



CODE OF
ETHICS
of FlavorArt S.r.l.

New edition approved by the Board of Directors - date 11/18/2021



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Revision 1 dated 11/18/2021

REVISION	DATE	SUBJECT TO MODIFICATION
1	18/11/2021	First issue and adoption

BUSINESS ROLE	NAME AND SURNAME	SIGNATURE
CEO	Massimiliano Mancini	
CFO	Nicola Paletta	



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GLOSSARY

Code of Ethics: the set of principles and values that guide the activities of FlavourArt.

Legislative Decree 8 June 2001, n. 231: Legislative Decree entitled "Discipline of the administrative liability of legal persons, companies and associations even without legal personality, pursuant to art. 11 of the law of 29 September 2000, n. 300", published in the Official Gazette no. 140 of 19 June 2001, as well as subsequent amendments and additions, including Law 113/2019.

Public authorities: public officials, persons in charge of a public service and judicial authorities.

Stakeholder: All groups of individuals made up of people, organizations and communities who influence the activity of FlavourArt or directly or indirectly suffer its effects.

Recipients: Subjects, natural and legal persons, who operate on behalf of FlavourArt. In particular, employees, suppliers (both of continuous services and specific supplies), collaborators and consultants (those who act in the name and/or on behalf of FlavourArt on the basis of a mandate or those who collaborate by virtue of a collaboration contract of any kind), and commercial partners (e.g. suppliers of goods or services in favor of FlavourArt).

Entity: Legal person, company or association, even without legal personality. In this Organizational Model: FlavourArt S.r.l. (hereinafter also referred to as "FlavourArt" or "Company").

Employees: All employees of FlavourArt, both in senior and subordinate positions.

Organisational, Management and Control Model: Organisational, Management and Control Model (hereinafter also "MOG" or "Organisational Model") adopted by the Company, as provided for by articles 6 and 7 of Legislative Decree 231/2001, as an organic whole of principles, rules, provisions, organizational schemes and connected tasks and responsibilities, aimed at preventing the crimes referred to in the Legislative Decree itself.

Supervisory and Control Body (SB): Body established by art. 6 of the Legislative Decree, with the task of supervising the functioning and observance of the Organizational Model, as well as taking care of its updating.

Principles of Conduct: General principles of conduct, set out in the Special Sections, with which the Recipients must comply in carrying out the activities envisaged by the Organizational Model.

Disciplinary System: Set of sanctions against Recipients who do not observe the Principles of Conduct and the Protocols contained in the Organizational Model.

Top Management (so-called Top Management): Chairman, Chief Executive Officer, other members of the Board of Directors, Company Executives.



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PREMISE

FlavorArt S.r.l. (hereinafter, also "the Company", or "FlavourArt"), based in Oleggio (NO), is an Italian company engaged in the production and marketing of food flavourings. Since 2007 it has been addressing a vast and international audience, thanks also to the decision to address consumers directly through the e-shop. FlavourArt was a pioneer in the sector of liquids and flavors for electronic cigarettes, establishing itself as a market leader in 2014 and establishing high quality standards and proposing innovative formulations that fully meet the needs of consumers.

FlavourArt has defined this Code of Ethics with the aim of defining the fundamental values and principles of the company, and guaranteeing their application according to a principle of collaboration between people and respect for the tasks and roles of each one.

The Code is aimed at ensuring that the values of FlavorArt form the basis of the corporate culture and the behaviors held by all internal and external subjects identified as recipients of this document.

The Code of Ethics, considered an integral part of the Organization and Management Model pursuant to Legislative Decree 8 June 2001 n. 231, defines the values and principles of conduct relevant to the proper functioning, reliability, compliance with laws and regulations as well as the image of FlavourArt.

In addition, compliance with the principles and rules indicated contributes to the prevention of behavior included in the list of administrative offenses referred to in Legislative Decree 231/2001.

The Code of Ethics was adopted by resolution of the Board of Directors on 18 November 2021 and will be updated and modified whenever there is a need to comply with rules published after the last update, operational improvements are requested by the recipients, or changes in the organizational structure of the Company.

RECIPIENTS

In carrying out its activities and in relations with all stakeholders, FlavourArt deems it essential to adhere to a set of ethical values accepted and shared by all those who contribute, to any extent, to the achievement of the Company's objectives.

The Code of Ethics is aimed at and applies to all "Recipients", identified as members of the corporate administration and control bodies, employees and any third party, such as suppliers and commercial and industrial partners, who collaborate or work in the name, on behalf or in the interest of FlavorArt.

The aforementioned "Recipients" are required to maintain behavior based on respect for the fundamental principles of legality, transparency, integrity and operational correctness in the pursuit of corporate objectives and in all relationships with people and entities inside and outside the Company.

In no case can the pursuit of the interest of FlavourArt justify an operation that does not comply with the principles expressed in this Code.

Therefore, the Company reserves the right not to undertake or continue any type of relationship with anyone who adopts behavior that differs from that established in the Code of Ethics.

Furthermore, each Recipient has the duty to:

- know the rules contained in the Code;
- refrain from conduct contrary to the provisions of the Code;
- report any news relating to violations of the Code to their superiors;
- collaborate with the structures and/or individuals responsible for monitoring compliance with this Code;
- not take any action contrary to the contents of the Code.



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GENERAL ETHICAL PRINCIPLES

This Code of Ethics explains below the values of FlavourArt considered fundamental for the exercise of any corporate activity. The ethical principles represent the system of values that must guide the behavior of all those who contribute, in any capacity, to the performance of corporate activities and to the achievement of the Company's objectives.

1. Principle of Legality

FlavourArt considers compliance with the law as a binding and essential condition of its action. The Recipients, therefore, are required to comply with the law or acts equivalent to it in carrying out their activities.

This principle is also valid with reference to the national legislation of any country with which the Company has commercial relations.

The Recipients are also required to comply with the corporate provisions issued by the Company, as well as with the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 and with the internal procedures in consideration of the fact that the same have the specific purpose of better allowing the constant compliance with the provisions of the law.

2. Correctness and impartiality

Recipients are required to comply with professional rules, with particular reference to the duties of diligence and expertise, applicable to transactions carried out in the interest of the Company.

Furthermore, the Recipients operate inspired by criteria of objectivity, transparency and impartiality in carrying out their activities.

3. Transparency

All activities carried out in the interest of the Company are based on respect for the principles of integrity and transparency and are conducted with loyalty and a sense of responsibility, correctness and in good faith. The Company undertakes to guarantee correctness, completeness, accuracy, uniformity and timeliness in the management and communication of corporate information, thus avoiding deceptive behavior from which undue advantage could be taken.

4. Product and process quality

The Company's activities and respect for the pre-established values find fulfillment in the products and services created according to increasingly higher ethical and qualitative standards, in order to promptly respond to the needs and expectations of consumers.

RELATIONS WITH STAKEHOLDERS

FlavourArt defines stakeholders as any natural or legal person, community and authority who, to any extent, can contribute to the pursuit of corporate objectives and influence the Company's activities and decisions. FlavourArt identifies employees, suppliers, customers and the Authorities as main stakeholders.

The primary objective of FlavourArt is to establish relationships with stakeholders based on compliance with the law and its system of values, guaranteeing the maintenance of the commitments undertaken towards them, respecting their interests and pursuing its objectives.



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1. Relations with employees

People are considered a primary element for the achievement of corporate objectives and for business growth. FlavourArt therefore undertakes to develop policies aimed at the continuous professional and personal development of all employees, with the aim of guaranteeing everyone the opportunity to develop their skills and contribute to the growth of the Company.

In order to pursue and achieve this objective, the selection and assessment of personnel is based on meritocracy, qualifications and job performance of the candidate/employee, in full compliance with the principles of equal opportunities.

During the selection process, as well as during the ordinary management of corporate activities, FlavourArt does not tolerate discrimination on the basis of race, color, ethnicity, country of origin, religion, gender or sexual identity, sexual orientation, age, disability and any other state protected by law.

The creation of an inclusive and safe work environment is a priority for FlavourArt, guaranteeing everyone the right to physical and psychological integrity, as well as the right of opinion and association. FlavourArt's commitment is achieved in compliance with the rules on health and safety in the workplace, through the adoption of measures aimed at preventing or minimize the exposure of workers to the risks associated with their work.

Employees and internal collaborators are required to:

- carry out their activities identified in the employment contract correctly and fairly, ensuring services consistent with the qualitative and quantitative standards required by the Company;
- assume non-discriminatory behavior, to act with the utmost diligence, confidentiality and protecting the personal data of their colleagues and of all the other stakeholders of FlavourArt;
- perform one's duties diligently and avoid exploiting one's job position or knowledge of sensitive data to obtain personal advantages.

Every employee must warn colleagues if their actions appear to violate this Code. If the apparent violation persists, it must be reported to one's immediate superior.

Furthermore, all employees are required to use documents, work tools, systems, equipment and any other tangible and intangible assets owned by the Company exclusively for the achievement of company purposes, in accordance with the methods established by the same; these assets cannot be used for non-legitimate uses and must be used and kept with the same diligence as one's own assets.

Staff are always prohibited from:

- install equipment, devices or computer programs aimed at causing damage to computer and telecommunications systems or the interruption and damage of information, data and programs;
- install equipment to intercept, prevent or interrupt IT or telematic communications;
- access sites not related to the performance of assigned duties;
- disclose your password and access code;
- unauthorized access to a computer or telematic system;
- the unauthorized possession and illegal dissemination of access codes to IT or telematic systems;
- send, or knowingly receive, illegal messages or files, or with explicitly sexual, or abusive, or offensive content.

2. Relations with suppliers, external collaborators and other suppliers of goods and services

FlavourArt, in selecting its suppliers, takes into consideration, in addition to the economic convenience, the technical capacity, reliability, quality of the raw materials, the supplier's compliance with the quality procedures adopted by the Company, as well as the ability of the suppliers to guarantee compliance with national and transnational law and, in particular,



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of labor legislation as well as the Model and the Code. The Company periodically monitors the permanence of the aforementioned requirements over time by the suppliers.

FlavourArt manages the selection process of suppliers, lenders and all types of external collaborators, according to the principles of fairness, impartiality and transparency, ensuring each candidate an impartial assessment based on criteria of economic convenience and compliance with the principles contained in this Code.

Anyone intending to establish a commercial relationship with FlavourArt is required to respect the values in which the Company reflects itself, of which the rules and principles of protection of health and safety in the workplace are an integral part.

All employees who maintain relationships with suppliers, external collaborators and other suppliers of goods and services are called to bear witness to the Company's policies and values, contributing to their dissemination and awareness.

Behaviors incompatible with the Code of Ethics, adopted by suppliers, external collaborators and other suppliers of goods and services, can be considered a serious breach of the duties of correctness and good faith in the execution of the contract, a reason for damage to the relationship of trust and just cause for termination of contractual relationships.

3. Relations with the Public Authorities

Any relationship with the institutions of the State, with the Public Administration and with the Public Institutions (Ministries and their peripheral offices, Organizations and Companies operating in the sector of public services, Territorial Authorities, Local Authorities, the Competition and Market Authority, Guarantor for the Protection of Personal Data, etc.) must be kept in compliance with the law, the Articles of Association and the Code of Ethics, as well as in compliance with the principles of legality, transparency and efficiency.

In order to ensure maximum clarity in relations, contacts with institutional interlocutors take place exclusively through authorized Company Representatives or Managers and in any case in full compliance with the principle of transparency and traceability of information and communications.

In relationships, it is always forbidden to engage in conduct or actions that could in any way produce ambiguous situations, detrimental to public interests or aimed at favoring an employee of the Public Administration with the intention of obtaining any type of undeserved or justified advantage. In this context, Employees are required to:

- not improperly influence the decisions of the Public Administration and/or its representatives;
- not engage in unlawful conduct, such as offering money or other benefits, which could alter the impartiality of judgment of the representative of the Public Administration;
- not implement undue pressure (offers or promises of money or other benefits) or unlawful coercion (violence or threats) in order to induce the person called upon to make, before the judicial authority, statements that can be used in a criminal proceeding, when it has the right not to answer.

If the Company uses a consultant or a third party to be represented in relations with the Public Administration, the latter must formally accept the principles of this Code of Ethics. In any case, the Company may not be represented in relations with the Public Administration by third parties when a conflict of interest could arise, even if only abstractly.

In any situation, FlavourArt undertakes to maintain relationships based on full and effective collaboration with all the Authorities, which perform inspection and supervisory functions, promptly making available any information requested by them in carrying out the preliminary activities and complying with the measures issued.

4. Gifts and contributions

The recipients of this Code of Ethics, in line with corporate provisions and in compliance with anti-corruption legislation, must not offer or promise, either to public or private subjects, gifts, presents or benefits of any other kind, except those of modest value, made occasionally and solely in accordance with the relevant organizational provisions.

It is absolutely forbidden to accept, request or solicit, for oneself or for others, recommendations, preferential treatment, gifts or other utilities from persons with whom one enters into relations, exceeding normal commercial or courtesy practices, which may prejudice the impartiality of judgment.

Anyone who receives offers of gifts or hospitality or financial advantages or other benefits, which cannot be considered as acts of courtesy of modest value, must refuse them and immediately inform the direct superior and the Supervisory Body, indicating the origin of the donation or promise and entity and type of gift received or promised.

o Any gift, economic advantage or other benefit must, in general, have the following characteristics:

- not consist of a cash payment;
- be carried out in relation to commercial relationships or in any case legitimate and good faith FlavourArt activities;
- comply with generally accepted standards of professional courtesy;
- be punctually documented in a summary dossier.

In the case of sponsorship and donations to organizations operating in the social or non-profit field, particular attention will be paid to any possible personal or corporate conflict of interest in choosing the proposals to adhere to.

CORPORATE ADMINISTRATION

1. Transparency of accounting activities and corporate operations

FlavourArt, in carrying out its activities, undertakes to guarantee the reliability of the administrative-accounting systems and the traceability of information flows, through the appropriate verification of the accounting documents as well as the correct registration and archiving of the same.

Each employee is required to collaborate so that management facts are correctly and promptly represented in the accounts, verifying that the documents and information obtained are complete and truthful and promptly communicating any inconsistencies and/or forgeries.

2. Prohibition of operations aimed at receiving, laundering, using money, goods or utilities of illicit origin

The Company carries out its business in full compliance with the anti-money laundering regulations in force.

The Company's principle is that of maximum transparency in commercial transactions and prepares the most appropriate tools in order to counter the phenomena of receiving, laundering and using money, goods or utilities of illicit origin, as well as self-laundering.

INFORMATION MANAGEMENT

1. Confidentiality of data and information

It is the obligation of every employee to ensure the confidentiality required by the circumstances for each piece of news learned in relation to their job function.

The Company undertakes to protect the information relating to its employees and third parties, generated or acquired internally and in business relationships, and to avoid any improper use of this information.



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2. Privacy protection

Collection, processing and management of personal data collected by FlavourArt in the performance of its activities take place in a lawful manner and with the consent of the interested party, in accordance with the provisions of Regulation 2016/679 regarding the protection of personal data and privacy.

FlavourArt proceeds with the collection and registration of personal data only if necessary for specific, explicit and legitimate purposes. In any case, data retention takes place for a period of time not exceeding that indicated by the legislation with reference to the purposes of the collection.

PROTECTION OF THE ENVIRONMENT, HEALTH AND SAFETY

1. Commitment to the protection of health and safety in the workplace

The protection of occupational health and safety is a primary objective for FlavourArt, which is also committed to disseminating and consolidating a culture of safety among all Recipients, aimed at increasing their sensitivity and awareness regarding possible risks at work as well as to promote responsible and respectful behavior and conduct towards one's own and others' safety.

Company employees, as part of their duties, participate in the process of risk prevention and health and safety protection for themselves, colleagues and third parties.

2. Commitment to sustainable development and environmental protection

The Company undertakes to contribute to the development of the communities in which it operates and to the protection of the natural environment, through the promotion of scientific and technological development aimed at environmental protection and resource conservation.

The continuous improvement of performance related to environmental impact is considered as a process that creates value over time.

The systematic and daily commitment is to operate in compliance with current legislation, as well as to prevent, through supervision and control, environmental risk situations as well as environmental offenses indicated as a "predicate crime" by Legislative Decree 231/ 2001.

IMPLEMENTATION AND COMPLIANCE WITH THE CODE OF ETHICS

FlavourArt wanted to formalize, through the Code of Ethics, its adherence to the highest ethical standards in which it believes and recognizes itself. Anyone who collaborates or comes into contact with the Company, without distinction or exception, undertakes to observe the principles of this Code.

The pursuit of the Company's interest does not justify conduct, even omissive and/or in competition with others, incompatible with the legislation applicable from time to time and/or with the Code.

The directors, employees and anyone who acts for the Company are required to comply with this Code as well as to demand compliance with it from third parties who for any reason establish or continue any relationship with the Company.

Compliance with the Code, and its inspiring principles, is an essential part of the present and future obligations between the recipients and the Company pursuant to and for the purposes of the applicable regulations.

It is the Company's commitment to ensure compliance with this Code also through the timely application of sanctions in compliance with the disciplinary system established by the applicable National Collective Labor Agreements or by the reference contracts entered into with the relevant counterparties.

1. Dissemination and update

The Code of Ethics is disseminated among internal and external stakeholders through specific communication activities aimed at promoting awareness of ethical principles and standards such as, for example, posting on notice boards or publication on similar media (company intranet and website) so that it is fully accessible to all its recipients.

The same method will be used for the dissemination of any updates, if needs dictated by changes in the context, the reference legislation, the environment or the company organization make it appropriate and necessary.

The Company also undertakes to update the contents whenever needs dictated by changes in the context, the reference legislation, the environment or the company organization make it appropriate and necessary.

The Board of Directors of the Company is responsible for any modification and/or integration of this Code of Ethics.

2. Duties of the Supervisory and Whistleblowing Body

FlavourArt adopts specific tools and appropriate procedures in order to implement the Code of Ethics and ensure compliance. To this end, the Company entrusts these functions to the Supervisory Body 231, appointed by the Board of Directors. The Supervisory Body is responsible for:

- guarantee the verification of the maximum dissemination of the Code among employees and third parties;
- interact with the competent functions to stimulate adequate training courses;
- clarify interpretative doubts with respect to the Code of Ethics;
- carry out checks on any news of violation of the provisions of the Code, evaluating the facts and proposing- in the event of an ascertained violation - adequate sanctions;
- guarantee the confidentiality of the identity of the whistleblower, protecting him from any retaliation;
- propose updates to this Code in relation to its concrete effectiveness and to changes in company needs and current legislation.

Communications to the SB, including communications relating to whistleblowing, such as reporting an alleged violation, requesting a clarification or an opinion, must preferably be made in a non-anonymous form and can be sent by the recipients and by all the other interlocutors, to the following e-mail address: odv@flavourart.it.

Following the reports received, the Supervisory Body carries out the related checks, also making use of the competent corporate functions.

In the event of a violation of the Code of Ethics by one or more members of the Supervisory Bodies, the Supervisory Body will inform the other members of the Supervisory Bodies who will take the appropriate measures consistently with the seriousness of the violation committed and in accordance with the powers established by the law and/or the Articles of Association.

The information received by the SB is handled in absolute confidentiality.

Reporters in good faith must be guaranteed against any form of retaliation, discrimination, penalisation and, in any case, the confidentiality of the identity of the reporter will be ensured, without prejudice to legal obligations and the protection of the rights of persons accused erroneously or in bad faith.