

Supplier

Code of Conduct

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## 1. Introduction

Founded in 2018, the group controlled by Flos B&B Italia Group is the largest global high-end design group with a European heritage, dedicated to curating, leading and enabling an unparalleled portfolio of complementary iconic brands ("Group").<sup>1</sup>

To support its mission, the Group has drawn up and developed a Code of Ethics and a Sustainability Policy encompassing the fundamental values, principles, and policies that the Group expects to guide, to the extent applicable, the activities of all those associated with it.

This Supplier Code of Conduct, addressed to and signed by each of the Group's suppliers, complements these measures, formalizing the values and principles with which the Group expects each of its suppliers to comply. **The provisions of this Supplier Code of Conduct are in addition to those contained in the Code of Ethics, any contracts or legal agreements, including general conditions of purchase, between suppliers and Flos B&B Italia Group S.p.A. ("Flos B&B Italia Group") and/or any of the Group companies, and do not replace them.**

In case of non-signature or non-compliance with the provisions set forth in this Supplier Code of Conduct, Flos B&B Italia Group and/or the relevant Group companies shall take adequate action pursuant to Chapter 7 below.

The Supplier Code of Conduct has been approved by the board of directors of Flos B&B Italia Group S.p.A. on November 25, 2022

## 2. Flos B&B Italia Group's purpose and principles

Our suppliers play a fundamental role in Group's purpose, "*we design for a beautiful life*", to beautify the world through our brands' products, which are not only beautiful objects, but the result of a mindful process that aims to take into account the environment, the interests of all of our stakeholders, and our heritage and community. Together with all the players in our supply chain, we design for the **planet**, for **people**, and for **culture**.

Our purpose is reflected in the values that inspire the way each of us operate and that we expect all of our suppliers to respect.

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<sup>1</sup> Any reference to the "Group companies" is to Flos B&B Italia Group S.p.A. and all of its directly or indirectly controlled subsidiaries.

**Namely, we expect each of our suppliers to act in compliance with the following principles:**

## A. Legality

Any activity carried out by the Group and its representatives must be based on honesty, good faith and absolute compliance with the applicable laws and regulations, International Labour Organization and United Nations Conventions, and any other relevant statutory requirements. Relationships with public authorities and officials shall be handled with utmost diligence and cooperation.

## B. Transparency

Anyone working on behalf of the Group undertakes to provide to its stakeholders truthful, material, and accurate information, bearing in mind that it is essential to keep the solid trust that third parties place in our reliability, while preserving business confidentiality. Information shared with the public shall always be based on reliable sources and, to the extent possible, verifiable criteria.

Transparency also inspires our everyday operations and the way we approach public authorities, our competitors and our customers.

## C. Accountability

We and each of our representatives strongly believe in the great responsibility that comes with our mission.

We investigate and take into account both the positive and the adverse effects, internal and external, of our own activity and of those associated with us, and stand accountable for them. We also exercise our influence over our partners to help them meet our standards.

Moreover, we identify and respect the proper allocation of tasks and responsibility in accordance with our internal policies and procedures as a way to guarantee due diligence and compliance.

## D. Beauty & Sustainability

We believe in sustainability as a fundamental means to beautification, and as something inherently beautiful itself. We understand and pursue sustainability as pertaining equally to our impact on the planet, on our people, and on the culture we inherited and purport to pass on to future generations through our timeless products and example.

As part of this process, we foster a fair and inclusive work environment and we promote utmost respect of health, safety, self-expression, dignity, and individuality. We repudiate and condemn all forms of unfair discrimination and undertake to ensure that any decision involving a judgement on the person is taken according to neutral and objective criteria.

### 3. Human rights and labour rights

The Group expects all our suppliers to manage adverse impacts on internationally recognised human rights, including labour rights, as stated in the **International Bill of Human Rights**, the **International Labour Organisation's Declaration on Fundamental Principles and Rights at Work**, and the internationally recognised standards, such as the applicable **ILO Conventions and Recommendations**.

In this regard, our suppliers are required to comply with the specific provisions on child labour, forced labour, illegal, clandestine, or undeclared work, working time and conditions, workers' dignity, equal pay, discrimination, and harassment set forth by the **International Bill of Human Rights**, the **International Labour Organisation's Declaration on Fundamental Principles and Rights at Work**, and the internationally recognised standards, such as the applicable **ILO Conventions and Recommendation**. Adherence to human rights and labour rights is set forth also by the applicable general conditions of purchase regulating the relationship between Flos B&B Italia Group or any of the Group companies and their respective suppliers.

### 4. Environmental responsibility

The Group expects all our suppliers to assess, address in decision-making, and establish adequate management systems in order to avoid or mitigate the foreseeable environmental, health, and safety-related impacts associated with their processes, goods, and services over their full life cycle.

In this regard, our suppliers are required to comply with the applicable laws and regulations and internationally recognised standards on environmental performance, traceability, raw materials and chemicals, air quality, emissions and pollution, waste production and management, and biodiversity protection, as set out also in the applicable general conditions of purchase that regulate their relationship with Flos B&B Italia Group or any of the Group companies.

## 5. Disclosure and confidentiality

### 5.1 Transparency

The Group requires our suppliers to take reasonable steps to guarantee product **traceability** by providing precise information, particularly regarding the methods used and the resources deployed, and by maintaining sufficient record to prove compliance with this **Supplier Code of Conduct**, the Group's **Code of Ethics**, and any other applicable policies, procedures, or contractual undertakings.

Suppliers shall timely notify to Flos B&B Italia Group and/or the relevant Group company any case of non-compliance with the provisions set forth under this Supplier Code of Conduct or any other contract or agreement in place.

### 5.2 Personal data

The Group requires our suppliers to respect the value and the rights connected to the personal data of our employees, customers, and business partners, and to strictly comply with the laws and regulations applicable to the protection of personal data.

In particular, when processing personal data on behalf of any of the Group companies as provided for under the relevant written agreement between each supplier and the relevant Group company, we expect our suppliers not to engage any processor without prior consent of Flos B&B Italia Group or of the relevant Group company and to process the personal data only on documented instructions as to the subject-matter and duration of the processing, the nature and purpose of the processing, the type of personal data and the categories of data subjects.

Suppliers shall implement appropriate technical and organisational measures to ensure an appropriate level of security of processing and assist Flos B&B Italia Group and the relevant Group companies, insofar as possible, in fulfilling their obligations under the laws and regulations applicable to the protection of personal data and of data subjects' rights.

### 5.3 Intellectual property

Our suppliers shall strictly comply with the national laws and international treaties in force concerning intellectual property, and **respect the intellectual property rights of the Group and of third parties**, also pursuant to the relevant contractual agreements with Flos B&B Italia Group or any of the Group companies. **Our suppliers shall not share and/or produce for other individuals or legal entities design of any of the Group companies.**

The Group companies retain the exclusive ownership of any IP rights and IP information they could make available to the suppliers. The Supplier will may use them only in the context and within the limits of the relationship with the Group companies, being excluded any transmission to third parties or reproduction at any title without the prior written authorization of the Group companies.

Each of our suppliers undertakes to hold Flos B&B Italia Group or any of the Group companies fully indemnified and harmless from any and all prejudicial consequences, costs, damages may arise to them or may be claimed against them as a result of non-compliance with these provisions by the suppliers.

If our Suppliers do not comply with these provisions, Flos B&B Italia Group or any of the Group companies shall be entitled to immediately terminate the relevant supply relationship.

#### 5.4 Public statements & confidentiality

Our suppliers undertake to **guarantee the confidentiality of all non-public information and communicated trade secrets** encountered within the framework of their business relationship with Flos B&B Italia Group and/or any of the Group companies.

Statements by any of our suppliers shall never appear attributable to Flos B&B Italia Group or any of the Group companies.

#### 5.5 Preventing insider trading

When in possession of inside information, suppliers shall **refrain from selling, tipping, buying, or otherwise trading in, directly or indirectly, any securities or other financial instruments issued or guaranteed by, or otherwise connected to Flos B&B Italia Group and/or any of the Group companies**, pursuant to the applicable legal and regulatory framework on insider trading and to any other relevant policy or procedure.

### 6. Commercial and professional ethics

#### 6.1 Corruption

The Group applies a zero-tolerance policy with regard to corruption and influence peddling and implements a set of measures designed to prevent, identify, and sanction the commitment of acts of corruption or influence peddling in the conduct of its own activities and of those associated with the Group, including suppliers.

Corruption is any payment of bribes or any other thing of value, even between private parties, either offered, promised, given, or demanded, directly or through agents or third parties, to obtain or retain business or other improper advantage.

The Group expects all our suppliers to comply with the relevant provisions contained in the Code of Ethics and any applicable laws on corruption, and establish a system to prevent, identify, and sanction all acts of corruption and influence peddling. Suppliers shall immediately inform Flos B&B Italia Group and/or the relevant Group company of any event contrary to the foregoing (including mere requests for remuneration, commission, benefit in kind or other gratuity).

## 6.2 Conflicts of interest

Our suppliers shall avoid any situation that may involve a conflict of interest in the course of their work with Flos B&B Italia Group and/or any of the Group companies, and shall comply with the applicable legal framework on conflicts of interest.

When a potential conflict of interest should arise, suppliers shall immediately inform Flos B&B Italia Group and/or the relevant Group company.

## 6.3 Competition

Our suppliers undertake to **exercise fair and healthy competition and to comply with the applicable antitrust laws and regulations**. It is prohibited to take part in any form of collusion, restrictive practice, and abuse of a dominant position or economic dependence, or to take part in illegal or unreported merger transactions according to the applicable laws and regulations.

## 6.4 Money laundering, trade restrictions and sanctions

The Group expects all our suppliers to **take adequate measures to combat money laundering**, both at the international level and according to the national legislation of the countries in which they operate.

The Group expects all our suppliers to abide by all economic sanctions or trade embargoes and restrictions that the European Union and the United States have adopted towards foreign countries, political organizations, or particular foreign individuals and entities.

Our suppliers must not directly or indirectly engage in, or support any, terrorist activity, nor act or provide any materials or services, directly or indirectly, for or on the behalf of any country, person or entity that appears on the Specially Designated Nationals and Blocked Persons List, as maintained by the Office of Foreign Assets Control (OFAC) of



the U.S. Department of the Treasury or is otherwise subject to OFAC sanctions. Neither our suppliers nor any of their affiliates, nor any officer or director of our suppliers or any of their affiliates, should be included on any lists of terrorists or terrorist organizations compiled by the European Union or the United States government or any other national or international body.

## 6.5 Conflict materials

The Group expects all our suppliers importing natural mineral resources from conflict-affected or high-risk areas to comply with the applicable supply chain due diligence and disclosure obligations set forth under, among others, Regulation (EU) No. 2017/821 and Section 1502 of U.S. Dodd Frank Act, and pursuant to the applicable international recognized standard and guidelines, such as the OECD Due Diligence Guidance on responsible mineral supply chains, as set out also in the applicable general conditions of purchase regulating their relationship with Flos B&B Italia Group or any of the Group companies.

## 6.6 Compliance with customs regulations

The Group expects all our suppliers to comply with applicable customs and export control regulations.

# 7. Implementing rules

## 7.1 Due diligence & audits

The Group expects our suppliers to commit to implement the provisions of this Supplier Code of Conduct, be able to report on the stage of its implementation, and willingly collaborate with the Group in replying to any request for information and/or in developing a collaborative system of compliance.

To this end, suppliers shall take reasonable steps in order to identify potential adverse impacts deriving from their own operations or services, and to ensure compliance with this Supplier Code of Conduct, Code of Ethics, and any other relevant policies, procedures, or contractual undertakings, in particular with regard to human rights and labour rights, environmental responsibility, product traceability and product regulation compliance, anti-corruption and anti-money laundering measures, and conflict materials and customs regulations compliance.

Suppliers authorise Flos B&B Italia Group and the relevant Group companies to conduct due diligence activities and research and/or on-site audits on them in order to verify compliance with the commitments and obligations arising under this Supplier Code of

**Conduct**, **Code of Ethics**, and any other relevant policies, procedures, or contractual undertakings, also pursuant to any provisions set forth from time to time by the relevant general conditions of purchase or any other applicable contractual agreements. In this respect, suppliers undertake to collaborate with Flos B&B Italia Group, any Group company, and/or any appointed third-party auditor and to promptly provide them with all requested material information.

**Substantial failure to collaborate with Flos B&B Italia Group, any Group company, and/or third-party auditors or to provide requested material information shall constitute non-compliance with the provisions of this Supplier Code of Conduct.**

## 7.2 Non-compliance

All events of non-compliance with the provisions set forth under this Supplier Code of Conduct shall be promptly notified to Flos B&B Italia Group and/or the relevant Group companies, together with any information concerning the corrective and mitigating measures undertaken in order to deal with such non-compliances and their potential negative effects on the environment, on human rights, on the market, and/or on social or working conditions<sup>2</sup>.

Depending on the nature and relevance of the infringement, and also pursuant to any specific provisions set forth under the relevant general conditions of purchase, Flos B&B Italia Group and/or the relevant Group companies may set a fixed time for the relevant supplier to implement corrective measures, engage in a constructive dialogue with the supplier in order to develop and implement action plans, and/or take corrective and protective measures, including significant reduction in commercial relations with the relevant supplier, without prejudice to the right of Flos B&B Italia Group and/or of the relevant Group companies to terminate the business relationship with the supplier immediately.

In the event of repeated and serious breaches of the provisions of this **Supplier Code of Conduct** or of failure to implement the requested or recommended corrective measures, Flos B&B Italia Group and the Group companies reserve the right to cease business relationships with the relevant suppliers and cancel any order or delivery in progress, and the right to request compensatory damages for breach of contract and for any economic and/or reputational loss incurred.

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<sup>2</sup> To this end, Flos B&B Italia Group and each of the Group companies have adopted and implemented a Whistleblowing policy addressed to the Group's employees and board members and to all those, although external to the Group, directly or indirectly operating on its behalf, such as agents, distributors, suppliers, and business partners, in order to allow such subjects to report violations of any of the Group's policies and procedures, including this Supplier Code of Conduct.

## Supplier commitment

Supplier's name \_\_\_\_\_

Place \_\_\_\_\_, Date \_\_\_\_\_,

Name of the supplier's representative \_\_\_\_\_,

Title \_\_\_\_\_

Signature \_\_\_\_\_

Company Stamp