

Haier Europe



Code of Ethics

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CODE OF ETHICS

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Code of Ethics addressees

The Code of Ethics (hereinafter referred to as “**the Code**”) is applicable to the Haier and Candy legal entities directly and indirectly controlled by Haier Europe Appliances Holding B.V. (hereinafter jointly referred as “**Haier Europe**”).

For sake of clarity, the Code is also applicable to different parties of Haier Europe, including Board of Directors, auditors, shareholders, employees, contractors, consultants, advisors, any party doing business with the Companies such as distributors, suppliers, affiliates and commercial partners (hereinafter referred either as “**Business**” or as “**Party**” or “**Company**” or “**Community**”).

As applicable the singular of the definitions in the Codes includes the plural and vice versa.

All our Community shall acknowledge, understand and agree to abide by the principles and the content of the Code.

In addition, all our employees shall follow, the Code of Conduct, policies, procedures and guidelines set out by the Companies, their own department and applicable professional standards.

1. Our Core Values

We, Haier Europe, are firmly committed to ensuring that all the targeted subjects of the Code observe the highest standards of ethical behavior and conduct.

Our core values are honesty and integrity, commitment and dedication, initiative, responsibility and striving to create value for our community, our shareholders, Employees and customers. This foundation defines the principles behind each section of the Code as defined below:

- **Honesty and Integrity** are essential to set out the basis for achieving the highest work ethic;
- **Commitment and dedication** are the source of continuous entrepreneurial innovation and the foundation for reaching new goals, meet applicable law requirements and needs of stakeholders and clients;
- **Initiative and responsibility** are the internal core quality requirement for autonomous operation and driver for individual employee performance;
- **Striving to create value for users and customers** is the fundamental and sole reason for the existence of the organization and our employees.

2. Purpose

The Code serves as our compass, which guides our behavior as we carry out our day-to-day activities. We operate in a global environment and may face various situations, which requires us to reflect upon the principles of the Code, in order for us to take the right decision forward. These principles are not exhaustive; rather they are intended to facilitate decisions that are consistent with Haier Europe values and business goals as well as its legal and policy obligations. Further and more detailed guidance can be found in the Company compliance programs, policies, procedures and guidance which shall be aligned with the present Code.

In case of doubts about the interpretation of the Code, or in the event that the Code should appear to contravene the Company compliance programs, policies, procedures and guidance for any reason, please report to Compliance.

3. Ethical Principles

3.1 PROFESSIONALISM

We shall base our behavior and work on factual and objective understanding of the business and our dealings with fellow employees.

Excellent professional ethics are the basic quality that we must have, and they are also the basic quality that we must have in undertaking our own job responsibilities.

Haier Europe hopes we can scrupulously observe professional ethics, abide by professional standards consciously and operate having in mind on one side customer's interests and on the other sense and behaviors reflecting ownership for

our own goals and work, to be implemented by borderless teamwork and active cooperation across departments. Each Company encourages taking responsibly for knowledge transfer and work handover as required.

3.2 ANTI-DISCRIMINATION AND ANTI-HARASSMENT

Haier Europe is committed to eliminating any discriminations from our conduct and to respecting differences in gender, age, ethnic origin, religion, political and union persuasion, sexual orientation, identity, language and disability. We shall offer equal opportunities to everyone and all - including Employees at all levels, stakeholders, partners and Third Parties in the distribution and supply chain as identified in the defined terms - shall strictly comply with anti-discrimination and anti-harassment principles. With respect to recruitment, salary/welfare, career development, and award/disciplinary measures, we shall make decisions based on objective facts, refrain from discriminating or treating anyone differently due to nationality, place of birth, gender, age, physical characteristics, interests and hobbies, religious faiths, etc.

In any case, Haier Europe will not tolerate any act of humiliation, threat or hostility and discrimination. We shall respect others and avoid the situations where our behavior will be deemed inappropriate.

3.3 PRIVACY AND CONFIDENTIALITY

We shall protect all personal information, including names, contact information, employment information, property information, age, nation, race or nationality, religious or philosophical belief, health or sexual orientation and confidential information. We shall respect rights regarding privacy of individuals (including employees, clients, users and suppliers), and promise to strictly observe relevant laws and regulations.

3.4 CONFLICT OF INTEREST

Haier Europe respects the private life of our employees. However, all Haier Europe people shall avoid situations in which interests may conflict with the interests of companies of Candy/Haier Group. In case a conflict of interest occurs, individuals shall disclose specific situations and activities in which they or their families or partners have interests that may conflict with the interests of Haier Europe.

3.5 HEALTH, SAFETY AND ENVIRONMENT

We believe that health, safety and environment ("**HSE**") is an essential requirement for the Haier Europe development, and it is an important part of our production and operation activities. Good management of health, safety and

environment is conducive to the creation of excellent performance.

We shall strive to achieve the HSE goal of zero injuries and death related to equipment, zero safety related accidents, and zero hidden hazards. We devote ourselves to providing a healthy and safe working environment for everyone, to fulfill our corporate social responsibility and protecting the environment.

The achievement of our HSE goal requires the participation and effort of everyone.

Haier Europe shall observe HSE laws and regulations and internal rules, learn and understand HSE knowledge related to our own position, and strengthen HSE awareness.

We shall endeavor to establish and maintain a healthy and safe work place, and provide labor safety and hygiene conditions conforming to legal provisions and necessary labor protection articles.

3.6 INTELLECTUAL PROPERTY

Haier Europe is aware of the importance of intellectual and industrial property and respects and protects the content of all forms of its own and other's property rights. In this regard, it is prohibited to use any protected intellectual property for whatever purpose and in whatever form, to use industrial secrets belonging to others, to use for commercial purposes industrial designs or models belonging to third parties.

3.7 FINANCIAL INFORMATION AND OPERATIONAL DATA

Operation and financial information and data must be true, accurate, complete and timely. It is prohibited from concealing, forging or manipulating records, or developing, providing or disclosing false reports and relevant information.

We shall keep all business data, including but not limited to business activity records, contracts, approval documents, financial instruments and financial books properly to ensure the completeness and accuracy of the business data. We shall systematically file and keep such business data according to Haier Europe's archive management rules and relevant laws and regulations.

3.8 COMPANY'S ASSETS

We shall exercise due care and take effective measures to protect Haier Europe assets (both tangible as well as intangible), use and dispose of the assets in such a responsible way as to prevent waste, damage, loss, misuse, misappropriation or infringement.

Without the Haier Europe's approval and authorization, we shall neither sell, transfer, lend or otherwise dispose the assets at will, nor make guarantee or demonstration in the name of the company's assets.

3.9 COMPANY'S SYSTEMS AND DATA PROTECTION

The company has a strong commitment in data protection and cyber security. In this regard, we shall manage personal data over their entire life cycle as required by law, and we shall implement cyber security measures to protect systems, networks, and programs from digital attacks.

IT systems are the backbone sustaining Haier Europe decision making process and, as such, they play a key role in supporting business activities and – to a certain extent – competitive advantage and must be protected as well as properly used.

Regarding the use of IT system on daily basis, it is expressly prohibited to falsify electronic documents, to illegally enter an information or telematics system protected by security measures, to intercept, impede and interrupt telematics communications or to damage IT electronic information including those used by Governments and Public Administration.

3.10 PRODUCT & MARKETING SUSTAINABILITY

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

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 publishing studies and comparisons with other products - we each of us is required to communicate honestly, providing all the useful information for an informed purchasing decision without resorting to misleading or deceptive sales strategies. No one should boast of the characteristics of our products that have not been adequately proven and each of us is to use a decent style of communication.

4. Relations with Business Partners

4.1 ANTI-CORRUPTION, ANTI-BRIBERY, ANTI- SLIVERY

Haier Europe prohibits all forms of corruption, bribery and slivery. The company strictly prohibits giving incentives to others in order to gain business opportunities and benefits.

We are also prohibited from receiving or soliciting advantages from others in business activities. Such incentives include but are not limited to cash, favors, negotiable securities, material objects, kickback, travel, entertainment, discounts, or use of the business units' property for free.

4.2 BUSINESS ENTERTAINMENT AND GIFTS

We shall not offer or accept gifts and business entertainment exceeding a reasonable limit or which are inconsistent with normal business relations.

Acceptance of entertainment may prevent us from making an objective judgment. Unless permissible by law and authorized by the relevant senior management, we shall not accept gifts, favors or entertainment of substantial value (not in line with the common sense and the expectations and conventions of acceptable business practice) that may affect the impartial execution of business.

We shall reject any bribes and avoid acts, which may be deemed as receiving bribes.

We and our family members shall also refrain from accepting any gifts that may affect the normal course of business with the Company.

We are strictly prohibited from directly or indirectly soliciting gifts, benefits or accepting any kickbacks, commissions, tips, etc.

If a gift may not be rejected due to unforeseen circumstances, we shall report to the direct supervisor or local HR representative or in accordance with the procedures issued from time to time and declare details of the received gift for relevant review and approval.

4.3 REFERRAL FEES, COMMISSIONS OR REMUNERATIONS

In Haier Europe, a transparent and shared process must be followed when authorizing business relationships or recommendations for suppliers or partners to clients or other companies and organizations, such as Haier Europe appointed dealers, cooperative vendors, software companies or financial institutions. Without following transparent assessment procedures for authorization, we shall not make such recommendations or engage such partners and in any case shall not receive referral fees, commissions or remunerations from such partners.

4.4 INTERNATIONAL TRADE CONTROL

For the consideration of national security, diplomatic policies or humanitarian, many countries implement import and export control or trade sanctions to limit the transactions with some countries, persons or entities and the transactions of some end-use applications (such as R&D of biological, chemical and nuclear weapons). The consequences of violation against trade control include loss of trade privileges and civil or criminal penalties. Whenever our business involves cross-border sales or transportation of products, technologies and services, we must understand and follow the latest and applicable trade control laws and sanctions.

4.5 FINANCIAL CRIMES, ANTI-MONEY LAUNDERING AND SANCTIONS

In daily business activities, we shall do our best not to engage in business dealings with criminal suspects or business dealings involving proceeds of crime and sanctions.

When discovering possible money laundering, we shall suspend the transaction, make timely reports to the Group's Legal Department or such other department or person as may be nominated by the Group from time to time and discontinue further transaction whilst the matter is being clarified or resolved.

5. Relations with Suppliers

We attract world class supplier resources by establishing a globally open, transparent, quick and efficient procurement platform. All the companies cooperating with us must follow the relevant national laws and regulations.

With respect to the selection of suppliers, Haier Europe follows the principle of selecting first-class resources amongst the available qualified resources. We shall realize the users' value through foresight and weigh all determinants impartially through the open information bidding platform to select the optimal suppliers in the Company's best interests, to create better user value and ultimately, to add brand value.

Employees are prohibited from exerting or trying to exert undue influence or to offer any forms of non-authorized preferential treatment to specific suppliers.

6. Relations with Competitors

When participating in market competition, we shall not only take an active and effective participation, but also observe laws, business ethics and demonstrate the products' quality, performance, after-sales service, etc. without misrepresentation, and shall not defame or attack the competitors maliciously.

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 any conduct which may give this erroneous impression.

7. Relations with Public Administration

Haier Europe's business activities may involve Public Administration in general and their related offices. We place great importance on mutual support and cooperation with those parties, observe the laws & regulations on transactions with them, and shall provide them with timely and accurate data and information.

In transactions (both businesses related as well as in requesting authorizations and licenses) with Public Administration in general (as well as with Public Servants), anyone participating in the project shall understand detailed transaction terms and conditions and shall ensure the performance of the terms and conditions delivered on time.

We are bound to conduct our duties with any Public Administrations, their related entities or personnel at arm's length and should refrain from providing any benefits such as bribes, gifts or preferential treatment in the course of our dealings.

8. Company's Reputation

We are a dynamic, positive and optimistic and enterprising Company with a strong sense of mission and responsibility. We shall actively safeguard the Company's (and Group, both Candy's and Haier's) reputation, image and interests, and resolutely stop any person from doing any act that may damage them in any form.

9. Confidential and Privileged Information

In general, when each Company of Haier Europe is concerned, information shall be provided only if accurate and timely and by authorized personnel.

Considering Haier Europe Group includes listed entities, confidential information may be considered "privileged" if known to the public. Therefore, no unauthorized communication shall be made to media, investors and public as well as no employees are allowed to use any internal information for taking advantage personally or to disclose it, not even for advising others.

We must abide by the Company's information security policies and take effective measures to protect such confidential information and documents. No one can disclose the company's confidential information or use such information without proper authorization or otherwise required by law.

All Haier Europe's people are required, while performing the tasks entrusted to them, to properly manage privileged information and to know and comply with corporate procedures relating to market abuse. Insider trading and any behavior that may promote insider trading are expressly forbidden.

10. 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 to sponsor promoters of projects for the collective wellbeing.

11. Implementation of the Code

11.1 GOVERNANCE OF THE CODE

The board of directors of Haier Europe is the ultimate responsible for the application, compliance with and respect of the ethical standards herein set out as well as the implementation of sanctions for cases of more serious non-compliance.

Haier Europe Compliance Officer for the Region, together with Group Internal Control & Audit and Supervisory Body (i.e. *Organismo di Vigilanza*), receives and handles reports about the Code and is in charge of the Code's management as part of the Group's daily operations.

11.2 REPORTING VIOLATIONS OF THE CODE

Anyone may report violations of the Code to Haier Europe Compliance Officer for the Region, together with Group Internal Control & Audit and Supervisory Body (i.e. *Organismo di Vigilanza*), according to the Group procedures from time to time in force and in particular either by using the Haier global Compliance Hotline (<https://secure.ethicspoint.eu/domain/media/en/gui/101937/index.html>) or sending an email to Compliance.

11.3 DISCIPLINARY ACTIONS IN CASE OF CODE VIOLATIONS

Compliance with the rules of the Code is an essential part of the contractual obligations of all Haier Europe's personnel pursuant to and in accordance with applicable law.

Any violation of the Code may be deemed a violation of employment contract obligations or a disciplinary offence and have consequences in law.