

CODE OF ETHICS



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CODE OF ETHICS GRUPPO FLAEM

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FOREWORD

Flaem Nuova S.p.A. (hereinafter also the Company) is a family business with over 60 years of experience in the production of household systems and electromedical devices that has always invested in technological development and sustainability, in the constant and monitored testing and control work, seeking to streamline production processes.

Flaem Nuova S.p.A. upholds the values of honesty, transparency, innovation and professionalism.

In business, the absence of ethical concerns in one's actions might lead to «potentially opportunistic» conduct, dictated by the mistaken belief that they are for the good of the company.

The adoption of a Code of Ethics therefore appears to be indispensable, the aim of which is to state that in no way can the belief of acting to the advantage of the Company justify the adoption of conduct that runs counter to shared principles and values.

The purpose of this document is to uphold and disclose the corporate principles that guide the Company in its day-to-day activities, internally as well as in its relations with its partners, in Italy and abroad.

Furthermore, it is an essential element of the preventive control system adopted by the Company for the purpose of preventing any offences committed in the performance of activities, and specifically, the predicate offences under (It.) Legislative Decree no. 231/2001, containing provisions on the administrative liability of legal persons (hereinafter the “Decree”).

THE RECIPIENTS

The provisions of the Code of Ethics apply to the Company's employees and to all those who, in any capacity, work to achieve the legitimate objectives of the entity as company representatives (directors, members of corporate bodies, etc.) as well as external associates who work in the interest or to the advantage of the Company, in any capacity and on the basis of any legal relationship, such as suppliers, consultants, agents, etc.

The Code of Ethics is implemented through formal adoption by the management body of the organisation.

All the aforementioned subjects are Recipients of this Code of Ethics.

All the Recipients have the right and are under the obligation to be aware of and to apply the Code of Ethics, to report any deficiencies therein, or the need to update, amend and adapt it.

Specifically, all Department Managers are required to apply and enforce the Code of Ethics, carrying out the necessary activities to inform their staff.

GENERAL PRINCIPLES OF CONDUCT

The conduct of the Recipients should be inspired by the following principles:

- Compliance with the applicable regulations in Italy and in any other country where the Recipients could be operating;
- transparency towards all stakeholders, i.e. those categories of individuals, groups or entities whose interests are influenced either directly or indirectly by corporate activities;
- responsibility towards the community which, even indirectly, may be affected by the Company's activities in its economic and social development;
- protection of consumers, implemented through commercial communication inspired by respect for the person and promotion of a healthy diet;
- protection of workers' health and safety, physical and moral integrity and rights;
- protection and safeguarding of the environment, in all its elements: atmosphere, water, soil and subsoil, flora, fauna and ecosystems;
- respect for employees and commitment to supporting and enhancing their professional skills;
- the rejection of any conduct that, although aimed at achieving a result consistent with the interests of the Company, has aspects that are not compatible with the principles of this Code of Ethics and with the commitment to comply with the applicable regulatory provisions, as well as the Company's rules of conduct and procedures.

RESPECT FOR AND APPRECIATION OF EMPLOYEES AND ASSOCIATES

The Company promotes the appreciation and development of the skills and abilities of its employees, so that they can contribute to the achievement of the legitimate corporate objectives defined by the management body.

Flaem acts with internal and third-party counterparts in compliance with the principles of dignity and equality, rejecting any inequality based on racial and ethnic origin, nationality, religious beliefs, sexual orientation, gender identity, and any other personal characteristic not pertaining to the work sphere. To this end, the Company offers all its employees equal employment opportunities, in accordance with their respective professional characteristics and abilities, without any discrimination based on political, religious beliefs, trade union affiliation, racial, linguistic or sexual grounds.

The Company fosters cultural integration and rejects any manifestation of racism.

Flaem Nuova S.p.A. does not condone the illegal hiring of personnel, nor does it initiate any work relationship or forms of collaboration with persons not holding a regular residence permit, nor does it use the services of companies that employ illegal labour or in breach of the generally applied work *standards* or international regulations.

The Company pursues with transparency and fairness its legitimate interests in industrial relations, promoting a constructive exchange of views with trade unions, with business and trade associations.

In personnel recruitment procedures, and within the limits of the available information, the Company carries out the necessary checks to prevent favouritism, nepotism, or forms of cronyism.

PRODUCT QUALITY

The Quality and Safety of Flaem Nuova S.p.A.'s products are constantly monitored, enhanced and subject to continuous innovation, through significant investments in research and development and continuous improvement of the production process.

To achieve the highest degree of consumer satisfaction, improvement and innovation activities – ensured by a system of internal procedures, constantly reviewed and audited by independent external certification bodies – involve and monitor the entire supply chain, from product design to testing processes, from packaging to distribution.

INFORMATION TO CONSUMERS AND ADVERTISING

Flaem Nuova S.p.A. believes that communication should be regulated in a relevant and effective manner, in order to protect consumers from false or misleading content.

With specific reference to medical products, Flaem Nuova S.p.A. adheres to the provisions of Regulation 2016/745 which enable identification and support the traceability of the devices in question.

To this end, it provides transparent, comprehensible and accessible information to all consumers, and, through product labels and relevant package leaflets, it provides clear and detailed information, in order to ensure that all consumers are enabled to use the product easily and with full awareness of its features.

PROCUREMENT AND SUPPLIER RELATIONS

All the raw materials intended for the production of Flaem Nuova S.p.A.'s special products must meet a set of specific quality and safety requirements. Procurement is carried out through several specialised internal officers that work jointly with strictly selected suppliers and manufacturers in compliance with company procedures and the Company's certification standards.

Specifically, the procurement procedure cannot disregard the following criteria:

- stringent supplier screening process based on specific skills;
- monitoring actions along the entire supply chain with inspection and quality checks on the product;
- conformity analysis of the incoming raw materials at the production facility before placing them into the production cycle.

In relations with suppliers, the consideration to be paid is solely commensurate with the object of the contract, and payments are not made to a person other than the contractual party, nor in a country other than the one formally agreed.

The Company bases its contractual relations on fairness and transparency, and is committed to not exploiting any conditions of dependency or weakness of the supplier.

RELATIONS WITH THE PUBLIC ADMINISTRATION

Flaem Nuova S.p.A. works mainly with private entities and, for this reason, it entertains very few relations with Public Administrations, also owing to the fact that it has not applied for any public grants, contributions or subsidised financing.

Currently, all dealings with the Public Administration take the form of the normal inspections concerning product conformity, in matters of tax compliance and environmental compliance.

Any relations with local, national, international or EC institutions only arise from communication aimed at explaining the activity of Flaem Nuova S.p.A., to follow up on informal requests or inspection actions (requests, queries), or in any case to disclose the Company's position on significant issues.

For these reasons, well-established operative practices are in place, defining the ways in which Flaem Nuova S.p.A. liaises with public Bodies.

The assumption of commitments with local, state, international or EC public bodies is solely the remit of the designated officers.

Within the context of relations with the Public Administration, Company Representatives, external contractors and consultants of the Company as well as third parties are prohibited from:

- falsifying and/or altering reports and statements in order to obtain an undue advantage or any other benefit for the Company;
- falsifying and/or altering documentary data in order to obtain a favourable answer or approval of an authorisation failing compliance with the regulations in force in the matter;

- using public funds for purposes other than those for which they were obtained.
- The submission of applications for obtaining any or future public grants, contributions or subsidised financing is solely restricted to expressly authorised persons.

Public grants, financing, subsidies and contributions received by the Company shall always be used in compliance with the purposes for which they were assigned.

Furthermore, the recipients shall not inappropriately influence the independence of judgement of public entities exercising public functions and they shall pursue legitimate corporate objectives, rejecting any unlawful agreement with officials holding public powers and with representatives of other companies.

Under no circumstances shall it be permitted to bribe or even attempt to bribe elected holders of national and international public offices, public officials or other advantages to obtain undue benefits.

The following actions are specifically forbidden:

- agreeing to give or promising money or other benefits following requests and/or undue pressure from public officials;
- offering – in any way whatsoever – employment and/or commercial opportunities that may benefit officials holding public powers;
- soliciting or obtaining confidential information that may be detrimental to the integrity or reputation of both parties;
- performing any other act aimed at prompting officials holding public powers to perform or omit to perform any act in breach of the laws of the system which they belong to.

INTEGRITY IN CONDUCTING BUSINESS

In carrying out company activities, Recipients base their conduct on the principles of honesty, transparency, loyalty, integrity and fairness, in compliance with company policies, as well as applicable laws and regulations.

Offers of money, gifts or benefits of any kind that exceed normal commercial practices or seek to obtain undue advantages of any kind shall not be permitted. Acts of commercial courtesy are allowed, provided their value is appropriately modest and, however, such as not to undermine the recipient's integrity and reputation and not to influence their autonomy of judgement.

The Recipient who receives gifts exceeding the limits of normal courtesy and whose value is inappropriately high, must reject them and immediately inform his/her superior.

PROTECTION OF INDUSTRY, COMMERCE AND INDUSTRIAL PROPERTY RIGHTS AND COPYRIGHT

The Recipients must refrain from conduct aimed at preventing or disrupting proper industrial or commercial activities and from carrying out acts that do not adhere to professional ethics and good commercial practice, including the sale of non-original or genuine, or counterfeit products, or products that differ from those stated or agreed upon in terms of origin, quality or quantity, or designed to mislead the customer as to their origin or quality.

Flaem Nuova S.p.A. also undertakes to protect its own and others' industrial property rights (trademarks, patents, distinctive signs, designs, industrial models, intellectual works, etc.) and copyright.

PROTECTION OF WORKERS AND ENVIRONMENT

The Company conducts its production activities and business operations safeguarding the health and safety of employees and third parties, as well as the environment and ecosystem, and is committed to:

- disseminating and consolidating the culture of safety, supporting the awareness of risks and promoting responsible behaviour;
- safeguarding workers' health and safety, especially with preventive actions;
- promoting the continuous improvement of performance in matters of workers' health and safety, setting out appropriate measuring methods to assess them systematically;
- seeking the best available safety standards that are applicable to company activities on the basis of established scientific and technological knowledge;
- protecting the environment in all its activities, using processes, technologies and materials that reduce the consumption of energy and natural resources, preventing or limiting the impacts deriving from company activities in terms of pollution, atmospheric emissions, waste production and distress for the local community, as well as restoring construction site areas at the end of the works.

All recipients of the Code are required to assess and manage environmental aspects with the highest degree of care, with a view to prevention, and to take appropriate action to prevent situations and conduct that may be detrimental to the environment.

Flaem Nuova S.p.A. undertakes to disseminate the environmental culture in the workplace, engaging all personnel in information and training activities.

CONFLICTS OF INTEREST AND TRANSPARENCY IN CORPORATE DEEDS

Members of the corporate bodies and employees of the Company shall abstain from any activity that may pose the risk of conflict with corporate interests, even potentially. The above statement also concerns the cases where one of the aforementioned persons should:

- pursue an interest other than the company’s mission;
- draw “personal” advantages from the Company’s business opportunities;
- be in situations/manage activities that may interfere/influence the decision-making independence in assessing the Company’s best interest.

By way of example, the following cases may be conflicts of interest:

- the direct or indirect existence of economic-financial interests of members of the corporate bodies and of employees, or their close relatives – close relatives shall be understood as relatives within the third degree, in-laws within the second degree or live-in partners – in the business activities or in the activities of customers, suppliers or competitors;
- holding corporate management or control roles, of other positions or duties of any nature in customers’, suppliers’ or competitor companies;
- the exploitation of one’s functional position for the achievement of one’s own interests or those of third parties, even only potentially in conflict with those of the company;
- the use of information acquired while performing work activities for one’s own undue advantage or for that of third parties, counter to corporate interests;
- accepting money or other advantages from natural or legal persons who are or intend to enter into business dealings with the Company.

In the event that situations of conflict of interest, even potential ones, should be identified, either within or outside the company’s activity, each individual involved is required to refrain from engaging in conduct in conflict and/or activities that might affect their decision-making independence, and promptly notify their direct superior, who shall activate the internal Officers for the necessary analyses.

LOYAL COMPETITION

The Company intends to protect the value of loyal competition, by basing its conduct on clarity and fairness, rejecting collusive practices, obstructive behaviour and the dissemination of false, misleading, distorted or disparaging information regarding a competitor, its products or services.

TRANSPARENT ACCOUNTING

Every operation concerning bookkeeping and processing of accounts is based on truthfulness, fairness, clarity and completeness of the information.

The Company condemns any behaviour aimed at altering the accounting and corporate information and data that are disclosed to corporate bodies, Supervisory Authorities or stakeholders.

Flaem Nuova S.p.A. complies with all regulations and provisions, national as well as international, on anti-money laundering and terrorist funding. In no way and under no circumstances is it tolerated to receive or accept the promise of cash payments or to launder money, goods or other benefits derived from unlawful or criminal activities, or to carry out transactions hindering the identification of their origin.

Contributions, grants or funding obtained from any public or private body, even if unexceptional in value and/or amount, are used in a manner consistent with the purposes which they were granted for.

USE OF IT EQUIPMENT AND SYSTEMS

All users authorised to use the Company's IT equipment and systems shall use IT resources in compliance with the applicable legal provisions: hacking into and damaging other people's IT systems is prohibited.

All users protect the integrity of company IT equipment and systems, and refrain from tampering with them to modify their functions in any way.

PENALTY SYSTEM

Compliance with the Code of Ethics must be understood as being an essential part of the contractual obligations undertaken by the Recipients under their respective contracts with the Company.

Depending on the legal relationship established with the Company, infringements of the Code of Ethics are a disciplinary offence, when concerning workers and contractors employed on the basis of a labour law relationship; the breach of a fiduciary mandate, when concerning representatives of the corporate bodies; or the breach of contractual obligations, when concerning contracts with counterparties which include specific clauses expressly referring to this Code of Ethics.

The Managers responsible for the type of contractual relation between the transgressor and the Company shall put in place the appropriate measures and remedies permitted by the applicable legal provisions.

Any breaches of this Code of Ethics that may be found shall be appropriately notified to the Whistleblowing Manager, responsible for managing reports of unlawful conduct and breaches of the Model and Code of Ethics, and who shall protect whistleblowers from any

form of retaliation, discrimination or retribution, also ensuring the anonymity of the whistleblower and the confidentiality of the facts reported by him/her, without prejudice to legal obligations and protection of the Company's rights.

Please refer to the Whistleblowing Procedure for instructions on how to make a report.

ENTRY INTO FORCE AND DISSEMINATION

The provisions of this Code of Ethics are approved by the Board of Directors and come into force after its dissemination.

Specifically, Flaem Nuova S.p.A. undertakes to ensure the widest possible dissemination of the Code of Ethics when hiring new resources, as well as through specific communication and training activities aimed at making its contents more easily accessible and applicable in the day-to-day work activities of all Recipients, and through publication on the Company's website.