

CODE OF CONDUCT



FRIUL INTAGLI INDUSTRIES S.P.A.

REGISTERED OFFICE IN PRATA DI PORDENONE (PN), AT 68 VIA ODERZO
VAT NUMBER IT01586110262

REVISION HISTORY

N°	DATE	REASON	APPROVED BY THE BOD
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2	10.03.2021	ADAPTATION TO SMETA AUDIT - 01.2021	
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All documents related to the Organisation, Management and Control Model pursuant to (It.) Legislative Decree 231/01 contain strictly confidential information owned by Friul Intagli Industries S.p.A.

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1. INTRODUCTION

This document intends to lay down the principles and standards of ethical and professional conduct that our Company expects from all its collaborators in the daily performance of their duties and in all commercial and institutional relationships that involve our activity.

It further seeks to assure our partners that our activities are and will be compliant with the rule of law and with our principles of honesty, respect and integrity.

This Code of Conduct is intended for all employees, collaborators and administrators as a point of reference for our work and for our customers and suppliers, and for all those who enter into relations with our company, a clear declaration of our commitment to operate legally, fairly and with mutual respect.

The President
Mr Maccan Inaco

2. CODE OF CONDUCT

2.1. THE VALUES OF FRIUL INTAGLI INDUSTRIES S.P.A.

Friul Intagli Industries S.p.A. (hereinafter "Friul Intagli") is a world leader in the development and manufacture of components for furniture and self-assembly furniture according to the specific needs of its customers, designing and enacting together with them the most efficient and efficacious production processes and guaranteeing the highest standards of quality and of respect for the environment and occupational safety. The achievement and maintenance of such standards is the object of the relevant certifications held by the company: ISO 9001 Quality Management Systems; OHSAS 18001 Occupational Health and Safety; FSC® (FSC® C015826) and PEFC (PEFC/18-31-833) for Sustainable and Responsible Forest Management.

The Company performs its processes at the sites of Villanova (Prata di Pordenone - PN) and of Portobuffolé (TV) - where the various Units carry out the various phases of these processes - in a very close relationship with the customers, together with whom it shares both process and product standards (e.g. IKEA GO/NOGO) and ethical requirements (e.g. IKEA IWAY, SMETA or ICS - Code of Conduct in agreement with the customer).

In full compliance therewith, Friul Intagli recognises the fundamental importance of ethics in the management of its affairs, always desirous of pursuing its objectives with maximum respect for the applicable laws, for the bodies tasked with checking such respect, as well as for its customers, employees, suppliers, competitors or any other interested party.

In implementing the aforementioned fundamental principles, and in particular with regard to ethics in business, the Company requires its administrators, employees, collaborators and any other third party with which it forms relationships to rigorously respect the guidelines contained in this Code of Conduct and in the rules and regulations in force. Said guidelines may be summarised in and grouped according to the following three key values:

Integrity: when we act on behalf of Friul Intagli, we are all responsible for working with the maximum integrity. Depending on their role and responsibilities, the recipients of this code are required to be conscious of the requirements of the applicable laws, rules and regulations. We must all act in full compliance with such laws, rules and regulations and with this Code of Conduct. Further, managers have a particular responsibility to set an

example for others by behaving with even more integrity, ensuring that their subordinates are aware of and respect this Code of Conduct.

It is, therefore, important for us all to reflect on our behaviour by asking ourselves the following questions:

- *“Did I allow my personal interests to influence my behaviour?”*
- *“Is the decision that I took fair, professional and based on the facts and information available to me?”*
- *“Did I behave in accordance with the company’s values?”*
- *“Did I act with respect for the law and for this Code of Conduct?”*

Responsibility: we are all required to treat others with the maximum respect, to maintain the commitments we have undertaken and to take responsibility for our actions.

Commitment: we should all exert maximum effort, and encourage and expect maximum commitment from others in all activities carried out, with a view to constant improvement.

2.2. FIGHT AGAINST CORRUPTION

ELIMINATION OF ALL FORMS OF CORRUPTION

- All managers, employees and collaborators of Friul Intagli have the responsibility to ensure that our Company is not involved in acts of corruption. In that sense, it is forbidden to offer, directly or indirectly, or to accept requests for sums of money or for any other benefit to or from any person, be they public officials or a private counterparty, with the aim of inducing them to carry out or to omit to carry out any action that falls under their purview.
- All acts of corruption for the purpose of continuation of existing business or to obtain new business are not acceptable and are prohibited in all cases. Not only do such actions violate this Code of Conduct, but they are also illegal and may also have penal consequences for the persons who perform them and for the Company.
- The use of third parties, through whom sums of money or any other benefit are offered or obtained for purposes of corruption, is also absolutely forbidden.

2.3. RELATIONS WITH PUBLIC ADMINISTRATION OFFICIALS

INTERACTIONS MUST BE CONDUCTED WITH THE HIGHEST LEVELS OF INTEGRITY

- Relations with any Public Administration official or representative are maintained exclusively by persons authorised to do so by Friul Intagli.
- All relations with any Public Administration official or representative, in particular during the preparation of any document and/or information intended therefor, must be conducted with the maximum levels of correctness and clarity, to avoid any misinterpretations.
- Full cooperation must be granted to the authorities tasked with performing controls of the Company: all information or documents requested must be provided promptly and in full.

CONFLICT OF INTEREST

ALL CONFLICTS OF INTEREST MUST BE AVOIDED AND REPORTED

- All decisions must be taken objectively and always in the best interest of Friul Intagli and never to serve personal interests.
- Avoiding conflicts of interest means avoiding situations of actual or apparent conflict with the interests and the reputation of Friul Intagli. In any case, all situations that interfere or that may interfere with the independent exercise of our judgement must be reported in advance and in writing to our manager.

2.4. FINANCIAL INFORMATION

ENSURING THAT CORPORATE INFORMATION IS ACCURATE

- All accounting books, accounts and registers of Friul Intagli must accurately reflect the nature of the transactions carried out, so that we may prepare and publish accurate and complete data that clearly, truthfully and fairly represent the economic results and the equity-related and financial situation of the Company.

- Any behaviour or omission that may compromise the fair, complete and prompt reporting and registration of corporate transactions is forbidden.

2.5. HUMAN RESOURCES

PROMOTING A WORKPLACE ENVIRONMENT THAT IS FAVOURABLE TO ALL

- Collaborators are the fundamental resource for the development of our Company. The riches of collaborators' knowledge and experience must be valued and enhanced, thus contributing to the Company's growth, always in full respect of the applicable legal requirements and of the most rigorous standards.
- Each collaborator, depending on their function in the Company, must ensure that the workplace environment is free of bias and discrimination. For that purpose, everyone must work together to maintain an internal climate that guarantees full respect of the dignity of all.
- All forms of direct or indirect retaliation or discrimination against persons who report illicit behaviours or behaviours that violate this Code of Conduct for motives that are directly or indirectly linked to such reporting are forbidden.
- The management of human resources is informed by compliance with and protection of human rights, as recognised and governed by the national regulatory framework, as well as by international principles as set forth in the guidelines issued by the High Commissioner of the United Nations.

2.6. CUSTOMERS

MAINTAINING THE HIGHEST ETHICAL STANDARDS IN THE RELATIONS WITH OUR CUSTOMERS

- Maximum clarity, collaboration and professionalism are always guaranteed at any time during the relationship with customers and potential customers.
- In the context of existing contracts, we must all contribute, depending on our individual purview, to the provision of the highest level of service and to the full satisfaction of the customer's expectations.
- It is forbidden to accept requests for, to offer, promise or supply, directly or indirectly, any valuable objects, including donations, fees,

loans, services, entertainment, favours or gifts, to or from any person who is in a position to influence the purchasing process of a customer or of a potential customer, as a prerequisite or a result of the conclusion of business with the Company.

2.7. COMPETITORS

MAINTAINING A FREE AND OPEN MARKET

- Our activities always aim to guarantee the principles of free and fair competition, in full compliance with the applicable rules and regulations.
- Behaviours that aim to control the market by, for example, fixing prices or by concluding agreements for the subdivision of the market between competing companies are strictly forbidden.
- All relations with competitors must be characterised by maximum fairness; behaviour that fosters unfair competition, or that harms the image or reputation of competitors, or violates their intellectual property rights is forbidden.

2.8. SUPPLIERS AND THIRD PARTIES

SUPPLIERS ARE EXPECTED TO COMPLY WITH OUR ETHICAL STANDARDS

- Friul Intagli expects of its collaborators and suppliers, in general, full respect for the Company's values and ethical principles.
- In specific cases where this is deemed relevant, collaborators and suppliers, in general, must expressly accept the commitment to respect the principles contained in this Code and be willing to prove that they actively operate in accordance with its provisions.
- The selection and management of collaborators and suppliers, in general, must always employ, in fairness and with documental proof to the maximum extent possible, criteria that aim at procuring the maximum advantage for the Company, in compliance with the values and the ethical principles laid down in this Code.

2.9. HEALTH, SAFETY AND THE ENVIRONMENT

GUARANTEEING THE HEALTH AND SAFETY OF OUR COLLABORATORS, RENDERING THE WORKPLACE SAFER AND GUARANTEEING RESPECT FOR THE ENVIRONMENT

- The Company undertakes to protect health and safety in its workplaces by efficiently adopting all appropriate actions for the minimisation of identified risks.
- We are all responsible for reaching this objective: this means that we are all responsible primarily for our own safety, by always behaving and working in compliance with the laws and internal regulations on safety; we also ask that all our human resources play an active part by reporting any event or issue or behaviour that may endanger the safety of persons or things.
- The Company carries out its activities by using the best available technologies that have the lowest possible impact on the environment, complying with the most rigorous requirements on environmental safety.

2.10. QUALITY AND SAFETY OF PRODUCTS

GUARANTEEING THE QUALITY AND SAFETY OF PRODUCTS

- The Company guarantees adequate quality and safety standards in the products it offers, in conformity with the best standards, and strives for constant improvement.
- We are all asked to contribute to the process of constant improvement, also ensuring that we obtain and report internally any feedback from the customers.

2.11. INTELLECTUAL PROPERTY AND OTHER CORPORATE ASSETS

WE PROTECT CORPORATE ASSETS AND ENSURE THAT THEY ARE USED CORRECTLY

- Corporate assets must be used exclusively for purposes that are connected to the Company's activities and objectives.

- Each one of us is responsible for the correct use of the Company's assets that have been entrusted to him/her for the performance of the corporate activities and for protecting such assets from loss, damage and improper use.
- We are all expected to protect the technical and commercial information of Friul Intagli by adopting the appropriate protective measures.
- The use of the IT systems, of e-mail, of the Internet is reserved to corporate activities and not to personal use; in any case, we ask that said resources are used in compliance with the provisions of the law, with the principles of this Code of Conduct and with the related corporate procedures.

2.12. PERSONAL DATA AND CORPORATE INFORMATION

WE PROTECT PERSONAL DATA AND CORPORATE INFORMATION

- Friul Intagli considers corporate information to be a very important asset of the company and believes that it must be protected appropriately: therefore, its incorrect use or unauthorised disclosure are forbidden.
- Any corporate information that is not in the public domain must be protected, even if there are no express confidentiality instructions.
- We must all undertake to protect the personal data and corporate information of which we become aware during the performance of our duties, rigorously complying with the procedures that have been adopted and fulfilling the requirements of the applicable rules and regulations.
- Commercial, technical, accounting, corporate, organisation data and information and employee data and information are confidential and must be processed with the greatest discretion; they may not be used for purposes other than those for which they are intended.
- It is forbidden to publicise, transmit, share and deliver to third parties or, in any case, to any party external to Friul Intagli, without the prior consent of the company's management and of the customers, any corporate information, such as, by way of a non-limiting example: customer lists, prices and invoices, actual results and forecasts, sales agreements, contracts and contractual documents, offers, formulas, methods and

processes, techniques, details concerning customers and suppliers, conditions, prices and any other commercial information.

- Communication with the public authorities and with the media must be previously authorised by the company's management.

3. METHODS OF IMPLEMENTATION AND SANCTIONS

3.1. IMPLEMENTATION OF THE CODE

This Code of Conduct has been adopted by virtue of a resolution of the Company's Board of Directors, which guarantees its appropriate disclosure inside and outside the company.

All updates to this Code will be adopted with subsequent resolutions of the Board of Directors, possibly on the recommendation of the Supervisory Body established in compliance with the requirements of (It.) Legislative Decree 231/2001, following possible organisational changes inside the Company, various external scenarios, and as a result of the experience acquired with time.

3.2. DUTIES OF THE SUPERVISORY BODY

The Supervisory Body, established in compliance with the requirements of (It.) Legislative Decree 231/2001, among the various activities under its purview, is responsible for:

- supervising the dissemination, understanding and implementation of the general principles of conduct, including those explained by this Code;
- managing the reports received on situations or behaviours contrary to the principles expressed in this Code;
- contributing to the definition of the disciplinary measures/sanctions for grave violations.

3.3. REPORTING

All recipients of this Code have the possibility, and the duty, to report alleged cases of illicit conduct and/or violation of the conduct principles outlined in the Code of which they become aware, or to report any potentially problematic behaviour or situation.

The reports may and must be immediately addressed to the Supervisory Body by using the e-mail inbox that has been created for that purpose: **odv@friulintagli.com**

This e-mail inbox may be used by anyone for reporting violations of the Code of which they have become aware.

The Supervisory Body shall immediately assess the reports received, endeavouring - while implementing its own communication systems - to guarantee the confidentiality of the reporter's identity, acting in such a way as to protect the authors of the reports from all forms of retaliation, discrimination or penalisation or any consequences deriving from said reports. It shall do so without prejudice to legal obligations and to the protection of the rights of the Company or of persons accused wrongly/in bad faith.

The following instructions apply in particular:

- information and reports, regardless of their source, including those pertaining to unlawful behaviour or violation or suspicion of violation of the principles enshrined in this Code, must be done in writing, non anonymously, and must be founded on precise and consistent evidence;
- anonymous reports will be examined further only if they are supported by proof and, therefore, if they contain all the objective elements that are necessary for the next stage of control; anonymous complaints that are deemed to be unreliable will not be taken into consideration.

We are all obliged to cooperate with the Supervisory Body to allow the collection of all additional information that is deemed necessary for the correct and complete evaluation of the reports received.

3.4. WHISTLEBLOWING

The Company promotes the prevention and the verification of any unlawful conduct or, in any case conduct which is contrary to the Code of Ethics and encourages its employees and third parties to promptly report any episode which they may come to know as a result of their relations with the Company. For this reason, an internal "whistleblowing" system has been adopted, which permits, by connecting to the link <https://areariservata.mygovernance.it/#!/WB/Friul-Intagli>, the reporting of any irregularities or violations of the law in force and of the internal procedures, guaranteeing a specific reserved and informative channel as well as confidentiality for the whistleblower.

Whoever has a relationship of interest with the Company and detects or otherwise becomes aware of unlawful conduct or irregularities in the workplace activity must report the facts, the events and the circumstances which he or she have come to know forthwith.

The Report must be documented and substantiated, such as to provide useful and opportune elements to consent an appropriate check on the validity of the facts reported. It is particularly important that the report includes, where such elements are known by the Whistleblower:

1. a detailed description of the facts that occurred and the manner in which the whistleblower became aware of them;
2. date and place where the event took place;
3. names and positions of the persons involved and/or elements that may allow them to be identified;
4. names of any other subjects that may report on the facts object of the Report;
5. reference to any documents that may confirm the validity of the reported facts.

The management and verification of the validity of the circumstances stated in the report are entrusted to a third party who acts, in compliance with the principles of impartiality and confidentiality, aiding the Company and any Supervisory Body and performing any activity considered appropriate to resolve any conflicts or violations of the reported rights.

Nonetheless, it is recommended, that the Reports be nominative, in order to allow the subjects responsible to verify the validity or otherwise of the same, a more efficient investigation. The Company ensures, for this purpose, the full protection of the Whistleblower's identity and guarantees maximum discretion concerning the personal details of the whistleblower and the use of precautions concerning the methods used to manage the report to protect the confidentiality thereof. It is understood that, during verification of the validity of the Reports received, whoever made the report may be contacted to provide additional information, which may be required.

Direct or indirect reprisals or discrimination against the whistleblower for reasons directly or indirectly related to the report is strictly prohibited. In addition, sanctions are also envisaged against whoever violates the measures for the protection of the whistleblower, but also against whomever makes reports that turn out to be unfounded, with intent or gross negligence. The retaliatory or discriminatory dismissal of the whistleblower is null and void. Changes to duties as well as any other retaliatory or discriminatory measure adopted against the whistleblower shall also be invalid.

3.5. SANCTIONS

All violations or behaviours that potentially violate the Code must be reported to the Supervisory Body, which is the control body tasked with supervising the application of the principles contained in this Code and guaranteeing that the disciplinary proceedings are activated in accordance with the procedure described below.

The application of disciplinary sanctions does not depend on the start or the outcome of any criminal proceedings, since this Code of Conduct contains rules that are binding for all its recipients, the violation of which must, in order to comply with the dictates of the aforementioned (It.) Legislative Decree 231/01, be punished regardless of whether a crime has been committed or whether such crime is punishable.

If ascertained, any possible violation of the aforementioned principles represents:

- in the case of employees and managers, a breach of contract with regard to the obligations that derive from the employment relationship, pursuant to article 2104 of the (It.) Civil Code and article 2106 of the (It.) Civil Code;
- in the case of administrators, the non compliance with the duties imposed thereon by the law and by the Articles of Association of the company, pursuant to article 2392 of the (It.) Civil Code;
- in the case of persons external to the company, under the effect of an appropriate contractual clause, it shall constitute a grave breach of contract, pursuant to article 1455 of the (It.) Civil Code, and shall entitle the Company to terminate the contract, without prejudice to compensation for damage pursuant to article 1456 of the (It.) Civil Code by simple written communication, without prejudice to compensation for any damage incurred.

The procedure for imposing sanctions described below takes into account the particularities of the legal status of the persons against whom it is initiated.

The Supervisory Body shall verify that specific procedures have been adopted for the information of all aforementioned persons, from the start of their relationship with the Company, regarding the existence and the content of this disciplinary apparatus.

In case of violation of this Code, the Supervisory Body, having conducted suitable investigations and made its own assessments, shall evaluate the

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existence or otherwise of said violations and shall suggest the adoption of the suitable measures and the imposition of the related sanctions.

Sanctions deriving from the violation of this Code shall be governed by the principles and rules laid down by the Disciplinary System of the Organisation, Management and Control Model adopted by the Company pursuant to (It.) Legislative Decree 231/01.