

FLOS

CODE OF ETHICS

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FOREWORD

Founded in 1962, FLOS has been operating for over 50 years according to its distinctive principles and values that have led it to be recognized, in Italy and worldwide, as a reality of excellence.

These fundamental principles and values inspire all FLOS' activities, at every stage and level.

Faithful to the spirit that has always distinguished FLOS, it is constantly searching for new challenges and is aware of how, to overcome them, it is essential that all those who participate in it share the same vision by operating according to clear and shared rules, in an ideal union between Ethics and Responsibility.

By adopting this code of ethics (the "Code of Ethics"), FLOS has intended to confirm the idea that it has always expressed in the awareness that its principles and values contribute in a decisive way to make it immediately recognizable throughout the world and constitute the basis from which to start for reaching new ambitious goals.

The success of FLOS also and above all depends on this.

1. GENERAL PROVISIONS

1.1. Scope of application and addresses

To ensure, on the one hand, the pursuit of the ambitious objectives set and, on the other, the protection of its reputation and the interests of shareholders and all

stakeholders, FLOS has chosen to adopt this Code of Ethics. This latter, together with the Organisation, Management and Control Model adopted by the Company pursuant to Legislative Decree no. 231/2001 (the “231 Model”), represents a tool to ensure transparency and correctness in the Company daily operations.

The principles set out in this Code of Ethics apply to all aspects of FLOS’ activities: every operation, transaction, relation and, more generally, every action taken in the performance of the work activity and in the corporate management must be inspired by the rules of conduct and the general principles indicated below.

All the subjects involved in FLOS’ activities, whether employees, collaborators or subjects who, for any reason, operate on behalf of or in the interest of FLOS, are considered as recipients of this Code of Ethics (the “Recipients”) and must, as a consequence, behave according to the principles indicated and comply with the rules provided.

It is therefore a right and duty of all Recipients to know the contents of the Code of Ethics and fully understand its meaning, by requesting any clarifications regarding the same from the Human Resources department.

2. **MISSION AND ETHICAL PRINCIPLES**

FLOS has always set as primary objective to create industrial archetypes and innovative products capable of becoming, over time, world icons of design.

The Company's mission has always been to research and innovate in lighting, combined with the ability to identify creative talents.

To achieve these objectives, FLOS complies with the following principles:

- **Legality and Integrity**

Any activity carried out by FLOS must be based on honesty, transparency, good faith and absolute compliance with the laws and regulations, as well as scrupulous compliance with the procedures and rules of conduct which it has adopted.

- **Equality and Impartiality**

FLOS repudiates and condemns all forms of discrimination in relation to age, gender, health condition, race, religion, political and cultural opinions, social or personal condition and undertakes to ensure that any decision involving a judgement on the person is taken according to neutral and objective criteria.

- **Integrity of the person**

FLOS is aware of the importance of the Company's human resources and guarantees the physical and moral integrity of its collaborators, ensuring adequate working conditions and healthy and safe working environments.

- **Value of the person**

FLOS is able to recognize the talent of each collaborator and to enhance it for the professional growth of the individual that is an essential element for the development of the Company.

- **Fairness and loyalty**

Trust in others, starting with the collaborators, is indispensable to promote team spirit and foster a climate of serenity in the work environment. Every behaviour and relationship must, therefore, be conformed to the utmost respect for the person and relationships and situations that may give rise to conflicts of interest must be avoided.

- **Transparency and reliability**

Anyone working on behalf of FLOS undertakes to provide, in relations with its stakeholders, truthful and accurate information, bearing in mind that this is essential to keep the solid trust that third parties place in its reliability.

- **Product quality**

The Company's image and reputation are largely derived from the quality of its products. FLOS constantly invests in research and is committed to ensuring, at every stage of production, the absolute respect of standards of excellence.

- **Respect of the environment**

FLOS recognizes the importance of protecting and safeguarding the environment and takes all the measures that are appropriate and necessary to minimize the impact of its activities.

- **Fair competition**

FLOS believes in the importance of an open, fair and transparent market, which is essential to foster growth and innovation, and condemns any behaviour that violates the principles of free and fair competition between companies.

3. RULES OF CONDUCT

Compliance with the general principles indicated above applies in relation to all aspects of FLOS' activities and to all the subjects who, for various reasons, are involved in them: in particular, it applies to

- relations with shareholders;
- relations with collaborators and employees;
- relations with suppliers, contractors and sub-contractors, business partners and consultants;
- relations with the Italian and foreign Public Administration;
- relations with trade unions and political parties;
- relations with customers;
- accounting and corporate taxation;
- workplace health and safety;
- environmental protection;
- gifts and entertainment expenses;
- observance of intellectual property and competitors' activities;
- protection of Company assets.

3.1 Relations with shareholders

FLOS' activity and corporate management are based on respect and protection of the interests of shareholders and maximisation of the Company's value.

In this respect, FLOS adopts a corporate governance system and an internal control system that guarantee the transparency of decision-making processes and the efficiency of corporate management.

FLOS also guarantees the accuracy and timeliness of any information provided to shareholders.

3.2 Relations with collaborators and employees

FLOS recognises the value of human resources and is committed to safeguarding their dignity and protection in every aspect of working life.

Respect for the dignity and human rights of workers is also required of all FLOS suppliers, contractors and sub-contractors, business partners and consultants, wherever they operate.

All individuals should be treated with respect and education, no discrimination is tolerated for personal characteristics or orientations, and any form of harassment.

In hiring personnel and establishing collaborative relationships, FLOS guarantees impartiality and equal opportunities, by adopting objective selection criteria based on value, merit and competence.

Human resources are also increased in value on the basis of neutral and merit-based criteria. The personal and professional growth of workers is encouraged and favoured.

The Company protects the privacy of workers and refrains from investigating personal and confidential information, both in the selection phase and during the course of the contractual relationship. FLOS does not store, process, use or communicate workers' personal data without their express consent and always acts in compliance with applicable laws.

In the course of their employment, each employee is required to behave in compliance with the rules and regulations, internal or external, as well as with the provisions of this Code of Ethics and the 231 Model.

Relations between workers, at any level, must always be based on fairness, loyalty and mutual respect.

3.3 Relations with suppliers, contractors and sub-contractors, business partners and consultants

FLOS is committed to keeping a relationship of utmost trust with all its stakeholders and counterparties, operating with the fairness, reliability and diligence that have always distinguished it and have contributed to strengthening its reputation in Italy and around the world.

The Company's suppliers, contractors, subcontractors, business partners and consultants are selected according to impartial assessments based on objective criteria such as reliability, technical capacity, quality of materials used and compliance with FLOS' high quality standards.

In any case, the Company undertakes not to keep relations of any kind with persons whose membership in criminal organisations is even suspected or with those who in any case operate outside the law.

Conformity with the principles set out in this Code of Ethics must never be lacking in the performance of business relations: for this purpose, special provisions are included in contracts with Company's suppliers, contractors and sub-contractors, business partners and consultants to ensure compliance.

The commitment to comply with the Code of Ethics and the 231 Model also by these subjects is a necessary condition for establishing business relationships and keeping them over time.

3.4 Relations with the Italian and foreign Public Administration

Any relationship with representatives of public bodies, public officials or public service officers – at a national, European Union and/or international level – must be based on full compliance with applicable laws and the principles of fairness and transparency.

No promise or concession, property, money or advantages of any kind must be made in favour of representatives of Public Administrations or their family members or

similar, aimed at obtaining favourable treatment or which may in any case influence their independence of judgement towards the Company.

Similarly, it is forbidden to distribute gifts in order to favour the interests of the Company, except for gifts that do not exceed ordinary courtesy practices or, in any case, do not exceed the provisions of specific Company policies.

Any kind of contribution, grant, financing, soft loan or similar type of granting, however denominated, obtained from public bodies must be used exclusively for the purpose for which it was intended.

It is not permitted to give statements, data or documents to public bodies that are not true in order to obtain advantages of any form for the Company and for the Company's business in general.

Only the Company functions formally delegated for this purpose may assume commitments and manage relations with the representatives of public bodies, with public officials or persons in charge of public services – at a national, European Union and/or international level – on behalf or in the interest of FLOS.

The Company undertakes to guarantee the maximum availability and to ensure an attitude of full cooperation in the event of inspections by the Judicial Authorities and Public Authorities in general.

It is also forbidden to provide false information or omit the communication of relevant facts or the delivery of documentation when requested by the Authorities.

3.5 Relations with trade unions and political parties

FLOS guarantees that relations with trade unions and political parties are based on principles of fairness and transparency.

These relationships are only kept by the Company functions specifically authorised for this purpose.

The Company does not make contributions to trade unions, political parties or their representatives.

3.6 Relations with customers

The satisfaction of its customers' needs is the primary objective of all FLOS' work: the commitment of all those who collaborate in the Company's activities for various reasons must always be aimed at meeting the high expectations of customers.

For this reason FLOS is committed to guaranteeing the quality of the materials used in the manufacturing process, the accuracy of the production processes and the attention to details. All these aspects are fundamental to continue to supply products that, even before being design icons, are first and foremost an expression of excellence.

3.7 Accounting and Corporate Taxation

Accounting and management of corporate taxation must be based on strict compliance with current legislation and corporate procedures, and with the principles of clarity, truth, transparency, correctness, and accuracy.

Anyone who contributes, for any reason, to the preparation of accounting or tax documents must comply with the Company procedures established for this purpose.

In particular, traceability of decision-making, authorisation and execution processes of operations and transactions must always be guaranteed.

Considering that it is the right of third parties to have correct and truthful information on the financial and equity situation, as well as on the economic results of FLOS, all Recipients who, in any way, handle or are involved in the training and drafting of corporate and tax communications must behave correctly, ensure maximum transparency and, in general, follow the Company procedures in this framework.

3.8 Workplace Health and Safety

The Company is committed to ensuring a healthy working environment and to spreading and consolidating a safety culture at every stage of its business.

FLOS guarantees the health of workers, not only in terms of absence of diseases but also of physical, psychological and social well-being by adopting all necessary and appropriate organizational and management measures.

In particular, FLOS undertakes to:

- eliminate risks and, where this is not possible, minimise them in the light of the knowledge acquired as a result of technological progress;
- assess any risks that cannot be eliminated;
- reduce risks at source;
- respect the principles of ergonomics and workplace health and safety in the organisation of work, the design of workplaces, the choice of work equipment and the definition of working and production methods, in particular with a view to reducing the health effects of monotonous and repetitive work;
- replace what is dangerous with what is not or is less dangerous;
- plan the measures deemed appropriate to ensure the improvement of safety levels over time, including through the adoption of codes of conduct and good practices;
- give priority to the collective protection measures over individual protection measures;
- give adequate instructions to workers.

Every employee and collaborator is called upon to contribute actively to keeping an optimal standard of health and safety, refraining from any conduct that could endanger their own integrity or that of others.

3.9 *Environmental protection*

FLOS is committed to promoting a culture of respect for the environment and, in general, to observing and ensuring scrupulous compliance with the relevant regulations and Company policies.

In particular, the Company:

- takes the necessary measures to reduce and - if possible - completely eliminate the negative impact of its activities on the environment, not only when the risk of harmful or dangerous events is demonstrated (principle of preventive action), but also when it is not certain whether and to what extent the activities expose the environment to risks (precautionary principle);
- gives priority to adopting measures in order to prevent possible damages to the environment rather than waiting for the moment when the damage has occurred;
- carries out accurate and continuous monitoring of scientific progress and regulatory developments in the field of the environment;
- has only relations with suppliers, contractors and sub-contractors and business partners who comply with the abovementioned environmental protection standards.

3.10 *Gifts and entertainment expenses*

The gifts allowed by Company procedures must be characterised by their low value, unless there are limited and justified cases of exceptions approved in writing by the authorised parties (and in top management positions).

The Company adopts a register that keeps track of all gifts and donations, whether made by FLOS in favour of third parties or vice versa, received from third parties.

The reimbursement of entertainment expenses is regulated by control procedures and follows the principles of appropriateness and reasonableness.

The Company provides for limits to the reimbursement of expenses paid in advance by employees or collaborators for the exercise of corporate activities; any reimbursement of expenses must be relevant and adequately motivated and accompanied by supporting documents.

The Company records and keeps the work expense reports and carries out periodic checks on them to assess their regularity.

3.11 Observance of intellectual property and competitors' activities

FLOS firmly believes in the importance of innovation and pursues it in full respect of free and fair competition.

The Company conducts priority research around the world to ensure that the Company's business does not infringe on the intellectual property of others in any way.

The use of trade secrets of others is prohibited.

3.12 Protection of Company assets

All subjects who operate in FLOS and have access to Company assets and resources are required to make responsible and diligent use of them.

In particular, it is not permitted to use Company assets and resources in ways that could compromise their integrity and correct functioning or, in any case, reduce their value.

It is also forbidden to use Company assets and resources for personal purposes or, in any case, for purposes which are irrelevant to the employment relationship.

4. IMPLEMENTING RULES

4.1. Dissemination and updating

To ensure that all Recipients are aware of and understand this Code of Ethics, FLOS guarantees:

- the widest possible dissemination through the provision of appropriate cognitive and training tools;
- the maximum commitment to raising awareness among all Recipients with regard to the contents of the Code of Ethics;
- the full availability of the functions providing any clarifications that may be necessary.

FLOS provides training to all employees on the contents of this Code of Ethics. As for new employees, the Code of Ethics is part of an “information set” given at the beginning of the employment relationship which contains, among other documents, the 231 Model.

It is the responsibility of all Recipients to inform third parties with whom they have business relations about the provisions of this Code of Ethics, as far as they are concerned, and to request compliance with them.

Aware of the dynamic nature of the Company’s activities, FLOS undertakes to constantly update its Code of Ethics in order to adapt its provisions to the financial, commercial and organisational evolution of the Company as well as to any changes in the sector in which it operates, also in relation to the types of violations that may be detected during the course of the supervisory activity carried out by the functions in charge of this.

4.2 Control and sanction system

The adoption of the Code of Ethics certainly requires a precise control system on its complete and correct implementation.

Therefore, periodic checks are required to monitor the effective knowledge of the provisions of the Code of Ethics and their scrupulous observance.

Supervision and control over the implementation of and compliance with the Code of Ethics are assigned to the Human Resources function, which assesses any violations and related sanctions. Any violation and sanction will be communicated to the Supervisory Board appointed pursuant to Legislative Decree no. 231/2001 for its possible observations and actions.

In order to raise awareness of the full compliance with the provisions of the Code of Ethics and to ensure its effective implementation, appropriate sanctions are applied in the event of ascertained violation of the general principles and rules of conduct.

The implementation of sanction measures does not prejudice any further consequences, civil or of any other nature (criminal, administrative, tax) that may derive from the same act and is independent of the establishment and outcome of legal proceedings against the person who committed the violation.

In any case, the exercise of disciplinary power must be based on the principle of proportion – according to which the sanction imposed is commensurate with the extent of the violation – and on the adversarial principle – according to which the full involvement of the person concerned and his ability to provide justifications for his conduct are ensured –.

The observance of contents of this Code of Ethics must be considered as part of the contractual obligations of FLOS employees and collaborators: their commitment to observe the rules of conduct indicated therein is an essential condition for the establishment and continuation of the employment relationship.

More generally, the Recipients – as an active part of the effective implementation of the Code of Ethics – are required to promptly inform their hierarchical superior or contact person or Human Resources department of any conduct that, even potentially, is in conflict with the provisions above and to offer active cooperation in the investigation of any violations.