



BRUNELLO CUCINELLI

**Anti-Corruption Policy**

*Approved by the Brunello Cucinelli S.p.A.  
Board of Directors on March 14, 2019*



## ANTI-CORRUPTION POLICY

Brunello Cucinelli S.p.A. (hereinafter called the “Company”) has drafted the present Anti-Corruption Policy with the following objectives:

- 1) to provide a frame of reference for the rules drafted by the Company to fight forms of corruption, in consideration of both the applicable regulations and the principles previously established in the Code of Ethics and in the Model adopted by the Company per Italian Legislative Decree no. 231/2001;
- 2) to promote a deeper awareness of these principles, in order to create a business culture which is responsible, aware, and focused on properly achieving the objectives set out by the Brunello Cucinelli Group (hereinafter called the “Group”);
- 3) to prevent and discourage, more forcefully, any form of corruption at any level.

The present Anti-Corruption Policy completes the Code of Ethics and the Group’s other current policies. Furthermore, the present Policy completes the Model that was adopted pursuant to Italian Legislative Decree no. 231/2001, as an additional, general tool aimed at preventing the crimes contemplated by said Decree and also evaluated within the Model, both in terms of risk and with reference to any related sensitive activities.

This Policy applies to: all personnel in the Group’s companies; all members of the corporate bodies in the Group’s companies; anyone who works – even occasionally – in the name and/or on behalf of, and/or in the interest of the Group, or anyone who has a professional, business, or other kind of collaborative relationships with the Group (hereinafter called “Recipients”).

The Recipients shall comply with this Policy and all the current anti-corruption laws of the countries in which the Group operates. Should a country’s local laws be more restrictive than the principles included in this Policy, the Group’s companies shall adopt the more restrictive current local regulations. The Group reserves the right to terminate the contractual relationship with any third parties whose corporate conduct and practices do not comply with this Policy.

### A. PRINCIPLES AND CODE OF CONDUCT

#### 1. A Commitment to Working Ethically

The Company aims to pursue success in the sector within which it operates fairly and honestly, and therefore it demands that the relationships it maintains with its customers, outside third party artisanal laboratories (so called “façonisti”), suppliers, consultants, and third parties in general – as well as its own employees and collaborators – be conducted in compliance with the principles of equity, propriety, transparency, and traceability.

#### 2. Conflict of Interests

The Company recommends avoiding situations during any type of activity in which the parties involved in a transaction have a conflict of interest – with particular reference to personal or family interests – which could undermine a person’s ability to carry out their activity objectively, or interfere with their ability to make decisions in the best interests of the Group in a fair and impartial manner.

It is impossible to list every possible situation in which there could be a conflict of interest. By way of example, listed below are several situations which could cause a conflict of interest (unless the conduct described is allowed by law or by applicable corporate policies):



- conducting activities that are in competition with those carried out by the Group, or conducting activities on behalf of, or in the interest of, a competitor, supplier, or customer of the Group;
- facilitating the finalization of agreements with companies that supply goods or services and which are owned by, managed by, or employ a family member;
- receiving funding by virtue of the position one holds in the Group.

Every Group employee is required to report any relationships, actions, or transactions – even if only potential (including those that involve family members) – that could logically lead to a conflict of interest. They must report this information promptly to their supervisor and to the Company’s Legal and Corporate Affairs Office.

### **3. Relationships with Public Authorities**

The Group’s relationships with the following individuals and entities (hereinafter called “public officials”) must be guided by the principles of propriety, loyalty, transparency, and traceability: individuals who, in any form and in any capacity, represent the public administration of one of the countries in which the Group operates; public officials or individuals working in the public services sector; employees of an entity that is either public or monitored by the government, including commercial companies or international public organizations; political parties, party officials, or candidates for public offices. The relationships in question must be managed entirely by individuals who have been duly designated and authorized, within the limits of power attributed to them by way of formal proxy or mandate, within the jurisdiction of their roles and responsibilities.

Recipients are strictly forbidden to directly or indirectly carry out, promise to carry out, offer, or approve the payment of any sum to public officials in order to guarantee, maintain, or supervise works and thus gain an improper business advantage or any other improper benefit.

Recipients are also strictly forbidden to carry out or promise to carry out facilitation payments to public officials, even if those payments may be allowed by the current laws of certain countries. “Facilitation payment” signifies payments of money (or benefits) that are given to public officials in order to speed up, facilitate, or ensure the performance of a non-discretionary and routine activity – or in any case an activity that is lawful, legitimate and considered to be part of a public official’s duties (e.g. issuing official certificates or other kinds of official documents).

### **4. Relationships with Customers**

In the Group’s relationships with its wholesale customers (e.g. retailers, department stores), the application of price lists and any other contractual condition (e.g. delivery terms) must fully comply with company procedure, and in particular it will have to be submitted for approval by the relevant commercial manager in accordance with the proper procedure.

Recipients are strictly forbidden to request or accept money or any other benefits in exchange for applying conditions that are not warranted by the contractual relationship, in order to benefit the Group’s wholesale customers. Recipients are also strictly forbidden to give or promise money or other benefits to the Group’s wholesale customers in exchange for conducting sales with particularly beneficial conditions.



## **5. Relationships with Suppliers**

In their relationships with suppliers of goods or services and also with external collaborators (e.g. consultants, agents, or *façonisti*), Recipients are strictly forbidden to request or accept money or other benefits, for themselves or for third parties, in exchange for facilitating the finalization of a supply contract or collaboration, or for obtaining an improper advantage through the finalization of a supply contract or collaboration.

It is also strictly forbidden to give or promise money or other types of benefits to an employee or representative of a supplier or a collaborator with whom the Group intends to establish a business relationship, in order to obtain improper advantages (e.g. an unjustifiable discount).

Choices regarding suppliers and external collaborators for the supply of goods or rendering of services are based on evaluations that include the following requisites: professionalism, reliability, quality level, integrity, and the cost effectiveness of the services rendered.

The Company recommends that the selection process be transparent and that it involve competitive negotiations among several counterparties, when possible. It is understood that any kind of business relationship in progress must be interrupted should there be actions or serious suspicions regarding any corrupt conduct. The ending of a relationship with a supplier or collaborator must be carried out by individuals who are duly authorized by virtue of their spending power as defined by the proxy system and by the specific sum limits envisaged therein.

## **6. Relationships regarding the Management of Points of Sale**

The opening and/or renovation of the Group's points of sale are essential activities for the Group, and for this reason they must be managed according to the specific pertinent company procedures, with particular reference to project approval by the joint administrative board or any bodies that are delegated by the Company (or by the Group company concerned), and negotiation management.

Recipients are strictly forbidden to give, or promise to give, money or others types of benefits to a counterparty's employee or representative, just as it is also forbidden to request or accept, for oneself or for third parties, money or other benefits during negotiations for the opening and/or renovation of a point of sale, in order to obtain or concede an improper advantage.

Any relationships with real estate intermediaries who act on behalf of the Company or with contractors in investment working plans must be managed legally; these relationships must not serve in any way as a tool for carrying out corrupt actions.

## **7. Human Resources**

The Group's personnel selection and hiring process is inspired by the principles of propriety, transparency, and neutrality. The Group does not engage in cronyism; it hires people whose profiles meet the company's requirements, and candidates are chosen according to the criteria of professionalism and expertise.

The Group's human resources offices must ensure that the personnel selection and hiring process follows the official, designated channels, in accordance with the procedures adopted by the Group and the principles and criteria indicated above.

The same principles of propriety, transparency, and neutrality must also inspire any and all other initiatives regarding personnel management. These include, by way of example: training, professional growth, promotions, any changes in duties, and pay increases, all in regard to the Group's employees.

## **8. Sponsorships**

Participation in non-profit initiatives and sponsorships may be undertaken if authorized by the management body or by bodies delegated by the Company, as long as care is taken to avoid any situations in which there could be a conflict of interest. The following aspects must be assessed during the decision-making process which must precede the implementation of these kinds of initiatives: the nature and relevance of the initiative, whether the initiative is consistent with the values and principles inspiring the Group's work, and the identity and reputational profile of the sponsorship or funding recipients.

Any money contributions must be made through authorized banks or financial intermediaries in order to guarantee complete traceability. In any case, it is strictly forbidden to offer or pay for sponsorships or contributions in cases where this might be interpreted as an attempt to influence someone's personal judgment, obtain preferential treatment, or gain improper advantages.

## **9. Complimentary Gifts and Representation Expenses**

Complimentary gifts (e.g. company products) and hospitality offered in any form (e.g. trips, tickets for cultural or sports events) are allowed for promotional and business purposes, or within the framework of common courtesy in business relationships. However, offering complimentary gifts and hospitality is strictly forbidden if the aim is to obtain improper advantages.

Complimentary gifts and hospitality are not allowed, regardless of their value, if offered in the form of money or in violation of specific anti-corruption laws.

Any representation expenses covered by employees must be summarized and duly documented in an expense report. These expenses must be approved by the employee's manager and will be reimbursed after checking and approval of their validity. The Company's recommendation is for the Group's employees to refrain from accepting complimentary gifts or hospitality if these do not fall within the framework of common courtesy in business relationships; even in that case, they should be accepted only if they are of modest value and only on an occasional basis.

## **10. Accounting Records**

Every operation or transaction of the Group must be correctly recorded in the company's accounting system according to the criteria specified by law and by applicable accounting principles.

Every operation or transaction must be authorized, verifiable, legitimate, logical, and appropriate. To ensure that the accounting meets the requirements of truth, thoroughness and transparency, adequate and complete supporting documentation on the activity carried on must be kept in the Group's records for each operation, in order to allow for: accurate accounting entries; immediate determination of the characteristics and reasons for a given operation; a simple way to formally and chronologically reconstruct the operation; verification of the decision-making, authorization, and implementation processes, and the identification of various levels of responsibility.



All of the Group's employees are required to cooperate, within their respective purviews, so that every fact concerning the Group's management is properly and promptly recorded in an accounting system. Each accounting entry must be a precise reflection of what is contained in the supporting documentation. Therefore, it will be the duty of each employee to ensure that their supporting documentation is readily available and well organized.

## **B. TRAINING AND REPORTING OF VIOLATIONS**

The Company assists Recipients in being knowledgeable about the present Policy by publishing it on the Company's institutional website. In particular, in order to promote knowledge of the present Policy by the Group's personnel, the Group's human resources offices will ensure that the present Policy is made available to the Group's personnel in the most effective ways possible (e.g. through publications on the company intranet).

The Company promotes anti-corruption training so that the Group's employees will be able to: understand the risks of corruption which they, and the organization they belong to, could encounter; be aware of the prevention policy which the Company has adopted; know how to report when there is a risk or suspicion of illegal practices.

The violation or suspected violation of this Policy and/or of current corruption laws must be reported through the channels envisaged by the Whistleblowing Procedure adopted by the Company in accordance with Italian Law no. 179/2017, which is published in a *pro tempore* version on the corporate intranet in the "Compliance" section, and also at this address: <http://investor.brunellocucinelli.com>, in the "Corporate Governance" / "Documents" section.

For each company in the Group, this Policy takes effect when it is published on the Company's website.

## **C. DISCIPLINARY SANCTIONS**

Any violation of this Policy will be punished with the application of adequate and commensurate remediation and disciplinary measures, and any criminal relevance of the conduct in question will be taken into account. The Group will also ensure its full cooperation with the competent authorities.

In particular, should any employee in the Group violate the present Policy, the company concerned will adopt disciplinary measures that are commensurate with the seriousness of the violation (all the way up to dismissal); if any member of the governing or corporate governance bodies of the Group's companies violates the present Policy, they will be suspended or removed from office.

The violation of principles or provisions of this Policy by third parties could lead to the non-establishment or termination of a contractual relationship.

In any case, the request for compensation for damages suffered by the Group as a consequence or in relation to the violation of this Policy remains valid.

Any employee who refuses to adopt behavior that is in conflict with this Policy or with current anti-corruption laws, or who reports attempted or actual acts of corruption – even when this refusal leads to a loss of business for the Group – will not be subject to disciplinary sanctions or retaliation of any kind.



#### **D. APPROVAL, UPDATING, AND MONITORING OF THE ANTI-CORRUPTION POLICY**

By resolution of the Board of Directors, the Company approves the present Anti-Corruption Policy and encourages its adoption by all its subsidiaries, which will independently adopt the present document by a resolution of their own governing bodies and adapt it, where necessary, to the specific characteristics of their own corporate organization, consistent with their own management and organizational independence.

The Company's Board of Directors will update and make any necessary revisions to this Anti-Corruption Policy to take into account any evolutions in anti-corruption legislation and policy-making, and also following recommendations made by the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001, and by the Company's Internal Audit Function.

The periodic plan of the Internal Audit Function, as approved by the Board of Directors time by time in compliance with the principle of risk analysis and prioritization, includes activities intended to verify whether the principles contained in this Policy are actually implemented in practice.