

ETI CODE - OUR POLICIES

The ETI (Ethical Trading Initiative) Base Code is based on the conventions of the International Labor Organization (ILO) and it is an internationally recognized code of business practices that represents the starting point for companies wanting to measure their social performance and acquire practices for a more effective protection of human rights in the workplace.

The policies adopted by Texao at company level are listed below.

0. RESPECT FOR FUNDAMENTAL RIGHTS AND "DUE DILIGENCE"

- 0.1 The base for the drafting of the following company policies is grounded on the fundamental principles of human rights stipulated by the United Nations ("Guiding principles on business and human rights", United Nations, 2011) and on the labor conventions of the International Labor Organization (ILO).
- 0.2 The company undertakes to respect the fundamental human rights at international level – to be intended, at least, as those expressed in the "Universal Declaration of Human Rights" and the principles relating to the fundamental rights set out in the International Declaration of the International Labor Organization (ILO) concerning fundamental principles and rights at work.
- 0.3 The company shall not cause or contribute to negative impacts on human rights while operating its activities; in addition, the company seeks to prevent or mitigate negative impacts on human rights that are directly related to operations or products.
- 0.4 With regards to the company's self-assessment (due diligence process) on its impact in relation to respect for fundamental human rights and the provisions of the ETI Base Code, the company believes that, given its sector of activity (sales of fabrics for furnishings), there are no particular critical areas identifiable a priori; however, it recognizes its suppliers as stakeholders and therefore the company expects that the

policies implemented in this document are also respected by its suppliers, based on the provisions of the Ethical Trading Initiative (ETI) Base Code.

- 0.5 The company expects its suppliers to comply with the provisions of the ETI basic code and may require the necessary documentation to demonstrate compliance in the event that non-compliances are suspected. In this case, the supplier will be required to fully cooperate and it will be given the opportunity to comply as established below.
- 0.6 In the event that Texao becomes aware of situations in which one of the supplier does not comply with the provisions of the ETI Base Code, it will give a time span of 3 months to correct the discrepancies. If, after 3 months, the supplier has not taken any action aimed at resolving the differences, the company may request an external control or intervention in order to ascertain the state of things.
- 0.7 In the event that the supplier refuses to cooperate or if the discrepancy seriously violates the provisions of the Universal Declaration of Human Rights, the principles relating to fundamental rights set out in the International Declaration of the International Labor Organization quantum, or ETI Base Code, the company will report this situation in a timely manner to the competent bodies.

1. WORK IS FREELY CHOSEN

- 1.1 Work is voluntary and workers are free at any time to leave their jobs or to finish their employment.
- 1.2 The company will not impose unreasonable restrictions on the freedom of movement of workers, neither within the structures managed by the company, nor for entering or exiting from such structures.
- 1.3 Employers and employment agencies must not detain, destroy, conceal, confiscate or prevent workers from accessing their identity or immigration documents, such as

government-issued identification documents, passports or work permits, except in cases where this is required by law.

1.4 Workers shall not be obliged to pay neither employers' or employment agencies' commissions, nor any other commissions related to their hiring.

2. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED

2.1 In accordance with local laws, the company respects the right of all workers to form or join a trade union of their choice, to be represented in collective bargaining and to participate in peaceful demonstrations and assemblies, or to refrain from such forms of association and participation.

2.2 Workers and/or their union representatives must be able to communicate openly and express their views and concerns to management regarding working conditions and management practices, without fear of retaliation, intimidation or harassment.

3. WORKING CONDITIONS ARE SAFE AND HYGIENIC

3.1 The work environment will be safe and hygienic, taking into consideration the prevailing notions of industry and specific risks related to the business sector.

3.2 Adequate measures will be taken to prevent accidents and personal injuries arising from, connected to, or occurring in the course of work, reducing, as far as reasonably possible, the causes of risks inherent in the work environment.

3.3 Employees will undergo periodic and documented training courses on health and safety in the workplace and these courses will be repeated for new hires and in the event of a change of department.

3.4 Access to clean toilets and drinking water is guaranteed and adequate equipment for food storing is provided in a special equipped area.

3.5 The company, in compliance with the labor code, has assigned the role of Head of Health and Safety in the workplace to a senior management representative (Silvano Mazzoni).

4. CHILD LABOR WILL NOT BE USED

4.1 In compliance with the Conventions of the International Labor Organization, the company is committed to the prevention of child exploitation.

4.2 Persons under the age of 18 will not be hired for tasks that are dangerous or that could endanger the health and safety of the person

4.3 The company will not hire people under the age of 18 for duties that require night shifts.

4.4 In case of recruitment of personnel from 16 to 18 years of age, the worker will fulfill the training obligation through the school education system, through the professional training system or, during the apprenticeship contract, through the attendance of additional training modules for at least 120 hours per year.

5. ENOUGH WAGES ARE PAID TO LIVE

5.1 The remuneration of workers complies with all regulations in force, including those regarding minimum wages, overtime and statutory social security benefits.

5.2 In compliance with local laws, overtime is paid at a rate higher than the normal hourly rate and with a minimum increase of 125% compared to ordinary pay.

5.3 It is not allowed to reduce the salary as a disciplinary measure.

5.4 For each pay period, workers must receive timely and understandable pay slips, which include sufficient information to allow accurate verification of pay for the activities performed.

6. THE WORKING HOURS ARE NOT EXCESSIVE

6.1 Normal working hours are set at 40 hours per week, in accordance with the provisions of current legislation; overtime hours will be considered those after 8 working hours per day.

6.2 48 working hours per week, including overtime hours, will not be exceeded.

6.3 Employees are entitled to two days off per week (Saturday and Sunday)

6.4 All overtime is voluntary and chosen from among workers. Workers may be asked to work overtime, but they can refuse without incurring penalties or consequences.

6.5 Overtime will be used responsibly, taking into account the hours worked by employees, attendance and the workforce as a whole.

6.6 The limit to overtime may not exceed 250 hours per year. Under no circumstances should overtime work compromise the physical integrity and safety of workers.

6.7 The company undertakes to ensure its collaboration with employees in the management of pay and will ensure that all working hours, including overtime, are fully paid without undue delay.

6.8 Workers may submit comments and / or requests to the administrative office regarding working hours. Workers are encouraged to disclose any problems, inability to work overtime or cases where excessive working hours could compromise workplace safety.

6.9 In the case of a temporary employment contract, the agency must comply with the company's regulations regarding working hours.

7. THERE IS NO DISCRIMINATION

7.1 No discrimination will be practiced in the field of staff hiring, remuneration, access to training courses, promotion, termination of the employment contract and retirement on the basis of ethnicity, nationality, religion, age, disability, gender, marital status, sexual orientation , participation in trade union groups and political orientation.

7.2 In the event that Texao becomes aware of it, the company will promptly report situations in which discrimination of any kind occurs to the competent bodies.

8. REGULAR WORK IS PROVIDED

8.1 The work will be carried out according to recognized employment relationships established under national law and customs;

8.2 Obligations towards employees under the labor or social assistance laws and the rules emanating from the regular employment relationship will not be fulfilled through the use of labor-only contracts, subcontracts, or agreements for work from home, or through apprenticeship programs where there is no intention of imparting any specialization or providing regular employment.

9. CRUEL OR INHUMAN PRACTICES ARE NOT ALLOWED

9.1 Any form of cruel and inhumane treatment of workers is prohibited; inadmissible practices include sexual harassment and abuse, corporal punishment, physical or mental coercion, verbal assaults and the simple threats of similar treatment.

9.2 The company expects that the aforementioned practices are also prohibited by its suppliers and undertakes to promptly report situations in which they occur if it becomes aware of them.

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