

CAREL

Diversity policy

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1. Foreword

CAREL Industries S.p.A. (hereinafter also denoted “Company” or “CAREL”) acknowledges and respects human dignity, private life, and the rights of personhood of all individuals; it does not tolerate discrimination or harassment in any form, whether gender- or sex-based or otherwise. Each Recipient, as better identified herein, works with men and women of different nationalities, cultures, religions and races.

This document, hereinafter also denoted the “Policy”, sets forth the standards and commitments made in respect of workplace diversity, inclusion, and equal opportunity established by CAREL and its direct and indirect subsidiaries (hereinafter jointly denoted the “Group” or the “CAREL Group”) to work towards creating sustainable value through professionalism, adherence to the law, morality, dignity, and fairness.

2. Definitions

In this Policy, the following expressions shall have the meanings set out below:

“Collaborators”

- means those individuals who are in an economic or financial course of dealing with the CAREL Group, or other persons employed under coordinated and ongoing collaboration agreements and contract staff, mainly based on a personal, freelance basis (including, without limitation, project-based work, leased staff; combined work and training contracts; summer orientation internships), or any other relationship envisaged by art. 409 of the Italian Code of Civil Procedure;

“Recipients”

- persons to whom the provisions of this Policy apply, to wit, Employees, Directors, Collaborators (e.g. consultants, agents), Corporate Officers, as well as the leadership, employees, and collaborators of companies within the CAREL Group, in addition to the Key Stakeholders;

“Employees”

- persons who are employed by the company under an employer-employee relationship, including those with a fixed-time or part-time employment contract;

“Corporate Officers”

- the Chairman, the Chief Executive Officer, the members of the Board of Directors and of the Board of Statutory Auditors, the General Manager and the members of other CAREL corporate bodies, if any, set up pursuant to art. 2380 of the Italian Civil Code (as amended by Legislative Decree no. 6 of 17 January 2003) or pursuant to special laws, as are serving in a particular office from time to time, as well as any other person in a senior position, i.e. any person who performs representation, administration or management functions within CAREL or within an organisational unit with financial and functional autonomy as per Legislative Decree no. 231 of 8 June 2001;

“Supervisory Board”

- means the supervisory body with independent powers of initiative and control pursuant to Legislative Decree no. 231 of 8 June 2001;

“Key Stakeholder”

- includes but shall not be limited to all parties acting in the name of and on behalf of any affiliate, subsidiary, or equity interest in any geographic area where the Company has operations, as well as major suppliers;

“Managers”

- each employee responsible for one or more CAREL Group departments, in accordance with the organisation chart as in force from time to time.

3. Scope and Recipients

This Policy shall be binding on all companies within the CAREL Group in all geographic areas where they have operations, and shall apply to the conduct of all Recipients, as identified supra, including the Group's key stakeholders within the scope of their independent business operations, and especially in their interactions with the CAREL Group, during which course of dealing such parties are requested to abide by the general tenets of this Policy, without prejudice to the religious, cultural, and social norms applicable to such entity.

This shall be without prejudice to any other provision of this Policy, and the application of any non-waivable provisions of law or contract as may, from time to time, apply to their course of dealing with the CAREL Group.

4. External and Internal References

Inspiration for this CAREL Group Policy came from:

- the UN's International Bill of Human Rights, including the UN's Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social, and Cultural Rights;
- the International Labour Organisation's (ILO) Declaration on the Fundamental Rights and Principles of Work and related Conventions;
- the European Convention on the Rights of Man;
- Legislative Decree no. 231/2001

The provisions set forth in this Policy shall supplement other procedures and guidelines currently in force, and which govern similar topics, including but not limited to:

- CAREL Values;
- Organisational, Management, and Control Model (pursuant to Legislative Decree no. 231/01) of CAREL Industries S.p.A – Headquarters;
- CAREL Group Code of Ethics;
- CAREL Industries S.p.A. Human Rights Policy.

5. Standards

Appearing below are the standards implemented by the CAREL Group to promote diversity:

Non-discrimination: the CAREL Group does not tolerate sexual, personal, or any other type of harassment or mistreatment. Each Recipient shall respect the personal dignity, private life, and rights of personhood of every individual in their work with men and women of different nationalities, cultures, religions, and races. No form of discrimination, defined as any distinction, exclusion, or preference which has the effect of negating or altering equal opportunities and treatment in hiring or on the job, shall be tolerated. The Group aims to build a solid work environment that is free from racial, cultural, ideological, sexual, physical, moral, religious or other discriminations. All recipients are required to work together to achieve this goal.

Equal opportunity: the CAREL Group encourages the professional development and growth of each employee by respecting the physical safety and moral integrity of each person. Furthermore, taking its cue from standards of fairness and equal opportunity in the face of any kind of diversity, the Group has made a commitment to non-discrimination in all areas of the work relationship (hiring, termination, training, compensation, advancement, transfers). The Group is committed to instituting work relationships based on the skills, abilities, and expertise of prospective employees as required by the particular job description; the Group respects the needs of each employee.

Inclusion: the CAREL Group promotes the inclusion and integration of each individual, focusing on their personal abilities, in a manner free of any discrimination based on a person's psycho-physical limitations. No type of implicit or explicit exclusion based on individual diversity or required accommodations shall be tolerated. All stakeholders (e.g. employees, customers, local communities, entities of the public administration, suppliers, etc.) may access the initiatives, practices, processes, and services offered by the Group, without unreasonable limitations.

Work-life balance: the CAREL Group recognises and respects the personal dignity, private life, and the rights of personhood of all individuals, and is committed to promoting a work environment based on values such as trust, dialogue, mutual respect, worker wellbeing, and work-life balance. The Group recognises the various needs that arise at different stages of life (e.g. maternity, paternity, personal and family health, etc.) and thus undertakes to provide tailored solutions to ensure professional development, and the pursuit of personal goals so that a proper work-life balance might be assured.

6. Training and Information

The Company views training its employees, and keeping them properly informed, as fundamental tools for implementing this Policy. CAREL undertakes to disseminate this document to all Recipients in order to ensure that all interested parties are properly advised of the same. The Company further undertakes to provide periodic training on this Policy and the issues presented herein.

7. Reporting

CAREL will be taking a proactive approach to the issues presented in this Policy, in order to safeguard and protect Recipients' freedom of expression, and their ability to report concerns about non-compliance, urgent / undesirable situations, or other human-rights-related issues.

Reports of suspected non-compliance by any Recipient shall be made in writing, and be reported to one's supervisor. If the report involves the Group's Code of Ethics, reports should be made directly to the Supervisory Board via email (odv@carel.com) or inter-office mail.

To report any breach by the Supervisory Board, a report may be addressed to the Board of Directors, which shall delegate one of its members to carry out the investigations deemed necessary and/or appropriate.

The reports received shall be kept strictly confidential.

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