

COMPANY CODE OF ETHICS



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CODE OF ETHICS

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THE COMPANY AND ITS MISSION

ELITE SRL is a company based on the effort and teamwork of cycling enthusiasts that has been introducing highly advanced products in the cycling world for more than 40 years. Every product encompasses years of experience and attention to detail, so innovative solutions go hand in hand with legendary projects that set new standards in the cycling world.

Founded in 1979, ELITE demonstrates right away a strong focus on export. Not just Europe, also North and South America, Asia, Australia and South Africa are fundamental markets for the ELITE brand.

The Company constantly seeks out and coordinates efforts to develop new manufacturing processes and technologies to achieve zero emissions and reduce its carbon footprint on the Earth. ELITE firmly believes that each sportsman is responsible for taking care of the environment everyone rides in.

ELITE is interested in developing and applying initiatives that promote Corporate Social Responsibility, in accordance with the framework set by the European

Union. To do so, ELITE has committed to adopting socially responsible conduct also through the use of this corporate code of conduct.

ELITE is aware that ethical conduct is a value and a condition for corporate success and principles such as freedom, dignity and inviolability of the person, honesty, moral integrity, fairness, transparency, reliability and transparency, sharing and being an example represent the fundamental values of all business activities.

The ethical principles of this Code of conduct contribute, in asserting the credibility and reputation of the Company in the international and cultural context it operates in, through the creation of a fair and productive system of relations, thus turning the appreciation of values that drive ELITE into a competitive advantage.

In this perspective of maximum promotion of ethical principles in corporate behavior, ELITE requested and obtained in February 2017 and renewed in 2021 the legality rating pursuant to Art. 5-ter of the Legislative Decree 1/2012 and subsequent amendments.

We trust that this Code's principles will be a source of inspiration for everyone working in ELITE, also trusting that such values expand beyond our company to include all our counterparties.

INTRODUCTION AND OBJECTIVES

Referred to:

- The principles expressed by the Italian Constitution on fundamental rights of the individual;
- The national employment legislation, specifically the Law 300/1970 "Worker's Statute";
- The National Collective Employment Agreement for the Metalworking and Mechanical Engineering sector workers;
- The Community, National and Regional legislation on health and safety of workers and against any workplace discrimination;

The Ethics Code adopted by ELITE represents the "*Charter of fundamental rights and duties*" to which any employee and collaborator, both inside and outside the Company, shall inspire their conduct.

- This Code aims to:
- Ensure a **working environment** based on the protection of individual freedom, dignity and inviolability;
- Uphold **collective and individual responsibility** based on mutual respect and highlight and oppose all types of discrimination and harassment;

- Promote a high level of **professionalism** and eliminate all conduct conflicting both with the current legislation of the countries ELITE operates in and with the values that ELITE wishes to communicate;
- Define the **code of conduct** that will have to be upheld in the course of the professional activities and represent the **guidelines** to follow when dealing with colleagues and in the relations with clients, suppliers, partners, other companies, entities, public institutions, political organizations, unions and the media;
- To promote and encourage environmentally friendly behavior in compliance with relevant regulations and guidelines.

ELITE commits to spreading the Code to all recipients, which observe its contents, through the adoption of the appropriate initiatives and to prepare any instrument that favours its full implementation. Without prejudice to the direct communication that ELITE will deem ideal for the internal distribution of the Code, the Code will be freely available at www.elite-it.com.

1. ETHICAL PRINCIPLES OF THE COMPANY AND COMPLIANCE WITH APPLICABLE LAWS

ELITE deems essential to uphold every national and supranational directive and of the applicable laws and regulations of the countries it operates in. In dealings with third parties, the Company and all of its employees will adapt their conduct in order to avoid breaching any of the regulations applicable in each instance.

Relations and conduct, at all Company levels, must be marked by *honesty, fairness, transparency, confidentiality, impartiality, diligence, loyalty and mutual respect*.

Elite's commitments and ethical responsibilities, also by way of this Code, are geared towards the **attainment of customer's needs** and the **professional growth** of all of its employees and collaborators. It is paramount for the ideal functioning, management reliability and for ELITE's image to observe the guidelines set out in this code.

2. SCOPE OF APPLICATION AND RECIPIENTS

The principles and dispositions of this Code of Ethics represent instances of the general **fairness, loyalty and diligence** obligations that characterise the work activity and, more generally, the conduct in the workplace.

The Code of Ethics contents are binding on the ELITE's Administrators, employees and those that operate, permanently or temporarily, for ELITE in pursuing the corporate objectives and, more generally, on all those parties that set up relations with the Company, in Italy or abroad, in the course of their work activity regarding the Company, based on consulting or tender agreements, that is any kind of cooperation for any reason (hereafter known as "**recipients**").

3. INTERNAL RELATIONS: COMPLIANCE WITH THE FUNDAMENTAL PRINCIPLES AND COOPERATION

Each recipient, in its own working activity, commits to favouring a workplace free from any prejudice and respectful of the workers' character, actively cooperating to maintain an environment that ensures the respect of everyone's **dignity**.

The relations among employees are based on values of **civilised coexistence** and respect the rights and liberties of the people and the fundamental principles of equal social dignity, without discrimination on the grounds of nationality, language, sex, race, religious beliefs, political or trade-union membership, physical or psychological conditions.

Relations among employees are based on loyalty, fairness and respect, without prejudice to the different roles and duties within the company.

Each manager must perform his/her task with **objectivity and balance**, promoting the professional growth of his/her collaborators in a motivating climate and the improvement of working conditions. Each employee must perform his or her tasks with efficiency, responsibility, diligence and spirit of collaboration, while respecting everyone's dignity.

ELITE commits to countering any type of discrimination (Equal opportunities code: Legislative Decree 198/2006) connected to any conduct that is harassing and offensive to human dignity in the workplace and ensure the right to a **workplace that is stress-free and favors building interpersonal relationships based on equality, respect and mutual fairness**.

Those that hold positions of hierarchical responsibility must:

- Prevent inappropriate conduct by favoring the development of **proper interpersonal relationships**;
- Prevent any risk for the physical and mental integrity and the moral character (mobbing and work-related stress), including such offences in the evaluation of risks for the safety and health of workers.

Workers must adopt a conduct that contributes in maintaining a workplace that is respectful of **dignity and personal freedom**.

Everyone is entitled/obliged to report all forms of discrimination that offends or endangers one's own or the colleagues' physical and mental integrity and the moral character.

The Company safeguards all victims of harassment, including sexual and moral harassment, and counters against any retaliation towards complainants and witnesses and supervises over the actual termination of such inappropriate conduct.

4. ENVIRONMENTAL POLICY

ELITE firmly believes that each sportsman is responsible for taking care of the world and the environment everyone rides in.

This is why the Company commits to respecting and adhering to environmental protection laws, guidelines and activities, constantly coordinating its efforts with the competent authorities, institutions and qualified partners in order to continue

improving its company policy on sustainability.

In developing our products and implementing new manufacturing processes, ELITE considers both materials and technologies.

Our goal is to achieve zero emissions to reduce greenhouse gas impact in the atmosphere with the introduction of new manufacturing processes aimed at reducing CO₂ emissions in the atmosphere, combined with the use of renewable energies.

On a regular basis, ELITE renews the company's goals and programs and supplies information on the specific environmental aspects of its products both in terms of manufacture and use, recycling and disposal.

During each phase, ELITE examines the product's entire life cycle and its environmental impact. ELITE places great emphasis on **minimizing its use of energy, raw materials and other natural resources**, both in the development and the production of its products and in the use and evaluation of the entire manufacturing infrastructure.

ELITE minimizes the production of waste, residues and emissions or avoids them altogether, where possible. ELITE constantly seeks out ways to reduce its greenhouse gas emissions, thus reducing our carbon footprint.

Within the context of ELITE's environmental policy:

- ELITE has been using for more than ten years **photovoltaic panels** for the production of sustainable energy for its headquarters and production centers;
- ELITE constantly develops new manufacturing processes aimed at reducing the quantity of plastic materials produced and the use of recycled material in order to minimize employing new plastics in the various manufacturing phases;
- ELITE implements sustainable manufacturing techniques, such as making bottles using bioplastics from sugar cane, which includes no component of fossil origin (carbon or petroleum). Though it's a polymeric material, bioplastic is biologic as it comes from renewable raw materials of vegetable origin, whose harvesting and manufacturing cycle does not release CO₂ into the atmosphere. It has been estimated that each kg of bioplastics manufactured corresponds to a 3,09 Kg reduction of CO₂ in the atmosphere.
- ELITE is constantly adopting new solutions to make the packaging of its products more eco-friendly. Other than a progressive phasing-out of polystyrene in its packages, ELITE also introduced 1-color Havana brown boxes to substitute solvent-based inks and use water-based inks.

5. PROTECTION OF PRIVACY

ELITE ensures full compliance with the legislation on the protection of personal data and protection of privacy by adopting the required standards provided for by Legislative Decree 196/2003 and Reg. EU 679/2016 *General Data Protection Regulation*) Concerning the processing of personal data, ELITE commits to inform

each manager, employee and collaborator of the company about the nature of personal data being processed, the areas of communication and its related boundaries.

The Company has also adopted all necessary organized and standardized internal procedures to conduct a proper monitoring of every phase of the treatment of personal data in order to comply with the principles set out by the relevant regulation, specifically on risk reduction and data processing minimization.

The recipients are bound to enact all required precautions and measures to avoid using data for reasons not connected to the work activities entrusted to them, thus avoiding improper use of private and personal data, consistent with the company disposition for the protection of the company's assets, know-how and image.

6. CONFLICT OF INTEREST, LOYALTY AND FAIRNESS

Each of ELITE's employee, manager or collaborator, and each subject that falls under the category of the recipient of this Code must adopt **loyal and fair** conduct towards the Company. The recipients must avoid every activity, even occasional ones, that might conflict with the company's interests or that might interfere with the ability to make decisions consistent with corporate objectives. Specifically, all recipients are bound to:

- Avoid any situation where personal interests might generate conflict with corporate interests;
- Avoid pursuing, when performing their work, personal interests that are in conflict with corporate interests;
- Avoid taking advantage of business opportunities destined to the Company, for their own benefit or for the benefit of third parties, directly or indirectly;
- Avoid accepting donations, favours or any kind of utilities, except for homages or low value acts of commercial courtesy as long as they are not directed to the improper acquisition of advantages;
- Avoid making donations in cash or goods, except for homages or low value acts of commercial courtesy;
- Avoid engaging in business transactions with ELITE competitors;
- Engage with third parties in compliance with the law, the behavioural rules in this Code, the internal provisions and procedures;
- Avoid using information obtained in the course of conducting the company's operations to directly or indirectly obtain advantages and avoid any improper or unauthorized use of such information;
- Avoid engaging in conduct that may benefit competitors.

Any possible conflict will have to immediately be reported to one's manager or supervisor by those who are involved in it.

7. DATA PROTECTION AND BUSINESS CONFIDENTIALITY

All info regarding company data must be managed via the institutional channels ensuring the protection of the processed company data, the compliance with professional secrecy and the respect of confidential information.

All data, documents, knowledge and works of any kind, related to ELITE or its activities and all confidential **information** (know-how, technological processes, commercial, industrial and strategic plans, customer lists and so on) are



confidential in nature and must be exclusively accessible to ELITE's employees or specifically indicated subjects, within the confines of the work they're assigned to. Recipients commit to avoid divulging or communicate info or other data connected to the acts and operations for each task or responsibility that are confidential in nature without previous specific authorization. Any potential breach of the aforementioned principles constitutes serious misconduct towards the Company.

8. TRANSPARENCY AND FAIRNESS

Transparency in internal or external corporate activities is an essential value for ELITE: the pursuit of the Company's interests must always be conducted via an **objective and coherent analysis of the facts** and its related consequences.

The information pooled in periodical reports and accounting, both general and analytical, must observe the principles of transparency, fairness, effectiveness and accuracy. Any recipient learning of omissions, forgeries or negligence must communicate them to their superiors or managers in order to avoid any potential risky situation for the company.

Info and documents, data and knowledge can be acquired, used or communicated only by authorized personnel, where specifically entrusted, based on their position or role in the company.

9. PROTECTION OF CORPORATE ASSETS: CORPORATE ASSETS AND INTELLECTUAL PROPERTY

Every recipient is responsible for the protection and conservation of **corporate assets**, tangible or intangible, granted by the company for the execution of one's tasks, and for the proper use of such assets, compliant with the company's goals. These assets must be properly used when carrying out the work activity. It is strictly forbidden to use them for personal means and means that could jeopardize the ethics of the Company.

The exclusive ELITE **IP** (tech info, tech drawings, brands, patents and whatever else has been created by ELITE and its employees) must be preserved in any way set forth by the regulations on the subject - employees, managers and collaborators are expressly forbidden to carry out acts that violate or tarnish ELITE's rights and its IP in any way.

10. WORKPLACE SAFETY

Workplace **safety** (individual and collective), employee's **health** and respect of the **environment** are among ELITE's top priorities. In compliance with the current legislation the company commits to ensure safe working conditions and the creation of an adequate working environment to benefit all employees.

Human resources are ELITE's most valuable assets. This is why the company chose to adopt all necessary prevention and safety measures, supplying its employees with everything they need to operate under optimal health and safety conditions. ELITE, without prejudice to the applicable regulations, adopts all measures to reduce the environmental impact of its activities. It also commits to adopt solutions aiming to raise awareness towards the protection of the environment by all recipients.

11. ETHICAL RULES TOWARDS THIRD PARTIES

11.1 Relations with customers and suppliers

Every employee is an integral part of the Company and represents it when dealing with customers and suppliers.

Customer care is competent, efficient, transparent and impartial, bearing in mind that it is fundamental for ELITE to ensure the satisfaction of customer expectations and to consolidate trust towards the Company. **Excellent products and services** and immediate, comprehensive and helpful customer care must be among ELITE key factors.

ELITE strives to offer high quality, top-of-the-line products exclusively via commercial policies that are respectful of the principles of fair competition and the applicable legislation within the various national legal systems.

Selecting **suppliers** and negotiating purchase conditions always consider criteria of competitiveness, quality, impartiality, inexpensiveness and good faith, excluding any contact or relation that may generate personal advantages or conflict of interest.

11.2 Relations with public administration and institutions, entities, associations, political organizations and unions

Relations with Public Administration and Institutions, entities, associations, political organizations and unions must always be conducted upholding the principles of fairness, impartiality and independence and are reserved for the specifically delegated company departments.

11.3 Media relations and Group Representation

Media relations are exclusively reserved to the dedicated corporate roles, or in turn to the recipients authorized by said roles, and are conducted in **accordance** with the **corporate policy** and **communication strategies** defined by ELITE.

All info and communications must be truthful, complete, accurate, transparent and consistent, without prejudice to the confidentiality requirements for conducting the business.

Employees and collaborators must abstain from issuing statements to members of the press/other media and to any other third party regarding the company without authorization from the competent managers.

12. Internal control system and Supervisory Board

The collegiate-structured Supervisory Board (three members, two are external), which possesses autonomous powers of initiative and control, ensures an effective implementation of the Ethics Code. Board components are selected based on professionalism, competence, independence and operational autonomy requirements.

The Supervisory Board shall systematically watch over the effectiveness, observance and update of the Code, the rules of conduct and its related company supervisory protocols. The Board is not entitled to nor can be entrusted with management, decision-making, organization or disciplinary powers within the Company.

The recipients of the Code, both inside and outside the Company, must notify in writing any conduct that is not consistent with what is indicated in the Ethics

Code. Reports within the Company are mandatory and can be submitted to one's manager or directly to the Supervisory Board.

The Supervisory Board commits to protecting the complainants and keep their identity confidential unless legal requirements dictate otherwise.

Written reports, including the anonymous ones, to the Supervisory Board must be sent to the attention of: Supervisory Board, c/o ELITE s.r.l., via Fornaci nr. 4, 35014 – Fontaniva (PD) or sent by email to the address eliteodv@gmail.com. In any event, the Supervisory Board shall ensure that the complainants aren't subject to retaliation, discriminations or penalties, thus ensuring the proper confidentiality of those subjects, unless legal requirements dictate otherwise.

13. Implementing provisions

This code must be brought to the attention of the corporate bodies and its components, the employees, consultants and collaborators, the proxies and all those that might act on behalf of the Company.

The Code of Ethics will be brought to the attention of all the employees via its publication on the Company's register, pursuant to the current legislation and also via its publication on the corporate network; it will also be available for consultation and downloadable, for those who are interested, on the Company's website at www.elite-it.com.

All parties are required to learn its contents and respect its rules. Any doubt concerning the application of this Code must be immediately discussed with the Supervisory Board.

14. Infringement of the Code of Ethics rules

The dispositions in this Code of Ethics integrate the conduct that the employee is bound to observe by virtue of the civil and penal laws and the collective bargaining obligations. Observing them must be considered an essential part of the **contractual obligations** of the employees, pursuant to and for the effects of art. 2104 of the Civil Code.

Violating the provisions of the Code damages the **trust-based relations** established with the Company and may constitute **failure** to fulfil obligations related to the contract of employment or disciplinary offence, in compliance with the procedures provided by the Workers' Statute, with every consequence prescribed by the law, and might cause compensation for damages deriving from the same.

Compliance with the Code must be considered as an essential part of the contractual obligations assumed by the collaborators and/or those subjects that entertain business relations with the Company.

Violating the provisions of the Code will be deemed as non-compliance with the contractual obligations, and will be forfeit to the legal consequences, also in terms of termination of the contract and/or commission and might cause compensation for damages as foreseen.

Therefore, violating this Code constitutes a disciplinary offence pursuant to and for the effects of the National Collective Employment Agreement for the Metalworking and Mechanical Engineering sector workers. The types of disciplinary sanctions are:

- a. verbal reprimand;
- b. written reprimand;
- c. a fine amounting to no more than 3 hours of hourly remuneration;



- d. up to ten days of suspension from work and remuneration;
- e. individual dismissal.

15. Amendments

Any amendment and/or integration to this Code of Ethics will have to be made known to the recipients via the same means used for the distribution of the Code.