



Code of Ethics of Candy Group

Approved by the Board of Directors of Candy S.p.A. on 30/10/2015

Working with a clear conscience



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Introduction

The Code of Ethics is a voluntary self-regulation tool grouping all our commitments as part of Candy Group ("Candy Group", "Candy" or "Group" hereafter) with the company, our colleagues and our counterparties. The related rules of conduct shall be abided by as part of our work to achieve the group mission.

The Code is based on the main regulations, guidelines and documents existing at domestic and international level about human rights, companies' social responsibilities and corporate governance. Specifically, it refers to the United Nations' Universal Declaration of Human Rights, the EU Charter of Fundamental Rights, the dignity of work standards provided for in the ILO conventions, the OECD's guidelines for multinational enterprises and the Italian national association of domestic and professional equipment manufacturers' (C.E.C.E.D.) code of conduct.

All the people who work for or on behalf of Candy Group are required to comply with the laws and regulations of the country in which they work as well as those of the international community.

Aware of our position as a global group, Candy intends to go beyond these requirements and to specify the standards required of those who work with us in this Code of Ethics, focusing mainly on the positive conduct to be adopted in our daily routines.



Message from the Chief Executive Officer

The reputation of Candy and all of us who work in this Group is dependent on our conduct day-in, day-out in all our business sectors.

Gaining the trust of other parties easily is based on our reputation and it is thanks to our reputation as reliable partners that we have proudly become what we are.

Our history is based on our entrepreneurial spirit and integrated family and this is the connection that gives us strength and is our daily guiding force: respect for one another, the desire to understand each other, trust and the idea that we can together create something more beautiful and lasting.

Candy's good name is our most precious resource, an asset to be safeguarded and built on day after day in all segments in which we operate because it is a fragile commodity: just one person's incorrect conduct can discredit everyone's respectability.

We are confident that compliance with the Candy Group principles is simply a continuation of our normal behaviour and habits and because we identify with them, which begs a question: why put them in writing at all?

Because we intend to share a code of common conduct in a transparent manner with all those people who work for Candy Group in order to develop our internal consistency and cohesion so as to facilitate discussion and acknowledge our membership of a united community, despite being spread out around the world.

A public statement about Candy's conduct encourages the honest and correct behaviour of people who believe in what they do and are convinced that profits are meaningless without integrity.

This commitment is spelt out here so that everyone, who is part of the project, can ensure that it is complied with and continued consistently.

Beppe Fumagalli



Candy's chart of values: our compass

The addressees of the Code of Ethics

The following parties are requested to embrace Candy Group's commitment to integrity, to understand and adhere to the rules of conduct set out herein and to avoid violating the current regulations:

- all the members of the Group companies' internal bodies;
- group managers and supervisors, aware that their duty is also to set an example and to create a work environment that encourages conduct compliant with the law and internal ethical standards, intervening, when necessary, to prevent or punish any violations;
- employees and contract workers who work with the Candy Group companies and contribute to the group mission, regardless of the legal nature of their relationship and its length; the Code of Ethics is to be applied throughout the Group worldwide (this includes its related parties and subsidiaries);
- external consultants, namely those parties that act in the name of/or on behalf of Candy Group or in its interests, regardless of the legal nature of their relationship;
- suppliers, distributors and commercial partners as well as any other party that engages in business transactions with the Group.

The addressees are required to comply with the values, principles and rules set out herein at all times, wherever they are or whatever the activities they are performing on the Group's behalf.

The Code of Ethics: an affirmation to those who trust in us

We expect that the addressees think about the consequences of their decisions, actions and conduct vis-à-vis those parties that engage in relations with Candy Group in order to protect their legitimate interests and the Group's reputation. The implications of our actions with parties involved in the Group's business shall be considered. Indeed, the Code of Ethics represents our promise to them: a commitment to consider their expectations, to acknowledge their needs and to not hinder them in any way from attaining their goals.

Specifically, the principles and rules of conduct set out in the Code protect:

- the shareholders;
- employees and contract workers;
- customers and end users;
- commercial partners;
- suppliers and the supply chain employees;
- the environment and future generations;
- public institutions and the communities where the Group operations are based;
- competitors and sector associations.



Candy's mission: the true meaning of working together

Our mission is the expression of the commitment and entrepreneurial spirit of a family, our intention to set and meet goals and create value for others and ourselves in everything we do.

We cannot share a common language that defines our internal relationships and our relationships with third parties if we have not first clarified our position within the Group and the objectives that guide our business projects.

We have made Peppino Fumagalli's motto our own: a company's duty is to work seriously, to make user-friendly products and sell them for an honest price.

Hard work, innovation and substance, top quality, a business approach that puts people and their relationships at the heart of what we do. This guiding principle has made the Group great and continues to mould our future as we intend to be a global reference for innovative solutions that make it easier and more pleasant to care for our homes, their cleanliness and our wellbeing.

The Candy community approach: our values

The values set out below are part of our ethical compass, which not only tells us what direction to take but also where is north so that we can correctly take our decisions. Going in the right direction is up to us and we can achieve this through constant questioning, aware of how difficult it can be to take the right road although it will give us the greatest satisfaction, the satisfaction to be proud of what we have achieved. These are our values:

- **Hard work:** we work hard and are committed to achieving the best results by performing our duties efficiently and effectively, acting in a professional and responsible manner in compliance with the highest standards set for our sectors.
- **Innovation and substance:** we concentrate on the facts in our daily work and enhance all aspects of our work: herein lies our strength - we have already achieved so much and we will continue to give our utmost, holding fast to the concreteness that distinguishes us. Our drive for innovation can be seen in our products and processes. We aim for balance between our satisfaction, that of our customers and the environmental and social sustainability of all our activities.
- **Top quality:** we continuously search for excellence to garner appreciation of our ability to take care of details and guarantee quality in all that we do. We are conscious of our responsibility to develop reliable and accessible products for everyone and to build on our contacts with customers to maintain the highest quality standards that meet with our customers' expectations.
- **A business approach that puts people and their relationships at the heart of what we do:** the central role of the individual and enhancement of individuality together with a team spirit and everyone's involvement in reaching group objectives is the basis of success of this large family. We listen to and respect others, we could not be a group based in many countries with very



different customs and cultures had we lost the ability to understand others, to make sense of local sentiments and to maintain a climate of trust and mutual respect.

Promoting values in our daily routines: rules of conduct

The principles and values that inspire our community should be sufficient to guide us day-to-day. However, in order to fully share their spirit and meaning, we have translated them into rules of conduct to be complied with every day and convert our values into concrete actions to protect Candy Group, its employees and our external stakeholders.

We believe in our Group's reputation, strength and profitability

Conflict of interest: a matter of loyalty

The personal activities carried out by Candy people in their free time, although legitimate, shall never affect their loyalty to the Group or compromise its interests. They shall not avail of the resources made available to everyone or benefit from the knowledge, information, business opportunities or relations developed as part of their job to carry out their personal activities. Examples of activities that are incompatible with an employee's commitment to Candy are the sale of Candy Group or competitor products and the rendering of technical assistance services outside their job descriptions. Holding positions of responsibility in other companies, institutions, academic organisations, sector associations or civil society in general may lead to conflicts of interest: any such situations shall be reported by employees to their supervisors, even when the risk of a conflict of interest is only theoretical. Written approval is required in case of critical issues.

A conflict of interest situation is not per se a violation of the Code but becomes one if it is not reported.

We avoid gifts, favours and other benefits that could damage our business operations

Working for Candy may give a person power over another person: we try to avoid manipulating this situation to our personal advantage.

Therefore, we shall never accept cash or loans, gifts unless they are of an insignificant value, preferential treatment such as discounts on personal purchases or services of any kind from parties with which we work, especially Group suppliers. It is forbidden to participate in, for example, loyalty programmes that have cash prizes, gifts or offer other advantages, except for loyalty programmes offered by airline and transport companies.

Although we are aware that the offer of gifts and other forms of entertainment, when not excessive, may be simple gestures of courtesy by the Group's suppliers and commercial partners, not designed especially to affect our independence, employees shall inform their supervisors who will decide whether they can be accepted.



We protect the Group's good reputation

Candy Group's good name attracts the best talents, bolsters customer confidence and facilitates business transactions. Hence, no conduct that could damage its image should be undertaken. In the case of doubt about the correctness of an action, we should ask ourselves if this could damage Group's reputation. We may not give interviews or send communications to the press about Candy Group, unless we have been specifically authorised to do so. We shall inform our supervisors or the legal office if we become aware of any pending investigations or proceedings involving the Group.

Transparency and clear agreements

Any dealings with customers and suppliers or negotiations with other parties shall be written up in contracts that clearly detail the terms, the liabilities of either party, any use of Group resources and how disputes are to be resolved. This allows the development of strong, lasting business relationships and documentation of all the more important transactions. Therefore, it is fundamental that side letters, unrecorded documents or other agreements that do not comply with the Candy Group standards are not to be used. The Group's commercial staff shall adopt the standard contracts and comply with the reference guidelines in their dealings with customers and distributors. They shall abstain from offering special deals or other preferential terms unless this is authorised in writing.

A truthful accounting of the Group's performance

The accurate description of the Group's financial position and transactions allows us to check that its resources are used correctly, to safeguard its assets from losses, to measure the results achieved and to update objectives and strategies. We shall record and document all transactions and report all financial and operating information in an impartial, accurate and transparent manner. We shall comply with the generally accepted accounting standards to ensure that figures and data are as reliable as possible and they shall be subjected to checks and third party audits. The Group's books and accounting records are stored for the legally-required period of time and then destroyed.

We do not squander our most precious resource: knowledge

Intellectual property, patents, trademarks, copyrights, trade secrets and other confidential internal information (such as business plans and strategic projects, marketing, pricing and sales figures, technical, commercial and organisational details) all make up an extremely precious resource that gives Candy Group its competitive edge. As each of us contributes to creating this resource or has access to this type of information which exclusively pertains to Candy, we must be fully aware that its incorrect circulation (either voluntarily or accidentally) could threaten the Group's ability to grow over time. Therefore, we shall take all necessary steps to protect this resource carefully, unveiling it to third parties (e.g., business partners, distributors, customers and suppliers) only when this is strictly necessary and specifically authorised, as part of maximum confidentiality agreements.



We give the same care to internal resources as to our own

We shall each use the internal resources made available with the same care that we give to our personal resources, taking steps to avoid theft, loss or damage. Certain goods and equipment, such as computers and phones, may sometimes be used for personal use; however, this should be limited to the bare minimum.

We shall avoid the incorrect use of internal resources for purposes contrary to the law.

The Candy community: what we offer the persons who work with us, what we expect from our colleagues

First and foremost, human dignity

We wish to work in an environment where we feel protected and our dignity is respected. Accordingly, we shall all comply strictly with all the laws prohibiting child, mandatory or forced labour and shall recognise the right to the freedom of association and collective bargaining. Similarly, we shall comply with laws about work hours and remuneration. Harassment, abuse and discrimination of any kind is not tolerated. No one shall be penalised by for reasons of their gender, race, ethnicity, religion, personal political beliefs or sexual orientation during the recruitment process or in any decisions about their remuneration or career development. Likewise, their age, health or disability shall not be disadvantaging factors.

Safety, the right to life

We shall take measures to ensure that any dangers to the health and safety of Candy Group employees are eliminated and the accident prevention and hygienic and sanitation rules are complied with as required by law and because this is of benefit to us all.

We shall actively participate in initiatives promoting health and safety in the workplace and contribute to circulating a risk-prevention culture.

We protect our colleagues' privacy

During our daily activities, we may acquire personal information of our colleagues and those persons who work with Candy Group. Ensuring this information remains confidential is a mark of respect to those persons as well as a legal obligation. We shall prevent the circulation of these data and information and shall use them solely for the purposes we are authorised to manage them.

We value diversity as a source of enrichment

We believe in a culture that is open to different traditions and customs, in which we are encouraged to express our individuality as this creates a positive work climate and generates benefits for the Group as well. Therefore, we shall avoid conduct that others may find offensive or aggressive regardless of whether this is our intention and we shall always be respectful and considerate of our colleagues. Everyone should feel welcomed to present new ideas or highlight potential problems and we shall encourage the participation of everyone in identifying solutions and in the Group's daily life.



A positive work environment

We shall all endeavour to improve the atmosphere at work and promote solutions that assist a balance between our personal and professional lives, being aware that such balance is fundamental to our wellbeing.

We do not betray the trust of who interacts with us

Corruption comes at a high price

An illegal payment to gain an advantage, either personal or for the Group, is never acceptable. Corruption is a vicious circle, it threatens the credibility of institutions and changes the environment in which we work. Therefore, bribes or any other form of corruption are not allowed, even when they are normal practice or not punishable by law. When the services of agents, local consultants or third parties are availed of to manage relationships with government authorities about issues related to, for example, customs procedures, taxes, visas and permits, it should be checked that they do not engage in the bribery of public officers. Similarly, cash or gifts shall never be offered to customers, distributors or suppliers, unless they are modest in value, nor shall entertainment costs be incurred that could give rise to doubts about their correctness or that would seem to have been incurred to influence someone's actions. Finally, no one shall take part in activities designed to influence law-making activities or promote political representatives and/or parties.

We scrupulously adhere to international trade rules

Anyone that sends or obtains goods, services and technologies abroad or carries out international financial transactions is required to inquire about the relevant laws on imports and exports and to comply with all the conditions and any necessary authorisations, focusing especially on whether there are boycotts or embargos in place for those countries involved.

Excellent, safe products

Our products are characterised by their reliability, safety, excellent design, quality assistance service and long life. In order to maintain these characteristics promised to users of Candy products, we are required to fully comply with consumer protection regulations and internal standards designed to eliminate product defects.

Responsible marketing, the words echo our actions

Our products and services meet the highest quality standards and we are proud to present their strengths to our customers. Marketing activities, whether advertisements, labelling, product descriptions or the publication of studies and comparisons with other products, involves honest communication, disclosing all the information useful to allow our customers to make knowledgeable decisions without resorting to misleading or deceptive sales strategies. We do not boast about our products' characteristics until they have been fully tested and we adopt a decorous communication style.



We know our customers without violating their privacy

In order to satisfy our customers, we collect a vast range of information about them. Parties that chose to share this information with Candy Group shall be assured that we will protect and use this precious information with maximum care and diligence. Marketing and advertising campaigns are only directed at those customers that have given their consent.

Reliability is the lynch pin of our relationships with suppliers

We believe in the importance of setting a good example and we are appreciative of those who work with us, providing raw materials, parts, indirect goods and services. We engage with our suppliers, distributors and business partners showing them maximum loyalty and professionalism from the moment our relationship starts. Our selection process guarantees equal opportunities to work with us and rewards merit, basing our decisions solely on our partners' technical expertise, reliability, prices and full compliance with our ethical standards. No one shall exploit a position of strength in a commercial relationship to take unfair advantage and everyone shall commit to proactively resolving any critical issues, explaining our decisions so that our partners can understand that the issue is based on loyal and objective considerations. We shall treat confidential information and data received from our suppliers with extreme care, avoiding their circulation outside the Group or their improper use. We expect our suppliers to act likewise with our confidential information and we will ensure that this is the case.

Fair play

We are convinced that a free and competitive market is the best stimulus for continuous improvement and the ability to efficiently meet customer expectations. Accordingly, we shall rigidly comply with the antitrust laws and avoid involvement in agreements (either formal or implicit) with sector companies that could affect free competition, fixing sales prices or production volumes, agreeing sales areas or customers to be served. Our membership of sector associations, consortia or other sector bodies is not aimed at changing the market and we should avoid giving this erroneous impression. We shall only use lawful means to analyse competitors and we shall similarly respect other parties' intellectual property.

Good citizenship in our local communities

We promote the development and integration of the areas in which we operate, offering work and growth opportunities to the local communities. We intend that the populations that host our production facilities and offices acknowledge our willingness to dialogue and to present our activities and their impact on the area. We are committed to fostering, where possible, not only the local communities' material requirements and needs but also to sponsor promoters of projects for the collective wellbeing.



Care of the environment, our home

We shall all promote full and substantial compliance with environmental and industrial regulations about the prevention and monitoring of pollution and avoidance of waste. We invest in new technologies to upgrade our facilities and develop organisational solutions for the more efficient use of resources. We individually adopt an approach respectful of the environment and its conservation, which we also propose to our customers and end users through the eco-innovation of our products. We prefer to work with suppliers that have a responsible attitude to the environment.

How we guarantee the effective implementation of the Code of Ethics

Governance of the Code of Ethics

The board of directors of Candy S.p.A. approved this Code of Ethics and its future updates. It is also responsible for the application, compliance with and respect of the ethical standards and rules of conduct set out in this Code as well as the implementation of sanctions for cases of more serious non-compliance.

The ethics committee receives and handles reports about the Code and is in charge of the Code's management as part of the Group's daily operations.

Tools to understand the Code of Ethics

The principles, values and rules of conduct set out in this Code of Ethics have been circulated using all the available internal and external communication tools. Indeed, the Code is available for consultation by all employees, the parties that work with Candy Group and its stakeholders on the Group's website (www.candy-group.com), the intranet and notice boards.

All employees and third parties that work with Candy Group (collaborators, consultants, customers, suppliers, etc.) are provided with a (hard and soft) copy of the Code of Ethics when they are hired or their relationship with the Group commences, respectively, including through the use of specific contractual clauses, where deemed necessary by Candy Group.

Clarifications about the interpretation of the Code may be requested to the ethics committee at any time using all the channels available.

Consequences for those who do not comply with the Code of Ethics

Non-compliance with the rules of conduct set out herein, or the request of others to comply or non-collaboration with possible ongoing investigations are all considered violations of the Code of Ethics and entail a breach of their contractual obligations with Candy Group. This non-compliance may lead to corrective actions, disciplinary measures, sanctions and the termination of the employment contract or the business relationship depending on the seriousness of the assessed violations.



Reporting violations of the Code of Ethics

Persons reporting violations of the Code to the e-mail address: ethics.code@candy.it or by post to: **Candy Hoover Group Srl - Comitato Etico - Via Privata Eden Fumagalli, 20861 Brugherio, (MB) Italy**, including their own contact details. Candy Group will protect the whistle-blower from any form of retaliation or discrimination and ensure the confidentiality of the communication, except in the cases provided for by law. The ethics committee will analyse all communications and process them. It will also provide feedback on its investigations to the whistle-blower.

*Translation from the Italian original, which remains the definitive version
Available on the website www.candy-group.com*