



CODE OF ETHICS

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1. INTRODUCTION

The Radici Group operates in the carpeting market with production units in Italy and Hungary and commercial branches in the USA, Poland, Czech Republic, and France. An international presence, through both its production sites and sales offices abroad and the distributor network used by the Radici Group, is fundamental for the growth of the companies in the Group.

Thanks to production synergies for the development of different product types, the Radici Group has embarked on a growth path that has led to it being present in over 90 countries to date.

The Radici Group offers floor coverings (wool, polyamide, and polyester) designed to meet the needs of a variety of sectors.

The products offered are (I) Carpet Tufting and Weaving, (II) Artificial Grass, (III) Needle-felt – Non Woven, (IV) Marketed Products and Complementary Services, and the markets served are (i) Residential and Contract, (ii) Marine, (iii) Automotive, and (iv) Sports.

The range of products offered is appreciated throughout the world and is an expression of the excellence of products Made in Italy.

To enhance the business, in 2019, Radici Pietro Industries & Brands S.p.A., with registered office in Cazzano Sant'Andrea (BG), was listed on the multilateral trading system called AIM Italia, managed and organised by Borsa Italiana S.p.A. (hereinafter “AIM Italia”).

On the other hand, with a view to optimal regulatory compliance, the “Radici Italia” Group’s Italian companies, in compliance with the provisions of Italian Legislative Decree 231/01 and with the requirements of the AIM admission document, each adopt an Organisation and Management Model (MOG231) whose objective is to prevent the commission of offences pursuant to Italian Legislative Decree 231/01 and to reduce the related risk through the application of specific prevention protocols.

Consequently, the Radici Group’s Italian companies each appointed a Supervisory Board with autonomous initiative and control powers, which is entrusted with supervising the operation of and compliance with the MOG231 (to which this Code of Ethics is annexed) and ensuring that it is updated.

2. SCOPE AND AREA OF APPLICATION

The current Code of Ethics (hereinafter the “Code”) has the following functions:

- ❖ **legitimacy:** the Code sets out the Radici Group’s duties and responsibilities to all those who come in contact with Radici Italia and vice versa;
- ❖ **cognitive:** the Code makes it possible to recognise unethical behaviour and to indicate the proper way to carry out the functions and powers assigned to each person;
- ❖ **incentive:** the Code contributes to developing an ethical conscience and reinforces Radici Italia’s reputation and relationship of trust with those who come in contact with it.

The principles and provisions of this Code are addressed to and must be known by all corporate functions, contract workers, and consultants (hereinafter **Recipients**), and by all those who have relations with Radici Italia for any reason (for example, but not limited to, suppliers, customers, etc., hereinafter **Third Parties**).

Therefore, the Code is distributed to all Recipients and made known to Third Parties by posting it on the company bulletin board, publishing it on the company website, or in any other suitable form: all those (Recipients and Third Parties) who have relations with Radici Italia accept the provisions of this Code and commit to complying with it.

All Recipients must:

- know and pass on the principles and values contained in this Code;
- operate following the ethical behaviour rules identified by the Code both in performing their duties and in their relations with the outside world, refraining from conduct contrary to it;
- ensure the correct and continuous application of the Code at all company levels, cooperating with the competent company authorities to verify and control it.

Third Parties must behave in compliance with the canons of legality, correctness, and good faith in compliance with the ethical behaviour rules of this Code.

3. APPROVAL AND UPDATING OF THE CODE OF ETHICS

This Code is approved by the respective administrative bodies of Radici Italia.

4. ETHICAL BEHAVIOUR PRINCIPLES

All the work activities of those operating for Radici Italia must be carried out with professional commitment, morality, and fairness in order to protect the Group's image.

All Recipients and Third Parties must comply with the following ethical behaviour principles when carrying out their activities:

- Legality, i.e., compliance with the laws, regulations, and applicable provisions in Italian law and/or those applicable in foreign countries in which Radici Italia operates;
- Equality, i.e., uniform treatment of the Recipients and Third Parties, regardless of age, gender, race, language, religion, political opinions, and personal, economic, and social conditions;
- Honesty and Fairness, i.e., respect for the principles of moral integrity, justice, and sincerity, refraining from reprehensible actions, or those that, according to a shared sense of conscience, conflict with honesty;
- Impartiality, i.e., objective and equitable operating and evaluating methods, without favouritism for any of the parties involved, whether public or private, connected to the Recipients or Third Parties through friendship or enmity, kinship, or affinity;
- Transparency, i.e., full traceability and easy identification of all steps of every activity, so that all relations are comprehensible and the respective acts are justifiable;
- Confidentiality, i.e., scrupulously avoiding disclosing any company data (whether of a technical, logistical, strategic, or economic nature) and personal data, in compliance with applicable privacy legislation;
- Diligence, i.e., performing duties assiduously, precisely, carefully, and accurately.

5. ETHICAL BEHAVIOUR RULES**5.1 *Internal relationships***

All Recipients must cooperate fully with each other in pursuit of the corporate *Mission* and exercise their powers in a balanced, fair, prudent, and non-discriminatory manner according to their respective duties.

Senior management must not misuse their position and must refrain from any form of harassment and/or intimidation of employees.

Employees must comply with the directives issued by senior management and report any situations in conflict with applicable legislation and/or the principles set out in this Code to the competent company authorities.

In addition, employees must be committed to mutual solidarity in order to promote the creation of a working environment that is suitable for the protection of the individual and the worker from both a professional and relational point of view.

5.2 *Protection and development of individuals*

Radici Italia is committed to developing the skills and competencies of the Recipients, providing them with the appropriate training, updating, and professional development tools

In particular, Radici Italia ensures that the Recipients' selection, management, and training processes are based on evaluations of professionalism and merit, prohibiting any form of direct or indirect discrimination based on gender, language, race, religion, political opinion, and personal and social conditions.

Any activity that may result in the exploitation or enslavement of any individual, as well as any form of exploitation of child labour, is prohibited.

5.3 *Protection of Health and Safety*

Protection of the workers' health and safety in the workplace is a principle of great significance and cultural depth, all the more so following the implementation of numerous European directives in the sector.

Radici Italia fully shares this principle and aims to “work in safety”, i.e., to guarantee compliance with the standards of prevention and adopt “safe” conduct to benefit individuals and the environment.

Therefore, along with moral integrity, Radici Italia also guarantees the physical integrity of the Recipients and Third Parties, working conditions that respect individual dignity, and safe and healthy work environments.

Radici Italia carries out its activities using technical, organisational, and economic conditions that ensure adequate injury prevention and a safe and healthy work environment.

In addition, Radici Italia is committed to spreading and consolidating a culture of safety among the Recipients (as well as Visitors and Contractors), developing risk awareness, and promoting responsible and safe conduct by everyone, including through training and informational events, defining roles and duties and issuing internal procedures with which compliance is required.

In particular, Radici Italia is committed to:

- ✓ eliminating or, when not possible, reducing all risks to health and safety;
- ✓ identifying the risks that cannot be avoided and planning an adequate prevention, protection, and control programme;
- ✓ adapting equipment and workplaces to the provisions of the relevant laws;
- ✓ providing workers with suitable collective and personal protective equipment;
- ✓ conveying adequate instructions to workers and providing periodic updates and training regarding the protection of health and safety;
- ✓ supervising the application of the adopted prevention and protection measures and the workers’ conduct in order to prevent accidents, injuries, and occupational illnesses;
- ✓ only collaborating with qualified suppliers.

The Recipients must comply with the rules and obligations regarding prevention and protection at work, the procedures and operating instructions set out in the company’s Occupational Safety and Health Management System, setting themselves objectives for excellence that go beyond mere compliance with the law and procedures,

with full awareness of the value represented by safeguarding the health, safety, and well-being of the individual.

Third Parties must also adopt safe conduct during their activities and operate in compliance with the company regulations, instructions received, contractual conditions of the general prevention standards and this Code of Ethics, as well as comply with company signage.

5.4 *Environmental Protection and Sustainability*

Radici Italia implements an eco-responsible policy aimed at guaranteeing the best possible conditions of protection and respect for the environment, conducting its business in compliance with applicable national and European environmental legislation, recognising that the principles of protecting people and the environment play a prominent role in pursuing the Group's *Mission*.

Among Recipients (as well as visitors and contractors), Radici Italia promotes respect for the environment as a primary asset and common resource to be safeguarded for the benefit of the community and future generations with a view to sustainable development, preventing all forms of pollution (e.g., environmental, noise, water, etc.), assessing the environmental impact of each production process, and limiting the environmental impact of its activities through the use of means and technologies that do not damage the environment and its biodiversity, as well as defining roles and responsibilities and issuing internal procedures with which it expects compliance.

Radici Italia's environmental management system is certified according to UNI EN ISO 14001:2015 for the production of carpeting and synthetic flooring for athletic use (synthetic grass) through weaving, dyeing, drying, finishing, cutting, and packaging, and for the production of nonwoven needle-felt through blending, carding, splicing, needling, coating, finishing, and packaging.

Radici Italia also prepares a Sustainability Report that discusses the attention to issues such as, among others, protection of the environment. In particular, Radici Italia declares:

- ✓ compliance with EC Regulation 1907/2006 (REACH) and Proposition 65 related to the risks connected to the use of chemical substances in its manufacturing cycle;
- ✓ the absence of persistent organic pollutants (POP) in its products;

- ✓ the absence of biocides in its products, as governed by EU Regulation no. 528 of the European Parliament and of the Council of 22 May 2012.

The Recipients must comply with the legislation and requirements regarding environmental protection, separate collection of waste, and recycling of reusable materials, setting goals for excellence beyond mere compliance with the law, in full awareness of the value represented by safeguarding the environment.

5.5 *Anticorruption Policy*

Radici Italia maintains and manages relations with public and private entities in compliance with applicable legislation, the principles laid down in this Code, and internal procedures.

Contacts with public and private entities must be maintained with fairness and transparency in order to avoid any conduct that may, even potentially, be aimed at influencing their decisions.

Gifts, gratuities, benefits (both direct and indirect), giveaways, and acts of courtesy and hospitality aimed at influencing the choices of others or agreeing to do so, or even just sensitising public or private Third Parties in a certain way, are prohibited.

Only gifts, gratuities, benefits (both direct and indirect), giveaways, and acts of courtesy and hospitality of modest value carried out occasionally within the framework of normal courteous relations and local or international customs that meet the dual condition of tenuity (i.e., modest symbolic value) and equality (i.e., equal cost in the choice of the gift) are permitted.

However, any gifts made through personal initiative or from company funds not previously earmarked for that purpose are prohibited. Only the management body has the power to allocate the related finances.

Likewise, Recipients are forbidden from receiving (or accepting the promise) of gifts, gratuities, benefits (both direct and indirect), giveaways, and acts of courtesy and hospitality aimed at influencing their choices or even only at sensitising them in a certain way.

Radici Italia refrains from making any direct or indirect contribution, in any form whatsoever, to political and trade union parties, movements, committees, and organisations, their representatives and candidates, except for what is permitted and provided for by the applicable laws and regulations. Particularly:

sponsoring events, rallies, meetings, and similar initiatives may only be carried out if they comply with the law and the principles of fairness, correctness, transparency, and verifiability, as well as with the internal procedures adopted by Radici Italia.

Radici Italia may allow contributions and donations to subjects with social, moral, scientific, and cultural purposes, avoiding them in the event of possible personal or corporate conflicts of interest.

5.6 *Policy against organised crime*

Radici Italia strongly condemns all forms of organised crime, including mafia-related crime.

Radici Italia will verify the integrity and reliability of its business counterparts (suppliers, consultants, contractors, etc.) and customers, even possibly verifying the presence of companies in the related *Whitelist*.

In any case, no commercial relationship will be undertaken or pursued by business counterparts even only suspected of belonging or being close to criminal organisations or of facilitating in any way, even occasionally, the activities of criminal organisations.

5.7 *Conflict of interest*

All Recipients and individuals who operate for Radici Italia must refrain from any activity that could pit a personal or third party interest against those of Radici Italia or that could interfere with and hinder the ability to make impartial and objective decisions in the interest of Radici Italia.

No Recipient may carry out activities in favour of the competition, assume the role of consultant, member of the Board of Directors or the Board of Statutory Auditors of competing companies nor provide professional service to competitors without authorisation from Radici Italia.

No Recipient may take advantage of their position to advance interests that conflict with those of Radici Italia or use any information acquired when carrying out their work activities for their own advantage or those of Third Parties, in contrast with Radici Italia's interests.

5.8 *Documentation transparency*

Radici Italia will prepare and distribute corporate documents according to the principles of truthfulness, completeness, and transparency.

Any conduct aimed at preventing or obstructing the performance of all supervisory, control, and review activities of corporate documents by the Authorities and competent Supervisory Bodies is forbidden.

Radici Italia will retain the documentation related to any transaction carried out (corporate, accounting, etc.) in order to allow the transaction to be traced and those who authorised and performed it to be identified at any time.

5.9 *Protection of the Market and information*

Radici Italia condemns any conduct aimed at adjusting market prices or abusing insider information. For example, Radici Italia condemns the conduct of those who:

- purchase, sell, or carry out other transactions on financial instruments using insider information;
- communicate insider information to other parties, outside of the regular duties of work, profession, and other offices;
- spread false information or carry out simulated transactions or other devices to cause a significant alteration in the price of financial instruments.

Insider information refers to precise information that was not made public that directly or indirectly concerns one or more issuers of financial instruments or one or more financial instruments, which, if made public, would be likely to have a significant effect on the prices of those financial instruments.

Radici Italia recognises the information symmetry and the integrity of the knowledge base of each individual economic operator as primary assets to be guaranteed when carrying out its business.

Radici Italia guarantees the reliability of corporate communications (e.g., financial statements, periodic reports, etc.) through implementing specific internal procedures. In particular, it ensures that external communications, particularly communications concerning price-sensitive information, comply with the principles of truthfulness, correctness, timeliness, and transparency, guaranteeing correct, clear, precise, and complete information to investors.

Radici Italia promotes relationships with the competent Supervisory Authorities, scrupulously complying with any observations, recommendations, requests, and/or prescriptions given by the same, and guaranteeing the maximum availability and cooperation of all corporate functions involved.

5.10 *Protection of Free Competition*

Radici Italia recognises fair competition as a fundamental element for its growth, continuous corporate improvement, and the protection of its reputation.

Radici Italia requires compliance with the market rules, avoiding and prohibiting unfair practices liable to distort regular commercial competition. It guarantees fair conduct based on good faith, censoring, by way of example but not limited to:

- boycotting, sales below cost, transfer of employees, theft and use of the corporate secrets of third parties, unlawful interference with the distribution systems of third parties, and parasitic competition as well as any other agreement with competitors aimed at establishing or controlling prices or sales policies or interfering with the free distribution of products;
- all ambiguous, unfair, deceptive, or improper business practices, whether or not they violate the applicable legislation;
- any type of hoarding, approaching customers, and concluding business deals in violation of the regulations for the sector and of this Code of Ethics.

5.11 *Protection of Industrial and Intellectual Property*

All ideas, data, and information generated by Radici Italia and any patents, trademarks, and copyrights owned by Radici Italia are protected in compliance with the applicable legislation.

Anyone operating in any capacity on behalf of Radici Italia must maintain maximum confidentiality and secrecy and not divulge or unduly request information on documents, expertise, research projects, company operations, and, in general, all information acquired as a result of their job function.

5.12 *Management of relationships with mass media*

Radici Italia will manage relations with the press, means of communication and information, and, more generally, with third parties with maximum transparency and identifying authorised parties.

Any information requests received by Radici Italia staff from mass media must be reported to the company department/individual expressly tasked with this purpose, who shall take care, where necessary, to disclose non-confidential company news.

5.13 *Data protection*

Personal data refers to any information that directly or indirectly identifies a natural person or makes them identifiable or any information related to their characteristics, habits, lifestyle, personal relationships, health condition, economic situation, etc.

Radici Italia protects the personal data of all Recipients and any individuals coming in contact with it, preventing any improper use of the information and complying with the legislative provisions in terms of privacy along with those set forth by the company's internal procedures.

Radici Italia informs the interested parties regarding the subject that will process the data, the methods used, and the purpose for processing, ensuring that it is done for only the determined, explicit, and legitimate purposes indicated in full compliance with processing lawfulness and correctness.

Radici Italia guarantees the use of information systems and software that minimise the use of personal and identifying data and, where possible, guarantees the use of other suitable means to maintain the anonymity of the interested party.

In any case, the data Radici Italia gathers are only stored for the period of time strictly necessary for the purposes for which they were collected and/or subsequently processed and are safeguarded through appropriate security measures to minimise the risk of destruction, loss, unauthorised access, and processing that is not allowed or not in accordance with the purposes for which they were collected.

6. REPORTS AND VIOLATIONS OF THE CODE OF ETHICS

In compliance with Italian Legislative Decree 24/2023 and the guidelines set out by ANAC, the National Anti-corruption Authority, the Company has set up an internal channel for whistleblowing, and has adopted the relative *Whistleblowing* procedure (to which reference is made), aimed - among other things - to govern the methods employed for the reporting of significant unlawful conduct pursuant to Italian Legislative Decree 231/2001 or violations of the Decree-231-related Organisation and Management Model of which this Code is part.

The Whistleblowing office is the only qualified recipient of said reports, and acts on the basis of the relative *Whistleblowing* procedure, which also governs the manner in which the Supervisory Board is involved in the case of reports of significant unlawful conduct pursuant to Italian Legislative Decree 231/2001 or violations of the Decree-231-related Organisation and Management Model of which this Code is part.

In the event of reports of unlawful conduct pursuant to Italian Legislative Decree 231/2001 or violations of the Decree-231-related Organisation and Management Model of which this Code is part, the Supervisory Board intervenes on the basis of the provisions of the Decree-231-related Organisation and Management Model (which also sets out an appropriate disciplinary system) and of the *Whistleblowing* procedure.