

FURLA
SINCE 1927 ITALY

SUPPLIER MANUAL

FURLA

ITALY 1927

FURLA S.p.A.

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Dear Suppliers,

FURLA S.P.A., its subsidiaries and affiliates (jointly, for the sake of simplicity, "Furla" or "the Group") commit to carry out their activities with mutual trust and fairness with their Suppliers, in line with Furla's Code of Ethics.

At the same time, it is also required that Suppliers – like all other Furla's business partners – comply with the principles of Furla's Code of Ethics, which don't only require full compliance with legal, chemical / performance and commercial legislation, but are also inspired by the fundamental international standards on Corporate Social Responsibility as recognized by the United Nations Global Compact. These principles are:

- Human rights
- Labor
- Environment
- Fight against corruption.

Furla added a fifth point:

- Transparency and Confidentiality.

For further information concerning the mentioned issues, please refer to the Code of Ethics, that Furla also requires all Suppliers to sign.

Furla believes that it is essential that all its stakeholders share the values and behaviors the brand strongly believes in, and comply with the provisions of this Manual, drawn up in coherence with them.

Moreover, Furla wishes to share the behavioral guidelines set for its employees also with the Suppliers, to make them aware of what the Group requires from its people, contributing to make all working relations as profitable, serene, correct, transparent and respectful as possible.

Failure to comply with the provisions contained in this Manual and in the Code of Ethics will be assessed case-by-case, depending on the severity, and in the most relevant cases, it will jeopardize the collaboration with Furla and cause the interruption of any direct or indirect relation, without prejudice to any claim for damages if such behavior causes harm to the Company.

Best regards,

FURLA GROUP

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I. INSTRUCTION

Before starting any activity on behalf of Furla, each supplier, direct or indirect (hereinafter "Supplier / s"), must understand and undertake to comply with the contents of this Manual, as well as of any legal provision applicable in the country and in the work sector the Supplier belongs to.

All direct or indirect Suppliers must allow Furla to verify the compliance with the provisions contained herein, making information, documents, reports and any suitable material available.

As evidence of the Supplier's commitment to comply with the Manual concerning what is directly managed and in its promotion with its own sub-suppliers, Furla asks the Supplier to sign the STATEMENT OF ACKNOWLEDGMENT AND ACCEPTANCE OF THE TERMS (at the foot of this document) and send it back to the Company.

II. CODE OF ETHICS

To meet their social responsibilities, Suppliers are required to conduct their activities in an ethical, correct and fair manner. The full reference of the ethical framework that Furla asks all its stakeholders (including Suppliers) to respect, is always the Furla Group's Code of Ethics in its most up-to-date version, and the five cardinal principles reported here.

- I. Human rights
- II. Labor
- III. Environment
- IV. Fight against corruption
- V. Transparency and confidentiality

II.I – Human rights

- **Non-discrimination:** fair treatment of employees must be one of the fundamental principles of the Supplier's corporate policy. No employee can be unfairly discriminated, disadvantaged, favored or marginalized due to origin, nationality, ethnicity, gender, age, disability, nor sexual, religious, philosophical, political, trade union orientation.
- **Fair treatment:** Suppliers undertake to ensure that at the workplace there is no type of non-dignified treatment, and that employees are not subjected to – or threatened with – harassment, abuse, torture or corporal punishment, psychological, physical or verbal coercion.
- **Refusal of child labor:** Suppliers undertake not to use child labor in their direct or indirect activities. For the exact definition of the term "minor", the standard is the valid legislation in the country where that activity takes place. Employees under the age of 18 must under no circumstances carry out hazardous work.
- **Refusal of forced labor:** Suppliers must not directly or indirectly use forced labor, slavery or servitude.

II.II – Labor

- **Fair competition:** Suppliers are required to conduct their business in compliance with the principles of professional loyalty and all applicable antitrust and intellectual property laws.
- **Working hours and remuneration:** the working hours of the Suppliers' employees cannot exceed the maximum limit indicated by the law. Employees' remuneration must be punctual and consistent with the relevant national collective agreements and legislations. It is not allowed to apply deductions from the basic pay as a disciplinary measure. It is recommended to clearly state every possible condition at the time of the formalization of the employment contract.
- **Freedom of association:** Suppliers commit to maintain an open and profitable dialogue with employees and trade union representatives. In accordance with the applicable laws, employees have the rights to freely join trade unions, elect their representatives, join the workers' councils and participate in collective bargaining. Suppliers undertake not to disadvantage employees who act as employees' representatives.

- **Health & Safety ("H&S"):** Suppliers undertake to protect employees at workplace from chemical, biological and physical risks, tasks that are excessively hard from a physical point of view, and finally from risks associated with tools or infrastructures used. Suppliers will handle appropriate controls, occupational safety procedures, preventive maintenance and technical protection measures necessary to limit risks related to H&S.
In addition, where necessary, the Suppliers undertake to make appropriate personal protective equipment available; finally, they must provide training plans for employees in compliance with applicable laws, both on the identified risk and on the management of emergencies.
- **Quality, Health, Safety and Environment Requirements:** Suppliers undertake to comply with applicable laws and recognized standards upon contractual quality requirements to provide goods and services that meet Furla's demands, function as guaranteed, and are safe for the use for which they are meant. Suppliers undertake to comply with all mandatory regulations on quality, health, safety and the environment. They also undertake to obtain and update the necessary permits, licenses and registrations, and to comply with operational requirements and reporting obligations.
- **Safety of Products and Processes:** for all dangerous substances, Suppliers will store safety data sheets whenever applicable, and any information will be provided to Furla and other parties in case of legitimate request. Furthermore, the Supplier must guarantee that the product sold to Furla, its Supplier or in any case destined to Furla's market, is guaranteed for all the prescriptions consistently with the specifications, that are, in turn, drawn up in compliance with international standards.

II.III – Environment

- **Waste and Emissions:** Suppliers must ensure that emissions into the atmosphere and wastewater deriving from their operations, management and logistics take place safely and in compliance with the law, and that they are properly monitored. Suppliers are required to set up systems for the prevention or containment of accidental spillage and release of substances into the environment.
- **Use of resources:** Suppliers must comply with any applicable legislation on the protection of the environment and on the rational and economic use of resources such as, but not only, water, energy, raw materials, chemicals. The environmental aspect must be considered as material, if there is a choice among different processes, procurement, establishment of supply or sub-supply relations of products and services.
Furla might ask the Supplier for documental evidence, such as certificates or acknowledgment of environmental management, information about procurement, permits and certificates for the raw materials, technical data sheets and relevant documents for chemical products used during processing. If the information is not owned by Furla's direct Supplier, yet it belongs to a Supplier from the second level onwards, the direct Supplier commits to collaborate for a correct transparency, to facilitate the transmission of information.
- **Alignment with Furla's environmental policies:** the Supplier undertakes to comply with Furla's policies and values, concerning environmental management, sourcing, chemical compliance, the use or the prohibition of the use of some raw materials – this last point is particularly referred to the Fur Ban, meaning the elimination of fur collected from animals that are raised for fur itself, starting from Cruise 2019 collection.

II.IV – Fight against corruption

- **Integrity:** Furla expects that its Suppliers will not apply nor allow any kind of corruption, extortion or embezzlement; Suppliers undertake not to accept / offer bribes or other illegal incentives to their business partners, nor to offer Furla's employees gifts or benefits that could lead to a decision that suits them. In this regard, Furla has activated a crime prevention program envisaged by Legislative Decree 231/01.

II.V – Transparency and confidentiality

- **Confidentiality:** Suppliers undertake to properly use and store – and not to disclose to third parties – the confidential technical and commercial information concerning Furla and its activities, of which they come into possession as a result of the collaboration with Furla, until such information is disclosed to the public by decision of Furla itself. This prohibition of disclosing this kind of data applies both to competitors, in particular to brands that have commercial relations with the same Supplier, and to the press.
- **Data privacy:** Suppliers undertake to protect and use in an appropriate manner the personal data of the customers and / or employees of Furla of which they should come into possession as a consequence of the contractual relation with Furla.
- **Transparency and identification of suspected irregularities:** Suppliers undertake to make whistleblowing possible for their employees, to report any suspected non-compliance or any potentially illegal activity at workplace. Each report must be considered and treated as confidential. Suppliers undertake to control all reports they receive, and to put in place corrective actions when necessary.
- **Intellectual property:** Suppliers undertake not to violate Furla's intellectual property rights and to provide Furla with products or semi-finished products that do not infringe the intellectual property rights of third parties.
- **Traceability:** Suppliers expressly undertake to provide Furla with all information that may be useful for the identification of the country where the main processes – and notably the last one – of the product happened, and in any case for the indication of origin of the product itself.

III. GENERAL RULES

In addition to the principles contained in the previous chapter, inspired by international standards on Social Responsibility, the Supplier is required to comply with some general rules, implementing them with a view to continuous improvement, also promoting and requesting compliance with the same principles also to any sub-Suppliers that play a part in Furla's business.

- **Legal and general requirements:** Suppliers undertake to comply with all applicable laws, regulations, contractual agreements and generally accepted and recognized standards, in accordance with the contractual documentation, the Code of Ethics and any other specification, providing where appropriate a proper training for their people and promptly reporting any non-compliance, striving to solve it.
- **Compliance with customs and commercial regulations:** Suppliers must comply with all applicable customs regulations, including those concerning import / export and the prohibition on the transfer of goods in countries that have a ban on the import of those products. Suppliers and sub-suppliers shall ensure that any declaration of origin, export license, visa, label and other document fully and accurately describes the products to be exported, the countries and circumstances in which they were manufactured and that these documents will be kept in conformity with applicable law. Suppliers and sub-suppliers undertake to communicate to Furla any customs inspection, investigation or control procedure that involves them, even if these controls concern other clients' processes.
- **Documentation and traceability:** Suppliers must develop and update proper documentation to prove that they share and manage the expressed principles, and if required provide Furla with them.
- **Training and competence:** Suppliers are required to put in place appropriate training activities to provide their managers and employees with an adequate level of knowledge and understanding of this Suppliers' Code of Conduct, Furla's Code of Ethics, any applicable law, regulation and standard.
- **Continuous improvement:** Suppliers are required to continuously improve their sustainability performance, their monitoring on operations and supply chain by implementing appropriate measures.

IV. REACH, OTHER REGULATIONS AND COMPLIANCE TO APPLICABLE LAWS

This chapter is dedicated to the conditions that Furla asks its Suppliers of products and raw materials (both direct and indirect) to comply with, to ensure that all the items destined to Furla, incorporated or used in Furla products, are consistent with the requirements indicated below. Concerning Suppliers providing services or other supplies, concerning chapters IV.I, IV.II and IV.III, Furla requires the acknowledgement only. The Supplier undertakes to give evidence of what is specified below as per the Technical Specifications, or under specific requests from Furla, directly or indirectly, by contacting the sub-suppliers and managing the request, possibly also transmitting this Manual. To facilitate communication, Furla requires a contact person in its Supplier's team, that will be designated for this kind of communication.

In this chapter, these schemes are presented summarily; for the full and updated information, please refer to the documentation available on the official websites.

The signing for acceptance of this Manual is also valid for this purpose.

The provisions summarized below refer to the following categories:

- "Article": the result of the production process. All items, materials, components, finished products and packaging supplied to Furla are considered Articles.
- "Mixtures": a solution composed of two or more substances. Examples: perfumes, cosmetics, glues, dyes, colorants, inks, paints, varnishes.

IV.I – REACH

REACH (Registration, Evaluation, Authorization of Chemicals) is the regulation (CE) n. 1907/2006 of 18 December 2006, which concerns the registration, evaluation and authorization of chemical substances, as well as the restrictions on substances. European companies must register with ECHA (the European Chemicals Agency) the substances they import or produce, including those contained in the mixtures or possibly released from the Articles. The registration deadline depends on the amount of the substance present in the Articles or in the release mixtures based on the nature of the Substance (as defined below).

The REACH Regulation is updated regularly, for the latest version Furla invites its Suppliers to visit the web page <https://echa.europa.eu/regulations/REACH/legislation>.

Some useful terms in the explanation:

- "**Substance**": a chemical element and its compounds in the natural state obtained by any production process, including any additives necessary to preserve its stability and any impurities deriving from the process used, but excluding any solvents that could be separated without influencing the stability of the substance or modify its composition.
- "**SVHC**": this abbreviation refers to Substances identified by ECHA as Substances of Very High Concern. They can have very serious and often irreversible effects on humans and the environment; the list can be viewed at <https://echa.europa.eu/registry-of-svhc-intentions>. Studies are underway on some candidate substances to enter the ECHA SVHC. This list is updated regularly. The latest version can be found at the following URL: <http://echa.europa.eu/candidate-list-table>.
- "**Restricted substances**": Substances listed in Annex XVII of the REACH Regulation. Annex XVII limits the placing on the market and the use of certain Substances and their presence in certain Articles.
- "**Annex XIV of the REACH Regulation**" is a list of SVHC substances visible at the link <http://echa.europa.eu/candidate-list-table>, whose use is forbidden in the European Economic Area.

In order to comply with the REACH regulation, Furla expects the Supplier to:

- Be adequately informed about the legislation, acting proactively and requiring equal preparation from their possible Suppliers.

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- Ensure that all substances used directly or by sub-suppliers are registered with ECHA, including imported ones. This requirement also applies to the substances contained in the mixtures.
- Do not use substances listed in Annex XIV of the REACH Regulation, nor produce articles containing substances subject to restrictions.
- Respond promptly to any request from Furla (i) if a SVHC is found in concentrations higher than 0.1% by weight in any of the supplied Item, or (ii) any other information requested (including identity, weight and / or concentration of substances in an Article).

IV.II – Other regulations

Depending on the specificities of the product or process at hand, for which the working relation between the Company and the Supplier is in force, please refer to the standards as established in the specifications and in accordance with current legislation. The Supplier must be fully updated and compliant about the legislation regarding its products and its import / export.

Beyond REACH, the main standards that Furla looks at, as long as they concern key countries (at the time of writing) for its market, are:

Proposition 65 – California, USA

Proposition 65 (formally named "The Safe Drinking Water and Toxic Enforcement Act of 1986") is a 1986 law concerning the application of drinking water measures, that rules the use of chemicals, in force in the State of California in the USA.

The list of such substances, regulated because recognized by the state of California as carcinogenic or with toxic effects on reproduction, can be found on the following web page:

<https://oehha.ca.gov/proposition-65/proposition-65-list>

Consumer Product Safety Improvement Act – USA

The CPSIA, in force since 2008 (and possible implementations thereof), contains provisions on – among other points – the content of various hazardous substances, indications on labeling, tests and certifications, etc. Although one of the main focuses is the compliance of products for children, there are also mandatory requirements applicable to different product categories. For a more complete discussion, see:

<https://www.cpsc.gov/Regulations-Laws--Standards/Statutes/The-Consumer-Product-Safety-Improvement-Act>

Chinese Textile Standard GB 20400 – People's Republic of China

The Chinese Textile Standard GB 20400-2006 (at the time of writing this document the most recent version; anyway, please always consider the last update) limits the amount of azo dyes and formaldehyde that may be found in leather or fur placed on the Chinese market intended for use in contact with the consumer's skin. Please refer to the document at the following link:

<https://www.chinesestandard.net/PDF.aspx/GB20400-2006>

Korea Certification Mark – South Korea

The Korea Certification Mark (often called KC Mark) is the symbol of the certification relating to textiles that must necessarily appear on items intended for sale in Korea, then also extended to leather, synthetic leather and fur. The prescriptions concern the maximum content of some elements in products in direct contact with the skin. Please refer to the link below for more information:

http://elaw.klri.re.kr/eng_mobile/viewer.do?hseq=24944&type=part&key=29

IV.III – Further compliance requirements and product liability

Suppliers and sub-suppliers undertake to ensure that the products supplied to Furla are free from defects in their manufacture and components, and that they are suitable for the agreed and predicted use of Furla, its employees, customers and the final consumers; they also undertake to supply products that comply with any

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applicable legislation that may occur, both for production and trade, including – by way of example but not limited to – the Flammable Fabrics Act, the Wool Products Labeling Act, Textile Fiber Products Identification Act, and any and all other laws relating to weights, measures, sources, contents, ingredients, dimensions, labeling, indication of the country of origin, health laws.

If the product is subject to particular regulations due to the composition, the Supplier must comply with the parameters as described in the technical specifications, and in any case respect the general regulations that may concern: for example, for all products obtained from species subjected to CITES, the documentation must be sent regularly; "100% cashmere" or "cashmere blend" products must be accompanied by the certificate of authenticity that indicates the Supplier of the raw material, signed and dated by the sub-supplier itself (company name, registered office, VAT number, contact and contact qualification); for products certified FSC or equivalent, the relative seal with a unique code is required, and so on.

Furthermore, the product liability law provides that, if a consumer is able to prove the defectiveness of a product, he / she has the possibility of make a complaint against the manufacturer, to be compensated for damage caused by the defective product.

Suppliers are required to take appropriate measures to avoid potential responsibilities, maintaining control over all stages of the process in order to ensure the best safety standards of the product and its usability.

IV.IV – Intellectual Property

All registered and unregistered trademarks belonging to, or used by, Furla – such as, but not limited to, "Furla", "Giovanna Furlanetto", etc. (hereinafter the "**Trademarks**"), the designs of Furla products, whether registered or unregistered (hereafter the "**Design**"), the domain names assigned to Furla (hereinafter the "**Domains**"), the industrial secrets and the Know-how (hereinafter the "**Know-How**"), as well as any other industrial property right (including patents and utility models) and / or intellectual property (including copyrights), of ownership of Furla in different jurisdictions and countries (hereinafter collectively referred to as "Intellectual Property Rights") – represent a key asset for Furla.

The Suppliers must acknowledge the exclusive ownership of Furla on the Intellectual Property Rights and therefore guarantee that they have not provided or will use or deposit any application for registration of: (i) any trademark that may be identical, similar or confusingly similar to any of the Trademarks; (ii) drawings or models that give the informed user the same general impression of Design; (iii) domain names that are confusable or similar to Domains and / or Trademarks; (iv) any other distinctive sign, security and / or asset that is identical, similar or confusingly related to Intellectual Property Rights.

Suppliers undertake not to contest the ownership and / or validity of Intellectual Property Rights, during and after the end of the collaboration with Furla, nor to act and / or operate in such a way as to affect, reduce or dilute their value; furthermore, they undertake to promptly inform Furla of any violation of the Intellectual Property Rights of which they become aware, and, upon request, to assist Furla in any investigations or actions related to the violation, real or otherwise, of the Intellectual Property Rights.

Intellectual Property Rights may be used by Suppliers and any sub-suppliers exclusively for the execution of the contract between Furla and the Suppliers that has this object (the provision of services or the production of goods resulting from the order placed da Furla), in the manner and only for the quantities requested by Furla and according to the instructions provided by the latter.

In particular, the quantity of products or labels or other packaging material reproducing the Trademarks or incorporating the Design will be decided exclusively by Furla and will be established in the supply contract or in a written purchase order issued by Furla. It is absolutely forbidden to produce a quantity of products or merchandise superior to what indicated by Furla or use the Trademarks and Designs for third party products. Suppliers expressly undertake not to provide materials or creativities, nor to produce or submit to Furla through their catalogue products that may infringe the intellectual property rights of third parties, such as, but not limited to, de facto or registered trademarks, patents, designs or models and / or copyrights,

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undertaking in any case to protect Furla from any prejudicial consequence that may derive from the marketing of such products.

Suppliers must use and store as confidential information any document, model, design, construction detail, product specification, shape, fiber, label, tag, finish, merchandise or product on which the Trademarks are affixed, or the Design received from Furla or processed during the supply relationship, the Know-How and / or any other Intellectual Property Rights.

Suppliers are available to guarantee Furla access to their offices and plants in order to carry out checks, inspections and checks on its products, as well as on the progress of the activity and on all matters relevant for ascertaining the fulfillment of the supply contract, whether of goods or services, or of the order made by Furla. Suppliers must also ensure the same control at the sub-suppliers. For this purpose, the Suppliers expressly undertake to periodically check their work, to guarantee the respect of the Intellectual Property Rights of the sub-suppliers.

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STATEMENT OF ACKNOWLEDGMENT AND ACCEPTANCE OF THE TERMS

We confirm that we have received, read and understood this document, and that, through the signature of the legal representative, we are committed to full compliance with the provisions here contained and we guarantee that all products supplied to Furla meet the requirements set by this Manual.

We also declare to have shared the requirements here expressed also with our Suppliers and subcontractors. Our Company and our sub-suppliers will take every appropriate action to ensure compliance with the obligations contained in this Manual.

We have understood that failure to comply with the obligations set forth herein will be read by Furla as non-compliance and treated in relation to the seriousness of the case, up to the possibility of the Company to terminate the contract for misconduct and possibly bring legal actions or reports, without prejudice to any other remedy according to the applicable law. We acknowledge and accept that this Manual, the General Terms of Purchase of Furla, the Code of Ethics and each individual purchase order or contract issued by the same, represent the agreement between the parties, which can only be amended in writing by both parties.

For confirmation:

Company Data

NAME OF THE COMPANY

ROLE OF THE COMPANY (*tick*)

- SERVICE SUPPLIER
- FINISHED PRODUCT SUPPLIER
- RAW MATERIAL SUPPLIER
- SUBCONTRACTOR
- AGENT
- FACTORY
- OTHER (*specify*)

Data of the legal representative

NAME AND SURNAME

COMPANY ROLE

DATA

STAMP AND SIGNATURE
