



*values, principles and commitments*

# **ETHICAL CODE**



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*This Code of Ethics has been adopted by M.I.T.I. S.p.A.  
by resolution of the Board of Directors dated 31.03.2021*

*Ed. 1*

*The code expresses the ethical commitments and responsibilities  
in the conduct of the Company's business and activities  
with which each Recipient must comply.*

*"When you have to decide between integrity and profit, choose integrity without hesitation".*

*Cav. Vincenzo Polli*

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# INTRODUCTION

The M.I.T.I. S.p.A. Code of Ethics constitutes the set of shared values, principles and commitments that inspire the Company's activities and behaviour.

The current economic, social and environmental scenario in constant evolution, requires the definition of a solid and constantly updated ethical and value system able to guide and support the actions of the Recipients; from this point of view, the Code of Ethics represents a tool at the service of the Recipients aimed at guiding future behaviour in relations with the market, with collaborators, customers and contractual counterparts.

It is precisely in the light of these considerations that M.I.T.I. S.p.A. has, within the scope of its statutory activities, deemed it necessary to adopt this Code of Ethics<sup>1</sup>, which identifies the values and principles of conduct that must guide M.I.T.I. S.p.A.'s actions as well as its obligations towards stakeholders (collaborators, partners, customers, competitors, public administration, etc.).

The Code of Ethics is inspired by the main regulations, guidelines and documents existing at national and international level on the subject of corporate social responsibility and corporate governance, Human Rights and the Environment, such as, by way of example: the Charter of Rights of the United Nations, the Charter of Rights of the European Union, the decent work standards contemplated in the ILO (International Labour Organisation) conventions, the OECD (Organisation for Economic Cooperation and Development) Guidelines for Multinational Enterprises, the Green Paper approved by the Commission of the European Communities, the principles of Social Accountability 8000, the Charter of Corporate Values of the European Institute for Social Accounting, as well as existing best practices on the subject of ethical codes.

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(1) Hereinafter referred to as the "Code" or "Code of Ethics".



# 1. RECIPIENTS

The provisions of this Code of Ethics apply to:

- employees;
- collaborators;
- customers;
- all those who, directly or indirectly, permanently or temporarily, work with the company;
- Public Administration;
- competitors.

In the following, these entities will be collectively referred to as “Recipients”.

As regards relations with suppliers of goods and services, including contractors, the Company has adopted a specific Code of Conduct.

Each Recipient is called upon to comply with the contents of the Code of Ethics within the scope of his/her responsibilities, and any violation constitutes a disciplinary offence for Company employees.

The Code of Ethics, as a manifesto of the company’s values, takes precedence over any circulars or procedures introduced which conflict with it. Each Recipient is called upon to know the contents of the Code of Ethics and, in case of doubts or perplexity about its contents and provisions, is required to ask for information in order to fully understand its meaning. The Area Managers are required to check that the Recipients comply with the provisions set out in the Code itself, to verify that it is correctly implemented and to implement and promote measures to prevent violations.

# 2. OBJECTIVES

The Company adopts this Code with the aim of defining the reference values of its business activity, which must guide the corporate choices of all Recipients.

In order to make the contents of the Code clear, some sample questions and answers are included in the text.

## 3. MISSION

MITI's mission is to create value for all stakeholders: shareholders, employees, local communities, customers, institutions and all contractual counterparts. In this perspective, the Company has developed and adopted a management system to ensure sustainable growth over time, through constant innovation and balancing the legitimate expectations of the various stakeholders.

Specifically, MITI's activities are characterised by:

- aptitude for improvement;
- seeking the satisfaction of its customers, the market and its contractual partners;
- aptitude for quality;
- respect for the rules.

The mission, as defined above, is pursued taking into account the values of respect for the person and the environment, as well as the principles of conduct.

## 4. VALUES

For MITI, values determine the reference paradigm in which it identifies itself in its management choices, as well as the parameters it uses to assess the correctness of the choices made.

For MITI valuing the protection of the individual and respect for the environment are fundamental elements of its business model.

### 4.1 Respect for the rights of the individual

MITI recognises the supreme value of the human person and his/her fundamental rights and is therefore committed to making every effort to respect human rights.

MITI undertakes to guarantee full compliance with national and supranational regulations governing labour relations, health and safety and to repudiate all forms of intolerance, discrimination and labour exploitation.



### 4.1.1. Exploitation of labour

The Company rejects all forms of labour exploitation and is committed to using suppliers of goods and services that offer adequate guarantees regarding the use of labour that is not subject to any form of exploitation.

The Company has decided not to use suppliers who carry out their activities, directly or indirectly, in geographical areas where the risk of exploitation of labour is high, including but not limited to Uzbekistan, Turkmenistan and the Chinese region of Xinjiang.

*Is it permissible to choose a supplier based in a geographical area where forced labour is known to be used?*

No, we have decided not to use suppliers based in places where it is known that fundamental human rights are not respected.

### 4.1.2 Human resources, security

The Company guarantees working conditions that respect individual dignity and safe working environments, suitable for protecting and promoting the value of human resources, respecting their rights, physical, cultural and moral integrity. The centrality of the person is expressed in particular through:

- human resources development with a view to improving and increasing their skills base;
- design and maintenance of safe working environments;
- repudiation of all forms of discrimination based on gender, religion, race, sexual orientation, language, political opinions and personal and social conditions;
- adopting a meritocratic approach to staff selection and career advancement.

*What are the elements that must guide choices regarding pay increases for employees?*

The knowledge, skills, expertise and professional experience of each individual, avoiding discretion.

## 4.2 Respecting the environment

MITI is committed to implementing policies aimed at increasing the environmental sustainability of the company's activities and meeting all relevant legislative and regulatory requirements. All Recipients of this Code must comply with the company rules and procedures in force aimed at preserving the environment. In carrying out its activities, MITI combats climate change and preserves industrial heritage and bio-diversity through environmental protection, energy efficiency and sustainable use of resources.

In MITI's plants, initiatives are promoted to minimise energy consumption, reduce water consumption and gas and other polluting emissions into the atmosphere. The Company is also committed to reducing the waste associated with its production activities and to using, as far as possible, materials that can be easily recycled or disposed of in accordance with current regulations.

MITI also considers the selection of suppliers to be a fundamental parameter in terms of respect for the environment and the laws that regulate it, evaluating their attention to respect for the environment and the laws that regulate it, in order not to give preference in any way to saving money over protecting the environment.

*Are the limits prescribed by environmental permits the only ones that are relevant?*

No, we have decided to commit ourselves to reducing the environmental impact of our activity regardless of compliance with environmental permit limits, we can do better.

## 4.3 Intellectual property, confidentiality

MITI considers intellectual property, even if not covered by patent rights, to be a fundamental asset of its own company assets and is committed to protecting it and to refraining from any behaviour that could lead to the violation of third party rights.

The Company undertakes to protect any sensitive, confidential or reserved information concerning MITI and its contractual partners.

*Can I disclose to a supplier the commercial conditions applied to a customer?*

No, price lists are considered confidential information.



## 5. PRINCIPLES OF CONDUCT

*“When you have to decide between integrity and profit, choose integrity without hesitation” Cav. Vincenzo Polli*

The aforementioned recommendation of MITI’s founder represents one of the basic principles by which the Company has always been inspired in the exercise of its activity, namely moral integrity. MITI undertakes to carry out any economic operation and transaction observing the principles of integrity and transparency and, in any case, not carrying out any fraudulent operation or transaction. The activities of all Recipients must be inspired by the following principles of conduct.

### 5.1 Compliance with laws

The Recipients of this Code must act in full compliance with national and international laws, all internal regulations, and in accordance with this Code.

*If a relevant business opportunity arises, with a prospect of high profit, can I sacrifice compliance if the violation is insignificant?*

No, compliance with the law cannot be sacrificed.

### 5.2 Efficiency and effectiveness

The Recipients of this Code are expected to pursue the best possible results, given the resources available, in accordance with the highest quality standards for the different types of activities and to perform their duties in a professional and responsible manner in order to achieve the agreed objectives effectively.

*Can I use poor quality materials in the production process, which do not correspond to the company’s quality standards, in order to avoid excessive material waste?*

No, that would be a clear violation of the principles of efficiency and effectiveness.

## 5.3 Transparency

MITI is committed to providing, in a clear and transparent manner, complete, correct, adequate and timely information to all stakeholders, as well as to providing customers with comprehensive information on products so as to enable them to make informed choices and prevent any risk of confusion or deception.

*Is it possible to omit information during business negotiations which, if left unmentioned, would discourage the customer from buying the goods?*

No, such behaviour would be in clear breach of the principle of fairness and would mislead the customer.

## 5.4 Loyalty

MITI recognises the fundamental importance of a competitive market, respecting the rules of law, in order to avoid practices that may represent a violation of competition laws.

*If I am aware of a customer's distress situation, may I apply, even temporarily, below-cost pricing conditions to customers in order to exclude the competitor from the market?*

No, that is called dumping and it is behaviour that is not tolerated because the health of the whole market suffers.

## 5.5 Quality

MITI is committed to monitoring the changing needs of the market in order to offer quality products and services. MITI pursues a high level of excellence in the choice of materials, in creative and production processes. With a view to providing quality goods and services, MITI strives for continuous improvement in the choice of materials, the production of goods and the general management of the business.

*What does quality mean?*

For us, quality means the ability to improve, the pursuit of excellence and the creation of value.



## 6. ETHICAL STANDARDS TOWARDS THIRD PARTIES

### 6.1 Customers

Recipients involved in the management of relations with customers must act in a transparent and correct manner, in compliance with current legislation, so that customers can make informed decisions.

*Can I withhold relevant information in a customer negotiation if I am not asked a direct question?*

No, that is cheating.

### 6.2 Contractual counterparties

The selection of counterparties and the determination of the conditions for the purchase or provision of goods and services must be carried out only by the entities identified for this purpose by internal procedures, on the basis of an objective and transparent assessment of competitiveness, taking into account, in particular, quality, cost-effectiveness, price, ability to provide and guarantee services of an adequate level and possession of the necessary requirements.

In the selection of contractual counterparties, preference is given to those who offer the best guarantees of compliance with the values and principles of conduct contained in this Code.

*Can I base my selection of contractual partners exclusively on economic assessments?*

No, because the choice of contractual counterparties must also take into account the guarantees of compliance with the values and principles of conduct contained in this code.

## 6.3 Relations with the Public Administration

Relations with the Public Administration and the Supervisory Authorities are based on the principles of transparency, clarity, correctness, good faith and legality. In particular:

- a)** any Recipient which is in a position of conflict of interest with the Public Administration or with persons belonging to it, must remain inactive;
- b)** Recipients may not offer money or gifts to managers, officials or employees of the Public Administration or to their relatives, either in Italy or in other countries, unless they are gifts or benefits of modest value. Illicit payments made by the Company through either its own employees or persons acting on its behalf must be regarded as acts of corruption;
- c)** when a business negotiation or any other relationship with the Public Administration is under way, the Recipients or third parties representing the Company must not try to improperly influence the decisions of the counterparty, nor those of the officials dealing with or making decisions on behalf of the Public Administration or Public Institutions;
- d)** it is forbidden, in the production of corporate documents, to present untrue representations of facts that could mislead or alter the analysis or decision-making capacities of the Public Administration;
- e)** it is prohibited to use contributions, subsidies or funding from the State or other public body or the European Community for purposes other than those for which they were granted;
- f)** no behaviour is allowed in order to obtain, from the State, the European Community or any other public body, contributions, loans, subsidised credits or other disbursements through deliberately partial, incorrect or omitted documents or declarations aimed at misleading the disburser;
- g)** no conduct aimed at inducing the Public Administration to issue authorisations on the basis of documents or declarations that are deliberately partial, incorrect, omitted, designed to mislead the party which is to issue the authorisation, is allowed.

In all relations with the Public Administration and the Supervisory Authorities, the Company undertakes to fully and scrupulously implement the applicable legislation and regulations.

If the entity uses a third party to represent it in relations with the Public Administration, the same directives apply as for employees.



## 7. DISSEMINATION OF THE CODE OF ETHICS

Area managers are delegated to disseminate the Code of Ethics to the Recipients, in the manner identified below:

- a)** transmission - depending on the case and at its choice by e-mail and/or fax and/or post and/or hand delivery - to the Company's employees and collaborators, (with an indication that the Code is to be considered binding for all employees);
- b)** publication: on the company's corporate website and digital platforms where this document is relevant.
- c)** posting in a place accessible to all employees and collaborators, pursuant to Article 7, para. 7 section 1 of Law 300/1970;
- d)** organisation, once a year and, in any case, whenever it is deemed necessary, of an information meeting to which all employees and collaborators of the Company, members of the administrative body and of the Company's auditing firm must be invited, as well as, where deemed appropriate, third parties which collaborate with the Company in any capacity, for the purpose of illustrating any ethically relevant news. Minutes of the meetings must be drawn up, indicating the persons attending and the matters discussed;
- e)** information to external collaborators and suppliers on the existence of the Code of Ethics;
- f)** verification of the inclusion, in contracts concluded by the Company, of a clause aimed at informing third parties of the existence of the Code of Ethics, with the following content: "Code of Ethics: the Company, in conducting its business and managing its relations, refers to the principles contained in its Code of Ethics, published on the website [www.mitispa.com](http://www.mitispa.com). Violation of the provisions contained therein may, depending on the seriousness of the breach, also result in termination of this contract to the detriment of the parties".

## **8. BREACH OF THE CODE OF ETHICS**

Any behaviour contrary to the provisions of the Code of Ethics will be prosecuted and sanctioned, as it is in opposition to the principles and values inspiring the Company. Violations of the provisions of the Code of Ethics constitute a breach of trust with the Company and, if committed by an employee, it constitute a disciplinary offence: the application of disciplinary sanctions is independent of any criminal proceedings. Any sanctions for breach of the Code must be commensurate with the type of breach and its consequences for the Company and must be adopted in compliance with the applicable legislation and the National Collective Agreements in force.

### **8.1 Sanctions against employees**

The behaviour of employees who violate the behavioural or procedural rules contained in this Code of Ethics must be considered as disciplinary offences punishable in accordance with the applicable legislation. In particular, the employee may incur a verbal or written reprimand, a fine, suspension from work and pay, dismissal in lieu of notice and dismissal without notice.

### **8.2 Sanctions against members of the Board of Directors**

If one or more members of the Board of Directors violate the provisions of the Code of Ethics, the Chairman of the Board of Directors must immediately inform the entire Board of Directors and the Board of Auditors of the Company, expressing an opinion on the seriousness of the infringement. The Board of Directors, after hearing the opinion also of the Board of Statutory Auditors, must take the appropriate initiatives and, in the event of serious infringements, must convene the Shareholders' Meeting in order to present the ascertained facts to that body and to adopt the resolutions deemed necessary. The member(s) of the Board of Directors whose infringement is being discussed must be required to abstain from the relevant resolutions. If the violations are committed by a number of members of the Board of Directors such as to prevent the body in question from passing resolutions, the Chairman of the Board of Directors must immediately notify the Board of Auditors so that it may take action in accordance with the law, in particular convening the General Meeting of Members to take the necessary measures.

### **8.3 Sanctions against third parties**

Behaviour by third parties contrary to the provisions of this Code of Ethics may be sanctioned by the termination of the contract, pursuant to Article 1453 of the Italian Civil Code, and with the request for compensation for any damage caused.





## **M.I.T.I. MANIFATTURA ITALIANA TESSUTI INDEMGLIABILI SPA**

Share Capital € 5,000,000 fully paid up

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