

CODE OF ETHICS



Lyria SRL Unipersonale-
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Introduction

Lyria was founded on 21/10/2002 as a Textile Industry and has always been guided by the respect for customers and people and fairness in interpersonal and commercial relationships.

The socio-economic changes in recent years require us to explicitly state in this document the guidelines and behaviors that have always been naturally applied in our company.

The Code of Ethics therefore constitutes the set of values, commitments, and principles adopted as a reference point in the company's strategy, guiding its activities towards continuous improvement and constant dialogue with all stakeholders, both internal and external to the company.

This document, called the Code of Ethics, is addressed to and applies to Senior Management, Auditors, various managers, and all collaborators and employees who have a relationship with the company, as well as consultants and external parties.

Lyria is aware of the social role it plays in the territory in which it operates and intends to set an example of integrity and fairness in its relationships with all parties it interacts with.

This Code of Ethics is a public document and was adopted by the company's Board of Directors on 08/11/2019.

Objectives and scope of application

The objective of this Code of Ethics is to describe the philosophy and commitments that the company intends to pursue in its activities and to serve as a guideline for all parties interacting with the company.

The framework of this code derives from a consolidated awareness that without strong values of ethics, transparency, and respect for all stakeholders in the company's management, there can be no healthy and lasting development of the company over time.

The role of the company should not be understood solely as that of a simple

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economic actor in the territory but also, and above all, as a socially active entity in dialogue and interaction with the various components of the reference community.

The Code consists of the following sections:

- Recipients of the code
- General ethical principles
- Behavioral norms
- Implementation
- Sanctioning system

Recipients of the code:

The provisions of this code are binding on all company subjects in any capacity, from Senior Management, administrators, members of the Board of Statutory Auditors, employees, and collaborators, regardless of the contractual form used, as well as all consultants and external parties - suppliers who have relationships with Lyria.

The company commits to appropriately disseminate this Code and to require its careful observance from all these subjects

General ethical principles:

Below are reported and illustrated the general ethical principles that guide the company's activities, and which constitute the basis of his work daily routine.

Transparency and completeness of information:

The principle of transparency is based on the obligation of all company employees, starting from the highest levels, to provide transparent, comprehensible and obviously truthful information on what is requested.

Transparency means communicating information correctly and the data to those who request it, in a simple and understandable way, taking care that what is communicated can be fully understood and not subject to misunderstandings.

Honesty and Fairness:

All subjects operating for the company and, in general, all its collaborators are required to observe this Code of Ethics based on principles of honesty, loyalty, fairness, and professionalism in their work and interpersonal relationships with others.

In no case should the pursuit of personal interests be allowed, even if such behaviors do not have civil or criminal legal relevance.

Fairness also means refraining from any form of gift or promise of favors to customers, suppliers, public officials that may exceed normal and acceptable courtesies.

In particular, any form of gift to public officials or their family members or acquaintances that may influence their behavior and induce unlawful advantages for the company is prohibited.

Any gifts offered must be of modest nature and value, clearly not intended to obtain favors of any kind.

Trust and transparency

Lyria manages relationships with its employees and with its customers and suppliers by establishing a climate of trust and transparency at all levels.

Human resources development

Lyria is aware that its human resources, together with external collaborators, are fundamental elements for the pursuit of its objectives at a corporate level.

In this sense, the valorization of human resources constitutes one of the pillars of company policy through, among other things, respect for the skills, aptitudes, abilities, autonomy, physical integrity, and corporate well-being of everyone.

Lyria is committed, in relation to the roles and corporate positions of each person, to promote the development and professional growth of each employee in compliance with dignity, equal opportunities and without any form of discrimination or exploitation.

At the same time, the employees will maintain a positive attitude based on loyalty, fairness and corporate fidelity in line with their duties.

Rejection of discrimination:

In internal and external relationships, Lyria will operate in such a way that, as far as it is concerned, all forms of discrimination based on different political or religious opinions, gender, age, health status, nationality are always avoided. All corporate behaviors must be based on impartiality and neutrality in the face of different opinions and behaviors, and no discrimination should be implemented, respecting the individuality and uniqueness of each subject.

Rules of conduct

Compliance with legal regulations

All internal and external collaborators of the company are required to comply with the national and local regulations in force in Italy or the country where they operate. No objective should be pursued in violation of the rules.

Any violation of legal standards that may result in any involvement of the

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company must be stopped and reported to Senior Management.

Compliance with legal standards (fiscal, environmental, safety, etc.) does not allow for evasive practices aimed at circumventing regulatory and ethical precepts

Employment relationships

Lyria rejects any form of exploitation of labor, especially the exploitation of child and minor labor. All employment contracts for employees and collaborators comply with the international and national labor regulations and the National Collective Labour Agreement (CCNL).

Lyria similarly requires its suppliers to comply with labor regulations and the prohibition of exploitation at any level. Lyria repudiates any form of exploitation of people's work, even more so the exploitation of child and juvenile labor. All employment contracts of employees and collaborators comply with the 1st international and national regulations in force on labor and the CCNL.

Lyria similarly requires its suppliers to comply with labor regulations and to prohibit exploitation at any level.

Health and safety

Lyria is aware of the importance of correct and careful management of safety in the workplace; alcohol or drugs are prohibited during working hours.

To this end, it undertakes to spread and consolidate an appropriate culture of safety by promoting appropriate and continuous information, training and education and by promoting responsible and careful behavior from part of all subjects.

Lyria manages its facilities and machinery in compliance with the regulations, and with a view to continuous improvement of work tools and environments intended for production.

Lyria's goal is to protect its human resources and all those who any title operate within areas under their control. In this sense, procedures and instructions are implemented to promote the maintenance of company equipment in safety and the improvement of the health and psycho-physical

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well-being of its collaborators. As part of the staff incentive policies, a Corporate Welfare system has been introduced on an experimental basis starting from 2018, which also has its own aim to promote the psychological and physical well-being of staff and their families through the provision of services and forms of support. economic, welfare, educational, instructional, cultural, theatrical and sporting nature.

Environment and sustainability

Respect for the environment, understood as the internal and external environment of the company, is fundamental for Lyria. The company is aware that the environment is a primary asset to be protected for current and future generations through a shared path of sustainability of its processes.

In this sense, all the company's activities are aimed at preserving and, where possible, improve the environment by operating according to principles of waste reduction and environmental impacts right from the source, prioritizing the reduction of the use of environmental resources and the recycling of materials.

In this perspective Lyria pursues policies:

- reduction of energy consumption, of waste and inefficiencies
- conscious and careful use of water resources favors reuse of the same inside its own processes
- conscious use of components chemicals, prioritizing research and the adoption of substances with the least impact possible and eliminating their use where technically and economically possible.
- traceability of your supply chain so you can correctly and quickly identify and manage the flows of material entering and leaving all your processing phases.
- improvement of its environmental performance in order to constantly reduce its impacts.
- selection of raw materials and supplier based on the lowest environmental impact
- work carried out for heating system in warehouses with Radiant heating systems with a clear cut of energy weight

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while generating an environment with maximum comfort.

The path of attention to the environment is also realized through the beginning of the 4Sustainability certifications, Chemical Protocol Management, to the Sustainability Report which should be completed in 2020.

Confidentiality

Considering the activity carried out for Lyria, the guarantee of confidentiality assumes particular importance. At all end the information data possessed at every level are treated in full compliance with the current legislation on privacy in order to avoid unauthorized and unauthorized uses and disseminations.

Confidentiality also covers commercial data and products of various customers, the employees and Lyria's collaborators are obliged to maintain the strictest confidentiality regarding the information in their possession, absolutely avoiding using it for the purpose of privileging a customer or supplier.

Data confidentiality is also implemented through continuous maintenance and updating of the IT system (hardware and software) as well as through a careful internal procedure for managing access in order to minimize the risk of data theft or improper use of the same.

Customer Relations

Lyria pursues the strategic objective of satisfying the needs of its customers in compliance with current legislation, pre-established contractual agreements and quality levels defined by the company.

The reports with customers will be imprinted according to criteria

- compliance with the regulations in force in Italy and in the country of destination of the product, avoiding evasive behavior
- clarity and completeness in order to collect all the explicit and implicit needs of the client and fulfill them in the most efficient way complete as possible

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- trust and availability to find all possible solutions compliance with the principles of courtesy, availability and regulatory compliance indicated above.

Supplier Relations

Lyria and its suppliers pursue the objective of acquiring goods and services subjects who comply with current legislation and this code of ethics. Suppliers will be chosen according to criteria of impartiality and commercial transparency, privileging, from a quality perspective, those who operate with greater attention to the environment.

To this end, Lyria will involve its suppliers in a process of environmental improvement and compliance with the general principles of this code,

Producers and suppliers they undertake to:

- comply with current environmental, safety and contractual regulations in the reference country
- avoid evasive behaviors of this code
- create environment work and production processes compliant with the standards and requirements of applicable local and international laws and regulations.

Lyria spa does not have commercial relationships with individuals who are known or have reasonable grounds to suspect are part of or carry out activities in any form in favor of criminal organizations of any nature.

Relations with public administration

Lyria maintains new relations with government bodies or their enterprises, institutions, public administrations, authorities, political forces, behaviors of full compliance with the law, fairness, transparency and autonomy.

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Payments or donations to third parties for the purpose of influencing the content of public documents, decisions or to directly or indirectly obtain unlawful advantages for the company or for oneself are not permitted.

Gifts and acts of courtesy towards public bodies and authorities and in general any external subject is admitted only if of modest value and in full compliance with the general principle reported in this code and, in any case, of an amount such as not to compromise the integrity and role of the parties or such as to be able to be interpreted even minimally as aimed at acquiring advantages for oneself or for others.

Implementation and communication

Communication

Lyria is committed to informing all employees and collaborators about the provisions and applications of this Code of Ethics, ensuring its wide dissemination to all interested parties. A copy of this Code is posted on the company notice board and is publicly available for download on the company website. Lyria also promotes awareness of this Code among all stakeholders and welcomes any contributions that may enhance its content.

The existence and binding nature of this Code are emphasized in the economic relationships established with various stakeholders in the territory. Lyria remains available to provide information for clarification, interpretation, and application of this Code, as well as to verify compliance and update it according to evolving needs.

Changes to the Code of Ethics must be approved by the Board of Directors and disseminated before becoming operational. Lyria is open to suggestions and additions from everyone to improve this Code continuously.

Supervision

Compliance with the Code of Ethics must be communicated to all employees and collaborators, who are required to report any violations of legal, corporate, or ethical rules to their superiors. No discriminatory action shall be taken against anyone who reports any incorrect behavior that does not comply with this Code.

Periodic Review

This Code will be reviewed and updated to promptly adapt to any changes in regulations or company management strategies. Best practices in the reference sector will also be considered for any necessary amendments.

Administrative and accounting information

Accounting information at Lyria is grounded in the principles of transparency, truthfulness, and completeness of data, adhering to universally accepted accounting standards. All parties involved are required to collaborate to ensure that economic and financial elements are accurately and faithfully represented in the accounting records and corporate communications.

For every transaction, appropriate supporting documentation must be available to allow for proper reconstruction, easy verification, and accurate identification of the responsible parties who authorized the transaction. Accounting information is managed according to principles of accuracy and confidentiality, which are vital to such data. Each employee, within the scope of their responsibilities, contributes to the accurate administrative and accounting representation of the company's activities.

Any violations must be promptly reported to higher management levels. The company has entrusted the certification of the Balance Sheet to the auditing firm PWC.

Sanctioning system

In the event of non-compliance with the principles outlined in this document by internal personnel, appropriate disciplinary measures will be applied in accordance with legislation and the National Collective Labour Agreement. These measures may include verbal reprimands, written reprimands, and disciplinary warnings.

For third parties (such as suppliers and professionals), specific compensation and/or termination clauses will be included to address any non-compliance with the contents of this Code of Ethics.

Montemurlo, November 20, 2019

Update:

On 02/25/2020 with Protocol RT11298 the company obtained LEGALITY RATING 2 stars. This Rating was confirmed with renewal on 02/22/2022 same Protocol.

The company, with a resolution of the extraordinary meeting to the deeds Notary Cosimo Marchi of 17 January 2023, was transformed from a joint stock company into a limited liability company and at the same time the extension of the same to 31 December 2050 was also resolved, the cancellation of the treasury shares in the portfolio as well as the free increase of the share capital to C. 500,000.00—.

The company has acquired GOTS, GRS, EUROPEAN FLAX, RWS, Protocol 4 Sustainability Chemical Management certifications and draws up an annual Sustainability Report. In 2023 it completed registration with Sistema Moda Italia as well as with Confindustria Toscana Nord.

