and financial flows**

As regards this sensitive area, the following protocols should be followed:

- set limits to the autonomous use of financial resources by defining quantitative thresholds consistent with the roles and organisational responsibilities assigned to individuals;
- only authorise persons identified in advance and having a specific power of attorney to manage financial flows;
- make payments against recorded invoices accompanied by the relative orders and in any case approved by the requesting function, which certifies that the service has been provided and consequently authorises payment;
- ensure that all transactions on bank accounts in the name of the Company, as well as payments made using different methods (e.g. company credit cards), are adequately documented and authorised according to the current system of delegated powers;
- ensure that no payment or collection can be settled in cash and in any case only for amounts that do not exceed the totals managed through petty cash and the limits envisaged by regulations;
- execute all financial transactions using instruments that guarantee traceability;
- check the consistency between the party to whom the invoice is addressed and the party to whom the service/product is supplied;
- ensure periodic reconciliation of bank accounts;
- for the management of incoming and outgoing flows, only use banks and other accredited financial intermediaries subject to the regulations of the European Union or credit/financial institutions located in a non-EU country that imposes obligations equivalent to those envisaged by the laws on money laundering and monitors compliance with such obligations;
- If company credit cards are used ensure compliance with Company rules as well as the types of expenses allowed;
- ensure the collection of receipts for expenditures made with company credit cards;
- ensure that the use of petty cash is properly documented, justified and allowed only by specifically authorised personnel;
- ensure that documentation is filed with the functions involved in the process.

With respect to the aforementioned conduct, it is prohibited to:

- make payments in cash for amounts exceeding the regulatory limits or with non-traceable means of payment;
- make payments to encrypted current accounts or current accounts not in the name of the supplier;
- make payments to current accounts other than those specified in the contract;
- make payments that are not adequately documented;
- carry out any commercial or financial transaction, either directly or through a third party, with parties (natural or legal persons) whose names are included in the Lists available from the Bank of Italy, or with parties controlled by them, when such controlling relationship is known;
- receive payments from parties who do not have any commercial/contractual relationship with the Company, except in specific cases governed by company procedures;
- establish funds as a result of unjustified payments (in whole or in part), including through intercompany relations;
- transfer money when there is not complete correspondence between the payments' recipients/transferrors and the counterparties actually involved in the transactions;
- make payments or pay fees to third parties operating on behalf of the Company that are not adequately justified by the context of the contractual relationship established with them.

#### **6) Reimbursement of expenses**

As regards this sensitive area, the following protocols should be followed:

- comply with the internal policies relevant to the recognition of expense reimbursements; more specifically, the following procedure should be followed: (i) each employee, under its own responsibility, completes the

expense account form attaching the relevant supporting documents, signs the form and submits it to its line manager for approval (in the case of senior managers, department managers or area managers, he/she should submit the form directly to the CEO; the CEO submits the form to the Chairman); (ii) the form duly signed by the applicant and the manager together with attachments is submitted to the CEO for final approval (other than if the CEO has already authorised the expense/s); (iii) the form containing the authorisations is sent to the HR Manager and Finance & Accounting offices, that carry out the administrative and fiscal controls; (iv) upon completion of these checks, the expenses are reimbursed in cash for small amounts or by bank transfer in the payslip;

- for business travel the employee requests authorisation from its line manager; Senior Managers request authorisation from the Chief Executive Officer;
- ensure the complete archiving of documentation relating to the management of expense reports by the departments involved.

#### **7) Gifts, Entertainment expenses**

As regards this sensitive area, the following protocols should be followed:

- ensure that gifts are of reasonable value and linked to institutional contexts, in compliance with the provisions of the Code of Ethics;
- ensure the traceability of the expenses incurred for each beneficiary and of the gifts given;
- set up a register showing the amount of the gift, the recipient, the reason, the requesting function (for amounts exceeding €300.00);
- entertainment expenses should be authorised by the Chief Executive Office, or Chairman and must comply with the following criteria:
  - ✓ justified by an invoice made out to the Company;
  - ✓ contain the names of the persons who have used them and the companies they represent.
- ascertain the existence of any conflict of interest with respect to personal, financial, legal or other relationships with external individuals or legal entities (private or public) with which Missoni's personnel may have dealings in relation to the sensitive activity in question;
- the SB must be informed in writing of any critical issues or conflicts of interest that arise.

#### **8) Personnel selection and hiring**

As regards this sensitive area, the following protocols should be followed:

- work in full compliance with the applicable laws and regulations, the Code of Ethics and principles of loyalty, propriety, clarity and transparency;
- verify that new hires fall within the approved budget and that the hire is approved according to the internal authorisation process;
- carry out selections in a manner that ensures that the choice of applicants is made on the basis of objective considerations of the professional and personal characteristics necessary to perform the work to be done, avoiding favouritism of any kind;
- operate in compliance with the criteria of meritocracy and equal opportunities, without any discrimination based on gender, racial or ethnic origin, nationality, age, political opinions, religious beliefs, state of health, sexual orientation, economic or social conditions, based on the Company's real needs;
- guarantee the separation of the selection process, also ensuring the traceability of the applicant evaluation process by archiving the relevant documentation;
- ensure that a check is carried out on the existence of possible conflicts of interest and on the applicant's status as a former public employee, if any, in order to ensure compliance with the provisions of Legislative Decree 165/2001, article 53, subsection 16-ter (introduced by Law 190/2012 on "Anticorruption");
- hire personnel only with a regular employment contract and remuneration consistent with the applicable National Collective Labour Agreement;
- ensure that contracts are signed by persons with appropriate powers;

- ensure that the salary is consistent with the position held by the applicant and the responsibilities/tasks assigned;
- ensure that at the time of hiring, the employee is given a copy of the Code of Ethics and this Model and that he/she formally agrees to fully comply with the principles contained therein;
- verify that the working hours are applied in compliance with current regulations;
- ensure that working conditions within the Company are adequate and respectful of personal dignity and equal opportunities in compliance with the applicable national collective labour agreement and the social security, tax and insurance regulations;
- guarantee adequate training on the Model and the Code of Ethics.

**9) Management of bonuses and benefits**

As regards this sensitive area, the following protocols should be followed:

- offer incentives to personnel only in the pursuit of specific results, previously determined on the basis of objective, accountable and verifiable parameters;
- set maximum limits on variable remuneration consistent with responsibilities, tasks assigned and industry practices;
- ensure that the incentive systems correspond to realistic objectives that are consistent with the tasks, activities carried out and responsibilities assigned;
- ensure that periodic and documented controls on the calculation and payment of variable remuneration are formally established and effectively carried out;
- provide for limits to the incentive system in the event of inappropriate conduct, which is the subject of a formal action taken by the Company (e.g. the imposition of disciplinary sanctions);
- guarantee the traceability of the incentive process through the formalisation of the objectives and relative final reporting.

**10) Selection and management of agents**

As regards this sensitive area, the following protocols should be followed:

- guarantee an adequate qualification process for agents that includes, among other things, verification of their commercial and professional reliability and honourability by, for example, requesting the professional's curriculum vitae or chamber of commerce extract, criminal record, or other available commercial information;
- respect principles of transparency, professionalism, reliability, motivation and non-discrimination in the choice of the counterparty;
- ensure that the selection process of agents is always carried out in accordance with company practices;
- ascertain the identity of the counterparty;
- ensure that the agreed commissions fall within normal market conditions and in any case are contractually defined on the basis of objective calculation criteria;
- ensure that the counterparty's mandate is in writing;
- ensure that relations with the aforementioned third parties are defined with contracts containing clauses specifying the third party's obligation to comply with the principles set forth in Legislative Decree 231/2001 and the Code of Ethics;
- pay fees in a transparent manner, always documentable and traceable after the fact. More specifically, check the correspondence between the person receiving the payment and the person who provided the service;
- ensure that agent bonuses are paid upon achievement of contractually established professional targets;
- promptly notify one's line manager or the Company's management, and at the same time the Supervisory Body, even using the communication tools existing within the Company, any suspicious behaviour or activities carried out by those working for the counterparty.