

## Code of Ethics

The Fondazione Francesco Morelli, pursuant to the Organisation, Management and Control Model provided for in Legislative Decree 8th June 2001, No. 231 has decided to adopt this Code of Ethics.

### 1. Preamble

#### 1.1. The mission of the Fondazione Francesco Morelli

The Fondazione Francesco Morelli (**'Foundation'**), a private, non-profit organisation, was established on 3 December 2003 at the behest of Francesco Morelli (**'Founder'**), the founder of IED Istituto Europeo di Design S.p.A. in 1966. – Benefit Society (**'IED'** or **'Institute'**), with the aim of contributing to the development, integration and understanding of cultures and to education in *design*, science, art, creativity, innovation, business and economic culture and related fields for the world's youth and society. The Foundation is called upon today to operate as a catalyst for social innovation, cultural growth and sustainability on a global level, building networks and relationships with institutions, the world of education and manufacturers.

The Foundation pursues its purpose starting with the custody of its heritage, facilitating and guiding its companies in their work, also setting an ethical tone for the purposes of responsibility, guaranteeing, through the creation of a 'circular system', the eternity of the 'IED project': to promote and develop a 'project culture', starting from a comprehensive university, cultural and professional education of quality, adapted to the changing conditions of the social and economic system,

fair and inclusive, and operating in the absence of any form of discrimination, be this direct or indirect, related to gender, age, sexual orientation, ethnic origin, disability, religion or language.

Within this system, the Foundation is the guarantor of the value of integrity, sustainability, and responsibility in the management and development of IED and the other companies and associations directly or indirectly controlled, Diana Sei S.r.l., I Paradisi S.r.l., Istituto Europeo di Design S.L., ILEM S.r.l. – Accademia Aldo Galli, Kunsthal Centro Superior de Diseño S.L., Istituto Europeo di Design-Escuela LTDA, Istituto Europeo di Design-San Paulo and Istituto Europeo di Design-Brasil; a 'circular system' that operates through synergy between the companies and associations and which is completed with the restitution, over time, of the material and immaterial value created by the Foundation and its companies and associations, to the community and territories through the pursuit of the founding aims.

In this way, the Foundation is committed to preserving the Founder's major project, building the conditions for its constant development over time, so that it can be handed down to future generations and society, maintaining the model, its values and its original mission that is - in the words of its Founder - *'to develop design culture and education, to create growth opportunities for the younger generations'*, in order to *'offer the world design as a way to face new complexities with vision, creativity and concreteness'*.

## **1.2. Activities with an ethical approach**

With this Code of Ethics, the Foundation intends to formalise the set of principles, recognised and shared by the same, that guide and define its project strategy and

related initiatives, starting from the values indicated in Article 4.3 of its Statute: cooperation, social responsibility, inclusion, innovation, equity, ethics, and quality. This action is structured in the light of both a general and a specific objective, further organised into three sub-objectives, based on the following principle: '*to consciously protect, value and evolve*'.

As for the general objective, the Foundation is operating at a time in history when education is the main tool for pursuing an idea and a development project where inclusion and sustainability – environmental, cultural, economic and social – are more urgently needed than ever. Therefore, the Foundation has decided to contribute to the achievement of the goals of the United Nations 2030 Agenda for Sustainable Development in the strategic planning of its activities. It will do so through the pursuit of its Founding Goals and by identifying its strategic objective as '**sustainable and responsible development for the common good through *design***'.

As for the specific goal, this is divided into the following three sub-objectives:

- *facilitating access to knowledge* by contributing to increasing opportunities to study disciplines related to *design* (in all its forms), bringing young people closer to *design professions* and fostering youth entrepreneurship in the world of *design*, e.g. by funding scholarships, merit awards, entrepreneurial and vocational orientation projects;
- *promoting the development of knowledge* by collaborating on or supporting innovative and quality projects and solutions that are useful to society, e.g., through research funding, participation in applied research projects, building national and international partnerships, and establishing consortia and groups;

- *disclosing and transmitting knowledge*, e.g. through events, publications, conferences and seminars, with the aim of fostering and capitalising on scientific experiences of use to sustainable development and to circulating 'project culture' as a tool - conceptual, operational, equitable, global, inclusive, and responsible - for fostering dialogue on key social and ethical issues.

To all the addressees of the Code of Ethics subsequently identified in Article 1.4. (the '**Stakeholders**') are required to base their conduct on the highest standards of correctness and integrity, and to refrain from conduct that is not compatible with the duties performed in the Foundation or which may compromise the reputation and image of the Foundation itself, as well as of the entities, associations and companies controlled, participated in or connected to it. Compliance by all Stakeholders with the provisions of the Code of Ethics contributes to the pursuit of the Foundation's mission and is necessary from the viewpoint of the Foundation's reputation, good functioning and reliability.

### **1.3. Unethical conduct and the value of reputation**

Conduct that violates the rules of civil coexistence and proper social and business relations is considered unethical.

In the performance of activities, unethical conduct undermines the relationship of trust between the parties and may foster hostile attitudes towards the Foundation or within its statutory bodies.

Ethical conduct, good reputation and transparency, on the other hand, foster relations with institutional, commercial, entrepreneurial and financial stakeholders, attract the best human resources, and consolidate existing relations between the Foundation and third parties.

#### **1.4. Stakeholders**

All those subjects, individuals, organisations or institutions, including, in *primis*, the bodies, associations and companies controlled, connected and participated in by the Foundation, and whose contribution helps the realisation of the institutional and social mission of the Foundation itself, either directly or indirectly, or which have an interest in its implementation and pursuit, are to be considered Stakeholders and therefore, addressees of this Code of Ethics.

By way of example but not limited to, for the purposes of this Code of Ethics, the following are considered Stakeholders:

- all those who take part in the Statutory Bodies or who hold representative, administrative or managerial positions, or who exercise management and control over the Foundation;
- all employees, without exception, and collaborators;
- consultants and professionals working in the interest of the Foundation;
- suppliers of goods and/or services;
- the direct beneficiaries of the Foundation's institutional activities, i.e. people to whom the Foundation's activities and projects are directed;
- organisations, associations and companies controlled, participated in or connected by the Foundation and their Stakeholders (e.g. students, teachers, employees, collaborators, managers, directors, auditors, suppliers and consultants);
- anyone else having business relations with the Foundation, directly or indirectly, permanently or temporarily, or collaborating with it in the pursuit of its institutional mission.

The development of fiduciary relationships and cooperation with Stakeholders are therefore among the primary objectives and activities of the Foundation.

## **2. Reference principles and values of the Foundation**

As stated above, with the Code of Ethics, the Foundation intends to formalise a set of values and general principles of conduct in which it believes and with which it identifies.

This section sets out the fundamental principles and values shared by the Foundation, which, in addition to defining its action, must also guide the actions of its Stakeholders with a view to good functioning, reliability and reputation in the territories in which it operates, as well as of the bodies, associations and companies it controls and in which it has a stake or which are connected to it.

### **2.1. Legality**

Respect for national laws, starting with the constitutional ones, and for the values, principles and norms of the European Union and international law, as well as the provisions of the Statute, is an indispensable principle for the Foundation.

The Foundation has no relations with those who do not intend to adopt and respect this principle.

Under no circumstances may breach of national laws as well as the values, principles and standards of the European Union and of international law, as well as of the provisions of the Foundation's Articles of Association, be justified by the realisation of an interest of the Foundation or by the attainment of an advantage for same.

Within the scope of their functions, Stakeholders are obliged to respect national laws, as well as the values, principles and standards of the European Union and international law, as well as the rules contained in the Foundation's Articles of Association. Stakeholders must also observe the general principles of diligence and loyalty and the behavioural requirements contained in the collective agreements applicable to same.

Within the scope of their professional activity, collaborators, suppliers, members of the Foundation's governing bodies and all persons acting in the name and on behalf of the Foundation are bound to comply with the applicable national and community laws, the regulations contained in the Foundation's Articles of Association, and, where applicable, the rules of professional ethics.

## **2.2. Fairness, professionalism, responsibility and rewarding merit**

The Foundation directs its activities with regard to its Stakeholders with a view to ethics, integrity, fairness and a sense of responsibility. Every decision must be guided by the principles of merit and excellence, in order to be able to reward and give visibility to talented people and quality projects, for the common good and for society.

Similarly, Stakeholders work with the Foundation according to the highest *standards* of quality and fairness, as well as in compliance with the professionalism required by the nature of the tasks and functions performed.

## **2.3. Sustainability**

The Foundation's activities and projects must always be directed towards human, economic, social, cultural and environmental sustainability.

#### **2.4. Prevention of racism and xenophobia**

The Foundation firmly and resolutely condemns all forms of racism and xenophobia, opposing these through the promotion of the values set out in this Code of Ethics; values that must guide the actions of all its Stakeholders.

According to their role and function, all addressees of the Code of Ethics must prevent the propaganda or incitement of the crimes of genocide, crimes against humanity and war crimes. Stakeholders are also required to immediately inform the Foundation and the competent authorities of any racism and xenophobia encountered in the workplace.

#### **2.5. Inclusion and social equity**

Ensuring the principle of equal opportunities for access to activities and projects is the basis for the Foundation's actions in pursuit of its *mission*.

The Foundation condemns all forms of discrimination, whether direct or indirect, relating to gender, age, sexual orientation, ethnic origin, disability, religion and language, and promotes actions that are inclusive and aimed at valuing differences in order to transform them into factors of equity, union and dialogue.

Stakeholders are obliged align their professional conduct, among other things, with the principles of solidarity and assistance towards the weaker social categories; they are obliged to immediately inform the Foundation and the competent authorities of any discriminatory phenomenon, in whatever form it is manifested.

#### **2.6. Prevention of corruption**

In the conduct of its activities, the Foundation prohibits any action towards or by third parties capable of affecting its impartiality and autonomy of judgement.

In this respect, the Foundation does not allow the payment or acceptance of sums of money, gifts or favours to/from third parties for the purpose of procuring direct or indirect advantages for the Foundation.

## **2.7. Conflicts of interest**

In the performance of their functions and/or duties, Stakeholders must avoid situations of conflict of interest, i.e. situations in which they pursue personal or professional/institutional interests other than the *mission* of the Foundation.

Should a Stakeholder find him/herself in a situation that could potentially generate a conflict of interest, or should he/she be the bearer of an interest of his/her own or of a third party that could adversely affect the ability of same to make decisions in the best interests of the Foundation, he/she must immediately inform the Oversight Board ('**OdV**'). This disclosure will trigger the simultaneous obligation of the Stakeholder to abstain.

## **2.8. Health, safety, and the value of human resources**

Respect for the physical integrity of the person is an ethical reference value of the Foundation.

Employees at all levels are an essential resource for the success of the Foundation's mission.

The Foundation protects and promotes the value of human resources, in order to improve and increase the experience and skill sets possessed by each employee and collaborator and, with this in mind, it guarantees working conditions that respect individual dignity and a safe and healthy working environment.

## **2.9. Management of the Foundation's assets**

Protecting the integrity of the Foundation's assets and of third parties in general is an important part of the Foundation's ethical tradition.

The assets of the Foundation are bound to the pursuit of its mission and are managed in a manner consistent with the nature of the Foundation as a non-profit organisation that operates according to principles of transparency and morality. The Foundation manages its assets in accordance with the principles of economical management, according to prudential risk criteria, so as to preserve their economic value and, if possible, to increase it.

## **2.10. Donations**

The Foundation receives donations that are consistent, in object and purpose, with the guidelines and areas of intervention established by the Foundation itself and always in compliance with the provisions of the Ministry of the Treasury.

The transparency of each donation made and received by the Foundation must be ensured: it is necessary to know the recipient, the concrete use and the motivation.

Under no circumstances is the Foundation allowed to make donations to persons or organisations whose aims are in conflict with this Code of Ethics, with the

fundamental principles of the context in which it operates, or the pursuit of which is in any way detrimental to the Foundation.

### **2.11. Traceability and correctness of financial flows**

Financial flows must be managed by ensuring high *standards* of clarity, correctness, traceability and transparency of transactions, keeping adequate documentation for same.

All payments and other transfers made by or to the Foundation must be accurately recorded in the accounting systems and must be made for activities contractually formalised and/or approved by the Foundation and/or functional to the achievement of the Foundation's mission. Likewise, the beneficiaries of any transfers made by the Foundation must use the funds obtained for the purposes decided by the Foundation.

The principles that guide the Foundation's choices are merit, excellence, efficient use of resources and effectiveness in achieving goals.

The Foundation does not make contributions, in any form whatsoever, to parties, movements, committees or openly political organisations.

### **2.12. Transparency and correctness of information**

All operations carried out by the Foundation must be adequately supported by documents; the characteristics of and reasons for the operation must be clear and the persons who authorised, carried out, recorded, verified the operation must be identified or identifiable. Stakeholders must ensure the utmost truthfulness, transparency and completeness of information, both verbal and documentary, produced in the performance of activities.

Persons involved in the formation of the data contained in financial statements, reports and all corporate communications are required to conduct themselves in a manner characterised by high *standards* of fairness, transparency and compliance with the law, as well as with applicable regulations.

### **2.13. Confidentiality of information**

All information that is not in the public domain concerning the Foundation, or other subjects, of which a Stakeholder has become aware by reason of his/her functions or in any case, by virtue of his/her relationship with the Foundation, must be considered strictly confidential and used exclusively for the performance of his/her work.

The Foundation strongly condemns any kind of disclosure of information acquired or otherwise made known to Stakeholders in the performance of their activities, which has not been authorised or required by law or regulation.

Stakeholders may also not use privileged and confidential information to engage in personal transactions, directly or indirectly, including through intermediaries, on their own behalf or on behalf of third parties.

### **2.14. Privacy protection**

In accordance with legal provisions and EU regulations, the Foundation guarantees the confidentiality of the personal data and information in its possession.

All employees and collaborators of the Foundation have the title of data processor and may only process personal data necessary for the performance of their assigned tasks.

### **3. Stakeholder relations**

#### **3.1. Relations with employees and collaborators**

Employees and collaborators are selected on the basis of their experience, aptitude and skills; their high level of professionalism, competence and reliability are considered a key factor for the Foundation's success.

Recruitment of Foundation employees and collaborators follows criteria linked to merit and excellence; any professional growth of the same is linked to objective criteria of evaluation and equal opportunities.

To provide a decent, respectful working environment for all, the Foundation prevents any kind of violence, harassment, sexual or personal offence or behaviour that violates personal dignity. Physical and moral integrity is considered a primary value of the Foundation, which, in addition to safe and healthy working environments in accordance with workplace health and safety regulations, promotes working conditions that respect individual dignity.

#### **3.2. Relations with controlled, affiliated or participated entities, associations and companies**

By establishing the Foundation, Francesco Morelli has also indicated a socially useful goal to the companies, entities and associations that contribute to the achievement of the Foundation's results and share its principles and values.

The entities, associations and companies controlled, connected or participated in by the Foundation, or which perform activities on its behalf are therefore among

the main Stakeholders of this Code of Ethics and as such are required to comply with its provisions, insofar as applicable.

To this end, the Foundation - by operating in compliance with the provisions of the law and in accordance with the principles expressed in the Code of Ethics - ensures the dissemination and knowledge of same, raising awareness of the relevant principles and values, and requiring the avoidance of conduct that in any way leads to their violation.

As far as training activities are concerned, the Foundation raises awareness within the entities, associations and companies it controls, associates and participates in to operate with no discrimination and to ensure the freedom of research and teaching guaranteed by Article 33 of the Italian Constitution, as well as to provide a quality, fair and inclusive university education aimed at training capable and responsible professionals.

### **3.3. Relations with suppliers and *business partners* .**

In the purchase of goods and/or services and in the awarding of assignments and mandates, the Foundation undertakes to apply the principles of equal opportunity, impartiality, cost effectiveness, transparency and fairness, ensuring the selection of the most advantageous choices by comparing several offers.

Fees paid to recipients of professional assignments shall be appropriately proportionate to the work performed, in consideration of market conditions.

Payments may not be made to anyone other than the contracting party.

In contract, supply of goods and/or services and collaboration relationships, parties acting on behalf of the Foundation shall

- adopt only objective evaluation criteria in the selection process in a declared and transparent manner;
- observe and demand compliance with the contractual terms and conditions, maintaining a dialogue in line with good business practice;
- bring relevant problems that have arisen with a supplier or external collaborator to the attention of the relevant bodies, so that the appropriate consequences can be assessed.

### **3.4. Relations with the Public Administration**

All activities and negotiations with the Public Administration are conducted in accordance with the criteria of utmost honesty and transparency, and exclusively by delegated or appointed persons.

In general, in relations with the PA:

- The offer of any benefits in money, goods or services to directors, officers or employees of Public Administration or the relatives of same is not permitted;
- it is prohibited to accept any object, service, or performance to obtain more favourable treatment;
- those who act in the name and/or on behalf of the Foundation are bound to observe the provisions and principles set out in this Code of Ethics;
- the Foundation must not be represented by persons who are currently in a situation of conflict of interest or who may be in this situation in the future.

### **3.5. Relationships with financial intermediaries**

The Foundation may use the professional services of authorised intermediaries in order to achieve its asset management objectives.

These intermediaries will be chosen through transparent, impartial procedures, always based on criteria that are in the interest of the Foundation.

### **3.6. Relationships with control bodies and oversight authorities**

Communications, reports and replies sent to control bodies and public oversight authorities must comply with the principles of completeness, objectivity, transparency and timeliness.

It is forbidden to submit untrue facts or to use fraudulent means to conceal, in whole or in part, facts to be communicated to control bodies and public oversight authorities and/or to obstruct, in any form whatsoever, the work of the aforementioned persons in the performance of the activities for which they are responsible.

### **3.7. Relationships with the media**

Relationships with the press, television and, in general, with the mass media - both national and international - are the responsibility of the persons designated by the Foundation for this purpose and must be kept in line with the communication policy defined by the President.

The information disseminated by the Foundation is complete, transparent and comprehensible.

Stakeholders who appear at meetings, gatherings or public events are required to do so in a personal capacity and - unless expressly authorised and appointed by the Foundation - may not divulge information, nor may they use the Foundation's name and brand.

## **4. Implementation and control**

### **4.1. Dissemination of the Code of Ethics**

Stakeholders must be familiar with all the provisions and principles contained in this Code of Ethics and, having read it, must explicitly accept its contents.

The Foundation undertakes to make the Code of Ethics known to its Stakeholders by means of appropriate communication activities, according to the means and procedures that will be deemed most appropriate.

This Code of Ethics is available to all Stakeholders on the Foundation's institutional website and a copy can be requested from the Foundation's Secretariat.

### **4.2. Implementation of the Code of Ethics**

In the implementation of this Code of Ethics, the Foundation undertakes to perform - also by means of the Oversight Board indicated below - the appropriate verification activities that news of violations of this Code of Ethics may require, with the application of the appropriate sanctions, as required.

The Foundation represses any form of retaliation against those who contribute to the implementation of this Code of Ethics.

The Foundation undertakes to update this Code of Ethics should new requirements arise, in terms of amending and/or supplementing same.

### **4.3. Oversight Board for the application of the Code of Ethics**

Given that each institutional function is responsible for the application of the Code of Ethics within the scope of its own duties, in the implementation of this Code of Ethics, the Oversight Body is assigned certain fundamental functions, such as

- to promote the dissemination of the Code of Ethics among its addressees;
- to monitor the compliance with and suitability of this Code of Ethics, also in order to propose any updates and/or additions to same;
- to define and strengthen policies and procedures aimed at preventing unethical, illegal or otherwise improper behaviour by Stakeholders.

#### **4.4. Reports**

Alleged violations of the Code of Ethics may be reported to the Oversight Board at the e-mail address indicated in the Model. Reports of potential violations of this Code of Ethics will be assessed under the principle of confidentiality of the identity of the reporter, without prejudice to legal obligations.

Reports submitted in good faith will not have negative repercussions for the reporter even if they turn out to be unfounded.

Without prejudice to the compliance with all protections provided by law and/or by collective agreements, each addressee is in any case entitled to forward requests for clarification, to lodge complaints, or to report news of potential breaches of this Code to the Supervisory Board. These communications will remain strictly confidential, without prejudice to legal obligations.

#### **4.5. Sanctions**

Without prejudice to the sanctions set down in regulatory provisions for breaches of the provisions contained therein, the Foundation establishes the sanctions it will adopt against Stakeholders who have behaved contrary to the provisions and principles laid down in the Code of Ethics. These sanctions will be imposed according to the principle of proportionality, based on the severity and

intentionality of the infringement committed, and also taking any repeat of the conduct into account.

For employees, compliance with the Code of Ethics is an integral part of the conditions governing the employment relationship, and any breach of this Code of Ethics will entail the application of disciplinary measures, proportionate to the severity of the conduct, taking into account any repeat and always in compliance with the provisions contained in the applicable employment contracts. These breaches will also be taken into account for possible career advancement and promotions.

In the event of breach of the rules of this Code of Ethics by one or more of the following: members (i) of the Board of Directors, (ii) of the Board of Statutory Auditors, (iii) of the Cultural Committee, (iv) of the Cultural Director, (v) of the General Secretary, if appointed, the Oversight Board shall promptly inform the body to which it belongs, which, on the proposal of the Oversight Board itself, shall take the appropriate measures (with the abstention of the member involved).

With regard to other addressees, violation of the provisions or principles contained in this Code of Ethics will entail the application of measures proportionate to the severity of the conduct, taking into account any repeat, up to and including the termination of existing contracts with same for just cause or breach.

In any case of breach of this Code of Ethics, the perpetrator of the offence and any participants in said breaches may be held liable for the damage caused to the Foundation.

## **5. Approval and amendment of the Code of Ethics**

This Code of Ethics is approved by the Foundation's Board of Directors.

Any amendments and/or additions thereto must always be approved by the Foundation's Board of Directors.