

CAREL

Code of Ethics

DISTRIBUTION LIST

All employees of CAREL Industries S.p.A. and the CAREL Industries Group.

DOCUMENTARY REFERENCES

Legislative Decree 231/2001

UPDATES

Edition	Date	Reason	Approved
1	30/03/2017	First Issue	Board of Directors
2	12/11/2018	Update	Board of Directors
3	12/05/2023	Update	Board of Directors
4	13/11/2025	Update	Board of Directors



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I. PREMISE

CAREL Industries SpA (hereinafter also “Company” or “CAREL”) *is a world leader* in control solutions for air conditioning, refrigeration and heating and in systems for humidification and adiabatic cooling. The customer base consists of enterprises, Business to Business (B2B) channel, end-users and distributors.

The Company is a provider of testing instruments for the air conditioning, commercial and industrial refrigeration markets, in the production of air humidification systems. The solutions developed by the Company find application in the commercial, industrial and residential sectors.

The Company believes that respect for ethical principles in the management of its activities constitutes an essential prerequisite for success, a means of enhancing its reputation and the expression of a fundamental and distinctive heritage.

Indeed, with the adoption of this Code, the Company formalizes its commitment to pursuing responsible development, based on the principles of legality, morality, dignity, equality, and professionalism.

CAREL intends to build and consolidate trusting relationships with all its *stakeholders* over time. Therefore, the Code of Ethics aims to promote economic efficiency while respecting moral principles and business ethics, encouraging consistent and uniform behaviour that contributes to the consolidation of a solid and positive corporate reputation.

This Code of Ethics consists of:

- ✓ the general principles on *stakeholder* relations, which define in an abstract way the reference values in CAREL's activities;
- ✓ the criteria of conduct towards each class of *stakeholder*, which specifically provide the guidelines and standards to which CAREL employees are required to adhere in order to comply with the general principles and prevent the risk of unethical conduct;
- ✓ the implementation mechanisms, which describe the control system for compliance with the Code of Ethics and for its continuous improvement.

The Code of Ethics integrates and completes the Organisation, Management and Control Model, identifying the rights, duties and responsibilities of all those who participate in the life of the Company, in line with corporate values. The ethical principles contained therein guide the company's activities and are a binding guide for the organisation and conduct of business.

In accordance with the Confindustria Guidelines, the Company has combined its general ethical values with a set of specific principles, consistent with the provisions of the Legislative Decree 231/2001, aimed in particular at preventing the commission of the alleged crimes.

II. PRELIMINARY PROVISIONS

2.1 Glossary

In this Code, the terms and expressions below shall have the meaning ascribed to them. Terms used with a capital letter should be understood as also referring to their corresponding plural or singular form, depending on the context. Likewise, terms declined in the masculine form are considered to also extend to the feminine form.

"Code"	this Code of Ethics and any attachments, as supplemented or modified from time to time;
"Collaborators"	persons who, although not linked to the Company by a subordinate employment relationship, have contractual or professional relationships with the same, even of an occasional or project nature, as well as any other form of collaboration referable to the hypotheses set forth in Article 409 of the Code of Civil Procedure. This also includes consultants, external professionals, trainees, interns and, in general, all those who operate, even de facto, under the direction or supervision of persons in senior positions within the Company;
"Recipients"	subjects to whom the provisions of this Code apply and, in particular, the Board of Directors; employees, collaborators, as well as <i>partners</i> in business relations and all those who have business relations with the Company;
"Employees": persons who are employed by the Company under an employer-employee relationship, including those with a fixed-time or part-time employment contract;	
"Company Representatives"	Chairman, Chief Executive Officer, members of the Board of Directors, Board of Statutory Auditors, General Manager as well as members of other corporate bodies of CAREL that may have been established pursuant to Article 2380 of the Civil Code (as amended by Legislative Decree no. 6 of 17 January 2003) or special laws, as well as any other person in an apical position, i.e. any person who holds representative, administrative or management positions of CAREL or one of its organisational structures with financial and functional autonomy in accordance with Legislative Decree 231/2001;
"Supervisory Body"	a body with autonomous powers of initiative and control with the task of supervising the functioning and compliance with the Model and ensuring its updating, in order to carry out its function effectively it must possess the following requirements:



independence, third-party status, integrity and professional competence;

"Managers"

employees in charge of one or more sectors of CAREL, in accordance with the Company's organisational chart, as updated from time to time.

2.2 CAREL values

The values on which the Company's activities are based are summarised in the CAREL Culture Code (CCC): on the one hand, they are an expression of the desire for continuity with CAREL's historical identity and, on the other, they represent an ideal and a value objective for the future, in order to enable people to put the company vision into practice:

Be open! Valuing the diversity of people and new approaches, looking at experiences and knowledge outside CAREL, questioning the status quo and operating with a global horizon;

Experiment! Innovating using short cycles and in collaboration with customers, considering failures as a learning opportunity;

Care! Asking for and listening to the opinions of others while remaining transparent and taking into account how one's own actions affect the work of others while defending one's own ideas;

Think customer first! Working by putting the customer's perspective at the centre, offering them the best solution and the best service we are able to offer;

Make the difference! Setting ambitious, clear and shared objectives and evaluation criteria, taking responsibility and risks for one's actions and embodying the principles of the CAREL Culture Code.

2.3 Scope and Recipients of the Code

The rules contained in this Code of Ethics apply to and are binding on the members of the Company's governing bodies; employees and collaborators, regardless of the nature and duration of the relationship; any person who has a collaboration, partnership or other form of professional relationship with the Company, whether direct or indirect, stable or temporary. This Code of Ethics, therefore, is also binding for employees and collaborators, as well as for company representatives of CAREL Industries S.p.A. Subsidiaries.

The Company also requires all its *stakeholders* to abide by the general principles of this Code in their autonomous operations and, in particular, in their relations with CAREL.

Indeed, the Company seeks to create and maintain a relationship of trust with all its stakeholders, be they investors, employees, customers, suppliers, collaborators, organizations, associations, or institutions. The Code of Ethics therefore aims to promote relationships of trust by formalising and communicating one's commitments and responsibilities, as well as standardising everyone's behaviour in order to

preserve the conduct of business from hostile behaviour, by individuals and organisations, towards the Company itself.

Specifically:

- (i) Company Representatives, within the scope of their administrative and control functions, are inspired by and conform to the principles of this Code;
- (ii) the Managers shall conform their conduct to the principles laid down in this Code and demand compliance therewith by Employees and Collaborators. To this end, the Managers set an example through their conduct. For the purposes of this Code, each Manager shall be directly responsible for the coordination and/or control of collaborators under their direction and shall supervise them to prevent any violations of this Code. More specifically, each Manager is required to:
 - 1 communicate to its employees, in a clear, precise and complete manner, the obligations to be fulfilled and, specifically, the obligation to comply with the law and this Code;
 - 2 unequivocally inform its employees that, in addition to disapproving of any violations of this Code, such violations may constitute a breach of contract and/or a disciplinary offence, in accordance with applicable law, and may therefore be punishable;
 - 3 promptly report to its superior or to the Supervisory Board its own findings as well as any information reported to it by its collaborators concerning potential or current breaches of this Code by any Employee or Collaborator;
 - 4 as part of the functions attributed to them, implement or promote the adoption of suitable measures to avoid the protraction of violations and prevent retaliation against collaborators and employees under their supervision, or any other Employee or Collaborator;
- (iii) Employees, collaborators, business *partners* and persons in business relations with the Company must adapt their conduct to the principles set out in the Code of Ethics and, to the extent of their competence, to the provisions of the Model.

All Recipients are also required to promote compliance with the Code, including by third parties, aware that no action in conflict with the Code can be justified by the Company's interests.

Customers and suppliers are also called upon to conform their conduct to the principles of the Code in their relations with the Company.

Every activity carried out on behalf of the Company must be characterised by professionalism, moral integrity and proper management, with the aim of promoting a culture of legality and protecting and strengthening the Company's image and reputation.

Therefore, any conduct by employees in conflict with the provisions of the Code will be subject to sanctions proportionate to the seriousness of the breach, as governed by the disciplinary system, an integral part of the Organisation, Management and Control Model.

Suppliers and external collaborators must adhere to the entire contractual documentation submitted by the Company, which will include the obligation to comply with the Code of Ethics, as well as other voluntary rules of conduct that the



Company has prepared and communicated for this purpose, which may also provide for specific sanctions for any breach thereof, as well as the termination of existing contracts.

III. GENERAL PRINCIPLES

The following principles represent an inalienable and fundamental asset of the Company, which must build its growth on a solid reputation faithful to these values.

3.1 Legality

Compliance with the law, as well as with the provisions of its Articles of Association, Code of Ethics and internal regulations, is a fundamental principle for CAREL. Under no circumstances may the pursuit of the Company's interest justify conduct to the contrary.

Within the scope of their functions, the Addressees are required to comply with all the rules of the applicable legal system, whether national, supranational or foreign, and to refrain from any conduct that constitutes a breach of the law, regardless of the nature of the sanctions provided for.

To this end, each Recipient undertakes to diligently familiarize themselves with the legal provisions relevant to the performance of their activities, constantly updating themselves in relation to any regulatory changes.

In addition to the general principles of diligence and loyalty set out in art. 2104 of the Italian Civil Code, Recipients shall also observe behavioural prescriptions contained in the collective agreements applicable to them.

3.2 Morality

The quality and efficiency of the corporate organisation and the Company's reputation are a priceless asset and, to a substantial extent, they depend on each Recipient's conduct. Therefore, through their conduct, Recipients are required to contribute to the preservation of such asset and, especially to the Company's reputation, both in the workplace and outside of it.

In particular, in carrying out their duties, each Recipient shall conduct themselves in a manner inspired by moral integrity, taking into account the different social, economic, political and cultural contexts of reference and, in particular, the following values:

- (i) honesty, fairness and good faith, being accountable for their actions within the scope of their respective duties;
- (ii) transparency, dealing with information in its possession in a timely manner and implementing communication and information processes inspired by clarity, completeness, accuracy and sharing.

3.3 Dignity and equality

In decisions that affect relationships with shareholders, employees, collaborators, suppliers, customers, and *partners*, the Company rejects any form of discrimination based on gender, age, ethnicity, nationality, skin colour, religion, sexual orientation and identity, political opinions, union membership, marital and family status, health status, and any other personal characteristic that distinguishes an individual.

Indeed, each Recipient recognizes and respects the personal dignity, privacy and personality rights of any individual.

The Company protects and promotes the value of human resources in order to improve and increase the wealth and competitiveness of the skills possessed by each employee and collaborator.

To this end, it guarantees:

- (i) Physical and moral integrity
- (ii) Safe, healthy working environments that respect human dignity.

Requests, pressure, and threats aimed at inducing people to act against the law and the Code of Ethics or to adopt behaviours contrary to the moral and personal conditions of the individual will not be tolerated.

Professionalism

Recipients shall carry out their activities with the professionalism required by the nature of their tasks and functions, using maximum effort in the achievement of the objectives set and diligently performing the necessary activities for further analysis and update.

IV. EXTERNAL RELATIONS

CAREL selects its *partners*, suppliers and external collaborators on the basis of criteria of integrity, transparency and reliability. Before entering into collaborative relationships, transactions or projects, the Company gathers information on the counterparty's profile and reputation, assessing any risks related to corruption, conflicts of interest or conduct that does not comply with the law.

This assessment considers, among other factors, the geographical context, the nature of business *partners* and the possible economic, operational and reputational consequences for the Company.

Likewise, the Company complies with the principles of fairness and equity. Potential contractors must be given clear information about the required behaviour.

Those acting in the name and on behalf of the Company are not permitted to:

- (i) Renegotiate contracts by exploiting others' weaknesses
- (ii) Abuse Authority in Hierarchical Relations



- (iii) Disregard contractual agreements established between the parties or take advantage of situations of ignorance or incapacity of the other party in the performance of tasks.

Gifts, benefits or other advantages

It is expressly forbidden to offer, grant, solicit, accept or receive gifts, benefits or other utilities, directly or indirectly, including on festive occasions, that may influence or give the impression of influencing business decisions in favour of persons with whom the Company has business dealings.

Excluded from this prohibition are gifts of modest value¹, which are attributable to normal business courtesy and which do not create in the other party or in impartial third parties the impression of acquiring or granting undue advantages or of violating the law or ethics.

In particular, any form of gift to Italian and foreign public officials (including in those countries where the giving of gifts is a widespread practice), or to their relatives, that may influence independence of judgement or induce them to secure any advantage for the company is prohibited.

The Recipient who receives donations, or offers of donations, that do not comply with the foregoing shall promptly inform the Recipient in writing:

- if Employee or Collaborator, his/her Manager;
- if Manager or Corporate Representative, the Supervisory Body, for the adoption of appropriate measures.

Any Recipient who, in the course of his or her duties, enters into contracts with third parties must ensure that such contracts do not provide for or imply donations in violation of this Code.

CAREL allows donations and/or sponsorships to third parties or sports events, provided that such initiatives are not aimed at obtaining undue advantages for the Company.

Regardless, such donations/sponsorship shall:

- be approved and duly authorised;
- be destined to non-profit organisations, associations and/or foundations, endowed with Articles of Association and memorandum of association, that promote cultural, social or sports development initiatives in the territory, with charitable purposes, and whose values are consistent with the Company's policies and principles;
- be subject to tracking and documented in writing.

In any case, in the evaluation and selection of proposals, the Company adopts criteria of transparency and accountability, paying particular attention to the

¹ Reference is made to amounts not exceeding €150.00 or equivalent in foreign currency, thus complying with Presidential Decree 62/2013, "Regulation containing the code of conduct for public employees, pursuant to Article 54 of Legislative Decree No. 165 of 30 March 2001" Article 4, Paragraph 5.

prevention of any possible conflict of interest, whether of a personal or corporate nature.

4.2 Customer Relations

Business relations established with customers are an integral part of CAREL's corporate assets.

The Company maintains relations with customers that respect the fundamental principles and, taking into account their legal system and social, economic and cultural context, the rules of this Code.

To strengthen customer trust and loyalty, each Recipient must manage relationships with them according to criteria of legality and moral correctness, in full compliance with the principles of professionalism and integrity.

To this end, Recipients are required to carry out their activities with customers with expertise, accuracy, prudence, wisdom, dedication and efficiency, as well as with honesty, loyalty, helpfulness and transparency.

In particular, Recipients are required to:

- Observe the procedures formally adopted by CAREL concerning customer relations
- Provide accurate, precise and comprehensive information to customers regarding the goods and services provided by CAREL;
- Ensure fairness and non-discrimination towards customers, avoiding any form of arbitrary treatment;
- Draft contracts and communications in a clear, simple, complete manner that complies with current legislation;
- Avoid using misleading and untruthful advertising tools. Specifically, statements must be based on objective and verifiable facts; the information communicated must be accurate and truthful, both in advertising and in any other statements; any comparisons with competing products or services must be balanced, precise, and demonstrable;
- Ensure that the behaviour of employees and collaborators is always inspired by respect, courtesy, availability, and professionalism, in line with internal company procedures;
- Provide high quality services, aimed at meeting or exceeding the legitimate expectations and needs of customers

Conform all commercial and promotional activities to ethical principles and applicable laws, expressly prohibiting acts of corruption, illicit payments, and collusive practices.

4.3 Relations with suppliers and external collaborators (e.g. consultants, agents)

CAREL maintains relations with suppliers that respect the fundamental principles and, taking into account their legal, social, economic and cultural system, the rules of this Code.



The Company pursues the fair and impartial selection of its suppliers and external collaborators.

Recipients must comply with the procedures for selecting and awarding suppliers laid down in the company directives, as well as with any public tendering procedures provided for by current legislation.

Without prejudice to roles characterized by *intuitus personae*, which must be assessed on a case-by-case basis, the Recipients, within the scope of their functions, must observe the following rules:

- (i) each Employee or Collaborator must inform his or her Manager, and each Manager or Company Representative must inform the Supervisory Board, of any personal interest that may generate conflicts;
- (ii) in the case of competing bids, suppliers must not be favoured or hindered and must in any case be compared in a fair and equitable manner, adopting objective evaluation and selection criteria and transparent procedures for this purpose. Consequently, no supplier meeting the requirements may be excluded from being awarded the contract;
- (iii) it is permissible to accept invitations from counterparts only if the reason and scope of the invitations are appropriate and a refusal would breach the duty of courtesy.

In the event that CAREL purchases semi-finished and/or finished goods from third parties, in order to use them in its own production process or to sell them on the end market, it is forbidden to falsify the origin of the material or alter any third-party trademarks present on the materials/products used.

4.4 Relations with Partners

When participating in initiatives jointly with other parties, either by setting up joint ventures with one or more partners, or by acquiring stakes in companies with other partners, the Addressees must:

- establish relationships exclusively with *partners* or associates who enjoy a reliable commercial reputation and who operate according to the principles pursued by the Company and set out in the Code of Ethics;
- ensure the transparency of agreements and avoid the signing of secret pacts or agreements contrary to the law;
- promptly report to the relevant corporate function any conduct by the investee company, *joint venture*, *partner*, or shareholder that conflicts with the Code.

4.5 Relations with governments and public institutions

Relations with public institutions are managed by authorized Company Representatives, or by persons delegated by them, in compliance with the provisions of this Code, the Company's Articles of Association, and special laws, always pursuing and respecting the principles of transparency and efficiency.

In the relationships that the Recipients of the Code maintain with the Public Administration, even through third parties, the following principles must be respected:

- always operate in compliance with the law and correct business practices, with the express prohibition of conduct that, in order to obtain advantages for the Company or to pursue its interests, may constitute offences;
- during business negotiations, requests or relations/communications with the Public Administration, employees, collaborators and individuals who operate on behalf of the Company must not try to improperly influence decisions, nor induce managers, officers or employees of the Public Administration - including those who make decisions on behalf of the Institution - or their relatives or cohabitants, to carry out acts contrary to official duties, even if such acts are for the benefit or interest of the Company.

By way of example, and not limited to, Recipients of the Code must not, either directly or indirectly:

- Offer, promise or receive valuable gifts, money, goods, services, services or other forms of courtesy in order to obtain advantages or preferential treatment in any relationship with the Public Administration;
- Accept gifts, acts of courtesy or hospitality, or other benefits granted by members of the Public Administration or their relatives;
- Exert undue pressure or promoting behaviour contrary to the duties of office of public managers, officials or employees;
- Present false statements to national or community public bodies, or alter computer systems or data, in order to obtain improper advantages, funding, concessions, authorizations or other administrative acts;
- Allocate public monies or contributions for purposes other than those for which they were allocated;
- Solicit or obtain confidential information that may compromise the integrity or reputation of the Company or the Public Administration.
- Propose or evaluate employment opportunities or personal advantages for Public Administration employees during business negotiations or business relationships.

4.6 Relations with political and trade union organisations

Relations with political organizations and trade unions are managed by authorized Corporate Officers, or by those delegated by them, in accordance with the provisions of this Code and the Company's Articles of Association and special laws, with specific regard to the principles of impartiality and independence, at the national and international level.

The Company does not make contributions of any kind, directly or indirectly, to political parties, movements, committees, and political and trade union organizations, nor to their representatives or candidates, either in Italy or abroad, with the exception of contributions required by specific regulations.

The Company refrains from any direct or indirect pressure on political or trade union representatives, through its employees or collaborators.



Members of the administrative body and employees, in turn, may not engage in political activity during working hours or use goods or equipment for this purpose; they must also clarify that any political opinions they express to third parties are strictly personal and never represent the opinion or orientation of the Company.

In relationships with other interest groups (e.g., trade associations, environmental organizations, etc.), it is prohibited to promise or pay sums, promise or grant goods in kind or other personal benefits to promote or favour the Company's interests.

4.7 Relations with Supervisory Bodies

Relations with the Supervisory Bodies are characterized by maximum transparency, clarity, professionalism, and fairness. This is to establish a relationship of maximum collaboration and prevent the pursuit of corporate interests from being achieved through the promise, offer, or payment, directly or through intermediaries, of sums of money or other benefits, gifts, and acts of courtesy and hospitality to those responsible for supervision and control, in order to influence them in the performance of their duties and/or gain an undue advantage from them.

Under no circumstances does the pursuit of the Company's interests justify acts that impede or hinder the legitimate control activities of the Bodies responsible for this, including the concealment or destruction of documents, or the implementation of simulated or fraudulent acts with the aim of unduly influencing the activities and decisions of the aforementioned Bodies.

4.8 Relations with the Judicial Authority

The Company refrains from inducing Recipients to make false statements to the Judicial Authority in order to influence the decisions of the judging body to their advantage.

If the Recipients are involved in judicial proceedings, they must cooperate effectively and make truthful, transparent and representative statements of the facts.

It is explicitly forbidden to:

- engage in any activity that may favour or harm one of the parties in the proceedings;
- condition, in any form and in any way, the will of the subjects called to respond to the Judicial Authority in order not to make statements or declare facts that are not true;
- promise or offer money, gifts or other benefits to parties involved in legal proceedings or to people close to them.

4.9 Relations with the media

Relations with the press, television and in general with the mass media, both national and foreign, are kept exclusively by the Company Representatives authorised to do so or by the persons delegated by them.

All external communication must be authorised in advance in accordance with the company procedures in force from time to time and in order to protect the company's reputation.

4.10 Competition

Each Recipient is required to comply with the regulations on fair competition and antitrust.

In order not to infringe competition regulations, CAREL exclusively carries on business according to its own strategic and commercial decisions, defining its policy autonomously and independently from that of competitors.

More specifically, it is forbidden to:

- i. establish relationships with CAREL's competitors to reach agreements on purchase or selling prices, quantities or other contractual terms and conditions;
- ii. enter into non-competition agreements or arrangements, including verbal, with CAREL's competitors;
- iii. prevent or limit production, markets or market access, capital expenditures, technical development, or technological advancement;
- iv. allocate markets or supply sources, including through agreements for participation in tenders;
- v. apply objectively different conditions for equivalent services in business relations with other contracting parties, so as to result in unjustified competitive disadvantages for them;
- vi. make the conclusion of contracts subject to the acceptance by the other parties of additional services which, by their nature or according to commercial usage, have no connection with the subject matter of the contracts.

In order to prevent violations of the above-mentioned regulations, Employees and Collaborators are obliged to report to their Supervisor, and Managers and Company Representatives are obliged to report to the competent Supervisory Board, any conduct in conflict with the above-mentioned prohibitions.

The promotion and sale of the Company's products and services must be based exclusively on their real value and the benefits they offer to customers. It is prohibited to denigrate competitors or their products and services with false or misleading information.

The Company recognizes competition as an essential element for economic and social development and, within the scope of its business, is committed to:

- guaranteeing conditions of free competition, allowing economic operators to enter the market and compete on an equal footing;
- protecting customers by encouraging price containment and improving the quality of services, resulting from the free play of competition.



In addition, the Company actively cooperates with the Antitrust Authorities and regulatory bodies, promptly providing all the information requested and supporting the verification and inspection activities required by law.

4.11 Fight against corruption

Consistent with the values of honesty and transparency, the Company undertakes to take all necessary measures to prevent and counteract public and private corruption.

This Code of Ethics constitutes the reference document setting out the principles of conduct to be observed to mitigate the risk of violations of the laws and regulations on corruption in force in the countries in which the Group operates. The Code is also adopted to foster the creation of sustainable value based on professionalism, legality, morality, dignity, and equality.

In cases not expressly governed by applicable laws and regulations, Recipients and third parties involved must comply with the principles and guidelines contained in this Code.

It is forbidden, in any form whatsoever, to offer, promise or receive money, as well as to engage in any other corrupt practice, whether direct or indirect, aimed at influencing the independence of judgement or obtaining undue advantages for the Company, even if carried out in conspiracy with others or suffered by third parties.

V. HUMAN RESOURCES

5.1 Selection, management, human resources development and training

Human resources are the central element underpinning the Company's pursuit of its objectives.

Employees and collaborators must act loyally in order to comply with the obligations subscribed to in the employment contract, as well as comply with the provisions of the Organisation, Management and Control Model and this Code of Ethics, ensuring the required services.

In selecting and managing personnel, the Company adopts criteria of merit, competence and equal opportunities.

The Company recognises in its entrepreneurial role a concrete responsibility to safeguard working conditions and to respect the physical and psychological integrity of workers. With this in mind, it is committed to preventing and opposing any form of psychological violence, discrimination or behaviour that may offend the dignity, personal convictions or individual choices of each person. Therefore, attitudes likely to create an intimidating, hostile or discriminatory work climate are prohibited, as well as conduct such as undue interference in the performance of the activities of others or hindering, for reasons of mere personal competition, the legitimate professional opportunities of colleagues.

Staff are hired under regular employment contracts and no form of irregular work is tolerated. The Company is committed to combating undeclared work and illegal immigration.

It is forbidden to establish employment relationships with individuals who do not have a residence permit or whose permit has expired. When the employment relationship is established, each employee receives information on the characteristics of the function and tasks to be performed, regulatory and salary elements, rules and procedures to be observed: this information must be presented in such a way that the acceptance of the assignment is based on an effective understanding.

Salary increases and career advancement are determined solely on the basis of skills, experience, achievements and demonstrated values. It is expressly forbidden to offer salary increases, advantages or career advancement as a counterpart for conduct contrary to the law, the Code of Ethics, the Gender Equality Management System² or internal rules and procedures.

CAREL recognises and promotes the development of the skills and capacities of each Recipient, also through training and refresher programmes aimed at all personnel. Each Recipient is required to participate with commitment in these activities and to report any needs for further training interventions, so as to allow the Company to adopt the most appropriate initiatives.

5.2 Equal opportunities

The Company is committed to promoting and strengthening an inclusive work environment, based on respect for the dignity of each individual and free from any form of discrimination, be it ethnic, cultural, ideological, gender, physical, moral, religious, or otherwise.

Other things being equal, all Recipients are guaranteed the same opportunities for professional growth and development of their skills.

The pursuit of this objective represents a shared responsibility, to which each Recipient is called to contribute with their daily behaviour and commitment.

5.3 Work environment

Recipients shall cooperate to achieve common results and undertake to create a serene, challenging and rewarding working environment.

Within the workplace, Recipients shall conduct themselves in a manner characterized by correctness, seriousness, order, and decorum.

The Company does not tolerate any form of harassment, discrimination or conduct detrimental to the dignity of the individual in labour relations and is committed to combating it.

² The Company obtained certification of its gender equality management system on 9 January 2025.



5.4 Collateral activities

Recipients are permitted to carry out incidental activities to the extent that they do not compromise the performance of their work activities for the Company.

In any case, Recipients must refrain from carrying out incidental activities (including unpaid) that are in contrast with the specific obligations they have assumed with CAREL.

5.5 Use and protection of company assets

The Company's assets consist of both tangible assets—such as IT tools, equipment, vehicles, real estate, and infrastructure—and intangible assets, including confidential information, know-how, technical expertise, trademarks, and patents developed as part of its business activities. The protection and proper management of these resources is an essential element in safeguarding the interests of the Company. Indeed, the Company's corporate assets, in particular plant and equipment located in workplaces, are used exclusively for service reasons, in accordance with current legislation.

It is forbidden to use company resources—particularly IT and network resources—for purposes contrary to the law, public order, or morality, as well as to engage in or encourage unlawful conduct such as inciting racial hatred, apology for violence, gender discrimination, or violations of human rights.

Likewise, Recipients are not permitted to make recordings, audiovisual, electronic, paper or photographic reproductions of company documents or materials, unless such activities fall within their duties or are expressly authorised.

The Company uses artificial intelligence systems in full compliance with applicable regulations, ensuring their safe and transparent use. These systems are adopted always ensuring human supervision, data protection, technical robustness and clear allocation of responsibilities.

Employees and collaborators are required to scrupulously comply with internal regulations regarding the correct use of artificial intelligence, as well as the directives issued by the relevant company departments.

5.6 Alcoholic and narcotic substances; smoking

The use of narcotics and the consumption of alcoholic beverages during work and/or at the workplace is strictly prohibited.

Without prejudice to the legal provisions on smoking in the workplace, the Company, in any case, pays particular attention to the needs of those who require protection from exposure to so-called 'passive smoking', ensuring a healthy working environment that respects the health of all.

VI. CONFLICTS OF INTEREST

Recipients must refrain from any activity or situation that could generate a conflict between personal interests and the interests of the Company.

By way of example, conflicts of interest can arise from the following situations:

- (i) holding company positions or carrying out work activities of any kind at customers or suppliers;
- (ii) acquisition by the Recipient or their families of economic and financial interests in suppliers' or customers' businesses (such as, for example, direct or indirect holdings in the share capital of such entities).

Each situation that may give rise to a conflict of interest, or otherwise affect the Recipient's ability to make decisions in the best interest of the Company, must be immediately reported by the Employee or Collaborator to their Manager, or by the Manager or the Corporate Officer to the Supervisory Board, and shall result in the obligation for the Recipient in question to refrain from carrying out any acts connected with or related to such situation.

In any case, the statutory rules on conflicts of interest for members of management and control bodies apply.

VII. ACCOUNTING AND INTERNAL CONTROLS

7.1 Accounting records

Accounting transparency and the keeping of accounting records in accordance with the principles of truthfulness, completeness, clarity, precision, accuracy and compliance with current legislation are the fundamental prerequisites for an effective control system.

Adequate supporting documentation must be kept for each transaction to enable proper bookkeeping, as well as the reconstruction of the transaction and the identification of any responsibilities.

Each Recipient is required to collaborate to ensure that all management activities are recorded in the accounts correctly and promptly.

Recipients are also required to submit supporting documentation for completing expense reports and requesting reimbursements.

7.2 Internal controls

The functionality and efficiency of a complex structure requires that it functions properly at all levels; to ensure such operation, an internal control system is in place, designed to monitor and guide CAREL's organization.

Each Recipient, to the extent of their duties and tasks, is responsible for the definition and proper functioning of the control system.



7.3 Disclosures

The flow of information must be managed according to truthfulness, accuracy and timeliness criteria. To this end, both internal reports (intended for colleagues, collaborators, shareholders) and external reports (intended for customers, suppliers, institutional partners, the market), shall be drafted scrupulously and in accordance with these principles.

CAREL, furthermore, scrupulously complies with legal obligations, including the provisions relating to communications to the competent Authorities, with particular reference to supervisory and control Authorities, and actively cooperates with these authorities in the performance of their functions, in full compliance with current regulations.

VIII. CORPORATE POLICIES

8.1 Environmental protection

Environmental protection and the safeguarding of natural resources are strategic and priority objectives of the Company.

CAREL, together with all its employees, acts in accordance with current laws and regulations in order to protect the environment and reduce and prevent all forms of pollution.

In performing their functions and activities, Recipients must contribute to the achievement of exemplary results in this field.

The Company is guided by the principle of sustainability and contributes, in the appropriate fora and in the performance of its industrial activities, to the promotion of scientific and technological development aimed at environmental protection and the safeguarding of resources.

8.2 Protection of health and safety at work

Each Recipient's responsibility with respect to their colleagues and collaborators requires the utmost care in risk prevention. To this end, the technical planning of workplaces, equipment and processes must be based on the highest level of compliance with the regulations in force on health and safety at work.

Each Recipient must pay the utmost attention in carrying out their activities, strictly observing all safety and prevention measures in place, to avoid any possible risk for themselves and their colleagues and collaborators.

8.3 Intellectual property and development of new products

The protection of the Company's intellectual property, including patents, trade secrets, trademarks, distinctive signs, technical and scientific knowledge, *know-how*

and skills acquired in the course of business activities, is essential to keep the Company's competitive edge.

Employees are required to define, protect, maintain and defend the Company's rights in all intellectual property and commercially relevant areas and to exercise those rights in a responsible manner.

In addition to protecting the Company's intellectual property rights, also the intellectual property rights of other parties must be respected.

8.4 Copyrights

Materials used by managers, employees and representatives of the Company in the course of their duties may be protected by *copyright*. Reproduction, distribution, or modification of these materials without the permission of the copyright holder is prohibited. Such behaviour may result in civil and criminal liability and constitutes a violation of this Code, resulting in disciplinary action.

However, the limited use of protected material is permitted in cases expressly provided for by law, such as *fair use*, for teaching, research, information, criticism or commentary purposes, within the limits set by the law.

Software programs are also protected by *copyright* and governed by specific licence agreements. It is prohibited to copy, install or use *software* on unauthorised devices, except as expressly provided for in licence agreements or applicable legal provisions.

8.5 Corporate social responsibility

The social responsibility of companies engaged both in Italy and abroad is a value recognized and shared within CAREL.

The Company carries out its business activities in compliance with social and moral obligations and, through them, it aims to contribute to the development of the economic, intellectual and social assets of each country and community in which it is engaged.

8.6 Fight against illegal practices

The Company takes measures to prevent criminal infiltration or the facilitation of illegal conduct in carrying out its activities. In this context, all Recipients are required to:

- refuse requests or solicitations that contravene the law and, if received, immediately inform the Supervisory Body;
- promptly report to the Supervisory Body and the competent Authorities any threat to their person, resources or business activities, providing all useful information and activating the required legal channels;
- report to the Supervisory Body any suspicious behaviour that may constitute illegal behaviour in relation to business activities.

The Company operates in the market fairly, complying with antitrust rules and regulations aimed at ensuring free competition. All Recipients must refrain from



behaviour that could constitute unfair competition or misleading advertising, constantly promoting transparent and correct commercial practices.

8.7 Fight against crime

The Company condemns any form of participation, promotion, financing or support of criminal activities, as well as actions aimed at undermining democratic order or public safety.

It is prohibited to undertake transactions in favour of counterparties if there is certainty or even suspicion that the funds originate from illicit activities or that the counterparty is operating for the purposes of money laundering or terrorist financing.

In particular, each Recipient must refrain from:

- maintaining relations with persons affiliated with criminal or mafia organisations;
- collaborating with such organisations to increase corporate profits;
- establishing business relations with companies suspected of links with organised crime;
- using waste disposal companies that do not have the authorizations required by current legislation.
- Furthermore, the Recipients involved in managing relationships with counterparties must:
- verify in advance the available information on counterparties;
- avoid operations that may involve the risk of money laundering;
- use payment instruments only through qualified and authorized intermediaries (banks, payment institutions, post offices, electronic money institutions);
- use credit cards, electronic payment instruments or equivalent documents correctly and legally.

Recipients are prohibited from holding financial interests in third-party companies that could generate conflicts with company interests.

IX. INFORMATION AND CONFIDENTIALITY

9.1 Information regarding CAREL

Under no circumstances may any confidential or privileged information relating to CAREL and acquired or processed by the Recipients in the performance of, or during their activities in relations with the Company, be used, disclosed to third parties or disseminated for purposes other than the institutional ones.

The notion of confidential information includes all data, knowledge, deeds, documents, reports, notes, studies, drawings, photographs and any other material related to the organization, its assets, production methods, commercial and financial operations, research and development, and to court and administrative proceedings involving the Company.

The obligation of confidentiality shall remain in force after termination of the relationship with the Company, in accordance with the laws and regulations in force.

Any confidential information must be kept in places that cannot be accessed by unauthorized persons.

9.2 Protection of personal data

In the performance of its activities, the Company ensures that the personal data of Recipients and third parties are treated in compliance with confidentiality and current data protection legislation.

Data processing is permitted exclusively to authorized personnel and must take place within the scope of their duties, in accordance with the internal procedures established in line with European Regulation 2016/679 (GDPR) and the Privacy Code (Legislative Decree no. 196/2003), as updated by Legislative Decree 101/2018.

Employees and collaborators are required to know and apply company information security policies to ensure data integrity, confidentiality, and availability.

X. IMPLEMENTING PROVISIONS

10.1 In general

In order to achieve compliance with the principles set out in this Code, CAREL ensures:

- (i) the widest possible dissemination of, and familiarization with this Code;
- (ii) the uniform interpretation and implementation of this Code;
- (iii) the conduct of investigations regarding any reported infringement of this Code and the application of penalties in case of violations of the Code, in accordance with the laws and regulations in force;
- (iv) the prevention and repression of any form of retaliation against those who contribute to the implementation of this Code;
- (v) the periodic updating of this Code, on the basis of requirements that from time to time arise, also in the light of the above-mentioned activities.

Without prejudice to the competences of the corporate bodies and the Supervisory Board as provided for by the law, all Employees are required to observe the Code and to actively cooperate in its application, in accordance with their responsibilities and functions.

Please refer to the provisions of the Organization, Management and Control Model pursuant to Legislative Decree 231/2001 adopted by the Company, where applicable.





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