Principles and Policy on Responsible Business Conduct

I, Gianfranco Stella, legal representative of the company C. Tessile S.p.A., headquartered at Via XXV Aprile, Guanzate, Como, Italy, guarantee the legality of company activities and compliance with all applicable local, national, and international laws and regulations, or with the criteria of the GOTS certification standard, if these are more stringent than legal regulations.

The company guarantees, in particular, compliance with environmental regulations and the protection of human and labor rights, as well as with the main conventions of the International Labour Organization (ILO) and the conditions provided by national labor agreements, avoiding causing, contributing to, encouraging, or supporting human rights violations through its activities.

This document outlines the ethical principles the company commits to pursuing in its activities and prescribes responsible behaviors and business practices to be adopted and promoted among all parties involved in business activities, directly or indirectly, to maintain conduct consistent with ethical principles.

To this end, all company personnel—from management to employees and collaborators who perform functions for or on behalf of the company, whether employed or not—are required to review this document, align their behavior accordingly, and act with honesty and integrity.

Where possible, the company commits to disseminating this document to its business partners, encouraging them and their subcontractors to adhere to the principles herein, suggesting appropriate behaviors and actions to avoid, and promoting these ethical principles throughout the supply chain.

The company also commits to making this document publicly available so that all other stakeholders may access it.

Finally, the company commits to providing the necessary technical, economic, and professional resources to fully achieve the objectives of this document.

1. Principles and Code of Conduct

i Human and Labor Rights

The company is committed to respecting, protecting, and promoting current legislation safeguarding human and labor rights, and in particular to:

- **Not resorting to forced or compulsory labor**. No worker must be forced to work under threat of sanctions, through the use of force or intimidation. Workers may voluntarily terminate their employment, after reasonable notice, and are not required to deposit guarantees or identity documents with the employer or third parties.Workers are free to leave the workplace at the end of their shift and are not required to pay fees or other costs to obtain or keep their job. Workers are not forced to use housing or transportation provided by the company.

- **Not resorting to child labor.** The company does not employ children below the age required by national laws for entering the workforce or for compulsory schooling, and in any case under 15 years (or 14 years in developing countries pursuant to ILO Convention 138). If a child under the minimum age is found employed, the company will take all appropriate measures to remove the child from the workplace and to ensure adequate remediation, including active support for access to education.

- **Protecting young workers.** Young workers (under 18 years old) are not employed during night hours or in conditions that could compromise their health, safety or moral integrity and/or that could harm their physical, mental, spiritual, moral, or social development. Young workers do not work more than 8 hours per day or beyond the legal national limit. They do not perform overtime and are entitled to a minimum consecutive rest

period of 12 hours, in addition to regular weekly rest days. Access to continuing education or additional educational opportunities, such as vocational or technical training, is allowed.

- **Refraining from and not tolerating discrimination, harassment, and violence.** The company does not adopt, support, or tolerate discrimination in employment based on gender, gender identity, age, religion, marital status, parental status, race, caste, social background, illness, disability, pregnancy, ethnic or national origin, nationality, union membership, political affiliation, sexual orientation, or any other personal characteristic. The company promotes an environment free from harassment and violence, where everyone is treated with respect and dignity, and encourages anonymous reporting of abuse or mistreatment. All allegations of discrimination, violence, and harassment will be taken seriously, and disciplinary action up to dismissal will be applied to perpetrators. The company's disciplinary procedures are written and communicated to all workers.

- **Achieving gender equality.** The company offers equal opportunities to all individuals, regardless of their gender, gender identity, and sexual orientation, in all aspects of training and professional and personal development. The company is committed to achieving gender equality through fair, just, and transparent recruitment, promotion, and compensation procedures and practices. The company protects pregnant women, mothers, and their children, including their health and safety, from discrimination, dismissal, and career delays, including workers with family responsibilities.

- **Respecting the right to freedom of association and collective bargaining**. The company does not interfere with, hinder or prevent the right of workers to join or form trade unions or worker associations of their choice and to bargain collectively. The company respects collective agreements and allows workers' representatives access to the workplace to carry out their representative duties.

- **Ensuring safe and healthy working conditions**. The company adopts appropriate measures and implements systems to prevent accidents, injuries, and work-related illnesses, minimizing the causes of hazards in the workplace as much as reasonably practicable. Special protection is provided for vulnerable categories of workers, including – but not limited to – young workers, new and expectant mothers, and persons with disabilities. The company provides adequate fire protection and ensures the strength, stability, and safety of buildings and equipment, including residential facilities if applicable.

- **Recognizing fair remuneration.** Wages and benefits paid by the company for regular working hours meet at least national legal standards or industry benchmark standards, whichever is higher. In any case, wages should always be sufficient to meet basic needs and provide discretionary income. The company pays a premium for overtime work.

- **Respecting working hour regulations.** The company ensures that working hours comply with national laws, collective agreements, and industry standards, whichever offers greater protection. Workers are not required to work more than 8 hours per day or 48 hours per week on a regular basis (excluding overtime), and daily and weekly rest periods are guaranteed. Overtime is voluntary, must not exceed 12 hours per week, and is not required on a regular basis.

- **Refraining from precarious employment contracts**. The company commits to establishing recognized employment relationships in accordance with national law and international labor standards. The company refrains from using labor-only contracts, subcontracting, home-working arrangements, apprenticeship programs without real training intent or provision of regular employment, and excessive use of seasonal or fixed-term contracts to avoid legal or social security obligations arising from regular employment.

- **Ensuring equal treatment of migrant workers.** The company refrains from discriminatory treatment of migrant workers compared to local workers. It does not retain their travel documents and provides a written employment contract in a language understandable to the worker, with clear information on terms and conditions. If the company provides meals, housing, transport, or other services, they must be offered at no higher than market rates.

- **Ensuring equal treatment of home workers.** The company does not discriminate against home workers compared to those working on-site. It commits to offering the same protections and treatment to home workers as those in company facilities.

- **Protecting minorities**. The company respects the human rights of individuals belonging to specific groups or populations at risk of particular vulnerability, including indigenous peoples, women, national or ethnic, religious and linguistic minorities, children, persons with disabilities, and migrant workers and their families.

The company requires all staff to contribute to the respect of human rights, abstain from behavior contrary to company policy, monitor abuses in the company, immediately stop any violations, and take necessary precautions within their competence to prevent risks to health, safety, and accidents.

ii Environmental Protection (Environmental and Chemical Policy)

The company is committed to respecting environmental protection legislation and reducing its environmental impact, in particular by:
Monitoring and reducing energy and water consumption. The company collects data on energy and water consumption and sets and achieves reduction targets. Where possible, it also increases the use of renewable energy sources.

- **Monitoring and properly disposing of wastewater.** The company collects data on the quantity of wastewater produced by its activities and ensures that such wastewater is adequately treated before entering the water stream, in order to meet the minimum requirements set by national or local laws, or the chosen standard if stricter.

- **Monitor and properly dispose of wastewater.** The company is committed to collecting data on the amount of wastewater generated by its operations and ensures that such wastewater is properly treated before entering the water system, in order to meet the minimum requirements established by national or local laws, or by the chosen standard, if those are more stringent.

- **Monitoring atmospheric gas emissions**. The company identifies sources of greenhouse gas emissions into the atmosphere and collects data on such emissions to monitor them. The company also identifies measures to reduce such emissions where possible.

- **Monitoring and properly disposing of solid waste.** The company collects data on the amount of waste produced, disposes of waste in accordance with local and national regulations, and reduces waste production by promoting reuse and recycling where possible. The company ensures that waste is not incinerated on-site and is not disposed of in uncontrolled landfills.

- **Ensuring responsible management of chemicals used in processing certified products**. If the company uses chemical inputs for certified product processing, it collects and maintains information on the safe management and use of such inputs so as not to harm the people using them or the environment.

The company requires all staff to contribute to environmental protection by ensuring that their activities have minimal environmental impact, using resources responsibly and paying attention to consumption, handling chemicals with utmost care to ensure their safe use and avoiding their dispersion into the environment.

iii Consumer and Client Protection

The company is committed to acting in accordance with fair commercial, marketing, and advertising practices towards its clients and consumers, adopting reasonable measures to ensure the quality and reliability of the products and/or services offered.
In particular, the company guarantees that its products and/or services comply with legal requirements and with the GOTS standard.

It also ensures that accurate, verifiable, and clear information is provided about the products and/or services offered.
All personnel are required to contribute to the production of products and/or services that meet customer expectations and comply with applicable regulations, to report any anomalies, and to refrain from providing misleading or deceptive information.

iv Prohibition of Bribery and Corruption

The company, in its business relationships, refrains from illegal or collusive practices, does not make illegal payments, and does not promote attempts of corruption or favoritism.
Such behaviors damage society by distorting fair competition and decision-making, undermining business activities and negatively impacting both the market and society.
Such behaviors could also lead to criminal penalties for the company and involved personnel.

The company strictly prohibits all personnel from engaging in corruption and from offering, promising, paying, requesting, or receiving bribes or other undue advantages for themselves or others, directly or indirectly, as a reward for improper actions. No type of corruption or facilitation payment to public officials to expedite routine administrative matters is permitted.

v Responsible Procurement Practices

The company commits to preventing its contribution to negative impacts through its procurement practices and to promoting a supply chain that respects human and labor rights and the environment. It also strives to establish stable contracts and fair supply conditions with its suppliers where possible.

Personnel involved in supplier selection, procurement management, and ordering of raw materials and finished goods are required to adhere to the contractual supply conditions.

vi Transparency in Accounting Records

The company maintains proper accounting and financial reporting in compliance with current legal provisions to ensure the transparency and integrity needed to instill trust in its operations.

Personnel involved in this area must collaborate to ensure the company's reliability by maintaining accurate, timely, complete, and understandable records, prepared with diligence and honesty. The recording of false or misleading information is strictly prohibited. All payments must be supported by an invoice and a contract or order containing sufficient details reflecting the services rendered, and must be recorded accurately and promptly.

vii Confidentiality of Personal Information

The company ensures the confidentiality of all information in its possession and complies with personal data management regulations to prevent the disclosure or dissemination of personal data without the data subject's consent.
Personnel must treat as strictly confidential all data, news, and confidential information acquired in the course of work.

viii Reporting Violations (Whistle-blowing)

The company has established an anonymous, non-discriminatory, and easily accessible reporting mechanism for violations of this document.

The company is committed to taking appropriate measures to protect individuals who submit reports from retaliation, discrimination, or penalties, and to treating all information received regarding violations of this document with the utmost seriousness and taking the necessary actions.

Reports must be submitted to the following email address: https://whistleblowersoftware.com/secure/CTessile

ix Sanctions System

Behaviors that violate the principles set out in the Code of Conduct will be subject to disciplinary sanctions in accordance with applicable laws and/or employment contracts, without prejudice to any legal action against the perpetrator.

2. Policy on Responsible Business Conduct

The commitments described in this document, reflecting the GOTS standard criteria, are implemented through a due diligence process used by the company to identify, prevent, mitigate, and account for actual and potential negative impacts on human rights, labor rights, the environment, and ethical business conduct from its operations, supply chain, and other business relationships.

Due diligence is a preventive, dynamic, risk-based process, informed by meaningful stakeholder engagement, adapted to circumstances, involving multiple processes and objectives, ensuring continuous communication, and may involve risk-based prioritization without shifting responsibilities.

The company commits to:

- Using due diligence in decision-making related to GOTS standard criteria, following these six steps:
  1. Integration of the due diligence process into its policies and management systems;
  2. Identification of actual or potential negative impacts associated with its activities through risk assessment;
  3. Development of strategies to cease, prevent, or mitigate negative impacts;
  4. Monitoring the implementation of due diligence and its results;
  5. Communicating how impacts have been addressed;
  6. Providing remedy when appropriate.

- Exercising due diligence on the most significant risks linked to the organization's activities and supply chain, prioritizing actions based on risk probability and severity, and consulting affected stakeholders. The company requires its commercial partners—including suppliers, licensees, purchasing agents, logistics providers, and intermediaries—to exercise due diligence on their most significant risks and to transfer the same expectation to their own suppliers. Engaging stakeholders meaningfully in the due diligence process. This means timely, good-faith, two-way, and responsive communication.

- To meaningfully involve internal and external stakeholders in the due diligence process. This means timely, good-faith, two-way, and responsive communication.

- The RBC Policy should include the Certified Entity’s expectations that suppliers will also conduct due diligence on significant risks within their part of the supply chain. Suppliers should be required to pass on the same or equivalent due diligence expectations to their own suppliers.

- Listening to and addressing all legitimate complaints submitted through proper channels concerning the company’s activities or harm caused by the company or its supply chain.

- Participating in or cooperating with legitimate remediation processes when the company’s activities or supply chain have caused harm to people or the environment.

The company commits to periodically reviewing and updating this Responsible Business Conduct Policy whenever necessary.

May 6, 2026