

Engineering

Technical gases



LPG and Natural Gas

Healthcare



ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL
pursuant to Legislative Decree 231/2001

SIAD S.p.A.

Contents

GENERAL PART	5
DEFINITIONS	6
CHAPTER I.....	8
REGULATORY FRAMEWORK	8
CHAPTER 2	17
SIAD ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL	17
CHAPTER 3	22
THE SUPERVISORY BODY PURSUANT TO LEGISLATIVE DECREE 231/2001	22
CHAPTER 4	29
DISCIPLINARY SYSTEM.....	29
CHAPTER 5	35
TRAINING AND COMMUNICATION.....	35
CHAPTER 6	36
ADOPTION OF THE MODEL	36
CRITERIA FOR UPDATING AND ADAPTING THE MODEL	36
CHAPTER 7	38
REPORTING OF OFFENSES OR VIOLATIONS OF THE MODEL	38
SPECIAL PART	40
Offenses applicable to the Company	41
Introduction	42
General principles of conduct	42
General prevention protocols	43
Objectives of the Special Parts	44
SECTION A. Offenses committed in relations with the Public	
Administration (arts. 24 and 25 of the Decree)	46
A.1. Introduction	46
A.2. Applicable offenses	47
A.3. Sensitive activities	50
A.4. Specific prevention protocols	51
A.5. Information flows to the SB.....	58
SECTION B. Computer-related crime and unlawful data processing	
(art. 24-bis of the Decree)	59
B.1. Applicable offenses	59
B.2. Sensitive activities	60
B.3. Specific prevention protocols	61
B.4. Information flows to the SB.....	62
SECTION C. Organized crime and transnational offenses	
(art. 24-ter of the Decree and art. 10, Law 146/2006).....	63
C.1. Applicable offenses	63

C.2. Sensitive activities.....	64
C.3. Specific prevention protocols	65
C.4. Information flows to the SB.....	66
SECTION D. Falsification of cash, government-issued bearer bonds, duty-paid stamps and recognizable signs and crimes against industry and commerce (arts. 25-<i>bis</i> and 25-<i>bis</i>.1 of the Decree).....	67
D.1. Applicable offenses	67
D.2. Sensitive activities	67
D.3. Specific prevention protocols	68
D.4. Information flows to the SB.....	69
SECTION E. Corporate offenses (art. 25-<i>ter</i> of the Decree)	70
E.1. Applicable offenses	70
E.2. Sensitive activities	72
E.3. Specific prevention protocols	72
E.4. Information flows to the SB.....	77
SECTION F. Terrorism or the subversion of democratic order (art. 25-<i>quater</i> of the Decree).....	78
F.1. Introduction.....	78
F.2. Applicable offenses	78
F.3. Sensitive activities	78
F.4. Specific prevention protocols.....	78
F.5. Information flows to the SB.....	79
SECTION G. Manslaughter or serious or very serious personal injuries caused in violation of the occupational health and safety regulations (art. 25-<i>septies</i> of the Decree)	80
G.1. Applicable offenses	80
G.2. Sensitive activities	82
G.2.1. <i>Introduction</i>	82
G.2.2. <i>Sensitive activities</i>	83
G.2.2.1. <i>Subdivision of activities</i>	83
G.2.2.2. <i>Activities at risk of injuries or occupational illnesses</i>	83
G.2.2.3. <i>Activities at risk of offenses</i>	84
G.3. General principles of conduct	85
G.4. Specific prevention protocols	86
G.5. Additional checks	94
G.6. Periodic audit checks on the application and effectiveness of the procedures	97
G.7. Information flows to the SB.....	97
SECTION H. Receiving stolen goods, money laundering and utilization of money, goods or benefits of unlawful origin, as well as self-laundering (art. 25-<i>octies</i> of the Decree).....	98
H.1. Applicable offenses	98
H.1.1. Introduction: the offense of self-laundering	98
H.2. Sensitive activities	99
H.3. Specific prevention protocols	99
H.4. Information flows to the SB.....	103
SECTION I. Crimes regarding the violation of copyright laws (art. 25-<i>novies</i> of the Decree).....	103

I.1.	Applicable offenses	103
I.2.	Sensitive activities	103
I.3.	Specific prevention protocols	104
I.4.	Information flows to the SB	105
SECTION J. Inducement not to make statements or to make false		
statements to the judiciary (art. 25-<i>decies</i> of the Decree)		106
J.1.	Applicable offense	106
J.2.	Sensitive activities and prevention	106
SECTION K. Environmental offenses (art. 25-<i>undecies</i> of the Decree)..		
K.1.	Applicable offenses	107
K.2.	Sensitive activities	110
K.3.	General protocols	110
K.4.	Specific prevention protocols	113
K.5.	Information flows to the SB	121
SECTION L. Employment of foreign citizens without a proper permit		
(art. 25-<i>duodecies</i> of the Decree)		122
L.1.	Applicable offense	122
L.2.	Sensitive activities	122
L.3.	Specific prevention protocols	123
L.4.	Information flows to the SB	124
SECTION M. Tax offenses and contraband (art. 25-<i>quinqüesdecies</i>		
and art. 25-<i>sexiesdecies</i> of the Decree)		125
M.1.	Applicable offenses	125
M.2.	Sensitive activities	127
M.3.	General principles of conduct	128
M.4.	Specific prevention protocols	129
M.5.	Information flows to the SB	138

GENERAL PART

DEFINITIONS

- **Company** or **SIAD**: Società Italiana Acetilene e Derivati S.I.A.D. S.p.A. with registered office at Via San Bernardino 92, Bergamo (BG).
- **Decree** or **Legislative Decree 231/2001**: Legislative Decree 231 dated 8 June 2001, as subsequently amended and supplemented.
- **Sensitive activities**: any activities of the Company subject to the risk of committing offenses envisaged in the Decree.
- **PA**: Public Administration.
- **Confindustria Guidelines**: guidance issued by Confindustria (approved on 7 7 March 2002 and updated in March 2014 and most recently in June 2021) for preparing the organizational, management and control models envisaged in the Decree.
- **Model**: organizational, management and control model pursuant to Legislative Decree 231/2001 adopted by the Company.
- **Sensitive activities**: activities in the context of which offenses may be committed.
- **Specific prevention protocols**: specific controls - integral to the corporate management systems - intended to prevent the commission of offenses.
- **Code of Ethics**: code of ethics adopted by the Company.
- **Supervisory Body** or **SB**: body envisaged in art. 6 of the Decree, responsible for supervising the functioning of and compliance with the Model, as well as for updating it.
- **Senior persons**: persons who represent, manage or direct the Company or a unit with financial and functional autonomy, as well as any persons who manage or control the Company, whether formally or on a de facto basis.
- **Subordinate persons**: persons subject to management or supervision by a senior person.
- **Consultants**: persons who, on account of their professional skills, provide intellectual services in favor or on behalf of the Company, based on a mandate or another form of professional collaboration.
- **Employees**: persons who work for the Company under an employment contract, on a freelance basis or on secondment from an employment agency.
- **Partners**: contractual counterparts of the Company, whether natural or legal persons, with whom any form of contractual collaboration is agreed.
- **CCNL**: the National Collective Employment Agreement currently in force and applied by the Company.

- ***Instruments for implementing the Model:*** By-laws, organization charts, granting of powers, job descriptions, policies, corporate management procedures, organizational instructions and all other provisions, measures and deeds of the Company.

CHAPTER I

REGULATORY FRAMEWORK

1.1 Preface

Legislative Decree 231 dated 8 June 2001 introduced regulations governing the administrative responsibility of legal persons, companies and associations, with or without legal form.

Under these regulations, companies can be held responsible, and consequently sanctioned, for certain offenses committed or attempted in their interests or for their benefit by senior or subordinate persons.

The administrative responsibility of the company is separate from the criminal responsibility of the natural person who committed the offense and is additional to the latter. This extension of responsibility essentially seeks to involve the assets of the company in the punishment of certain offenses and, ultimately, the economic interests of the partners and associates who, until the Decree came into force, did not suffer any direct consequences following the commission of offenses in the interests or for the benefit of the company, by its directors and/or employees.

Legislative Decree 231/2001 changed Italian legislation so that companies are now subject, directly and independently, to pecuniary penalties and interdictions for certain offenses envisaged in the Decree that are committed by persons functionally linked to the company.

However, the administrative responsibility of the company is excluded if, before the offense was committed, it adopted and effectively implemented suitable organizational, management and control models to prevent the commission of offenses for which it could be held responsible. These models can be adopted on the basis of the codes of conduct (guidelines) drawn up by Confindustria and communicated to the Ministry of Justice.

1.2 Nature of responsibility

With reference to the nature of the administrative responsibility pursuant to Legislative Decree 231/2001, the Report attached to the aforementioned Decree stresses that *“a tertium genus merges the essential elements of the criminal and administrative systems, in an attempt to introduce preventive measures, while ensuring the maximum degree of protection”*.

Decree 231/2001 added the administrative responsibility of companies to the Italian legal framework - consistent with the requirements of article 27 of the Constitution, but with numerous points of contact with the concept of criminal liability.

In this sense, the most significant are arts. 2, 8 and 34 of Legislative Decree 231/2001. The first confirms the principle of legality typical of criminal law; the second confirms the separate responsibility of the company with respect to that of the natural person who committed the offense; the third envisages the situation in which the responsibility of the company deriving from the commission of an offense, is identified in the context of criminal proceedings and, therefore, afforded the protections offered by that process. The punitive character of the sanctions applicable to the company must also be considered.

1.3 Offenders: senior persons and persons subject to management by others

As illustrated above, according to Legislative Decree 231/2001, the company is responsible for offenses committed in its interest or for its benefit:

- BY SENIOR PERSONS, PURSUANT TO art. 5, para. 1.a), of the Decree, being *“persons who represent, manage or direct the company or an organizational unit with financial and functional autonomy, as well as any persons who manage or control the company, whether formally or on a de facto basis”*;
- BY SUBORDINATE PERSONS, PURSUANT TO art. 5, para. 1.b), of the Decree, being persons subject to management or supervision by a senior person.

By express provision of the law (art. 5, para. 2, Legislative Decree 231/2001), the company is not responsible if the above persons acted exclusively in their own interests or those of third parties.

1.4 Types of offense

Pursuant to Legislative Decree 231/2001, the company can only be held responsible for the offenses expressly envisaged in arts. 24 to 25-*terdecies* of the aforesaid Decree, as well as in art. 10, Law 146/2006, if committed in its interests or for its benefit by persons linked to the company, including directors and/or employees.

The offenses envisaged in Legislative Decree 231/2001 and subsequent additions may be classified, for explanatory purposes, into the following categories:

1. offenses committed in relations with the Public Administration (indicated in arts. 24 and 25 of Legislative Decree 231/2001);
2. computer-related crime and unlawful data processing (indicated in art. 24-*bis* of Legislative Decree 231/2001);
3. organized crime (indicated in art. 24-*ter* of Legislative Decree 231/2001);
4. falsification of cash, government-issued bearer bonds, duty-paid stamps and recognizable signs (indicated in art. 25-*bis* of Legislative Decree 231/2001);

5. crimes against industry and commerce (indicated in art. 25-*bis*.1 of Legislative Decree 231/2001);
6. corporate offenses (indicated in art. 25-*ter* of Legislative Decree 231/2001);
7. crimes relating to terrorism or the subversion of democratic order (indicated in art. 25-*quater* of Legislative Decree 231/2001);
8. female genital mutilation (indicated in art. 25-*quater*.1 of Legislative Decree 231/2001);
9. crimes against personal liberty (indicated in art. 25-*quinquies* of Legislative Decree 231/2001);
10. market abuse (indicated in art. 25-*sexies* of Legislative Decree 231/2001);
11. manslaughter or serious or very serious personal injuries caused in violation of the occupational health and safety regulations (indicated in art. 25-*septies* of Legislative Decree 231/2001);
12. receiving stolen goods, money laundering and utilization of money, goods or benefits of unlawful origin, as well as self-laundering (indicated in art. 25-*octies* of Legislative Decree 231/2001);
13. crimes relating to payment instruments other than cash (art. 25-*octies*.1);
14. crimes regarding the violation of copyright laws (indicated in art. 25-*novies* of Legislative Decree 231/2001);
15. inducement not to make statements or to make false statements to the judiciary (indicated in art. 25-*decies* of Legislative Decree 231/2001);
16. environmental offenses (indicated in art. 25-*undecies* of Legislative Decree 231/2001);
17. employment of foreign citizens without a proper permit (indicated in art. 25-*duodecies* of Legislative Decree 231/2001);
18. racism and xenophobia (indicated in art. 25-*terdecies* of Legislative Decree 231/2001);
19. fraud in sports competitions, unlawful organization of betting or gaming and gambling via the use of prohibited equipment (indicated in art. 25-*quinquiesdecies* of Legislative Decree 231/2001);
20. corporate offenses (indicated in art. 25-*quinquiesdecies* of Legislative Decree 231/2001);
21. contraband (indicated in art. 25-*sexiesdecies* of Legislative Decree 231/2001);
22. crimes against cultural heritage (art. 25-*septiesdecies*);
23. laundering of cultural assets and devastation and looting of cultural and landscape assets (art. 25-*duodevicies*);
24. transnational offenses (indicated in art. 10 of Law 146/2006).

1.5 System of sanctions

Following commission or attempted commission of the offenses mentioned above, Legislative Decree 231/2001 envisages the following sanctions against the company:

- pecuniary penalty up to a maximum of Euro 1.549.370,69 (and seizure as a precautionary measure);
- interdiction (also applicable as a precautionary measure) for no less than three months and no more than seven years which, in turn, may consist of:
 - debarment from performance of the activity;
 - suspension or revocation of the authorizations, licenses or concessions needed to commit the offense;
 - ban on negotiating with the public administration;
 - exclusion from relief, loans, grants or subsidies, or revocation of any already made available;
 - ban on advertising goods or services;
- confiscation (and seizure as a precautionary measure);
- publication of the judgment (in the event of interdiction).

The pecuniary penalty is determined by the judge using a system based on “quotas” - no less than one hundred and no more than one thousand - of variable amount, between a minimum of Euro 258.22 and a maximum of Euro 1,549.37. In determining the amount of the pecuniary penalty, the judge decides:

- the number of quotas, taking into account the seriousness of the offense, the degree to which the company was responsible and the work performed to eliminate or mitigate the consequences of the offense and prevent the commission of further offenses;
- the amount of each quota, based on the economic and financial condition of the company.

Interdiction is only applied if expressly envisaged for the offense for which the company is responsible, and at least one of the following conditions is satisfied:

- a) the company has benefited considerably from the offense, which was committed by senior persons or persons subject to management and coordination by others when, in the latter case, commission of the offense was caused or facilitated by serious organizational weaknesses;
- b) repeated offenses.

The sanctions of debarment from performance of the activity, ban on negotiating with the public administration and ban on advertising goods or services, may even be applied - in the most serious cases - on a permanent basis.

As an alternative (to application of the related sanction), the activity of the company may be continued by a commissioner appointed by the judge pursuant to article 15 of the Decree.

Interdiction is not applied if:

- the person who committed the offense did so mainly in his/her own interests or those of a third party and the company did not benefit, or the benefit was minimal;
- the resulting loss of assets was particularly slight.

1.6 Attempted offenses

If the offenses indicated in Chapter I Section III of Legislative Decree 231/2001 (arts. 24 to 25-*duodecies*) are merely attempted, the pecuniary penalties (in terms of amount) and interdictions (in terms of time) are reduced between one third and one half. No sanctions are applied if the company voluntarily prevents the action or occurrence of the event (art. 26).

In this case, the exclusion of sanctions is justified by the termination of all common interests between the company and the persons who believe they are acting in its name and on its behalf. This is a special case of the so-called "active withdrawal" envisaged in art. 56, para. 4, of the Penal Code.

1.7 Offenses committed abroad

Pursuant to art. 4 of Legislative Decree 231/2001, the company may be held responsible in Italy for offenses - envisaged in Legislative Decree 231/2001 - committed abroad, unless it is prosecuted in the country where the offense was committed. The report accompanying Legislative Decree 231/2001 stresses the need to avoid leaving unpunished this frequent type of offense, not least to prevent easy avoidance of the entire regulatory framework.

The responsibility of the company for offenses committed abroad is based on the following grounds (envisaged in the regulation or inferred from Legislative Decree 231/2001 as a whole):

- (i) the offense must be committed abroad by a person functionally linked to the company, pursuant to art. 5, para. 1, of Legislative Decree 231/2001;
- (ii) the principal place of business of the Company is within the Italian State;
- (iii) the company is only liable in the cases and under the conditions envisaged in arts. 7, 8, 9 and 10 of the penal code (in cases where the law requires punishment of the guilty party - a natural person - on request from the Minister of Justice, action is only taken against the company if it is included in that request). Reference to arts. 7-10 of the penal code must be coordinated with the provisions of arts. 24 to 25-*duodecies* of Legislative Decree

231/2001, so that - consistent with the principle of legality referred to in art. 2 of Legislative Decree 231/2001 - in relation to the offenses mentioned in arts. 7-10 of the penal code, the company is only liable for those for which it has responsibility under specific legislation;

(iv) if the cases and conditions envisaged in the above articles of the Penal Code are identified, the company is liable unless prosecuted in the country where the offense was committed.

1.8 Procedure for investigating the offense

Liability for an administrative offense deriving from a crime is ascertained during the related criminal proceedings. On this point, art. 36 of Legislative Decree 231/2001 states: *“Jurisdiction for recognizing the administrative offenses of the company rests with the judge competent for the crimes from which the offenses derive. Proceedings to ascertain the administrative offense committed by the company apply the same rules for the composition of the court and the associated procedural arrangements, as those for the crimes from which the administrative offense derives”*.

The judge responsible for ascertaining the responsibility of the company:

- verifies the existence of the specified offense for which the company may be liable; and
- assesses the suitability of the organizational models adopted.

An organizational model that, before the offense was committed, could or should have been considered likely to eliminate or at least minimize, with reasonable certainty, the risk of committing the offense that subsequently occurred, is considered "suitable to prevent the specified offenses".

1.9 Organizational, management and control model

A fundamental aspect of Legislative Decree 231/2001 is the exemption allowed for suitable organizational, management and control models. In fact, the company is not liable as a consequence of offenses committed by a senior person if it can demonstrate that:

- (i) before the offense was committed, management had adopted and effectively implemented suitable organizational, management and control models to prevent offenses of the kind that occurred;
- (ii) the task of monitoring the functioning of and compliance with the models and their update was entrusted to a corporate body with independent powers of initiative and control;
- (iii) the perpetrators committed the offense by fraudulently circumventing the organizational, management and control models;

(iv) there was no omission or insufficient control by the supervisory body.

The company must demonstrate, therefore, that it had nothing to do with the offense committed by the senior person, showing satisfaction of all the above requirements and, consequently, that commission of the offense did not derive from any “organizational fault” of its own.

If, however, the offense was committed by persons subject to management or supervision by others, the company is liable if this was made possible by failure to comply with the management or supervisory obligations imposed on it. In all cases, failure to comply with the management or supervisory obligations is excluded if, before the offense was committed, the company adopted and effectively implemented a suitable organizational, management and control model to prevent offenses of the kind that occurred.

Art. 7, para. 4, of Legislative Decree 231/2001 also defines requirements for the effective implementation of organizational models:

- regular checking and, if necessary, amendment of the model when significant violations are discovered or when changes are made to the organization or its activities;
- suitable disciplinary system for penalizing non-compliance with the measures indicated in the model.

In the situation envisaged in the aforementioned art. 7, the judicial authorities must show failure to adopt and effectively implement a suitable organizational, management and control model to prevent offenses of the kind that occurred.

Legislative Decree 231/2001 outlines the content of organizational, management and control models, requiring them, given the scope of the powers delegated and the risk of committing offenses, to:

- identify activities in the context of which offenses may be committed;
- create specific protocols for the formation and implementation of corporate decisions in relation to the offenses to be prevented;
- identify ways of managing financial resources that prevent offenses from being committed;
- envisage obligations to provide information to the body assigned to supervise the functioning of and compliance with the models;
- introduce a suitable disciplinary system for penalizing non-compliance with the measures indicated in the model.

1.10 Code of conduct (Guidelines)

Art. 6, para. 3, of Legislative Decree 231/2001 states that *“Organizational, management and control models may*

be adopted, ensuring that the requirements set out in paragraph 2 are met, on the basis of codes of conduct prepared by associations representing the bodies and filed with the Ministry of Justice that, in agreement with the competent ministries, may comment within thirty days on the suitability of the models for preventing offenses”.

Confindustria has defined Guidelines for preparing organizational, management and control models, providing *inter alia* methodological advice for the identification of risk areas (sectors/activities in the context of which offenses may be committed), the planning of a control system (so-called protocols for the formation and implementation of corporate decisions) and the contents of the organizational, management and control model.

In particular, the Confindustria Guidelines recommend member companies to use risk assessment and risk management processes and establish the following phases for defining the model:

- identification of risks and protocols;
- adoption of certain general tools, principally including a code of ethics with reference to the offenses identified in Legislative Decree 231/2001, and a disciplinary system;
- identification of criteria for selecting the supervisory body, indicating its requirements, duties, powers and reporting obligations.

The Confindustria Guidelines, in their latest version of June 2021, were deemed suitable by the Ministry of Justice on 8 June 2023, take into account the new predicate crimes added over time to the 231 catalog and delve into further topics, such as, for example, the control systems for tax compliance purposes, the integrated risk management system, the internal violation reporting system (whistleblowing) and the communication of non-financial information. This opinion expressed by the Ministry of Justice is independent of any considerations about the way organizational, management and control models pursuant to Legislative Decree 231/2001 are implemented and actually used by individual companies, whether or not they are members of Confindustria.

1.11 Modifications of the company

The Decree governs the responsibilities of the company in the event of transformations, mergers, spin-offs and disposals.

In the case of transformations, the company remains responsible for offenses committed prior to the date on which the transformation took effect. The new company will therefore be the recipient of any sanctions applicable to the original company, for deeds committed prior to the transformation.

In the case of mergers and absorptions, the resulting company is responsible for offenses that would have been the responsibility of the participating companies. If the merger/absorption occurred before the judgment confirming the responsibility of the company, the judge must consider the economic condition of the original company and not that of the resulting company.

In the case of spin-offs, the broken-up company remains responsible for offenses committed prior to the date on which the spin-off took effect, and the companies benefiting from the spin-off are jointly liable for payment of the pecuniary penalties levied on the broken-up company, without exceeding the value of the net assets transferred to each of them, unless they received all or part of the line of business within which the offense was committed; interdictions apply to the company (or companies) retaining or receiving the line of business within which the offense was committed. If the spin-off occurred before the judgment confirming the responsibility of the company, the judge must consider the economic condition of the original company and not that of the resulting companies.

If the company within which the offense was committed is sold or contributed, the transferee is jointly liable with the seller for payment of the pecuniary penalties, without prejudice to the right of prior enforcement against the seller, up to the value of the transferred company and without exceeding the pecuniary penalties recorded in the statutory accounting books or due for offenses that were already known to the transferee.

CHAPTER 2

SIAD ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL

2.1 Introduction

This “Organizational, Management and Control Model”, pursuant to Legislative Decree 231/2001 (*Regulations governing the administrative responsibility of legal persons, companies and associations, with or without legal form, pursuant to art. 11 of Law 300 dated 29 September 2000*), was approved by the Board of Directors of SIAD on 11 July 2008 and subsequently revised on the following dates: 29 March 2010, 26 June 2014, 12 March 2018 and 31 March 2021, 23 November 2023.

This document was drawn up based on the results of a series of activities, carried out at group level and characterized by several phases, which enabled the companies in the SIAD Group, of which SIAD S.p.A. is a member, to make their organizational model comply with the requirements of the Decree and consistent with the indications contained in the Confindustria Guidelines.

2.2 Project for the definition of the organizational, management and control model pursuant to Legislative Decree 231/2001

The Project consisted of three phases that are summarized in the following table.

Phases	Activity
Phase 1	<p><i>Identification of activities and processes in the context of which the offenses specified in Legislative Decree 231/2001 may be committed and the persons involved</i></p> <p>Collection and analysis of documentation; identification of sensitive activities in the context of which offenses specified the Decree might be committed; identification of the persons who, based on their tasks and responsibilities, have a thorough knowledge of the sensitive areas and activities and the existing control mechanisms, in order to determine the areas for action and a detailed interview plan.</p>
Phase 2	<p><i>Analysis of sensitive activities</i></p> <p>Identification and analysis of sensitive activities and current control mechanisms, with particular attention to preventive controls and other compliance-related activities; identification of the organizational requirements for a suitable organizational, management and control model pursuant to Legislative Decree 231/2001 and actions to “strengthen” the current control system (processes and procedures).</p>

Phases	Activity
Phase 3	<i>Definition and update of the organizational, management and control model</i> Definition and update of the organizational model pursuant to Legislative Decree 231/2001, complete with all components and rules of operation, and consistent with the guidelines issued by the business associations to which the company belongs.

2.3 The SIAD organizational, management and control model

The Company created the Model in a manner consistent with the control principles introduced by the Decree, in order to prevent commission of the offenses specified therein.

Together with the other circumstances envisaged in arts. 6 and 7, the Decree measures the adoption and effective implementation of organizational, management and control models with reference to their suitability for preventing, with reasonable certainty, the commission or attempted commission of offenses specified in the Decree.

In particular, pursuant to art. 6, para. 2, of Legislative Decree 231/2001, an organizational, management and control model must satisfy the following requirements:

- identify activities in the context of which offenses may be committed;
- create specific protocols for the formation and implementation of corporate decisions in relation to the offenses to be prevented;
- identify ways of managing financial resources that prevent offenses from being committed;
- envisage obligations to provide information to the body assigned to supervise the functioning of and compliance with the model;
- introduce a suitable disciplinary system for penalizing non-compliance with the measures indicated in the model.

In the light of the above considerations, the Company decided to prepare the Model in a way that, based on the recommendations made by the business associations, takes into account its specific circumstances.

The Model therefore represents a consistent set of principles, procedures and instructions that: i) influence the internal functioning of the Company and the ways in which it interacts externally, and ii) govern the diligent management of a system for monitoring Sensitive Activities, in order to preventing the commission or attempted commission of offenses specified in the Decree.

The Model, consisting of a complex combination of documents, submitted for approval by the SIAD Board of Directors, addresses the following topics:

- process of identifying corporate activities in the context of which the offenses specified in Legislative Decree 231/2001 might be committed;
- specific prevention and control protocols for the sensitive activities identified;
- Supervisory Body;
- flows of information from and to the Supervisory Body and specific disclosure obligations placed on the Supervisory Body;
- periodic checks on the sensitive activities and the related control standards;
- disciplinary system for punishing violation of the instructions contained in the Model;
- training and communication plan for employees and other persons who interact with the Company;
- criteria for updating and adapting the Model.

2.4 Recipients and aims of the Model

The SIAD Model applies to:

- those who, de facto or otherwise, perform operational, administrative, managerial or control functions for the Company or at an autonomous organizational unit;
- Employees of the Company, even if carry out their activities abroad;
- Consultants and all those who, though not Company personnel, operate under a mandate or on its behalf.

The Administrative Body and the Directors/Managers responsible for relations with counterparts coordinate with the Supervisory Body in order to identify any additional categories of Model recipient, considering their legal relations with and activities carried out for the Company.

All recipients are required to comply precisely with the instructions contained in the Model and the *Instruments implementing the Model*.

By adopting the Model, the Company intends to comply precisely with the Decree and maximize the efficiency of the existing system of internal control and corporate governance.

The main objective of the Model is to create an organic and structured system of principles, procedures and controls that prevent, where possible and feasible, commission of the offenses specified in the Decree. The Model

provides foundations for the system of corporate governance and will help to disseminate a business culture based on propriety, transparency and legality.

The Model also pursues the following objectives:

- provide adequate information to employees, those acting under a mandate from the Company, and those linked to the Company by relations deemed important for the purposes of the Decree, with reference to activities that involve the risk of committing offenses;
- spread a business culture based on legality, since the Company condemns all conduct that does not comply with the law or with internal instructions, particularly those contained in the Model;
- spread a culture of control and of risk management;
- activate an effective and efficient business organization, with special emphasis on the decision-making process and its transparency and traceability, the empowerment of the persons who make and implement decisions, the adoption of pre- and post-event controls and the management of internal and external information;
- activate all measures necessary to reduce rapidly and as much as possible the risk of committing offenses, placing emphasis on the existing controls designed to prevent conduct deemed unlawful pursuant to the Decree.

2.5 Services by third parties

The supply by third parties (e.g. other companies, even within the Group, Consultants, Partners, etc.) of goods, work or services that may involve sensitive activities must be governed by a written contract.

The contract must require the counterpart:

- to certify the truthfulness and completeness of any legally-required documentation and information provided to the Company;
- to respect, throughout the life of the contract, the principles underpinning the Model and the Code of Ethics, as well as the provisions of Legislative Decree 231/2001, and to operate in line with them;
- to comply with any requests for information, data or news received from the Supervisory Body of the Company.

The contract must also grant SIAD S.p.A. the right to apply safeguards (e.g. terminate the contract, apply penalties, etc.), if violations of the above points are identified.

Relations with third parties are governed by appropriate contracts that must include clauses requiring them to respect the fundamental principles underlying the Model and the Code of Ethics. In particular, failure by them to respect those principles must result in the termination of contractual relations for just cause, without prejudice to any claims for compensation should their conduct cause material losses for the Company.

2.6 Document structure

This document consists of a General Part and a Special Part.

The General Part describes the regulations contained in Legislative Decree 231/2001, indicates - to the extent relevant for the purposes of the Decree - the legislation specifically applicable to the Company, describes principles for the functioning of the Supervisory Body, defines a system of penalties to prevent violations of the Model, and indicates the requirements for Model-related communications and personnel training.

The Special Part describes the "sensitive" activities - being activities that, following risk analyses, the Company considers are at risk of offense - pursuant to the Decree, the general principles of conduct, the controls in place over the above activities, and the essential controls designed to prevent or mitigate the commission of offenses.

The following are also an integral part of the Model:

- the risk self-assessment designed to identify sensitive activities, which is referenced in full herein and held on file by the Company;
- the Code of Ethics, which defines the principles and rules of conduct of the Company;
- the Instruments implementing the Model.

These deeds and documents can be found, in the manner envisaged for their distribution, both internally and on the corporate intranet.

CHAPTER 3

THE SUPERVISORY BODY PURSUANT TO LEGISLATIVE DECREE 231/2001

3.1 The SIAD Supervisory Body

Pursuant to Legislative Decree 231/2001 - art. 6, para. 1.a) and b) - the Company can be exonerated from responsibility for the commission of offenses by persons identified in art. 5 of Legislative Decree 231/2001 if *inter alia* the administrative body has:

- adopted and effectively implemented a suitable organizational, management and control model for preventing the commission of identified offenses (in this case, the Model);
- entrusted the task of monitoring the implementation, compliance and updating of the models to a body with independent powers of initiative and control.

The entrusting of said tasks to a body with independent powers of initiative and control, together with the correct and effective performance of the tasks, are therefore indispensable grounds for exoneration from liability.

The Confindustria Guidelines point out that the main requirements of the supervisory body are autonomy and independence, professionalism and continuity of action.

In particular, according to the Confindustria Guidelines, i) the requirements of autonomy and independence mean that the supervisory body must be “*a staff unit in the highest possible hierarchical position*”, it must “*report*” to the highest level of operational management, it must not have operational duties that - via participation in operational decisions - would endanger its objectivity of judgment; ii) the connotation of professionalism must refer to “*all the instruments and techniques*” necessary for the effective performance of its duties and iii) the continuity of action guarantees effective and constant implementation of the organizational model pursuant to Legislative Decree 231/2001.

Legislative Decree 231/2001 does not provide indications about the composition of the supervisory body. In their absence, SIAD has opted for a solution that, bearing in mind the purposes pursued by the law, ensures the effectiveness of the controls for which the supervisory body is responsible, considering the size and organizational structure of the Company.

In compliance with art. 6, para. 1.b), of Legislative Decree 231/2001 and in the light of the Confindustria indications presented above, the Company has identified its Supervisory Body as a collegiate body comprising three members, two of which are not Company employees including one appointed as Chairman.

This solution has been judged suitable because:

i) the necessary autonomy and independence of the Supervisory Body is guaranteed:

by the lack of any form of subordination to the Company by one of the three members of the Supervisory Body, being a freelance professional consultant external to the Company;

- by the high positioning within the organization of the Company of the other members of the Supervisory Body and the fact that they report directly to the executive leadership, the Chairman and the Managing Director;
- by the autonomous spending powers of the Supervisory Body.

ii) professionalism is ensured, not only by the specific skills accumulated by the members in the sector in which the Company operates, but also by their right to draw on the specific professionalism of both external consultants and the various functional managers in order to complete any technical operations needed in order to perform the control function;

iii) continuity of action is ensured by the fact that the members can request the internal audit personnel of the Company to perform certain supervisory tasks.

3.2 General principles for the creation, appointment and replacement of the Supervisory Body

The Supervisory Body of the Company was formed when the Board of Directors approved the Model.

Appointed members of the Supervisory Body must be honorable and respectable persons of recognized integrity, without such incompatibilities as family relationships with directors, officers or top management, or potential conflicts of interest with the role and the duties that they are required to perform.

In particular, on appointment, members of the Supervisory Body must issue a declaration certifying the absence of any incompatibilities including, by mere way of example:

- family relationships, relationship by marriage or affinity within the fourth degree with members of the Board of Directors, statutory auditors and the audit personnel assigned by the auditing firm;
- potential or actual conflicts of interest with the Company that jeopardize the independence required by the role and duties of the Supervisory Body;
- direct or indirect ownership of enough shares to exercise significant influence over the Company;
- performance of administrative functions - in the three financial years prior to appointment as a member of the Supervisory Body or to establishing a consultancy/collaboration relationship with the SB - in companies subject to bankruptcy, receivership or other insolvency procedures;
- employment as a civil servant with central or local administrations in the three years prior to appointment as a member of the Supervisory Body or to establishing a consultancy/collaboration relationship with the SB;

- conviction by final judgment, or sentence based on plea-bargaining, in Italy or abroad, for offenses specified in the Decree or for comparable offenses;
- conviction by final judgment to temporary or permanent interdiction from public office or temporary disqualification from the executive management of legal persons and businesses.

Under its own direct supervision and responsibility, the Supervisory Body may carry out its assigned duties with assistance from all internal functions and organizations, as well as from external consultants, drawing on their specific skills and professionalism. This right enables the Supervisory Body to ensure a high level of professionalism and the necessary continuity of action.

The above-mentioned subjective requirements and reasons for incompatibility must also be considered with reference to any external consultants involved in performance of the activities and duties of the Supervisory Body.

In particular, on appointment, the external consultant must issue a specific declaration certifying:

- absence of the above reasons for incompatibility or other impediments (for example: conflicts of interest, family relationships with members of the Board of Directors, senior persons in general, statutory auditors, auditors assigned by the auditing firm, etc.);

the receipt of adequate information about the instructions and rules of conduct contained in the Model.

As a further guarantee of the autonomy of the Supervisory Body, the Administrative Body makes sufficient personnel available with the skills necessary to perform their assigned tasks and, in the context of the corporate budget, approves the adequate financial resources requested by the Supervisory Body in order to perform its duties properly (e.g. pay for specialist advice, travel, etc.).

This right enables the Supervisory Body to ensure a high level of professionalism and the necessary continuity of action.

The mandates of one or more members of the Supervisory Body can only be revoked for just cause, including the organizational restructuring of the Company, in a specific resolution adopted by the Board of Directors.

All members of the Supervisory Body are obliged to inform the Administrative Body, via the Chairman of the Supervisory Body, if they cease to satisfy the above requirements. The Administrative Body may revoke the mandates of members of the Supervisory Body who are no longer suitable and, with good reasons, replace them immediately.

In particularly serious cases, the Board of Directors may suspend the powers of the Supervisory Body and appoint a temporary SB.

3.3 Functions and powers of the Supervisory Body

The work of the Supervisory Body cannot be questioned by any other corporate body or organization.

The Supervisory Body has the powers of initiative and control required to ensure effective and efficient supervision of the functioning of and compliance with the Model, pursuant to article 6 of the Decree.

In particular, for the performance and exercise of its functions, the Supervisory Body is assigned the following duties and powers:

- (i) supervise application of the Model: ensure that conduct within the Company is consistent with the approved organizational, management and control model;
- (ii) check the efficacy of the Model: verify that the approved model provided is actually suitable to prevent the commission of offenses specified in the Decree;
- (iii) update the Model: analyze the Model to ensure that, over time, it remains sound and functional; promote dynamic updates, if analyses identify that corrections and adaptations are necessary.

On an operational level, the duties of the Supervisory Body include:

- periodically checking on compliance with the Model, including appropriate implementation and documentation of the envisaged procedures and controls, as well as respect for the established ethical standards. These checks also involve analyzing the results of the audit work performed and the related reports;
- collecting, processing and retaining all significant information about compliance with the Model;
- notifying the competent functions about violations of the Model and, in collaboration with the Human Resources Department, monitoring the application of disciplinary measures;
- promoting and monitoring initiatives to spread knowledge of the Model, including the training personnel and increasing their awareness of the need to respect the principles contained in the Model; and, generally
- collaborating with other corporate functions (via specific meetings) and exchanging information in order to: (i) keep the areas at risk of offenses up to date, checking their evolution and monitoring them constantly; (ii) implement the various aspects relating to application of the Model (definition of standard clauses, personnel training, changes in standards and organization, etc.) and (iii) ensure that the corrective actions needed to make the Model adequate and effective are taken promptly; (iv) verify that the elements contemplated in the Model, particularly in the Special Part, are updated and responsive to the requirements of the Decree, and, if not, propose changes to them.

In performing the assigned duties, the Supervisory Body:

- (i) has unlimited access to corporate information in order to carry out investigations, analyses and control work. All business functions, employees and/or member of the corporate bodies are obliged to provide information requested by the Supervisory Body, or when events or circumstances occur that are important for the purposes of performing the activities of the Supervisory Body;
- (ii) benefits from the support and cooperation of the various corporate structures that may be affected or in any way involved in the control activities.

The verification activities of the Supervisory Body have a dual objective:

- (i) if weaknesses are found in the implementation of controls, the Supervisory Body is responsible for taking all necessary steps to correct the situation. Depending on the circumstances, it may be necessary to:
 - prompt the managers of the organizational units concerned to respect the Model;
 - indicate directly which corrections and changes should be made to routine working practices;
 - report the most serious failures to implement the Model to the managers of the functions concerned.
- (ii) if, on the other hand, the monitoring of implementation reveals the need to update controls that are fully and correctly implemented, but prove unsuitable to prevent offenses specified in Legislative Decree 231/2001, the Supervisory Body must act to ensure that the updates are implemented. While the when and how aspects are not predetermined, it is understood that active steps must be taken as soon as possible, based on the evidence that identified the need for change.

The SIAD Board of Directors provides adequate information to the corporate organization about the duties of the Supervisory Body and its powers.

3.4 Information flows from the Supervisory Body to top management

The Supervisory Body reports on implementation of the Model and any critical aspects identified, communicating the outcome of the work performed in accordance with the assigned duties. The following reporting lines are envisaged:

- (i) continuous, to the Chairman and Managing Director, for specific requirements including those of an urgent nature; and
- (ii) every semester, in a written report to the Board of Directors that provides the following specific information:
 - ✓ summary of the supervisory activities carried out by the SB during the period and related results;

- ✓ any discrepancies between the *Instruments implementing the Model* and the Model;
- ✓ any new areas for the commission of offenses specified in the Decree;
- ✓ ;
- ✓ disciplinary procedures activated on proposals from the Supervisory Board and any penalties applied;
- ✓ general evaluation of the Model and its effective operation, with recommendations for additions and improvements to its form and content, if necessary;
- ✓ any changes to the applicable regulatory framework;
- ✓ statement of expenses incurred.

The Supervisory Body prepares:

- yearly, a report summarizing the work carried out during the year and a plan for the following year, for presentation to the Board of Directors;
- immediately, notification of the occurrence of extraordinary situations (for example: significant violations of the principles embodied in the Model, new legislation on the administrative responsibilities of companies, significant changes in the organizational structure of the Company, etc.) or the receipt of urgent reports, for presentation to the Board of Directors.

The Supervisory Body may request a meeting with the Board of Directors at any time, to obtain feedback or action with regard to the functioning and effective implementation of the Model.

The Supervisory Body may, in turn, be summoned at any time by the Board of Directors and other corporate bodies to report on particular events or situations concerning the operation of and compliance with the Model.

The Supervisory Board also updates the Board of Statutory Auditors, at least once a year, on the application, functioning and update of the Model, and on any significant facts and events identified. In particular, the Supervisory Body:

- notifies the Board of Statutory Auditors about all weaknesses found in the organizational structure and in the effectiveness and functioning of procedures;
- reports on violations of the Model by the Directors or other recipients of the Model.

3.5 Information flows to the Supervisory Body

The Decree specifies *inter alia* that the Model must establish required information flows to the Supervisory Body. The Supervisory Body uses the e-mail channel (organismo_vigilanza_siad@siad.eu) to receive:

- information expressly identified in the Special Part of this document;
- information about disciplinary procedures and the penalties levied or, conversely, about the filing of those procedures with related reasons.

The other types of information that those responsible for managing sensitive activities must transmit, as well as the frequency and manner in which it must be sent to the Supervisory Body, are established by the SB in a specific operating procedure.

The documentation processed by the Supervisory Body is generally retained by the SB in specific hard-copy or electronic files. Access to those files is authorized by the Supervisory Body on a case-by-case basis.

Finally, the SB must receive timely information flows from the Whistleblowing Officer, as identified in the following paragraph 7.2 “Whistleblowing System”, regarding:

- the receipt of reports relating to violations attributable to unlawful conduct pursuant to Legislative Decree 231/2001 or violations of the Model;
- progress of the follow-up given to such Reports;
- the outcome of investigations and assessments carried out with respect to Reports found to be founded;
- the type and subject of all Reports received, even if not attributable to significant unlawful conduct pursuant to Legislative Decree 231/2001 or violations of the Model, and the outcome of the related investigations.

CHAPTER 4

DISCIPLINARY SYSTEM

4.1 Function of the disciplinary system

Art. 6, para. 2.e), and art. 7, para. 4.b), of Legislative Decree 231/2001 require (with reference both to senior persons and persons subject to management by others) the adoption of “*a disciplinary system for penalizing non-compliance with the measures indicated in the model*”.

The Company condemns any conduct that does not comply with the law, the Model, the ***Instruments for implementing the Model*** and the Code of Ethics, even if that conduct was performed in the interests of the Company or with the intention to obtain an advantage for it. The definition of penalties for violation of the measures contained in the Model, both commensurate with the violation and intended as a deterrent, is intended to contribute: (i) to the efficacy of the Model; and (ii) to the efficacy of the control activities of the Supervisory Body.

Application of the disciplinary system is independent of the existence and outcome of any criminal proceedings initiated by the competent judicial authorities.

By way of example, the following conduct represents a disciplinary offense:

- violation, including by failure to act and/or together with others, of the principles embodied in the Model and the ***Instruments for implementing the Model***;
- preparation, alone or together with others, of false documentation;
- facilitation, by failure to act, of the preparation of false documentation by others;
- removal, destruction or alteration of documentation in order to evade the control system envisaged in the Model;
- obstruction of the activities of the Supervisory Board;
- prevention of access to information and documentation requested by persons responsible for checking procedures and decisions;
- violation of the measures protecting persons who report unlawful conduct or non-compliance with the Model, as well as the intentional or grossly negligent presentation of unfounded reports;
- any other conduct designed to evade the control system envisaged in the Model.

4.2 Violation of the Model

For the purposes of compliance with Legislative Decree 231/2001, the following examples represent violation of the Model:

- actions or conduct not compliant with the principles and requirements of the Model, or the omission of actions or conduct required by the Model, when carrying out Sensitive Activities, that:
 - (a) expose the Company to the objective risk of committing an offense specified in Legislative Decree 231/2001; and/or
 - (b) are unequivocally intended to commit one or more offenses specified in Legislative Decree 231/2001; and/or
 - (c) result in application against the Company of penalties envisaged in Legislative Decree 231/2001.
- any violations inherent to the reporting system referred to in paragraph 7 “Reporting of offenses or violations of the Model”; with reference to such violations, please refer to the following paragraph 4.7 “Disciplinary system for violations of the whistleblowing system”.

The Model does not apply to persons engaged by SIAD to perform project work, given the absence of subordination. However, SIAD does require them to comply with the Code of Ethics, the violation of which is incompatible with any work performed on behalf of SIAD.

4.3 Measures against managers, clerical staff and factory workers

Compliance with the instructions and rules of conduct envisaged in the Model constitutes fulfillment by SIAD employees of their obligations pursuant to art. 2104, para. 2, of the Italian Civil Code.

The violation by SIAD employees of the instructions and rules of conduct envisaged in the Model represents a disciplinary offense.

Pursuant to art. 7 of Law 300 dated 20 May 1970, the disciplinary measures enforceable against SIAD employees are specified in arts. 50-52 of the CCNL for the Chemicals Industry dated 10 May 2006. The following disciplinary measures are envisaged in the CCNL:

- verbal warning;
- written warning;
- fine;
- suspension;

- dismissal.

An investigation will be activated for all reports of Model violations that appear founded. In particular, the investigation will first put the allegations to the employee, who will be guaranteed sufficient time to respond in defense. After a violation has been confirmed, a disciplinary penalty will be imposed on the offender in proportion to the seriousness of the violation committed.

The procedures, provisions and guarantees specified in art. 7 of the Statute of Workers and art. 50 of the CCNL with regard to disciplinary action will be respected. In particular:

- no disciplinary action can be taken against the worker without having first notified him/her of the allegation and having heard his/her defense;
- for disciplinary action more serious than a verbal warning or reprimand, the charge must be made in writing to the worker, with specific indication of the facts constituting the violation;
- no disciplinary action can be taken unless 8 (eight) days have passed since the charge, during which the worker can present his/her justifications. If the action is not taken within the following 8 (eight) days, the justifications will be deemed to have been accepted;
- disciplinary action must be taken within 16 (sixteen) days of the charge, even if the worker does not present any justifications;
- if the alleged violation is so serious as to result in dismissal, the worker may be suspended from employment as a precautionary measure until the action is taken, without prejudice to his/her right to be paid during that the period;
- any disciplinary action taken must be explained and communicated in writing;
- the worker may present his/her justifications verbally.

With regard to the investigation of violations, the disciplinary actions and the imposition of penalties, the powers already granted to SIAD management will remain valid, within the limits of the respective mandates and responsibilities.

Finally, for any violations inherent to the whistleblowing system referred to in paragraph 7 “Reporting of offenses or violations of the Model”, please refer to the following paragraph 4.7 “Disciplinary system for violations of the whistleblowing system”.

4.4 Measures against executives

When informed by the Supervisory Body of a violation of the Model committed by one or more executives, as determined pursuant to section 4.3 above, the Company will apply the law and the applicable CCNL against the perpetrator(s) of the contested conduct. If violation of the Model damages irreparably the relationship of trust, the penalty is dismissal for just cause.

Finally, for any violations inherent to the whistleblowing system referred to in paragraph 7 “Reporting of offenses or violations of the Model”, please refer to the following paragraph 4.7 “Disciplinary system for violations of the whistleblowing system”.

4.5 Measures against directors

The Supervisory Body informs the Board of Statutory Auditors and all directors about potential violations of the Model by one more members of the Board of Directors. The following penalties can be applied to directors: verbal warning, suspension from office, fine, revocation of delegated powers (if conferred) and removal from office. The Company makes the necessary checks and applies the penalty by resolution of the Board of Directors.

Finally, for any violations inherent to the whistleblowing system referred to in paragraph 7 “Reporting of offenses or violations of the Model”, please refer to the following paragraph 4.7 “Disciplinary system for violations of the whistleblowing system”.

4.6 Measures against Statutory Auditors

The Supervisory Body informs all statutory auditors and the Board of Directors about potential violations of the Model by one more Statutory Auditors. The Company makes the necessary checks and takes the appropriate action.

Finally, for any violations inherent to the whistleblowing system referred to in paragraph 7 “Reporting of offenses or violations of the Model”, please refer to the following paragraph 4.7 “Disciplinary system for violations of the whistleblowing system”.

4.7 Disciplinary system for violations of the whistleblowing system

The Company adopts this Disciplinary System for violations of the whistleblowing system pursuant to art. para. 2 of Legislative Decree 231/2001 and art. 21, para. 2 of Legislative Decree 24/2023 (hereinafter also the “Whistleblowing Decree”), providing for disciplinary sanctions for the following categories of sanctionable infringements:

- commission of retaliations;
- Hindering the submission of reports;
- Violation of the duty of confidentiality regarding the identity of the Whistleblowers, the Reported Persons, the people mentioned in the Report and the Facilitators, as well as the content of the Reports and the related documentation;
- Failure to carry out the verification and analysis of the Reports received;
- Unfounded reports, denunciations, disclosures which are ritually proven to have been made with intent and gross negligence;
- Adoption of procedures that do not comply with those referred to in articles 4 and 5 of the Whistleblowing Decree.

The sanctions specified in the previous paragraphs will be applicable to these categories of disciplinary infringements, depending on the nature of the relationship with the Company and according to a general criterion of gradual correspondence between the category of infringements and the type of sanction.

According to this general systematic criterion, the sanction applied in practice must take into specific consideration, case by case, any aggravating or mitigating circumstances according to the principle of proportionality, the severity of the objective case; the type and intensity of the subjective element (malice or negligence, serious, medium or slight); whether the infringement was merely attempted or actually completed; any harmful consequences caused, any active repentance; any precedents attributable to the aforementioned disciplinary categories, even where they do not constitute the actual repeated offense; the degree of diligence required based on the perpetrator's duties and/or professional qualification and/or corporate role; and any other actual circumstance that may be relevant for the purposes of determining the sanction among those that may be applicable.

In any case, disciplinary sanctions will be applied independently:

- whether or not damages are determined as a consequence of the corresponding disciplinary infringements being committed;
- of any failure by the ANAC to apply the administrative pecuniary sanctions provided for the same circumstances by art. 21, para. 1, of the Whistleblowing Decree.

On the other hand, unless other particular aspects of the specific case are highlighted, the following will be considered a significant aggravating factor:

- the circumstance that the infringement led to a pecuniary administrative sanction being imposed on the Company pursuant to art. 21, para. 1, of the Whistleblowing Decree;

- the infringement was committed by the Whistleblowing Officer;
- the fact that the violation of confidentiality has resulted in sanctions being imposed by the Italian Data Protection Regulator.

Finally, where unfounded reports, complaints or disclosures are proven to have been made with intent or gross negligence, any damage suffered by the Company will be considered as a maximum aggravating factor. Furthermore, in such cases, the Company reserves the right to demand the resulting compensation from the person responsible.

Disciplinary sanctions will be applied in compliance with the art. 7 of Law no. 300 of 20 May 1970, and the relevant provisions of the CCNL applied, at the end of the dispute procedure and receipt of the justifications, if the latter are not founded or sufficient for exemption purposes.

Where those responsible for the aforementioned infringements are seconded or temporary workers, disciplinary powers will be exercised in the forms and with the distribution of employer responsibilities specific to the corresponding employment relationship.

CHAPTER 5

TRAINING AND COMMUNICATION

5.1 Introduction

The principles contained in the Model are widely disseminated, both inside and outside the Company.

SIAD undertakes to facilitate and promote the knowledge of the Model by the subjects who are required to respect it, with a different degree of detailed knowledge in relation to their position and role, and their constructive contribution to its contents.

SIAD will evaluate the opportunity of making the principles and contents of the model known through training courses. The structure of the training courses is defined by the Supervisory Body in coordination with the competent company departments.

5.2 Training and communication plan

Communication and training activities, tailored to the needs of the recipients, must be based on the principles of completeness, clarity, accessibility and continuity, so that the various recipients gain full awareness of the corporate instructions they are required to follow and the ethical standards that must inspire their conduct.

5.2.1 Communication to members of the corporate bodies

The Model is formally communicated by the Supervisory Body to each member of the corporate bodies.

5.2.2 Training and communication to executives and persons involved in Sensitive Activities

The principles and contents of the Model are also formally communicated by the Supervisory Body to all SIAD executives and persons involved in Sensitive Activities (to the extent not in the former category) by giving them this Model.

5.2.3 Communication for managers, clerical staff and factory workers

The principles and contents of the Model are communicated by the Supervisory Body to all SIAD employees by transmitting or sending this Model to them.

SIAD guarantees that employees can access and consult the Model using the corporate intranet. Targeted information will also be provided to managers, clerical staff and factory workers.

CHAPTER 6

ADOPTION OF THE MODEL

CRITERIA FOR UPDATING AND ADAPTING THE MODEL

6.1 Inspections and checks on the Model

Each year, the Supervisory Body prepares a program of supervision that, in general, contains a calendar of the activities to be performed during that year, the frequency of the checks to be carried out and the procedures to be analyzed.

The Supervisory Body exercises the widest powers to perform its assigned duties when carrying out checks and inspections, drawing on assistance from both external consultants and internal functions and organizations. Any consultants engaged must always report the results of their work to the Supervisory Body.

6.2 Updating and adapting

The Board of Directors decides on Model updates and adaptations in relation to any amendments and/or additions that may become necessary following violations of the Model and/or changes in the internal organization of the Company, the way of doing business, regulations and/or the results of checks.

Once amendments and instructions have been approved, the Supervisory Body implements them promptly and communicates the new contents properly, both within and outside the Company, informing the Board of Directors about the outcome of the work performed in compliance with the resolution that ordered the Model updates and adaptations.

The Supervisory Body, which has specific duties and powers with regard to ensuring, developing and promoting the constant update of the Model, makes observations and proposals concerning the organization and the control system to the respective corporate structures or to the Board of Directors.

In order to ensure timely and effective changes to the Model, without any lack of coordination between operational processes, the instructions contained in the Model and their dissemination, the Board of Directors has authorized the Supervisory Body to make periodic amendments to the descriptive wording of the Model, should that be necessary.

The above term "descriptive wording" refers to elements and information deriving from resolutions adopted by the Board of Directors or by business functions under a specific mandate.

However, Model updates and/or adaptations for the following reasons are made solely by the Board of Directors:

- regulatory changes to the administrative responsibilities of companies;
- identification of new Sensitive Activities, or changes to those identified previously, including activities connected to the start of new business activities;
- commission of offenses specified in Legislative Decree 231/2001 by the recipients of the Model or, more generally, significant violations of the Model;
- identification of weaknesses and/or shortcomings in the Model, following checks of its efficacy.

CHAPTER 7

REPORTING OF OFFENSES OR VIOLATIONS OF THE MODEL

7.1 General principles

The Company is aware of the fact that, in order to encourage the reporting of offenses or violations of the Model, an ad hoc system must be created to handle them, which, through appropriate technical and organizational measures, protects the confidentiality of the person involved and of the person mentioned in the report, as well as the content of the report and the related documentation and which is entrusted to an independent and specifically trained person.

The Company has therefore equipped itself, in compliance with the applicable legislation, with specific reporting channels and with a specific “Whistleblowing Procedure”, based entirely on the Model, which constitutes an integral part thereof, establishing the operating methods and responsibilities for the receipt, evaluation, management and closure of reports.

7.2 Whistleblowing system

Pursuant to art. 6, para. 2-bis of Legislative Decree 231/2001, as amended by Legislative Decree 24/2023, the Company has established the internal reporting channels (hereinafter “Channels”) referred to in art. 4 of the aforementioned decree, entrusting its management to a person expressly authorized to process the data referred to in this process pursuant to articles 29 and 32 of the GDPR and art. 2-quaterdecies of the Privacy Code, as well as specially trained on the subject of whistleblowing and on the protection of personal data. (hereinafter the “Whistleblowing Officer”).

In particular, the Channels allow the people expressly indicated by the Whistleblowing Decree and the Whistleblowing Procedure (e.g., employees, contract workers, shareholders, consultants etc., hereinafter the “Whistleblowers”), to present, in order to protect the integrity of the **Company or public interest**, reports relating to unlawful conduct pursuant to Legislative Decree 231/2001 or violations of the Model, as well as relating to violations of European Union law and the national transposing legislation referred to in the Whistleblowing Decree¹, noted in the context of their work (hereinafter the “Reports”):

- either in written form - via the “Comunica Whistleblowing” platform, which can be found via the dedicated page of the SIAD Group website by clicking on the following link: <https://www.thesiadgroup.com/siad-whistleblowing>, controlled by adequate security measures (in particular with the use of encryption tools) to protect the confidentiality of the identity of the

¹ The reference is to art. 2, para. 1, lett. a), nos. 3), 4), 5) and 6) Legislative Decree 24/2023.

Whistleblowers, the Reported persons, the persons mentioned in the Report, as well as the content of the Reports and the related documentation²;

- or verbally - accessing the voice messaging system on the “Comunica Whistleblowing” platform, a channel which is also controlled by measures to protect confidentiality.

The Report can also be made by requesting a direct meeting with the Whistleblowing Officer via the “Comunica Whistleblowing” platform.

All information relating to the identification of the Whistleblowers and the reportable violations, the Channels and the methods for accessing them, the conditions for submitting internal and external Reports, the Report management process, are specified in the Whistleblowing Procedure, published on the Company's website, and posted up at the Company's offices and in any case accessible to potential Whistleblowers.

7.3 No retaliation

Furthermore, the Company, in guaranteeing Whistleblowers the right to make Reports - under the conditions stated in the Whistleblowing Decree and in the Whistleblowing Procedure - strictly prohibits any retaliation against the Whistleblowers themselves.

Retaliation refers to any behavior, act or omission, even if only attempted or threatened, carried out as a result of a Report (or a complaint to the judiciary or public disclosure), which causes or may cause the Reporter unfair damage, whether directly or indirectly.

By way of example, reference is made to the cases in art. 17, para. 4, of the Legislative Decree and the specifications of the Whistleblowing Procedure.

This protection also applies:

- to people who assist the Whistleblowers in the reporting process (“facilitators”);
- to people from the same working context as the Whistleblower and who are related to them (up to the fourth degree of kinship) or have a stable emotional relationship with them;
- to the Whistleblower's work colleagues who work in the same working context as the Whistleblower and who have a habitual and current relationship with the Whistleblower;

to entities owned by the Whistleblower or for which they work, as well as to entities that operate in the same working context as the Reporter.

² Pursuant to articles 4, para. 1, and 12 of Legislative Decree 24/2023 and to the corresponding requirements of the ANAC Guidelines (Resolution no. 311 of 12 July 2023).

SPECIAL PART

Offenses applicable to the Company

In view of the structure and activities of the Company, management has identified as significant the following specified offenses:

- offenses committed in relations with the Public Administration (arts. 24 and 25);
- computer-related crime and unlawful data processing (art. 24-*bis*);
- organized crime (art. 24-*ter*);
- falsification of cash, government-issued bearer bonds, duty-paid stamps and recognizable signs (art. 25-*bis*);
- crimes against industry and commerce (art. 25-*bis*.1);
- corporate offenses (art. 25-*ter*);
- crimes relating to terrorism or the subversion of democratic order (art. 25-*quater*);
- manslaughter or serious or very serious personal injuries caused in violation of the occupational health and safety regulations (art. 25-*septies*);
- receiving stolen goods, money laundering and utilization of money, goods or benefits of unlawful origin, as well as self-laundering (art. 25-*octies*);
- crimes relating to payment instruments other than cash (art. 25-*octies*.1)³;
- crimes regarding the violation of copyright laws (art. 25-*novies*);
- inducement not to make statements or to make false statements to the judiciary (art. 25-*decies*);
- environmental offenses (art.25-*undecies*);
- employment of foreign citizens without a proper permit (art. 25-*duodecies*);
- transnational offenses (art. 10, Law 146/2006);
- tax offenses (art. 25-*quinqüesdecies*);
- smuggling crimes (art. 25-*sexiesdecies*).

However, the Company does not consider the following offenses to be significant: female genital mutilation (art. 25-*quater*.1), crimes against personal liberty (art. 25-*quinqües*), market abuse (art. 25-*sexies*), racism and xenophobia (25-*terdecies*) and fraud in sports competitions, unlawful organization of betting or gaming and

³ With regard to crimes relating to payment instruments other than cash, referred to in art. 25-*octies*.1 of Legislative Decree despite these being theoretically and potentially applicable to the company, the Company has decided not to draft a specifically dedicated special section as these crimes appear to be already adequately monitored by the specific control protocols provided for in the other Special Parts of the Model.

gambling via the use of prohibited equipment (art. 25-*quaterdecies*), crimes against the cultural heritage (art. 25-*septiesdecies*) and laundering of cultural assets and devastation and looting of cultural and landscape assets (art. 25-*duodevicies*), as the Company does not carry out activities in which these might be committed and, even if they were committed, such action would not be in its interests or for its benefit.

For each category of offense deemed significant for SIAD, the Special Part of this document identifies the Company activities considered sensitive, due to an inherent risk of committing offenses of the types listed herein, and specifies for each sensitive activity the related principles of prevention and control measures.

The Company evaluates constantly the significance for Model purposes of other offenses, whether already envisaged or likely to be specified in the Decree.

Introduction

Pursuant to art. 6, para. 1.a), of the Decree, the Company has mapped its activities and assessed the related risks and existing corporate controls (*risk self assessment*), identifying the sensitive activities (analyzed by type of offense and listed in the following paragraphs) in the context of which offenses specified in the Decree might be committed.

In order to prevent or mitigate the risk of committing such offenses, the Company has prepared general principles of conduct and general prevention protocols applicable to all sensitive activities, as well as specific prevention protocols for each of the activities at risk identified.

General principles of conduct

All Model recipients follow rules of conduct that comply with the law, the instructions contained in this document, the principles embodied in the Code of Ethics and the Instruments for implementing the Model, in order to prevent the commission of offenses specified in the Decree.

In particular, the principles identified in the Code of Ethics, here referred to in full, covering the various types of recipient and/or counterparty, are both prerequisites for and an integral part of the general prevention protocols discussed in the next paragraph.

The following protocols are implemented by the Company as part of the adoption and implementation of its organizational, management and control model.

General prevention protocols

The following general prevention protocols are implemented in relation to all operations that involve the sensitive activities described in the Sections below:

- persons are only authorized to carry out sensitive activities if they have been identified in advance, via mandates, delegation of powers, organization charts, job descriptions, procedures or organizational instructions;
- persons are only authorized to negotiate and maintain relations with the Public Administration if they have been identified for that purpose in advance;
- the system of mandates and signatory powers for dealing with third parties is consistent with the responsibilities assigned to each person, and awareness of those powers by third parties is guaranteed by suitable communication and publicity tools;
- the Company makes and implements decisions in accordance with the principles and instructions contained in laws, the By-laws, the Code of Ethics and the Instruments for implementing the Model;
- within the Company, the responsibilities for management, coordination and control are formalized;
- within the Company, the various hierarchical and functional levels are formalized and the different job descriptions are described;
- the steps in the preparation and authorization of Company deeds are always documented and can be reconstructed;
- the assignment and exercise of powers within each decision-making process are consistent with the various positions of responsibility and with the significance and/or importance of the underlying economic operations;
- there is segregation between those who make or implement decisions, those who record the related accounting effects and those required to audit them in accordance with the law and the procedures envisaged by the system of internal control;
- specific controls are identified and implemented for all sensitive activities and the internal manager responsible for the specific operation at risk is identified, unless specified otherwise, as the Function Manager responsible for carrying out the operation. The Internal Manager:
 - ✓ may request information and clarification from all business functions and persons who carry out or have carried out operations at risk;
 - ✓ informs the Supervisory Body promptly about any issues;

- ✓ may consult the Supervisory Body about all cases of inefficacy, inadequacy or difficulty in implementing the prevention protocols or the related operational procedures, or to obtain clarification about the prevention objectives and procedures envisaged in the Model;
- the management of data by the Company complies with Legislative Decree 196 dated 30 June 2003 and subsequent amendments and additions, including the relevant regulations;
- documentation on the making and implementation of decisions is filed and retained by the competent business function. Access to filed documentation is only available to persons authorized in accordance with the relevant corporate operating procedures, as well as to the Board of Statutory Auditors, the Independent Auditors and the Supervisory Body;
- the selection of external consultants is justified and made on the basis of their professionalism, independence and skill;
- employee incentive schemes set realistic objectives consistent with their job descriptions, activities carried out and responsibilities assigned;
- the cash inflows and outflows of the Company are monitored constantly and are traceable at all times;
- gifts, in all their forms, intended to promote the image and activities of the Company, must be authorized, justified and documented;
- the Supervisory Body checks that the corporate operating procedures governing the sensitive activities and comprising an integral part of the Model, implement in full the principles and instructions contained in this Special Part and are updated constantly, following recommendations made by the Supervisory Body or otherwise, in order to ensure that the objectives of this document are achieved.

Objectives of the Special Parts

The purpose of the Special Parts of the Model is to:

- indicate the rules that senior management must follow in order to apply the Model properly;
- give the Supervisory Body and other control functions the tools needed to carry out their monitoring, checking and verification activities.

In general, all senior managers must, to the extent of their specific responsibilities, adopt conduct consistent with the requirements of the following documents:

- Organizational Model;
- Code of Ethics;
- Internal procedures;

- Mandates and delegated powers;
- Service Orders;
- All other documents governing activities within the scope of application of the Decree.

Additionally, it is expressly forbidden to adopt conduct in contrast with the requirements of current legislation.

The specific prevention protocols identified in relation to the sensitive activities documented in each Special Part comprise procedures drawn from the management systems of the Company.

SECTION A. Offenses committed in relations with the Public Administration (arts. 24 and 25 of the Decree)

A.1. Introduction

In criminal law, the concept of Public Administration is understood in the widest sense, including all activities of the State and other public entities; as such, offenses against the Public Administration involve facts that impede or disturb the proper conduct of not only technical-administrative activities, but also legislative and judicial activities. Accordingly, the Public Administration - understood as all the public functions of the State and other public entities - is safeguarded.

Again under criminal law, persons who carry out a public function or provide a public services are considered to represent the Public Administration.

Public functions are defined as activities governed by public law in relation to the legislative function (State, Regions, Autonomous Provinces), the administrative function (members of State and territorial administrations, civilian and military police, members of supranational administrations, members of Authorities, Chambers of Commerce and Construction Commissions, testers of public works, shipping surveyors, etc.) and the judicial function (magistrates, court officials, ancillary court functions such as receivers, liquidators, bankruptcy administrators, etc.).

Public functions are characterized by the exercise of:

- authoritative power, being the power that enable the Public Administration to achieve its objectives by issuing true and proper commands that private persons must obey. This overriding authority comprises powers to coerce (arrest, search, etc.) and challenge infringements of the law (issue fines, etc.), as well as powers of hierarchical supremacy within public offices;
- certification power, being the power to attest to a fact with the efficacy of evidence.

A public service is an activity governed by public law, but without the authoritative and certification powers typical of a public function, and excludes merely keeping order or providing direct labor.

Persons who carry out a public function or provide a public service are known as public officials or providers of public services.

A public official is a person or forms or expresses the will of the Public Administration, exercising authoritative or certification powers.

For example, but without limitation, public officials include members of State and territorial administrations, members of supranational administrations (e.g. the European Union), the NAS (health protection division of the military police), members of Supervisory Authorities, members of the civilian, military and tax police, members

of the Chambers of Commerce, directors of public bodies, members of Construction Commissions, magistrates, court officials, ancillary court functions (such as bankruptcy administrators).

On the other hand, a provider of a public service carries out activities in the public interest or that satisfy general needs under the supervision of a public authority. Criminal law jurisprudence has clarified that the mere bureaucratic positioning of a person within a public body is not a valid criterion for recognizing that person as a provider of a public service, since the work actually performed is the discriminating factor. Accordingly, even a private individual or the employee of a private company may qualify as the provider of a public service, if their activities pursue a public objective or safeguard the public interest.

For example, but without limitation, the providers of public services include health service employees, employees of hospitals, local health authorities, INAIL (injury insurance), INPS (pensions and social security), employees of municipal energy companies, post offices, customs offices, the national railways, ENI (national oil company) and tollway operators.

A.2. Applicable offenses

Based on the analyses carried out, the following offenses in relations with the Public Administration are deemed applicable to the Company:

- **misuse of funds to the detriment of the State**, envisaged in art. 316-*bis* of the penal code and comprising the conduct of whoever, outside of the Public Administration, obtains grants, financial assistance or loans from the State or other public entities or Community institutions for the performance of work or activities in the public interest, but does not use them for those purposes;
- **improper collection of funds from the State**, envisaged in art. 316-ter of the penal code and, unless the fact represents the offense envisaged in art. 640-*bis*, comprising the conduct of whoever, via the use or presentation of false or untrue declarations or documents, or via the failure to provide required information, improperly obtains for themselves or others grants, loans, assisted loans or other funds of the same type, however described, granted or paid out by the State, other public entities or Community institutions;
- **fraud to the detriment of the State or another public body**, or to obtain exoneration from military service for someone, envisaged in art. 640, para. 2.1, of the penal code and comprising the conduct of whoever uses tricks or scams to cause other parties to make a mistake, thereby obtaining an unjust profit for themselves or others to the detriment of the Stated or another public body;
- **aggravated fraud to obtain public funds**, envisaged in art. 640-*bis* of the penal code and comprising the same conduct as in the previous point, if perpetrated to obtain grants, loans, assisted loans or other funds

of the same type, however described, granted or paid out by the State, other public entities or Community institutions;

- **IT fraud to the detriment of the State or another public body**, envisaged in art. 640-ter of the penal code and comprising the conduct of whoever alters, in any way, the functioning of an IT or telematic system or modifies in any way, without authorization, the data, information or programs contained in an IT or telematic system or used by them, including by the theft or improper use of the digital identit(y)ies of one or more persons, thereby obtaining an unjust profit for themselves or others to the detriment of State or another public body;
- **corruption in the exercise of a function**, envisaged in art. 318 of the penal code and comprising the conduct of public officials who, in the exercise of their functions or powers, improperly receive or accept promises of money or other benefits, for themselves or others;
- **corruption involving deeds contrary to official duty**, envisaged art. 319 of the penal code and comprising the conduct of public officials who, in exchange for omitting or delaying, or for having omitted or delayed, the performance of an official deed, or for carrying out or for having carried out a deed contrary to their official duty, receive or accept promises of money or other benefits, for themselves or others;
- **corruption in judicial deeds**, envisaged in art. 319-ter of the penal code and comprising corruption to facilitate or damage a party to civil, criminal or administrative proceedings;
- **inducement to give or promise benefits**, envisaged in art. 319-quater of the penal code and, unless the fact represents a more serious offense, comprising the conduct of public officials or the providers of a public service who, by abusing their position or power, induce another to give or promise money or other benefits to them or others, as well as the conduct of those who give or promise the money or other benefits;
- **corruption of a person who provides a public service**, envisaged in art. 320 of the penal code and comprising the conduct described in arts. 318 and 319 of the penal code, if committed by the provider of a public service;

pursuant to art. 321 of the penal code (**penalties for the corrupter**), the punishments envisaged in para. 1 of art. 318 and in arts. 319, 319-bis, 319-ter and 320 of the penal code in relation to the offenses envisaged in arts. 318 and 319, also apply to those who give or promise money or other benefits to a public official or the provider of a public service;

- **instigation of corruption**, envisaged in art. 322 of the penal code and comprising the conduct of whoever offers or promises undue money or other benefits to public officials or the providers of a public service for the exercise of their functions or powers, or to induce them to omit or delay the performance of an official deed or to carry out a deed contrary to their official duty, if the offer or promise is not accepted,

as well as the conduct of public officials or the providers of a public service who solicit a promise or gift of money or other benefits for the exercise of their functions or powers or who solicit a promise or gift of money or other benefit from a private person for the purposes indicated in art. 319 of the penal code;

- **embezzlement, malfeasance, corruption, improper inducement to give or promise benefits, and instigation of the corruption of members of European Community bodies and officials of the European Communities and foreign countries**, envisaged in art. 322-*bis* of the penal code and pursuant to which the provisions of arts. 314, 316, 317-320 and 322, paras. 3 and 4, of the penal code also apply to:
 - ✓ members of the European Commission, the European Parliament, the Court of Justice and the Court of Accounts of the European Communities;
 - ✓ officials and agents engaged under contract pursuant to the statute for officials of the European Communities or the regime applicable to agents of the European Communities;
 - ✓ persons seconded to the European Communities by member States, or any public or private bodies, who carry out functions corresponding to those of the officials or agents of the European Communities;
 - ✓ members and employees of bodies formed under the Treaties that established the European Communities;
 - ✓ those who within the member States of the EU carry out functions or activities that correspond to those of public officials or providers of a public service.

The provisions of arts. 319-*quater*, para. 2, 321 and 322, paras. 1 and 2, of the penal code also apply if the money or other benefits are given, offered or promised to:

- ✓ the persons indicated in para. 1 of this article;
- ✓ persons who carry out functions or activities that correspond to those of public officials or providers of a public service in the context of foreign countries or international public organizations, if the fact is committed in order to obtain for themselves or for others an unjust advantage in international business transactions or to obtain or maintain an economic or financial activity.

The persons indicated in para. 1 are deemed similar to public officials if they exercise the corresponding functions, and to providers of a public service in the other cases.

- **trafficking of unlawful influence**, envisaged in art. 346-*bis* of the penal code, excluding participation in the offenses envisaged in arts. 318, 319 and 319-*ter* and in the offenses of corruption envisaged in art.

322-*bis*, and comprising the conduct of whoever exploits or claims existing or alleged relations with a public official or a provider of a public service or one of the other parties referred to in art. 322-*bis*, improperly obtains or obtains promises of money or other benefits as the price of unlawful mediation with a public official or provider of a public service or one of the other parties referred to in art. 322-*bis*, or to remunerate those persons for the exercise of their functions or powers.

- **bid-rigging**, envisaged in art. 353 penal code, refers to the conduct of anyone who, with violence or threats or with gifts, promises, collusion or other fraudulent means, prevents or rigs public auctions or private tenders on behalf of public administrations or drives away bidders;
- **rigging of the procedure for selecting contractors**, envisaged by art. 353-bis of the penal code, unless it constitutes a more serious crime, refers to the conduct of anyone who, with violence or threats or with gifts, promises, collusion or other fraudulent means, rigs the administrative procedure intended to determine the content of a tender notice or other equivalent document in order to influence the method used by public administration to select a contractor.

A.3. Sensitive activities

The Company has identified the following sensitive and operational activities, in the context of which the above offenses in relations with the Public Administration envisaged in arts. 24 and 25 of the Decree might be committed:

- research into the design of new products for sale, including the production of documentary support for industrial property rights (e.g. trademarks and patents);
- obtaining and/or using grants, financial assistance, loans, insurance or guarantees from the Public Administration;
- management of relations with AIFA and other Authorities in the context of GMP;
- participation in competitive tendering procedures organized by the Public Administration;
- management of intercompany and other collections and payments;
- management of expense claims;
- procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists;
- management of consultancy and professional services (including the selection and qualification of advisors and the administration of relations with them);
- management of operating assets and business tools;
- management of receivables and disputes, including with recourse to advisors;
- selection, hiring and management of personnel (including the management of incentive policies and the personnel appraisal process);

- management of relations with public officials, including in the context of inspections and checks carried out by the Public Administration;
- public and institutional relations (with particular reference to the membership of trade associations);
- management of gifts, sponsorships and donations.

A.4. Specific prevention protocols

For operations involving **research into the design of new products for sale, including the production of documentary support for industrial property rights (e.g. trademarks and patents), the management of relations with AIFA and other Authorities in the context of GMP and the management of relations with public officials, including in the context of inspections and checks carried out by the Public Administration,** the protocols envisage that:

- all deeds, requests and formal communications involving the PA as recipient must be managed solely by persons identified and authorized in advance by the Company;
- such persons must report to their hierarchical and functional superior on meetings held with representatives of the PA and the key outcomes;
- the Internal Managers for implementing the above operations must:
 - ✓ identify the most appropriate tools for ensuring that relations between their Functions and the PA are always transparent, documented and verifiable;
 - ✓ authorize in advance the use of data and information about the Company to be included in deeds, communications, attestations and requests of any kind sent to the PA or involving the latter as recipient;
 - ✓ check that the documents, declarations and information sent to the PA by the Company are complete and true;
- with reference to the arrangement of agreements and contracts, check the existence of segregation between the person negotiating within assigned limits and the person who finally approves and signs the agreement;
- in relations involving the PA, check that all employees comply with current laws and regulations, proper commercial practice and established corporate procedures;
- the Function Manager concerned must inform the SB about any issues encountered;
- checks and inspections by the PA must be attended by at least two representatives of the Company indicated in the relevant procedures who, in addition, must accompany the inspectors during site visits;
- procedures must be established to provide the inspectors with suitable facilities (private offices, network access, hardware) and to make corporate documentation available to them in an appropriate manner;

- the persons assigned to participate in inspections must inform the SB about the start/end of the procedures and any issues identified, including the following details:
 - ✓ personal details of the inspectors (name and body represented);
 - ✓ date on which the inspectors arrived;
 - ✓ duration of the inspection;
 - ✓ purpose of the inspection;
 - ✓ outcome of the inspection;
 - ✓ any inspection minutes prepared by the inspection body;
 - ✓ list of documents provided, if any;
- the documentation must be retained by the Function Manager concerned in a separate file, following procedures that prevent subsequent changes unless specifically highlighted, in order to ensure proper traceability of the entire process and facilitate any subsequent checks.

For operations involving **participation in competitive tendering procedures organized by the Public Administration**, the protocols envisage that:

- all deeds, requests and formal communications involving the PA as recipient must be managed solely by persons identified and authorized in advance by the Company;
- such persons must report to their hierarchical and functional superior on meetings held with representatives of the PA and the key outcomes;
- the Internal Managers for implementing the above operations must:
 - ✓ identify the most appropriate tools for ensuring that relations between their Functions and the PA are always transparent, documented and verifiable;
 - ✓ authorize in advance the use of data and information about the Company to be included in deeds, communications, attestations and requests of any kind sent to the PA or involving the latter as recipient;
 - ✓ check that the documents, declarations and information sent to the PA by the Company are complete and true;
- with reference to the arrangement of agreements and contracts, check the existence of segregation between the person negotiating within assigned limits and the person who finally approves and signs the agreement;

- in relations involving the PA, check that all employees comply with current laws and regulations, proper commercial practice and established corporate procedures;
- the documentation must be retained by the Function Manager concerned in a separate file, following procedures that prevent subsequent changes unless specifically highlighted, in order to ensure proper traceability of the entire process and facilitate any subsequent checks;
- the Function Manager must inform the SB about any issues encountered.

For operations that involve **obtaining and/or using grants, financial assistance, loans, insurance or guarantees from the Public Administration**, the protocols envisage that:

- criteria and procedures must be defined for checking satisfaction of the requirements for access to loans, grants, etc.;
- applications for loans, grants, etc., must always be authorized in advance and subsequently signed in accordance with the relevant delegated powers, mandates and corporate procedures;
- the Internal Manager for implementing the operation must check that the declarations and documentation presented in order to obtain loans, grants, etc., are complete and present the true economic and financial position of the Company;
- the financial resources obtained must be allocated exclusively to the initiatives and for achievement of the purposes for which they were requested;
- the use of such resources must always be justified by the requesting person, who must confirm its consistency with the purposes for which they were requested and obtained;
- the documentation must be retained by the Function Manager concerned in a separate file, following procedures that prevent subsequent changes unless specifically highlighted, in order to ensure proper traceability of the entire process and facilitate any subsequent checks.

For operations involving the **management of intercompany and other collections and payments**, the protocols envisage that:

- limits must be established on the autonomous use of financial resources, by defining quantitative spending thresholds consistent with the operational and organizational responsibilities of the person concerned. The assigned quantitative spending limits must only be exceeded for justified urgent reasons and solely in exceptional circumstances: in such cases, the exceptional event must be approved by the release of specific authorizations;

- the Administrative Body, or its delegatee, must establish and amend, if necessary, a joint signature procedure for certain types of operation or for operations that exceed a specified quantitative spending threshold. Any such amendments must be notified to the Supervisory Body;
- segregation must exist between the person who commits the Company in dealings with third parties and the person who authorizes or arranges for payment of the amounts due as a consequence of the commitment; the Supervisory Body must be informed if this is not possible for individual operations;
- operations that involve the use or employment of economic or financial resources must be assigned a specific reason code, explained by the requesting person - even by indication of the type of expenditure concerned, documented and recorded in compliance with generally-accepted professional and accounting standards;
- cash inflows and outflows must be prohibited, except for petty cash movements expressly authorized by the competent Function Managers in accordance with the applicable corporate procedure;
- with reference to banking and financial transactions, the Company must only use financial and banking intermediaries that are subject to transparency and propriety rules compliant with EU regulations;
- payments to third parties must be made using banking circuits and instruments that provide guaranteed evidence that the beneficiary of the payment is actually the external contractual counterparty of the Company;
- depending on the nature of the service provided, quantitative limits must be established in advance for cash advances, with standard procedures for requesting and authorizing the reimbursement of expenses incurred by Company personnel. The reimbursement of expenses incurred must require the completion of specific claim forms and the production of suitable documentary evidence;
- collections and payments by the Company and all cash flows must always be traceable and backed by documentary evidence;
- procedures for the employment by the Company of any excess liquidity must be defined clearly in specific corporate guidelines.

For operations involving the **management of expense claims**, the protocols envisage that:

- the reimbursement of expenses incurred must require the completion of specific claim forms and the production of suitable documentary evidence;
- depending on hierarchical level, the person responsible for the ex-ante or ex-post authorization of expense claims must be identified;

- expense claims must be administered in accordance with procedures communicated to all personnel, covering expense limits, the purposes of expenditure, the forms to be used, the authorization levels required and the calculation and payment of the amounts reimbursed.

For operations involving the **procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists**, the protocols envisage that:

- the purchase documentation must evidence the methodology applied and the procedures followed to make the purchase, the nature of the purchase, the amount and the reasons underlying vendor selection;
- the procurement of goods and services must be governed by written contracts or orders that clearly establish the prices of the goods or services, or the criteria for determining their prices;
- at least three offers must be obtained when selecting vendors for amounts in excess of € 30,000;
- vendor selection must involve advance assessment against predetermined subjective and objective criteria, including market reputation and reliability, as well as the adoption of values consistent with those embodied in the Code of Ethics and the Model of the Company;
- the documentation produced or received in relation to the allocation of works or the purchase of goods or services must be retained by the Function Manager concerned in a separate file, following procedures that prevent subsequent changes, in order to ensure proper traceability of the entire process and facilitate any subsequent checks;
- the Function Manager involved in the supply or the contract must notify the SB immediately about any anomalies in the services provided by the vendor or the contractor, or about any special requests made to the Company by those parties;
- payments to vendors and/or contractors must only be made following validation by the Function Manager involved in the purchase/contract and after completing a predetermined internal authorization process that takes account of the payment deadline;
- the use or employment of economic or financial resources must always be assigned a specific reason code and documented and recorded in compliance with generally-accepted professional and accounting standards;
- invoices received by the Company for the purchase of goods, works or services must only be recorded on the basis of suitable evidence of actual delivery or completion of the service;
- segregation must exist between the persons who request, authorize, check and carry out operations.

For operations involving the **management of consultancy and professional services (including the selection and qualification of advisors and the administration of relations with them)**, the protocols envisage that:

- external consultants must be selected on the basis of their professionalism, independence and skill;
- the requesting Function Manager must always explain how such parties are identified;
- appointments must be assigned in compliance with the procedures, authorization and internal controls adopted by the Company, which must envisage criteria for the definition and allocation of the related budget and for selection of the most suitable types of service;
- except for consultancy work requested by the Managing Director or the General Manager, segregation must exist between the person requesting assignments and the person who authorizes them;
- the Managing Director and the General Manager report periodically to the Board of Directors on the consultancy work assigned by them;
- assignments must be granted in writing, indicating the remuneration agreed and the services to be provided;
- on completion of the assignment, the consultant must be requested to detail in writing the services provided;
- before payment is authorized and made, the Function Manager concerned must certify that the service has been completed;
- the remuneration paid must not be unreasonable with respect to the services provided to the Company or inconsistent with the appointment assigned, market conditions and practices, or the professional rates in force for the category of consultant used.

For operations involving the **management of operating assets and business tools**, the protocols envisage that:

- allocation of the operating asset must be justified with reference to the role and job description of the beneficiary, following a formal request made by the interested person that is validated by a hierarchical superior, as envisaged in the applicable Instruments for implementing the Model;
- procedures must be established for requesting and authorizing the allocation of operating assets and business tools;
- the request must be duly authorized by General Management;
- the operating assets and business tools allocated must be identified (e.g. personal computers, mobile phones, etc.);
- an updated inventory must be maintained of the assets assigned to personnel;

- the violation of corporate procedures or regulations during use of assets allocated must result, in the most serious cases, in revocation of their allocation;
- procedures must be established for obtaining the return of assets in the event of resignation/dismissal.

For operations involving the **management of receivables and disputes, including with recourse to advisors**, the protocols envisage that:

- consistent with the matter concerned, a Manager must always be identified with the powers needed to represent the Company or coordinate the activities of any external professionals appointed;
- procedures (e.g. verbal/written demands) must be established for implementing the credit collection process;
- persons authorized to agree any rescheduling of payments must be identified;
- the Manager identified must inform the SB about any issues encountered;
- traceability must be guaranteed for the information requested during the dispute and the persons involved, as well as for the internal process of assessing and authorizing the documentation provided during the dispute;
- the documentation must be retained by the Function Manager concerned in a separate file, following procedures that prevent subsequent changes unless specifically highlighted, in order to ensure proper traceability of the entire process and facilitate any subsequent checks.

For operations involving the **selection, hiring and management of personnel (including the management of incentive policies and the personnel appraisal process)**, the protocols envisage that:

- Functions requesting the selecting and hiring of personnel must formalize the request by completing specific forms and respect their annual budget;
- the request must be authorized by the competent Manager in accordance with the related internal procedures;
- hiring requests outside of the budget limits must be explained and duly authorized in compliance with the procedures, authorizations and internal controls adopted by the Company;
- unless objectively impossible due to the special nature of the role, at least three candidates must be examined for each profile sought;
- the candidates must attend an assessment interview;
- the assessments must be formalized in suitable documentation;

- any direct or indirect relations between the candidate and the PA must be determined and assessed in advance;
- the skills of personnel and the objectives achieved by them must be checked each year, so that changes in their grades or incentives can be assessed;
- executives and managers who resign must be debriefed in formal interviews;
- the documentation must be retained by the HR Development and Personnel Manager concerned in a separate file, following procedures that prevent subsequent changes unless specifically highlighted, in order to ensure proper traceability of the entire process and facilitate any subsequent checks.

For operations involving the **management of public and institutional relations (with particular reference to the membership of trade associations)**, the protocols envisage that:

- meetings with the PA must be documented in minutes/memos, indicating the PA representative met, the purpose of the meeting and all other relevant information;
- the documentation must be retained by the Function Manager concerned in a separate file, following procedures that prevent subsequent changes unless specifically highlighted, in order to ensure proper traceability of the entire process and facilitate any subsequent checks.

For operations involving the **management of gifts, sponsorships and donations**, the protocols envisage that:

- gifts, sponsorships and donations must not exceed the maximum limits determined in advance by the Company;
- in addition to being lawful and ethical, these operations must be authorized, justified and documented;
- such operations must seek to improve and promote the image and culture of the Company;
- an annual report must be prepared on all the gifts, sponsorships and donations made;
- the documentation in support of the operations carried out must be retained by the Function Manager concerned in a separate file, following procedures that prevent subsequent changes unless specifically highlighted, in order to ensure proper traceability of the entire process and facilitate any subsequent checks.

A.5. Information flows to the SB

In addition to the information flows specified in the above protocols for specific sensitive activities, the Managers of sensitive activities must provide the SB with the additional information identified in the procedures and other applicable Instruments for implementing the Model, on the basis and with the frequency identified in them.

SECTION B. Computer-related crime and unlawful data processing (art. 24-bis of the Decree)

B.1. Applicable offenses

Based on the analyses carried out, the following IT crimes are deemed applicable to the Company:

- **false information in IT documents**, envisaged in art. 491-*bis* of the penal code and comprising the inclusion of materially or ideologically false information in public deeds, certificates, authorizations, private treaties or private deeds by a representative of the Public Administration or a private person, if that information relates to an “IT document usable as evidence” and, therefore, at a minimum, accompanied by a simple electronic signature. The term “IT document” is defined as the electronic representation of deeds, facts or data of legal significance (thus extending the criminal significance of the offenses envisaged in Book II, Title VII, Chapter III of the Penal Code to IT documents usable as evidence);
- **unauthorized access to an IT or telematic system**, envisaged in art. 615-*ter* of the penal code and comprising the conduct of whoever gains unauthorized access, by evading any - even minimal - entry barriers, to an IT or telematic system protected by security measures or remains on that system against the will of those entitled to exclude them;
- holding and unauthorized distribution of access codes to IT or telematic systems, envisaged in art. 615-*quater* of the penal code and comprising the conduct of whoever, in order to obtain a profit directly or for others, or to cause a loss for others, improperly obtains, copies, distributes, communicates or gives away codes, passwords or other suitable means of access to IT or telematic systems protected by security measures or, in any case, provides indications or instructions for the above purpose;
- **distribution of equipment, devices or IT programs intended to damage or crash an IT or telematic system**, envisaged in art. 615-*quinquies* of the penal code and comprising the conduct of whoever, for the purpose of illegally damaging an IT or telematic system, or the information, data or programs contained in or used by them, or crashing them in whole or in part, or altering the way they function, obtains, produces, reproduces, imports, disseminates, communicates, gives or, in any case, makes available to others such equipment, devices or IT programs;
- **interception, prevention or illegal interruption of IT or telematic communications**, envisaged in art. 617-*quater* of the penal code and comprising the conduct of whoever fraudulently intercepts communications relating to an IT or telematic system or between several systems, or prevents or interrupts them, or in any way reveals the content of those communications to the public, whether in whole or in part;
- **installation of equipment for intercepting, preventing or interrupting IT or telematic communications**, envisaged in art. 617-*quinquies* of the penal code and comprising the conduct of

whoever, except as allowed by the law, installs equipment for intercepting, preventing or interrupting communications relating to an IT or telematic system or between several systems;

- **causing damage to information, data or IT programs**, envisaged in art. 635-*bis* of the penal code and, unless the fact represents a more serious offense, comprising the conduct of whoever destroys, degrades, deletes, alters or suppresses the information, data or IT programs of others;
- **causing damage to information, data or IT programs used by the State or a public body or of public interest**, envisaged in art. 635-*ter* of the penal code and, unless the fact represents a more serious offense, comprising the conduct of whoever commits a fact intended to destroy, degrade, delete, alter or suppress information, data or IT programs used by the State or another public body, or that is relevant to them or, in any case, of public interest;
- **causing damage to IT or telematic systems**, envisaged in art. 635-*quater* of the penal code and, unless the fact represents a more serious offense, comprising the conduct of whoever by acting in a manner envisaged in art. 635-*bis* i.e. by inputting or transmitting data, information or programs, destroys or damages IT or telematic systems that belong to others, or makes them unusable, in whole or in part, or seriously impedes their functioning;
- **causing damage to IT or telematic systems of public interest**, envisaged in art. 635-*quinquies* of the penal code and comprising the conduct described in art. 635-*quater*, when that conduct is intended to destroy or damage IT or telematic systems of public interest, or make them unusable, in whole or in part, or seriously impede their functioning;
- **IT fraud by the party that provides electronic signature certification services**, envisaged in art. 640-*quinquies* of the penal code and comprising the conduct of the provider of electronic signature certification services that, in order to obtain an unjust profit for itself or others, or cause losses to third parties, violates the legal requirements for the issue of a qualified certificate.

B.2. Sensitive activities

The Company has identified the following sensitive activities, in the context of which the above IT crimes envisaged in art. 24-*bis* of the Decree might be committed:

- management of electronic documentation usable as evidence;
- use of workstations;
- management of IT system security.

B.3. Specific prevention protocols

For operations involving the **management of documentation usable as evidence**, the protocols envisage that:

- criteria and procedures must be established for the generation, distribution, revocation and filing of smart cards;
- the management of smart cards by third parties must be regulated in a formal manner;
- controls must be established in order to protect smart cards from changes, destruction and unauthorized use;
- documentation in support of the activities carried out using smart cards must be retained by the Function Manager concerned in a separate file, following procedures that prevent subsequent changes unless specifically highlighted, in order to ensure proper traceability of the entire process and facilitate any subsequent checks.

For operations involving the **use of workstations**, the protocols envisage that:

- the system authentication requirements for access to data and for giving third parties, such as consultants and vendors, remote access to data must be defined in a formal manner;
- the user-ids for access to applications and the network must be personal and unique;
- criteria and procedures must be established (e.g. minimum length, complexity rules, expiry dates) for the creation of access passwords to the network, applications, corporate IT assets and critical or sensitive systems;
- proper password management must be defined by guidelines, communicated to all users, for the selection and use of passwords;
- user access, by whatever method, to data, systems and the network must be checked periodically;
- applications must keep track of the changes made by users to the data held on databases;
- criteria and procedures must be defined for the assignment, amendment and deletion of user profiles;
- an authorization matrix - applications/profiles/requester - must be prepared that reflects the existing organizational roles and is consistent with the segregation of duties principle;
- user profiles must be checked periodically for consistency with the responsibilities assigned and the segregation of duties principle;
- the documentation of these activities must be retained by the Function Manager concerned in a separate file, following procedures that prevent subsequent changes unless specifically highlighted, in order to ensure proper traceability of the entire process and facilitate any subsequent checks.

For operations involving the **management of IT system security**, the protocols envisage that:

- physical and logical credentials must be established for sites hosting IT systems and infrastructure, including but not limited to access codes, authenticator tokens, pin numbers and badges, for the traceability of their use;
- security measures, supervisory procedures and the frequency of their application must be defined, together with the related responsibilities, the process for reporting unauthorized entry into technical areas and other security violations, and the countermeasures to be adopted;
- criteria and procedures must be defined for managing software and hardware systems that include making and maintaining an updated inventory of the software and hardware used by the Company, using software that has been formally authorized and certified and checking periodically the software installed and the mass storage devices in use for forbidden and/or potentially malicious software; these criteria and procedures must also govern the responsibilities and operating procedures for the installation and/or maintenance of hardware;
- criteria and procedures must be defined for the performance of back-up activities that, for each hardware application, establish the necessary frequency and procedures, the number of copies and their retention period;
- criteria and procedures must be defined for the change management activities (updates and the implementation of new systems/technological services);
- the documentation of these activities must be retained by the Function Manager concerned in a separate file, following procedures that prevent subsequent changes unless specifically highlighted, in order to ensure proper traceability of the entire process and facilitate any subsequent checks.

B.4. Information flows to the SB

The Managers of sensitive activities must provide the SB with the information indicated in the procedures and other applicable Instruments for implementing the Model, on the basis and with the frequency identified in them.

SECTION C. Organized crime and transnational offenses (art. 24-ter of the Decree and art. 10, Law 146/2006)

C.1. Applicable offenses

Based on the analyses carried out, the following organized crime and transnational offenses are deemed applicable to the Company:

- **criminal association**, envisaged in art. 416 of the penal code and comprising the conduct of whoever promotes or establishes or organizes an association of three or more persons for the purpose of committing multiple crimes, as well as those who participate in the association;
- **Italian and foreign mafia-related associations**, envisaged in art. 416-bis of the penal code and comprising the conduct of whoever belongs to a mafia-related association comprising three or more persons, as well as those who promote, manage or organize it. The association is mafia-related when those who participate make use of the intimidatory strength of membership and the resulting subjugation and silent consent in order to commit crimes, to acquire direct or indirect management or, in any case, control over economic activities, concessions, authorizations, contracts and public services, or to obtain unjust profits or benefits for themselves or for others, or to prevent or impede the free exercise of voting rights, or to obtain votes for themselves or others at the time of elections. The association is deemed to be armed when, in order to achieve its objectives, participants have arms or explosives available to them, even if hidden or kept in storage locations. The provisions of art. 416-bis of the penal code also apply to the camorra and other associations, under whatever local name, including foreign associations, that make use of the intimidatory strength of membership to pursue objectives similar to those of mafia-related associations;
- **crimes committed under the conditions envisaged in art. 416-bis of the penal code or to facilitate the activities of the associations envisaged in that article;**
- **inducement to not make declarations or to make false declarations to the judiciary**, envisaged in art. 377-bis of the penal code and comprising the conduct of whoever, with violence or threats, or by the offer or promise of cash or other benefits, induces a person not to make declarations, or to make false declarations, when that person is called before the judiciary to make declarations usable in criminal proceedings with the right to not respond;
- **aiding and abetting**, envisaged in art. 378 of the penal code and comprising the conduct of whoever, unless a participant in the crime, following the commission of a crime for which the punishment is death, or life in prison or imprisonment, helps someone to avoid the investigations of the authorities or escape from their search.

C.2. Sensitive activities

The crimes referred to in art. 24-*ter* of the Decree and art. 10 of Law 146/2006 appear unrelated to specific activities actually carried out by the Company. Furthermore:

- for the most part, these are crimes of association (criminal associations, Italian and foreign mafia-related associations) or closely relate to crimes of association (political, mafia-related vote rigging, crimes committed under the conditions envisaged in art. 416-*bis* of the penal code or to facilitate the activities of the associations envisaged in that article), with punishment for the mere agreement among several persons to commit an unspecified number and type of crimes;
- being by definition agreements to commit crimes, crimes of association extend the list of specified offenses to include an unspecified number of criminals, such that any activity carried out by the Company could involve the commission of a crime - with consequent responsibility pursuant to Legislative Decree 231/2001 - “via” a criminal association.

Although those crimes cannot, as mentioned, be traced to specific activities actually carried out by the Company - and, therefore, to related operating procedures - they can, in theory, be committed by senior and subordinate persons. Given this, the system of prevention already adopted by the Company becomes significant.

Management believes, in fact, that the system of corporate governance already in place is adequate to prevent the above crimes, especially considering the principles embodied in the Code of Ethics. This is the most suitable tool for addressing crimes such as criminal association pursuant to art. 416 of the penal code, since it would be impossible to encompass within a specific system of controls the virtually infinite number of criminal actions that might be committed by the members of associations.

Nevertheless, the Company has identified a series of activities in which the members of criminal associations, or anyone who carries out unlawful activities, might come into contact and manage business activities with the Company. In particular, the following sensitive activities have been identified, in the context of which the above organized crimes envisaged in art. 24-*ter* of the Decree and transnational crimes envisaged in art. 10 of Law 146/2006 might be committed:

- selection, assessment and management of relations with commercial partners;
- relations with potential customers (qualification, assessment), including those via agents and distributors;
- sales of goods and services (e.g. technical gases, medical gases) via filling stations, agencies, on-site sales, gas pipelines, etc.;
- management of special operations, capital transactions and dividend distributions;
- management of intercompany and other collections and payments;

- procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists;
- selection, hiring and management of personnel (including the management of incentive policies and the personnel appraisal process);
- appointment of persons to the corporate bodies of subsidiaries.

C.3. Specific prevention protocols

For operations involving the **selection, assessment and management of relations with commercial partners**, the protocols envisage that:

- suitable checks must be made to verify in advance the identity, address and legal nature of the counterparty to the operation and, in the case of natural persons, to obtain their criminal record or related self-certification;
- the documentation must be retained by the Function Manager concerned in a separate file, following procedures that prevent subsequent changes unless specifically highlighted, in order to ensure proper traceability of the entire process and facilitate any subsequent checks.

For operations involving **relations with potential customers (qualification, assessment), including those via agents and distributors and sales of goods and services (e.g. technical gases, medical gases) via filling stations, agencies, on-site sales, gas pipelines, etc.**, see section H.3 in this Special Part with reference to the corresponding sensitive activities.

For operations involving the **management of special operations, capital transactions and dividend distributions**, see section E.3 in this Special Part with reference to the corresponding sensitive activities.

For operations involving the **management of intercompany and other collections and payments**, see section A.4 in this Special Part with reference to the corresponding sensitive activity.

For operations involving the **procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists**, see section H.3 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- invoices received by the Company, for the supply of goods and services and for contract work performed for the Company, must be checked - existence of the transaction, amount stated on the invoice - against the contracts, purchase orders or order confirmations held on file by the Company.

For operations involving the **selection, hiring and management of personnel (including the management of incentive policies and the personnel appraisal process)**, see section A.4 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

Revised November 23, 2023

- the assessments must be formalized in suitable documentation;
- the documentation must be retained by the HR Development and Personnel Manager concerned in a separate file, following procedures that prevent subsequent changes unless specifically highlighted, in order to ensure proper traceability of the entire process and facilitate any subsequent checks.

For operations involving the **appointment of persons to the corporate bodies of subsidiaries**, the protocols envisage that:

- candidates must be identified by the Administrative Body, with support from the HR Development and Personnel function;
- candidates must be identified from among persons who already have operational roles within the Company or its subsidiaries, or from among qualified professionals;
- in the case of persons who are not Company employees, assessment of the candidates must be formalized in suitable documentation, including self-certification by candidates that they do not have a criminal record.

With specific reference to the crime of inducement not to make statements or to make false statements to the judiciary (art. 377-*bis* of the penal code), see Section J in this Special Part.

C.4. Information flows to the SB

In addition to the information flows specified in the above protocols for specific sensitive activities, the Managers of sensitive activities must provide the SB with the information indicated in the procedures and other applicable Instruments for implementing the Model, on the basis and with the frequency identified in them.

SECTION D. Falsification of cash, government-issued bearer bonds, duty-paid stamps and recognizable signs and crimes against industry and commerce (arts. 25-bis and 25-bis.1 of the Decree)

D.1. Applicable offenses

Based on the analyses carried out, the following crimes of falsification of cash, government-issued bearer bonds, duty-paid stamps and recognizable signs and crimes against industry and commerce are deemed applicable to the Company:

- introduction into Italy and sale of products bearing false signs, envisaged in art. 474 of the penal code and comprising the conduct of whoever, except in cases of participation in the offenses envisaged in art. 473, with a view to profit imports industrial products bearing counterfeited or altered domestic or foreign trademarks or other distinctive signs; whoever, except in cases of participation in counterfeiting, alteration or importation, with a view to profit holds for sale, places on sale or otherwise puts such products into circulation;
- **fraud in the exercise of trade**, envisaged in art. 515 of the penal code and comprising the conduct of whoever, in the exercise of a commercial activity or in a public market, gives the purchaser one fungible asset instead of another, being a fungible asset whose origin, source, quality or quantity is different to that stated or agreed;
- **sale of industrial products with false signs**, envisaged in art. 517 of the penal code and comprising the conduct of whoever sells or otherwise distributes intellectual property or industrial products using national or foreign names, trademarks or distinctive signs that mislead the purchaser about the origin, source or quality of the work or product;
- **manufacture and trade in goods made by appropriating industrial property rights**, envisaged in art. 517-ter of the penal code and, without prejudice to the application of arts. 473 and 474, comprises the conduct of whoever, in a position to know about the existence of industrial property rights, manufactures or uses for industrial purposes objects or other goods made by appropriating or violating an industrial property right, as well as whoever, with a view to profit, imports, holds for sale, places on sale by direct offer to consumers or, in any case, puts such goods into circulation.

D.2. Sensitive activities

The Company has identified the following sensitive activities, in the context of which the above crimes of falsification of cash, government-issued bearer bonds, duty-paid stamps and recognizable signs and crimes against industry and commerce envisaged in arts. 25-bis and 25-bis.1 of the Decree might be committed:

- research into the design of new products for sale, including the production of documentary support for industrial property rights (e.g. trademarks and patents);

- management of the production cycle at plants, filling stations and external companies;
- quality control of raw materials, semi-finished and finished products;
- sales of goods and services (e.g. technical gases, medical gases) via filling stations, agencies, on-site sales, gas pipelines, etc.

D.3. Specific prevention protocols

For operations involving **research into the design of new products for sale, including the production of documentary support for industrial property rights (e.g. trademarks and patents) and management of the production cycle at plants, filling stations and external companies**, the protocols envisage that:

- a structured process must be established for the research and development of new products, divided into significant phases for which specific documentation is prepared, with information flows to superior hierarchical bodies in order to obtain authorization to move to the next phase in the process;
- before entering into the production cycle, new products deriving from R&D activities must be subjected to specific checks that verify their conformity with predetermined requirements for their quality and technical characteristics;
- when new products are developed or new uses are found, investigations must check that they are actually new and/or whether they use production techniques, patents or other industrial property rights owned by third parties;
- if potential infringements of the industrial property rights of others are identified, careful analyses must be carried out with assistance from external specialists, where applicable, and proper records must be kept;
- production must be carried out using specific, predetermined techniques must be defined that establish clearly the types and quality of the goods (raw materials, semi-finished and finished products) to be used, having regard for the technical and qualitative characteristics of the plants concerned;
- the production process must be monitored constantly to ensure that all goods (raw materials, semi-finished and finished products) used conform with the technical and qualitative characteristics envisaged in the technical specifications for the plants concerned.

For operations involving the **quality control of raw materials, semi-finished and finished products**, the protocols envisage that:

- contracts governing relations with vendors must include specific clauses requiring:
 - ✓ agreement between the characteristics of the goods supplied and those envisaged in the related contracts;

- ✓ release of the Company from liability if, when making the products, the rights of third parties are violated by vendors;
- detailed checking plans must be defined to check that the characteristics of purchased products conform with those declared by the vendor;
- production must be carried out using specific, predetermined techniques must be defined that establish clearly the types and quality of the goods (raw materials and semi-finished products) to be used, having regard for the technical and qualitative characteristics of the finished product;
- manufacturing, production and processing must be monitored constantly to ensure that all goods (raw materials and semi-finished products) used conform with the technical and qualitative characteristics envisaged in the technical specifications for the product;
- products that do not conform with the predetermined technical and qualitative characteristics must be identified and specific controls must be activated to ensure that they are not placed on sale.

For operations involving **sales of goods and services (e.g. technical gases, medical gases) via filling stations, agencies, on-site sales, gas pipelines, etc.**, the protocols envisage that:

- the characteristics of the products must be checked periodically for consistency with those stated in the related technical/information materials or, in any case, in any materials given to the customer or disseminated to the public;
- all communications to customers about the quality and specifications of products must be authorized by the responsible function managers in accordance with corporate procedures;
- the documentation in support of the checks carried out must be retained by the Function Manager concerned in a separate file, following procedures that prevent subsequent changes unless specifically highlighted, in order to ensure proper traceability of the entire process and facilitate any subsequent checks.

D.4. Information flows to the SB

The Managers of sensitive activities must provide the SB with the information indicated in the procedures and other applicable Instruments for implementing the Model, on the basis and with the frequency identified in them.

SECTION E. Corporate offenses (art. 25-ter of the Decree)

E.1. Applicable offenses

Based on the analyses carried out, the following corporate offenses are deemed applicable to the Company:

- **false corporate communications**, envisaged in art. 2621 of the Italian Civil Code and comprising the conduct of directors, general managers, executives responsible for preparing corporate accounting documents, statutory auditors or liquidators who, in order to obtain an unjust profit for themselves or for others, deliberately present untrue significant material facts in financial statements, reports or other corporate communications to shareholders or the public required by law, or omit significant material facts whose communication is required by law, about the economic or financial position of the company or the group to which it belongs, in order to effectively induce others to make a mistake;
- **minor deeds**, envisaged in art. 2621-bis of the Italian Civil Code and comprising the conduct of whoever commits the deeds envisaged in art. 2621 of the Italian Civil Code to a minor extent, having regard for the nature and size of the company, how the deeds were carried out and their effects;
- **prevention of checks**, envisaged in art. 2625 of the Italian Civil Code and comprising the conduct of directors who, by hiding documents or by other suitable means, prevent or in any case impede the performance of control activities legally assigned to the shareholders or other corporate bodies;
- **improper return of contributions**, envisaged in art. 2626 of the Italian Civil Code and comprising the conduct of directors who, except in the case of a legitimate capital reduction, return or pretend to return contributions to shareholders, or who release them from their obligation to make such contributions;
- **illegal distribution of profits and reserves**, envisaged in art. 2627 of the Italian Civil Code and comprising the conduct of directors who distribute profits or advances against profits not yet earned or that are allocated by law to reserves, or who distribute reserves, whether or not comprising profits, that by law cannot be distributed;
- **illegal transactions in shares or quotas of the company or the parent company**, envisaged in art. 2628 of the Italian Civil Code and comprising the conduct of directors who, except in the cases allowed by law, purchase or subscribe for shares or quotas in the company and/or in the parent company, thus improperly diminishing share capital or reserves that cannot by law be distributed;
- **operations detrimental to creditors**, envisaged in art. 2629 of the Italian Civil Code and comprising the conduct of directors who, in violation of the laws protecting creditors, make capital reductions or arrange mergers with other companies or spin-offs that are detrimental to the creditors;
- **fictitious formation of capital**, envisaged in art. 2632 of the Italian Civil Code and comprising the conduct of directors and contributing shareholders that, even if only in part, fictitiously form or increase

share capital by the assignment of shares or quotas that, in total, exceed the company's share capital, by subscribing reciprocally for shares or quotas, or by significantly overvaluing assets contributed in kind, receivables or the net assets of the company in the case of a transformation;

- **corruption between private persons**, envisaged in art. 2635, para. 3, of the Italian Civil Code and comprising the conduct of whoever, directly or via intermediaries, offers, gives or promises money or other undue benefits to the directors, general managers, executives responsible for preparing corporate accounting documents, statutory auditors or liquidators of private companies or entities, or to other persons within the company who have top management functions or who are subject to their management or supervision, for the performance or omission of deeds in violation of the obligations inherent in their duties or their obligation to be loyal;
- **instigation of corruption between private persons**, envisaged in art. 2635-*bis*, para. 1, of the Italian Civil Code and comprising the conduct of whoever offers or promises money or other undue benefits to the directors, general managers, executives responsible for preparing corporate accounting documents, statutory auditors or liquidators of private companies or entities, or to their employees with top management functions, for the performance or omission of a deed in violation of the obligations inherent in their duties or their obligation to be loyal, if the offer or promise is refused;
- **market manipulation**, envisaged in art. 2637 of the Italian Civil Code and comprising the conduct of whoever disseminates false information or arranges fraudulent transactions or other stratagems that could well significantly alter the prices of financial instruments that are not listed, or for which no request has been made for admission to listing on a regulated market, or significantly influence the confidence of the public the financial stability of banks or groups of banks;
- **impeding the activities of public supervisory authorities**, envisaged in art. 2638 of the Italian Civil Code and comprising the conduct of directors, general managers, executives responsible for preparing corporate accounting documents, statutory auditors or liquidators of companies or entities and the other parties subject by law to the public supervisory authorities, or required to satisfy obligations in their regard, who, in the communications to the above authorities required by law, present untrue material facts, albeit subject to assessment, about the economic or financial position of those subject to supervision in order to impede the exercise of their supervisory functions or, for the same purpose, hide in whole or in part, in other fraudulent ways, facts that should have been communicated about the above position, even if the disclosures relate to assets held or administered by the company on behalf of third parties; or the conduct of directors, general managers, executives responsible for preparing corporate accounting documents, statutory auditors or liquidators of companies or entities and the other parties subject by law to the public supervisory authorities, or required to satisfy obligations in their regard, who in any way, even by the omission of communications due to the above authorities, knowingly impede their activities.

E.2. Sensitive activities

The Company has identified the following sensitive activities, in the context of which the above corporate offenses envisaged in art. 25-ter of the Decree might be committed:

- participation in competitive tendering procedures organized by the Public Administration;
- relations with potential customers (qualification, assessment), including those via agents and distributors;
- sales of goods and services (e.g. technical gases, medical gases) via filling stations, agencies, on-site sales, gas pipelines, etc.;
- subjective measurements and estimates of financial statement balances; approval of contract budgets, recognition, registration and presentation of business activities, including intercompany transactions, in the accounting records, reports, financial statements and other corporate documents; update of the chart of accounts;
- management of relations with shareholders and the Board of Statutory Auditors;
- management of special operations, capital transactions and dividend distributions;
- management of intercompany and other collections and payments;
- management of expense claims;
- procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists;
- management of consultancy and professional services (including the selection and qualification of advisors and the administration of relations with them);
- management of operating assets and business tools;
- management of receivables and disputes, including with recourse to advisors;
- selection, hiring and management of personnel (including the management of incentive policies and the personnel appraisal process);
- public and institutional relations (with particular reference to the membership of trade associations);
- management of gifts, sponsorships and donations;
- management of inventories.

E.3. Specific prevention protocols

For operations involving **participation in competitive tendering procedures organized by the Public Administration**, the protocols envisage that:

- all deeds, requests and formal communications involving participation in competitive tendering must be managed solely by persons identified and authorized in advance by the Company;
- in each competitive tender, all employees must comply with current laws and regulations, proper commercial practice and established corporate procedures;
- business partners must be selected after having performed suitable checks on their market reputation and reliability, and agreed on the fundamental ethical principles that guide the Company.

For operations involving **relations with potential customers (qualification, assessment), including those via agents and distributors and sales of goods and services (e.g. technical gases, medical gases) via filling stations, agencies, on-site sales, gas pipelines, etc. and public and institutional relations (with particular reference to the membership of trade associations)**, the protocols envisage that:

- segregation must exist between the person negotiating within assigned limits and the person who finally approves and signs the agreement;
- the Function Manager who approves the agreement must:
 - ✓ retain the documentation about the operation in a separate file, in order to ensure proper traceability of the entire process and facilitate any subsequent checks;
 - ✓ inform the SB about any issues encountered;
- the following must be determined in advance:
 - ✓ activities to be carried out when looking for new customers;
 - ✓ criteria for determining list prices;
 - ✓ authorization levels for approval of the price and any discounts;
- system of reporting information to the competent Function Manager about meetings with customers or potential customers, the outcome of those meetings, principal issues identified, etc.;
- the criteria for allocating incentives to sales personnel must be defined annually in a clear and transparent manner, implementing a specific incentive plan that includes both quantitative and qualitative assessment criteria, not limited to the volume of sales.

For operations involving **subjective measurements and estimates of financial statement balances; approval of contract budgets, recognition, registration and presentation of business activities, including intercompany transactions, in the accounting records, reports, financial statements and other corporate documents; update of the chart of accounts**, the protocols envisage that:

- constantly updated accounting procedures must be adopted, indicating clearly the data and information that each Function or Organizational Unit must provide, as well as the accounting criteria for the processing of data and the timing of submissions to the competent Functions;
- all operations involving the recognition and recording of business activities must be carried out properly, in a true and complete manner;
- the various Function Managers must provide the information requested from them by the Administration and Finance function in a timely manner, confirming - if possible - the truth and completeness of that information or, otherwise, indicating the persons who can provide that confirmation;
- the information must be filed and readily available in the offices of the responsible Functions/Areas;
- the accounting information needed for the preparation of corporate communications must be recognized, transmitted and aggregated solely in ways that guarantee the traceability of each step in that process and identify the persons who input the related data to the system;
- the profiles allowed access to the system must be known to the Administration and Finance function, which must guarantee both the segregation of duties and the consistency of authorization levels;
- requests from anyone for unjustified changes in the criteria for recognizing, recording and presenting accounting data, or for quantitative changes with respect to the amounts already recorded in accordance with the operating procedures adopted by the Company, must be reported to the Supervisory Body immediately;
- draft financial statements and other accounting documents must be made available to the Administrative Body a reasonable period before the date set for their approval.

For operations involving the **management of relations with shareholders and the Board of Statutory Auditors**, the protocols envisage that:

- each Function must identify a manager responsible for collecting and processing the information requested and sent to the Board of Statutory Auditors, after checking its completeness, relevance and accuracy;
- all transmissions of data and information, as well as all comments, communications and opinions expressed officially by the shareholders and the Board of Statutory Auditors, must be documented and retained;
- all documents relating to matters on the agenda for shareholders' meetings or, in any case, relating to operations on which the Board of Statutory Auditors is required to express an opinion, must be communicated and made available a reasonable time beforehand;

- information about the performance of the business must be communicated during monthly reporting meetings, Board meetings and shareholders' meetings;
- the Board of Statutory Auditors must be given the updated accounting situation and related comments and requests for information at the time of its periodic inspections.

For operations involving the **management of special operations, capital transactions and dividend distributions**, the protocols envisage that:

- special operations and/or investments must be planned, scheduled and formalized in advance, in an internal Plan/document;
- the special operations and investments identified in the Plan must be approved by the Board of Directors and, if required by law, presented for approval at the shareholders' meeting;
- the Plan must be prepared by the competent Departments/Functions and submitted to the Board of Directors for approval;
- the traceability of any completed special operations and/or investments not included in the Plan must be formalized in suitable supporting documentation that explains why they were not planned and scheduled;
- advance checks must be carried out to determine if the counterparty to the operation has a confirmed criminal record or is involved in criminal proceedings that might result in sentencing pursuant and consequent to the Decree;
- before special operations and/or investments are recognized for accounting purposes, the Administration and Finance Department must check the completeness, relevance and accuracy of the related supporting documentation;
- the Department/Function proposing special operations and/or investments must prepare suitable supporting documentation, as well as a preliminary report explaining the content, the underlying interest and the strategic objectives addressed.

For operations involving the **management of intercompany and other collections and payments, the management of expense claims, the management of consultancy and professional services (including the selection and qualification of advisors and the administration of relations with them), the management of operating assets and business tools, the management of receivables and disputes, including with recourse to advisors, the selection, hiring and management of personnel (including the management of incentive policies and the personnel appraisal process), the management of gifts, sponsorships and donations**, see section A.4 in this Special Part with reference to the corresponding sensitive activities.

For operations involving the **procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists**, the protocols envisage that:

- segregation must exist between the person negotiating within assigned limits and the person who finally approves and signs the agreement;
- the Function Manager who approves the agreement must:
 - ✓ retain the documentation about the operation in a separate file, in order to ensure proper traceability of the entire process and facilitate any subsequent checks;
 - ✓ inform the SB about any issues encountered;
- operations that involve the use or employment of economic or financial resources must be assigned a specific reason code, explained by the requesting person - even by indication of the type of expenditure concerned, documented and recorded in compliance with generally-accepted professional and accounting standards;
- payments by the Company and all cash flows must always be traceable and backed by documentary evidence;
- payments to third parties must be made using banking circuits and instruments that provide guaranteed evidence that the beneficiary of the payment is actually the external contractual counterparty of the Company;
- cash outflows must be prohibited, except for petty cash movements expressly authorized by the competent Function Managers in accordance with the applicable corporate procedure;
- the cash outflows of the Company must be monitored constantly and traceable at all times;
- anomaly indicators must be identified for the detection of possible “at risk” or “suspect” transactions with vendors based on the economic-financial profile of the operation concerned (e.g. operations considered unusual based on their type, frequency, timing, amount, geographical location, etc.).

For operations involving the **management of inventories**, the protocols envisage that:

- periodic counts must be carried out to check that the accounting quantities held in inventory agree with the physical quantities on hand;
- procedures must be established to guarantee the traceability of the logistics flows in/out of warehouses;
- criteria and procedures must be defined for recording inventory adjustments, with approval by functions delegated suitable powers of authority;

- segregation must be guaranteed between the functions that input data to the system, those that carry out periodic inventory counts and those that check and approve the accuracy of inventories;
- procedures must be established for the approval and management of inventories, as well as for investigating any book/physical differences identified;
- procedures must be defined clearly for the filing (hard copy, electronic) of all documentation generated by the inventory management process, in a manner that assures complete retention and prevents alterations or subsequent amendments and/or additions;
- roles and responsibilities must be identified for the management of stocks of materials to be eliminated, in order to protect the Company from the risk of environmental pollution.

E.4. Information flows to the SB

In addition to the information flows specified in the above protocols for specific sensitive activities, the Managers of sensitive activities must provide the SB with the information identified in the procedures and other applicable Instruments for implementing the Model, on the basis and with the frequency identified in them.

SECTION F. Terrorism or the subversion of democratic order (art. 25-*quater* of the Decree)

F.1. Introduction

Art. 25-*quater* of the Decree does not list specifically the offenses for which the company is held responsible, merely making reference in the first paragraph to the crimes envisaged in the penal code and the special laws on terrorism or the subversion of democratic order (including *inter alia* art. 270-*bis* of the penal code on association for the purposes of terrorism or the subversion of democratic order) and, in the third paragraph, to the crimes committed in violation of the art. 2 of the New York convention dated 9 December 1999.

F.2. Applicable offenses

Based on the analyses carried out, crimes involving terrorism or the subversion of democratic order are considered applicable to the Company.

F.3. Sensitive activities

The Company has identified the following sensitive activities, in the context of which certain of the crimes involving terrorism or the subversion of democratic order envisaged in art. 25-*quater* of the Decree might be committed:

- relations with potential customers (qualification, assessment), including those via agents and distributors;
- sales of goods and services (e.g. technical gases, medical gases) via filling stations, agencies, on-site sales, gas pipelines, etc.;
- management of intercompany and other collections and payments;
- procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists.

F.4. Specific prevention protocols

For operations involving **relations with potential customers (qualification, assessment), including those via agents and distributors and sales of goods and services (e.g. technical gases, medical gases) via filling stations, agencies, on-site sales, gas pipelines, etc.**, see section H.3 in this Special Part with reference to the corresponding sensitive activities. The protocols also envisage that:

- for sales of specific quantities of toxic gases potentially usable for the purposes of terrorism, certain authorizations must be checked for consistency with the related regulatory requirements (Royal Decree 147/27);

- sales of specific quantities of toxic gases potentially usable for the purposes of terrorism (e.g. toxic gases or components of explosives) must only be completed after suitable verification, controls and checks regarding (a) compliance with the obligations placed on the sale of toxic gases and other gases considered to be at risk and (b) the requirement for all new customers to issue a declaration accepting responsibility for proper use of the gas.

For operations involving the **management of intercompany and other collections and payments**, see section A.4 in this Special Part with reference to the corresponding sensitive activity.

For operations involving the **procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists**, see section H.3 in this Special Part with reference to the corresponding sensitive activity.

F.5. Information flows to the SB

In addition to the information flows specified in the above protocols for specific sensitive activities, the Managers of sensitive activities must provide the SB with the information identified in the procedures and other applicable Instruments for implementing the Model, on the basis and with the frequency identified in them.

SECTION G. Manslaughter or serious or very serious personal injuries caused in violation of the occupational health and safety regulations (art. 25-septies of the Decree)

G.1. Applicable offenses

Based on the analyses carried out, the crimes of **manslaughter** or serious or very serious **personal injuries through negligence**, in violation of the accident prevention and occupational health and safety regulations, are deemed applicable to the Company.

Arts. 589 and 590, para. 3, of the penal code, referred to in art. 25-septies of the Decree, penalize whoever, due to negligence, causes respectively the death of a person or serious or very serious personal injuries⁴.

The term “injury” means the collection of pathological effects comprising illness, being organic and functional alterations consequent to violent conduct: the injury is serious if the illness endangered the life of the victim, requiring convalescence for more than forty days, or resulted in permanently weakening the functional potential of a sense or organ. The injury is very serious if the illness probably cannot be fully cured (leaving permanent effects), or caused the total loss of a sense, a limb, the ability to speak properly or procreate, loss of the use of an organ or deformed or scarred the face of the victim.

The adverse event, whether resulting in serious or very serious injury or death, may be perpetrated by active conduct (the guilty party acts in a way that damages the other person) or by omission (the guilty party does not act to prevent an adverse event, despite a legal duty to prevent it). A person is only liable for omissions, affecting the life or physical safety of another, if the former is responsible as guarantor for the safety of the victim (i.e. has a legal duty to prevent the adverse event), which may arise from a contract or the unilateral decision of the guilty party. The law identifies the employer⁵ as guarantor of the “physical safety and moral well-being of its workers”.

⁴ Art. 589 of the penal code Manslaughter: «Whoever causes the death of a person due to negligence is punished by imprisonment for between six months and five years. If the fact was committed in violation of the rules [...] for the prevention of injuries in the workplace, the punishment is imprisonment for between two and five years. [...] In the event of the death of several persons or the death of one or more persons and the injury of one or more persons, the punishment is that for the most serious of the violations ,as increased by up to three times, without exceeding fifteen years of imprisonment».

Art. 590 of the penal code Personal injury through negligence: «Whoever due to negligence causes personal injuries to others is punished by imprisonment for up to three months or a fine of up to € 309. If the injury is serious, the punishment is imprisonment for between one and six months or a fine of between € 123 and € 619; if very serious, imprisonment for between three months and two years or a fine of between € 309 and € 1,239. If the facts referred to in the second paragraph were committed in violation of the rules [...] for the prevention of injuries in the workplace, the punishment for serious injuries is imprisonment for between three months and one year or a fine of between € 500 and € 2,000, and the punishment for very serious injuries is imprisonment for between one and three years. [...] If several persons are injured, the punishment is that for the most serious of the violations committed, as increased by up to three times, without exceeding five years of imprisonment. The crime is punishable following challenge by the offended person, except in the cases envisaged in the first and second paragraphs, solely in relation to facts committed in violation of the rules for the prevention of workplace injuries or relating to occupational health or that resulted in a professional disease».

⁵ Principal in the employment relationship with the worker or, in any case, the party that, depending on the type and nature of the organization in the context of which the worker operates, has responsibility for the organization or the production unit in terms of exercising the related decision-making and spending powers (art. 2, para. 1.b), of Legislative Decree 81/2008).

This role as guarantor may be transferred to other parties, on condition that the related mandate is sufficiently specific, set down in writing and effectively transfers all the authorization and decision-making powers needed to protect the safety of subordinate workers. The person selected to perform this role must be capable and skilled in the matters for which responsibility is transferred. Usually, therefore, active conduct is attributed to persons who directly perform operational duties that cause material damage to others, while omissions are generally attributed to persons who fail in their duty to supervise and control (e.g. employer, executive, responsible manager) and, in that way, do not act to prevent the event.

From a subjective standpoint, deaths or injuries of significance for the administrative responsibility of the company must occur as a result of negligence: this may be determined in general terms (violation of rules of conduct embedded in the social fabric, founded on knowledge of the appropriate parameters for diligence, prudence and care) or in specific terms (violation of rules of conduct embodied in laws, regulations, orders or disciplines). Here there is a profound difference with respect to the subjective criteria envisaged for the other guilty parties referred to in Legislative Decree 231/2001, who are all punished for willful conduct: in those cases, the person acts deliberately in person to cause the event - being a consequence of this criminal conduct, while imprudent or reckless conduct is insufficient to determine this level of guilt.

Pursuant to Legislative Decree 231/2001, the damaging conduct of the party guilty of manslaughter or causing serious or very serious personal injuries must, necessarily, be aggravated by violation of the injury prevention regulations that protect occupational health and safety. In terms of implementing the Model, it is therefore necessary to consider that:

- compliance with the minimum safety standards envisaged in specific sector regulations does not satisfy in full the overall requirement for diligence;
- the safety standards adopted must minimize (and, if possible, eliminate) all risks of injury and illness, applying the best known techniques and science, given the nature of the work concerned;
- the responsibilities of the natural person or company are not completely absolved if the conduct of the injured worker that caused the event was attributable to lack of or insufficient care that, if taken, would have eliminated the risks associated with such conduct. Responsibility is only excluded if the conduct of the worker was truly exceptional, abnormal or exorbitant with respect to normal working practices, the organizational instructions received and common prudence.

In terms of the persons protected, the anti-injury regulations not only safeguard employees, but all persons with a legitimate reason to be in the place where work is performed.

With regard to active persons, these types of offense may be committed by those who, given their duties, perform sensitive activities; e.g.

- the worker who, via personal acts and/or omission, may prejudice his/her own health and safety and that of others;
- the executive and responsible manager who *inter alia* may be required to coordinate and supervise the activities, providing information and training;
- the employer, as the principal actor when it comes to prevention and protection;
- the designer, who must respect the principles of prevention in the area of occupational health and safety when making design and technical decisions;
- the manufacturer, installer and maintenance engineer who, to the extent of their respective responsibilities, must ensure compliance with the applicable technical regulations;
- the principal, who is responsible - in the manner specified in the regulations - for managing and supervising the contracted works.

G.2. Sensitive activities

G.2.1. Introduction

In order to identify the relevant sensitive activities pursuant to Legislative Decree 231/2001, it is necessary to consider those activities that may result in injuries and those in the context of which members of the organization might commit a negligent offense, as well as the prevention measures already in place to assure occupational health and safety. For this purpose, the Company considers it strategic to refer to the management and control tools adopted, including:

- the risk assessment required by the current health and safety regulations;
- the occupational health and safety management system implemented pursuant to standard BS OHSAS 18001:2007.

The risk assessment identified situations in which, plausibly, events causing injuries might occur.

Effective adoption of an Occupational Health and Safety Management System in compliance with standard BS OHSAS 18001:2007 is recognized by the legislator, to the extent applicable, as a way to achieve the objectives established for the proper management of occupational health and safety; accordingly, as envisaged in art. 30 of Legislative Decree 81/2008, an organizational model established in accordance with that standard would presumably be compliant for exoneration purposes pursuant to Legislative Decree 231/2001.

By implementing a Safety Management System pursuant to standard BS OHSAS 18001:2007, the Company has established objectives to keep its activities under control, ensure that - from a health and safety standpoint - they comply with European, domestic and local laws, rules and regulations and, generally, organize everything appropriately.

G.2.2. Sensitive activities

G.2.2.1. Subdivision of activities

With reference to the offenses referred to in art. 25-*septies* of Legislative Decree 231/2001, the activities identified have been subdivided as follows:

- activities at risk of injuries or occupational illnesses, identified from the corporate Risk Assessment Document prepared by the employer pursuant to art. 28 of Legislative Decree 81/2008, and being those activities that might result in injuries or occupational illnesses;
- activities at risk of offenses, being those that might result in offenses pursuant to art. 25-*septies* of the Decree, in that omissions or ineffective implementation might give rise to administrative responsibility for negligence; these activities represent a point of reference for adopting and effectively implementing a suitable system of compliance with all the legal obligations imposed by the current occupational health and safety regulations. In this regard, the Company has implemented a control and risk self-assessment plan, in order to identify the activities at risk of offenses and assess, for them, any deviations from the management system in the approach taken to them.

G.2.2.2. Activities at risk of injuries or occupational illnesses

The risks for the health and safety of workers were identified following careful investigation of the various structural and organizational aspects.

The results of these investigations, identifying the risks that might result in injuries or occupational illnesses, are contained in specific risk assessment documents that also indicate the preventive measures designed to eliminate or mitigate them. The activities that may result in injuries or occupational illnesses are therefore identified from the above specific risk assessment documents, to which reference is made herein.

The risk assessment documents are updated constantly in relation to any new prevention requirements that may be identified, applying the procedures envisaged in the Model.

Based on the outcome of the risk assessment and considering the related controls already in place, principles of conduct and prevention protocols were identified (subsection 3 et seq. in this Section) for implementation in order to prevent, to the extent reasonably possible and having regard for scientific and technical progress, omissions or

the inadequate application of controls designed to protect occupational health and safety that might result in the crimes described above.

G.2.2.3. Activities at risk of offenses

The activities that might result in offenses pursuant to art. 25-*septies* of the Decree, in that omissions or ineffective implementation might give rise to the administrative responsibility of the Company for negligence, are presented below. They have been identified pursuant to art. 30 of Legislative Decree 81/2008 and considering the requirements of standard BS OHSAS 18001:2007 to which the Model refers:

- identification of the applicable regulations to be followed in compliance with the technical-structural standards;
- definition of the resources, roles and responsibilities needed to ensure the implementation by workers of the procedures and instructions for working safely;
- assessment of risks and preparation of the related prevention and protection measures;
- identification and management of collective and/or personal protective measures intended to contain or eliminate risks;
- management of emergencies, fire fighting and first-aid activities;
- management of contracts;
- operational procedures and instructions for the control of specific risks;
- health monitoring activities;
- skills, information, training and awareness of workers;
- checks on purchases, acquisition of documents and certificates required by law;
- maintenance work to ensure compliance with the applicable technical and health and safety standards;
- communication, participation and consultation activities, management of periodic safety meetings, consultations with workers' safety representatives;
- management of documentation and recording systems in order to guarantee the traceability of activities.

The list of sensitive activities is updated periodically, in relation to any new prevention requirements that may be identified, applying the procedures envisaged in the Model.

G.3. General principles of conduct

The Model does not replace the prerogatives and legal responsibilities assigned to the persons identified in Legislative Decree 81/2008 and other applicable regulations. It does however represent another control tool for checking the existence, efficacy and adequacy of the structure and organization established in compliance with the special regulations governing injury prevention and occupational health and safety.

All Model recipients follow rules of conduct that comply with the principles embodied in the Code of Ethics and the Injury Prevention Regulation, in order to prevent commission of the crimes of manslaughter and negligent injury identified above.

In particular, the principles of conduct identified in the Code of Ethics, referred to in full herein, underpin and are an integral part of the prevention protocols, as is the documentation on occupational safety and protection (including the Risk Assessment Documents and the emergency management procedures) used to identify situations in which, plausibly, adverse workplace events might occur.

For the purpose of preventing workplace injuries, the Model is founded - as a key prerequisite - on compliance with certain principles and the adoption of certain conduct by Company workers and any third parties with a legitimate reason to be on Company premises. In particular, all workers, all third parties and, more generally, all recipients of the Model with a legitimate reason to be at the Company, or whose activities fall within the responsibilities of the Company, must:

- consistent with their training and experience, as well as with the instructions and equipment supplied or made available by the employer, avoid all imprudent conduct in order to safeguard their own health and safety;
- comply with the internal corporate procedures and regulations governing personal and collective protection, applying in particular all appropriate controls and measures to safeguard the health and safety of external collaborators and/or third parties who may be present in the workplace;
- use machines, equipment, tools, hazardous substances and preparations, means of transport, other work equipment and safety devices in a proper manner;
- use in an appropriate manner the protective devices made available;
- report immediately to those responsible (based on the mandates assigned) any anomalies with the equipment and devices referred to in the previous points, as well as any hazards identified;
- take direct action in relation to hazards identified solely in urgent cases, consistent with their personal skills and capabilities;
- collaborate with the established medical checks;

- attend the established training;
- contribute to compliance with all the obligations imposed by the competent authorities or that, in any case, are necessary in order to protect the occupational health and safety of workers.

Accordingly, they are forbidden to:

- remove or modify without authorization any safety or warning or control devices;
- carry out on their own initiative any operations or maneuvers for which they are not responsible, or that may compromise their own safety or that of other workers.

G.4. Specific prevention protocols

The Risk Assessment Documents for each “productive unit”, as defined in art. 2 of Legislative Decree 81/2008, indicate specific measures to prevent injuries and occupational illnesses. See those documents for all related aspects.

With regard to the measures regarding activities at risk of offenses, as identified above, to prevent conduct that might result in the administrative responsibility of the Company for workplace injuries, this organizational, management and control model is adopted and implemented in order to guarantee compliance with all related legal obligations.

The following principles and protocols are implemented as part of the adoption and implementation of this organizational, management and control model.

Identification of the applicable regulations to be followed in compliance with the technical-structural standards

Compliance with the relevant current rules (laws, technical standards and rules, etc.) is assured via the adoption of specific registers intended to maintain control over:

- identification of and access to the regulations applicable to the organization;
- legislative updates;
- periodic checks of compliance with the applicable regulations.

Definition of the resources, roles and responsibilities needed to ensure the implementation by workers of the procedures and instructions for working safely

The employer at each “productive unit” has been identified, with ultimate responsibility for occupational health and safety matters.

Centrally, a management system coordination office has been established with responsibility for monitoring the implementation status of the system, together with a prevention and protection office to which each employer can

refer for the appointment of a local prevention and protection manager. For the management of local health and safety issues, each employer makes use of personnel identified within the organizational structure concerned.

These persons must satisfy appropriate technical-professional requirements that might stem from specific regulations; such requirements must be met by the persons identified, possibly after specific training but, in all cases, prior to their appointment. Once appointed, they must continue to satisfy the above requirements.

Specific responsibilities are assigned to them in writing, with a documented start date and including a comprehensive description of the characteristics and limits of their appointments and, if appropriate, their powers of expenditure.

In general, without limitation:

- the responsibilities for management, coordination and control within the Company are formalized;
- the persons identified in the occupational health and safety regulations are appointed properly (including, in the case of work sites, the persons identified in title IV of Legislative Decree 81/2008) and they are granted properly the powers needed to carry out their assigned roles;
- the established system of delegated powers, including powers of signature and expenditure, is consistent with the assigned responsibilities;
- the assignment and exercise of powers within each decision-making process are consistent with the various positions of responsibility and with the significance and/or importance of the underlying risk situations;
- there is segregation between those who make or implement decisions and those required to audit them in accordance with the law and the procedures envisaged by the system of control;
- responsible persons and/or those appointed pursuant to the current occupational health and safety regulations possess adequate relevant practical skills.

Assessment of risks and preparation of the related prevention and protection measures

Work to identify and document risks must be carried out properly, in compliance with the principles of truth, completeness and accuracy. Mandatory regulations assign responsibility to each employer, who draws on support from other persons, such as the prevention and protection manager and the company doctors, after consulting the workers' safety representative.

All data and information needed to assess risks and, therefore, identify safeguards (e.g. technical documentation, operational measurements, results of internal surveys, etc.) must be clear, complete and present truthfully the status of the Company.

This data and information must be collected and processed promptly, under the supervision of each employer, by persons identified by the employer who satisfy appropriate requirements - certifiable when necessary - for their

technical and, if appropriate, operational skills. On request, the data and information must be supplied together with any documents and other sources from which they were taken.

Preparation of the Risk Assessment Document, the Prevention and Protection Plan and, where applicable, the Operational Safety Plans cannot be delegated by the employer at each “productive unit” and must be carried out in accordance with predetermined criteria, in compliance with art. 28 of Legislative Decree 81/2008. These criteria, representing an integral part of such documentation, cover *inter alia* the following aspects:

- routine and non-routine activities;
- activities of all persons with access to the workplace (including external persons);
- human behavior;
- hazards arising externally;
- hazards linked to operations or arising in the local environment;
- infrastructure, equipment and materials present in the workplace;
- changes made to processes and/or the management system, including temporary changes, and their impact on operations, processes and activities;
- any applicable legal obligations regarding risk assessments and implementation of the necessary control measures;
- layout of working environments, machines and installations;
- operational and working procedures.

Identification and management of collective and/or personal protective measures intended to contain or eliminate risks

The necessary personal and collective measures to protect workers and mitigate risk are identified following the risk assessments carried out when preparing the Risk Assessment Document and, where applicable, the Operational Safety Plans. The risk assessment process governs:

- identification of the activities for which the use of PPE is needed;
- definition of criteria for the selection of PPE, which must ensure its adequacy in relation to the types of risk identified at the assessment stage, as well as its compliance with current technical standards (e.g. CE marking);
- definition of proceeds for delivering and, where applicable, storing PPE;

- definition of an expiry date calendar, where applicable, in order to guarantee continued satisfaction of the protection requirements.

Management of emergencies, fire fighting and first-aid activities

The management of emergencies is implemented via specific plans that envisage:

- identification of situations that might cause emergencies;
- definition of procedures for responding to emergency conditions and preventing or mitigating the related adverse consequences for health and safety;
- planning checks on the effectiveness of emergency management plans;
- updates to the emergency procedures in the event of incidents or adverse outcomes to periodic simulations.

Specific emergency management plans are defined. These plans identify escape routes and procedures for the activation by personnel of the emergency reporting and management measures.

Sufficient emergency operators are identified from among current personnel and they receive appropriate training in accordance with legal requirements.

Suitable fire-fighting systems are available and maintained in good working order; their number and type are appropriate based on the specific assessment of fire risk or the instructions received from the competent authority. Suitable healthcare equipment is also available and kept in good working order.

The efficiency of the plans is guaranteed by periodic drills, which seek to ensure that personnel are fully aware of the proper conduct required, and by the adoption of suitable recording tools that evidence the outcome of drills, checking activities and maintenance work on the safety equipment provided.

Management of contracts

Management of contracted activities

In the case of activities assigned to contractors or carried out under works contracts, or if work contracted to the Company is subcontracted, the principal regulatory references are art. 26 and Title IV of Legislative Decree 81/2008

The party executing the works must satisfy suitable technical-professional requirements, including registration with the Chamber of Commerce. This party must demonstrate compliance with its social security and pension obligations towards its personnel, including by presentation of the Combined Contributions Status Document. If necessary, the party executing the works must also file with INAIL regarding any changes in the activities covered by worker injury insurance (depending on the type of work required and with reference to information provided by the Company).

When required by law, the above party must confirm conformity with the highest professional standards on completion of the work.

Specific checks are implemented in relation to vendors and installers of, and providers of external maintenance for, machines, installations and all types of safety and work equipment to be constructed or installed in locations under the legal responsibility of the employer. These include:

- vendor vetting procedures that check compliance, including by their workers, with the safety procedures;
- definition of the scope of their work and its impact in a written contract;
- definition of authorized access to the work site by third parties and their activities there, with specific assessment of the interference risks deriving from their presence and related preparation of the required coordination documentation (e.g. DUVRI, PSC), which must be signed by all external parties involved and updated promptly for any changes in the nature of the work or the environment;
- contractual clauses covering any safety-related infringements by the workers of third parties at corporate work sites, including specific reporting requirements and the application of penalties;
- systems for recording the presence of third-party workers at corporate work sites and checking their compliance with corporate safety standards, as supplemented by the contractual clauses where applicable;
- formalization and traceability of the checks made by executives and the employer of completion of the specific checks listed above.

In the case of works carried out under contract, the employer at the “productive unit” concerned must comply with the relevant requirements of art. 26 and Title IV of Legislative Decree 81/2008 and, in particular:

- demonstrate possession of the relevant technical-professional requirements, in accordance with the regulations;
- coordinate with the principal or the persons designated by the principal, in order to regulate activities that might give rise to interference risks;
- when required, prepare the Operational Safety Plan that represents, for the specific work site, compliance with the risk assessment obligations envisaged in art. 17 of Legislative Decree 81/2008;
- amend the above document as required by the Safety Coordinator or the Employer of the General Contractor, if the work is carried out on a sub-contract basis;
- ensure compliance throughout the organization with the requirements specified in the coordination documents (e.g. DUVRI, PSC);
- make the required ID badges available to Company workers;

- when required by law, ensure issue of the declaration of conformity with the highest professional standards on completion of the work.

Operational procedures and instructions for the control of specific risks

Workplaces are designed with regard for ergonomic principles, comfort and well-being; they are maintained regularly in order to eliminate, as quickly as possible, any defects that might prejudice the health and safety of workers; adequate hygiene is assured.

Any specific risk areas are marked with suitable signage and, if necessary, only accessible to persons with adequate training and protection.

Depending on the complexity of the work, especially that carried out under contract, specific work instructions or operational procedures are made available to workers, together with documentation on the use of machines and equipment and that on the safety of substances. These instructions, procedures and documents are referenced in the operational safety plans prepared for the work concerned.

Health monitoring activities

Before assigning any duties to workers, it is necessary to check their satisfaction of the technical aspects (see sensitive activities below: **skills, information, training and awareness of workers**) and the health aspects, if identified during the risk assessment.

Suitability is checked beforehand by each company doctor who, based on instructions from the employer concerned and specific knowledge of the workplace and processes, checks the health status of the worker and issues an opinion on the total or partial suitability, or unsuitability, of the worker for the proposed duties. Depending on the type of work required and the outcome of the initial examination, the company doctor defines a health monitoring protocol for the worker concerned.

Skills, information, training and awareness of workers

All personnel receive appropriate information about how to perform their duties correctly, with both theoretical and practical training, as required by the regulations. This theoretical and/or practical training is checked and documented. Training is delivered in various ways (e.g. classroom teaching, written information, etc.), depending on the choices made by the Company and the requirements of current regulations.

Selection of the trainer may be constrained by regulatory requirements.

In all cases, the information, education and training activities are documented; this personnel training documentation is recorded and used when allocating new duties.

Training is carried out in order to:

- ensure, via appropriate planning, that all persons within the organization are competent to perform their duties, considering their education, training and experience;
- identify training needs linked to the performance of activities and, therefore, provide training or consider other actions to satisfy those needs;
- assess the effectiveness of the training delivered or the other actions taken and keep the related records;
- ensure that personnel are aware of the actual or potential impact of their work, the conduct required and their roles and responsibilities.

Checks on purchases, acquisition of documents and certificates required by law

Purchases of plant, machinery and equipment are made after assessment of the related health and safety requirements, having regard for the views expressed by the workers' safety representatives.

Plant, machinery and equipment must comply with current regulations (e.g. CE mark, declaration of conformity issued by the installer, etc.). If required under the applicable legislation, their commissioning must be subject to initial checks or type approvals.

Before using new plant, machinery and equipment, the workers assigned must receive appropriate theoretical and/or practical training.

Purchasing activities are carried out in order to:

- define criteria and procedures for the qualification of vendors and for checking their satisfaction of the requirements;
- define procedures for checking that the plant, machinery and equipment to be purchased complies with current regulations (e.g. CE mark), as well as criteria and procedures for assessing their satisfaction of the acceptability requirements;
- establish, if applicable, procedures for performing acceptance checks, initial examinations and the type approvals required prior to commissioning.

With regard to the purchase of services, including those of an intellectual nature (e.g. the purchase of design services for the Company or customers), assignment of the required activities is subject to a preliminary check on the skills of the vendors, considering past experience and any mandatory requirements (e.g. registration with professional bodies). Their work is checked in accordance with the relevant internal procedures (e.g. procedures for the checking of design work, see **obligation to supervise designers** in subsection G.5). If the activities of these persons might affect the exposure of workers to health and safety risks, the employer must *inter alia* activate in advance the control measures established for risk assessment purposes.

Maintenance work to ensure compliance with the applicable technical and health and safety standards

All plant, machinery and equipment with a significant health and safety impact are subjected to scheduled maintenance protocols, on the basis and with the timing agreed with their manufacturers. Any specialist work is carried out by persons who satisfy the related legal requirements, who must produce the necessary documentation.

The maintenance of safety devices must be recorded.

Pursuant to current legislation, certain plant and equipment may need to be inspected periodically by specific external bodies (e.g. ARPA, ASL, Notified Bodies, Inspection Bodies, etc.). In this case, a specific inspection contract is signed with the responsible body and, if that body does not provide its services by the deadlines established in the regulations, the following action is taken:

- if other parties exist with the authorizations needed to carry out the inspections, the work is assigned to them;
- in the absence of alternatives, a self-diagnosis is carried out with support from technical organizations active in the marketplace (e.g. maintenance firms, engineering companies, etc.).

Maintenance activities are carried out in order to:

- define procedures, timings and responsibilities for the scheduling or performance of periodic maintenance and checks, as required, on plant, machinery and equipment (identified precisely in specific protocols/sheets), as well as periodic checks on their working efficiency;
- define procedures for recording the maintenance work carried out and the related responsibilities;
- define procedures for reporting anomalies, determine the best ways to communicate those procedures and identify the functions responsible for activating the related maintenance processes (ad hoc maintenance).

Communication, participation and consultation activities, management of periodic safety meetings, consultations with workers' safety representatives

The procedures governing the involvement of personnel and consultations with them cover:

- internal communications between the various levels and functions of the organization;
- communications with vendors and other visitors to the workplace;
- receiving communications from and responding to the external parties involved;
- worker participation, via their representatives or otherwise, including:
 - ✓ involvement in the identification of hazards, the assessment of risks and the definition of protective measures;

- ✓ involvement in the investigation of incidents;
- ✓ consultations when the health and safety aspects of changes might be important.

Management of documentation and recording systems in order to guarantee the traceability of activities

The management of documentation is an essential part of maintaining the organizational, management and control model; the proper management of documentation and the adoption of appropriate recording systems together achieve the objectives of evidencing the actions implemented and ensuring the traceability of decision-making processes. It is also important to guarantee the availability and update of both internal and external documentation (e.g. documentation about products and substances). The management of internal and external documentation and records, which represent special documentation, must ensure their availability, traceability and retention.

G.5. Additional checks

The following specific protocols have been prepared pursuant to art. 18, para. 3-*bis*, of Legislative Decree 81/2008, on the supervisory duties of the employer and executives regarding compliance with the occupational safety obligations placed on responsible managers, workers, designers, manufacturers and vendors, installers and company doctors.

Obligation to supervise responsible managers (art. 19, Legislative Decree 81/2008)

With particular reference to the supervision of responsible managers, specific protocols are implemented that require the employer or appointed deputy at each “productive unit” to:

- schedule and carry out sample checks on the actual instructions received by persons with access to areas that expose them to specific serious risks;
- schedule and carry out sample checks on the anomalies reported by responsible managers and on any reports of anomalies in the conduct of responsible managers;
- carry out checks on the reports from responsible managers about anomalies with equipment and work tools, PPE and other hazardous situations, verifying the actions taken by the executive responsible for safety and any subsequent follow-ups;
- carry out checks on the actual use made by responsible managers of the specific internal training available to them.

Obligation to supervise workers (art. 20, Legislative Decree 81/2008)

With particular reference to the supervision of workers, the employer implements specific protocols at the specific “productive unit” that require the employer or appointed deputy to:

- schedule and carry out sample checks on the actual instructions received by workers with access to areas that expose them to specific serious risks;
- schedule and carry out sample checks on the anomalies reported by responsible managers;
- carry out checks on the actual use made by workers of the specific internal training available to them;
- carry out checks on the health monitoring of workers actually carried out in accordance with the law or the requirements of the company doctor.

With particular reference to the supervision of external workers, the employer implements specific protocols at the specific “productive unit” covering the obligation to supervise designers, manufacturers and installers.

Obligation to supervise designers, manufacturers, vendors, installers and maintenance engineers (arts. 22, 23 and 24, Legislative Decree 81/2008)

The employer at each “productive unit” implements specific protocols in relation to designers, manufacturers, vendors, installers and maintenance engineers of machines, installations and all types of safety and work equipment. These cover:

- the scope of their work and its impact in a clear written contract;
- authorized access to the work site by third parties and their activities there, with specific assessment of the risks deriving from their presence and related preparation of the DUVRI, which must be signed by all external parties involved and updated promptly for any changes in the nature of the work or the environment;
- on delivery of machines, installations and all types of safety equipment, the necessary checks for the existence of CE marks, user and maintenance manuals, certificates of conformity and, if necessary, satisfaction of the type approval requirements, as well as conformity of the product specifications with those requested;
- the existence of contractual clauses covering any safety-related infringements by the employees of third parties at corporate work sites, including specific reporting requirements and the application of penalties;
- vendor vetting procedures that check compliance, including by their employees, with the safety procedures;
- the implementation of systems for recording the presence of third-party workers at corporate work sites and checking the hours actually worked and their compliance with corporate safety standards, as supplemented by the contractual clauses where applicable;
- formalization and traceability of the checks made by executives and the employer of completion of the specific checks listed above.

Obligation to supervise the company doctor (art. 25, Legislative Decree 81/2008)

With particular reference to supervision of the company doctor, the employer implements specific protocols at the specific “productive unit” that require the employer or appointed deputy to:

- check possession by the company doctor of the qualifications and requirements envisaged by law in order to perform that function;
- check that the routinely attends coordination meetings with the prevention and protection manager, the workers’ safety representatives and the employer, covering occupational safety matters including the assessment of corporate risks and those with a CSR impact;
- check on the proper and constant application by the company doctor of the healthcare protocols and the corporate health monitoring procedures.

Additional specific checks

Additional specific checks are implemented to ensure that the organizational system, established pursuant to the occupational health and safety and injury prevention regulations, is monitored constantly and functions in the best possible manner.

In order to check actual implementation of requirements of Legislative Decree 81/2008 and the special occupational health and safety and injury prevention regulations, it is established that:

- qualified persons, such as the employer, the prevention and protection manager and the company doctor, must update the SB periodically about matters relating to safety in the workplace;
- each prevention and protection manager and the company doctor must notify without delay all weaknesses, anomalies and infringements identified;
- each prevention and protection manager must meet periodically with the SB in order to explain the most significant changes made to the Risk Assessment Document and the procedures comprising the safety management system;
- personnel, the workers’ safety representative, the company doctor and each prevention and protection manager and employer must provide information and news to the SB about any weaknesses identified in the protection of occupational health and safety;
- the employers must ensure that all persons identified in the sector regulations are appointed and granted adequate, clear and sufficiently specific powers, that they possess the necessary skills and qualities, that their powers of authority and spending are adequate in relation to their duties and that they actually perform the functions and exercise the powers granted to them;

- in the exercise of its functions, the SB may request assistance from the safety managers appointed by the Company, as well as from competent external advisors.

G.6. Periodic audit checks on the application and effectiveness of the procedures

In order to perform the above checks, the SB carries out specific audit work with collaboration, as necessary, from competent internal personnel and/or external advisors.

This audit work seeks assurance that:

- internal audits are carried out at planned intervals in order to determine whether all aspects of the management system are implemented and maintained correctly and whether the system contributes effectively to achievement of the corporate objectives;
- any deviations from the system are managed promptly;
- information about the results of audits is provided to the Administrative Body and the employer.

G.7. Information flows to the SB

In addition to the information flows specified in the above protocols for specific sensitive activities, the Managers of sensitive activities must provide the SB with the information identified in the procedures and other applicable Instruments for implementing the Model, on the basis and with the frequency identified in them.

SECTION H. Receiving stolen goods, money laundering and utilization of money, goods or benefits of unlawful origin, as well as self-laundering (art. 25-*octies* of the Decree)

H.1. Applicable offenses

Based on the analyses carried out, the crimes of receiving stolen goods, money laundering and utilization of money, goods or benefits of unlawful origin, as well as self-laundering, are deemed applicable to the Company:

- **receiving**, envisaged in art. 648 of the penal code and comprising the conduct of whoever, to obtain a profit directly or for others, unless a participant in the crime, acquires, receives or hides money or objects deriving from any crime or, in any case, participates in causing them to be acquired, received or hidden;
- **money laundering**, envisaged in art. 648-*bis* of the penal code and comprising the conduct of whoever, unless a participant in the crime, exchanges or transfers money, goods or other assets deriving from an intentional crime, or carries out other operations in their regard in order to impede identification of their criminal source;
- **utilization of money, goods or benefits of unlawful origin**, envisaged in art. 648-*ter* of the penal code and comprising the conduct of whoever, excluding cases of aiding and abetting and those envisaged in arts. 648 and 648-*bis*, uses money, assets or benefits deriving from crimes in economic or financial activities;
- **self-laundering**, envisaged in art. 648-*ter*.1 of the penal code and comprising the conduct of whoever, having committed or contributed to committing an intentional crime, uses, exchanges or transfers the money, assets or other benefits deriving from that crime in the context of economic, financial, entrepreneurial or speculative activities, in order to effectively impede identification of their criminal source.

H.1.1. Introduction: the offense of self-laundering

Law 186 dated 15 December 2014 enacted a series of instructions on the emergence and repatriation of capital held abroad, as well as on the offense of self-laundering, by adding art. 648-*ter*.1 to the penal code. This last-mentioned offense is therefore included in a system of measures designed to tackle the consolidation of a previously unlawful situation deriving from the commission of a crime, as well as to impede the circulation of cash or assets from unlawful sources in a legitimate business context, which would defeat investigations into such unlawful sources⁶.

⁶ C. PIERGALLINI, Observations on introduction of the offense of self-laundering - Hearing before the Justice Commission of the Chamber of Deputies on 30 July 2014 - Proposed law c. 2247 on the emergence and repatriation of capital held abroad and on strengthening the fight against tax evasion.

A literal reading of art. 648-ter.1 of the penal code indicates that commission of the crime of “self-laundering” requires the prior existence of a so-called “specified” offense that generates a profit, or saving, that is followed by the final crime of employing those proceeds in business activities in a manner that hides their criminal source.

In order to manage the risk associated with this offense, the Company has identified certain sensitive and/or preliminary activities that might result in self-laundering and has updated the relevant controls accordingly. The risk of self-laundering has been considered in theoretical terms not so much in relation to the income source (covered appropriately by the controls already envisaged in the Model), but rather with regard to the actual act of self-laundering.

H.2. Sensitive activities

The Company has identified the following sensitive activities, in the context of which the offenses of receiving stolen goods, money laundering and utilization of money, goods or benefits of unlawful origin, as well as self-laundering, envisaged in art. 25-*octies* of the Decree might be committed:

- selection, assessment and management of relations with commercial partners;
- relations with potential customers (qualification, assessment), including those via agents and distributors;
- sales of goods and services (e.g. technical gases, medical gases) via filling stations, agencies, on-site sales, gas pipelines, etc.;
- management of special operations, capital transactions and dividend distributions;
- management of intercompany and other collections and payments;
- procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists;
- management of intercompany operations and transfer pricing;
- issue of invoices and the accounting registration of invoices issued and received;
- management of direct and indirect taxation;
- management of inventories.

H.3. Specific prevention protocols

For operations involving **relations with potential customers (qualification, assessment), including those via agents and distributors and sales of goods and services (e.g. technical gases, medical gases) via filling stations, agencies, on-site sales, gas pipelines, etc.**, the protocols envisage that:

- quantitative limits must be established for the sale of products to natural persons and/or personal businesses (over the counter and/or via branches);

- the specified limits must only be exceeded after performing adequate checks on the counterparty;
- contracts governing relations with customers and third parties must include specific clauses establishing clear responsibilities for failure to comply with the fundamental principles embodied in the Model and the Code of Ethics. If appropriate, the contract governing the relationship must also oblige the counterparty to comply with requests for information or documentation made by the Supervisory Body or the Internal Manager.

For operations involving the **selection, assessment and management of relations with commercial partners** and the **procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists**, the protocols envisage that:

- anomaly indicators must be identified to flag possible “at risk” or “suspect” transactions with counterparties, considering the:
 - ✓ subjective profile of the counterparty (e.g. existence of a criminal record);
 - ✓ conduct of the counterparty (e.g. ambiguous behavior, absence of data needed to complete transactions or unwillingness to provide it);
 - ✓ geographical location of the counterparty (e.g. transactions carried out in offshore countries);
 - ✓ economic-financial profile of the operation concerned (e.g. operations considered unusual based on their type, frequency, timing, amount, geographical location, etc.);
 - ✓ characteristics and purposes of the operation (e.g. use of nominees, changes to the standard contractual conditions, purpose of the operation);
- the selection and assessment of vendors by the Company must be based on predetermined requirements and reviewed and, if necessary, updated regularly;
- the Company must also formalize criteria for deleting the counterparty from its internal lists and decisions to retain on or delete counterparties from such lists must be explained and must not be made by just one person;
- contracts governing relations with vendors and third parties must include specific clauses establishing clear responsibilities for failure to comply with the fundamental principles embodied in the Model and the Code of Ethics. If appropriate, the contract governing the relationship must also oblige the counterparty to comply with requests for information or documentation made by the Supervisory Body or the Internal Manager.

For operations involving the **management of special operations, capital transactions and dividend distributions** and the **management of inventories**, see section E.3 in this Special Part with reference to the corresponding sensitive activity.

For operations involving the **management of intercompany and other collections and payments**, see section A.4 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- formal and substantive checks must be carried out on corporate cash flows, especially with regard to payments to third parties and intercompany payments/operations;
- the above checks must consider:
 - ✓ the location of the registered office of the counterparty (e.g. tax havens, countries at risk of terrorism, etc.);
 - ✓ the banks used (registered office of the banks involved in the operations and banks without a physical presence in any country);
 - ✓ any front companies and trust structures used for special transactions or operations;
- collections and payments by the Company and all cash flows must always be traceable and backed by documentary evidence.

For operations involving the **management of intercompany operations and transfer pricing**, the protocols envisage that:

- contracts must be formalized that govern the principles and procedures for managing relations between the Company and other companies in the Group;
- the function responsible for defining the characteristics of intercompany contracts must be identified clearly;
- each intercompany transaction must take place on the basis of documentation authorized by persons holding appropriate powers;
- invoices received and issued by the Company following the intercompany purchase and sale of goods and services must only be recorded for accounting purposes after checking their consistency - in terms of the existence of the transaction and the amount stated on the invoice - with the relevant contracts, purchase orders or order confirmations;
- with regard to managing the prices for the intercompany exchange of goods and services:
 - ✓ a contract must be formalized that governs the principles and procedures for managing relations between the Company and other companies in the Group;

- ✓ an internal organizational tool must be defined in order to check that the transfer price applied is in line with the market price.

For operations involving **the issue of invoices and the accounting registration of invoices issued and received**, see section E.3 in this Special Part with reference to the corresponding sensitive activity “subjective measurements and estimates of financial statement balances; approval of contract budgets, recognition, registration and presentation of business activities, including intercompany transactions, in the accounting records, reports, financial statements and other corporate documents; update of the chart of accounts”. The protocols also envisage that:

- invoices received and issued by the Company following the purchase and sale of goods and services must only be recorded after checking their consistency in terms of the existence of the transaction and the amount stated on the invoice;
- in the absence of specific supporting documentation, the invoice must only be recorded on receipt of a suitable memo, prepared and signed by the requesting function, that explains the absence of such documentation;
- the Company must file and retain the accounting documentation that supports its tax declarations, in order to ensure adequate traceability.

For operations involving the **management of direct and indirect taxation**, the protocols envisage that:

- a manager must be identified for the various tax compliance activities, not least via the clear assignment of roles and responsibilities;
- the tax history must be held on file (tax assessments, opinion, outcome of internal audits, etc.);
- In addition to recording invoices issued and received in a proper, true and transparent manner, confirmed *inter alia* with reference to the above historical review, systems must be implemented for the identification, measurement, management and control of tax risks;
- checks must be carried out, with the assistance of IT systems, to ensure effective tax compliance;
- a specific filing system must be established for tax reporting, including any measures implemented to ensure proper tax management;
- the law firms and/or external advisors that assist the Company with the management of tax matters and tax disputes must be selected with reference to their professionalism, independence and skill and the choices made in this regard must be documented.

H.4. Information flows to the SB

In addition to the information flows specified in the above protocols for specific sensitive activities, the Managers of sensitive activities must provide the SB with the information indicated in the procedures and other applicable Instruments for implementing the Model, on the basis and with the frequency identified in them.

SECTION I. Crimes regarding the violation of copyright laws (art. 25-*novies* of the Decree)

I.1. Applicable offenses

Based on the analyses carried out, the following crimes regarding the violation of copyright laws are deemed applicable to the Company:

- **art. 171-*bis* of Law 633 dated 22 April 1941**, comprising the conduct of whoever:
 - ✓ in order to obtain a profit, duplicates without authorization programs for computers or, for the same purpose, imports, distributes, sells, holds for commercial or entrepreneurial purposes or rents programs on media not labeled by Società italiana degli autori ed editori (SIAE, copyright protection agency);
 - ✓ uses any means to allow or facilitate the arbitrary removal or avoidance of software protections;
 - ✓ in order to obtain a profit, uses media not bearing the SIAE label to copy, transfer to other media, distribute, communicate, present or demonstrate in public the contents of a database, extract data or reuse the database, or distribute, sell or rent a database;
- **art. 171-*ter* of Law 633/1941**, comprising the conduct of whoever – *inter alia* – duplicates, copies or disseminates to the public without authorization works of literature, dramas or scientific, educational, musical, musical-dramatic or multimedia works.

I.2. Sensitive activities

The Company has identified the following sensitive activities, in the context of which the above crimes regarding the violation of copyright laws envisaged in art. 25-*novies* of the Decree might be committed:

- advertising activities and management of the website;
- procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists.

I.3. Specific prevention protocols

For operations involving **advertising activities and management of the website** and the **procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists**, the protocols envisage that:

- the copyright-protected works purchased by the Company for communications purposes must be cataloged in a specific database;
- the database for works for which user licenses have been purchased must include the following data:
 - ✓ purchase date of the license;
 - ✓ expiry date of the license;
 - ✓ type of use authorized by the license contract (e.g. upload to the website, dissemination to the public, use for brochures and related maximum number of copies usable, etc.);
- criteria and procedures must be defined and activated to control user access to websites for the download of content;
- criteria and procedures must be defined for managing software systems that include making and maintaining an updated inventory of the software used by the Company;
- criteria and procedures must be defined for checking the purchase and use of software that has been formally authorized and certified, and checking periodically the software installed and the mass storage devices in use for forbidden and/or unlicensed and/or potentially malicious software;
- applications must keep track of the changes to data and systems made by users;
- if the management of this activity is outsourced, the contracts governing relations with the vendors of the service must include specific clauses requiring:
 - ✓ for software vendors, conformity of the software supplied with laws and regulations and, in particular, the provisions of Law 633/1941;
 - ✓ for marketing agencies that assist the Company, compliance by them with the relevant laws and regulations and, in particular, the provisions of Law 633/1941;
 - ✓ release of the Company from liability in the event of violations committed by the vendors of the service.

I.4. Information flows to the SB

The Managers of sensitive activities must provide the SB with the information indicated in the procedures and other applicable Instruments for implementing the Model, on the basis and with the frequency identified in them.

SECTION J. Inducement not to make statements or to make false statements to the judiciary (art. 25-*decies* of the Decree)

J.1. Applicable offense

Based on the analyses carried out, the crime of inducement not to make statements or to make false statements to the judiciary is deemed potentially applicable to the Company.

J.2. Sensitive activities and prevention

As in the case of organized crime (see subsection C.2 in this Special Part), the situation envisaged in art. 377-*bis* of the penal code cannot be linked to specific business activities carried out by the Company, and cannot be encompassed within a specific system of controls, given that the crime could be committed at any level within the organization and in a virtually infinite number of ways.

Accordingly, the principles embodied in the Code of Ethics are deemed to represent the most appropriate prevention tool.

In order to avoid conduct that might involve committing this crime, all Model recipients must adopt practices and conduct that comply with the Code of Ethics; in particular, Model recipients comply with the ethical principles established by the Company in their relations with the judiciary.

SECTION K. Environmental offenses (art. 25-undecies of the Decree)

K.1. Applicable offenses

Based on the analyses carried out, the following environmental offenses are deemed applicable to the Company:

- **destruction or deterioration of the habitat within a protected site**, envisaged in art. 733-*bis* of the penal code and comprising the conduct of whoever, in the course of business activities, causes the destruction of a habitat within a protected site or causes its deterioration to an extent that jeopardizes its state of conservation;
- **discharge of industrial waste water containing hazardous substances**, envisaged in art. 137, paras. 2, 3, 5, 11 and 13, of Legislative Decree 152 dated 3 April 2006 and comprising the conduct of whoever discharges industrial waste water containing hazardous substances:
 - ✓ without authorization or after authorization has been suspended or revoked (art. 137, para. 2);
 - ✓ without complying with the requirements specified in the authorization or the other requirements of the competent authority (art. 137, para. 3);
 - ✓ in excess of the limits established by law or the more restrictive limits established by the regions, the autonomous provinces or the competent authority (art. 137, para. 5);
- **offenses associated with the management of waste**, envisaged in art. 256, paras. 1, 3, 5 and 6, of Legislative Decree 152/2006 and comprising the following cases:
 - ✓ collection⁷, transportation⁸, recycling⁹, disposal¹⁰, sale or brokerage of waste – whether or not hazardous – without the required authorizations, registrations or communications (para. 1);
 - ✓ creation or management of an unauthorized landfill, including those used for the disposal of hazardous waste (para. 3);
 - ✓ prohibited mixing of waste (para. 5);

⁷ “Collection” means «the withdrawal of waste, comprising the preliminary selection and deposit, including the management of collection centers [...] for the purpose of transportation to a treatment plant» (art. 183, para. 1.o), Legislative Decree 152/2006).

⁸ In the absence of a legal definition, “transportation” can be understood as the movement, using any means, of waste from one location to another, excluding transfers within private areas (see art. 193, para. 9, Legislative Decree 152/2006).

⁹ “Recycling” means «any operation whose principal result is to enable waste to play a useful role, replacing other materials that would otherwise have been used for a specific function, or preparing them for that function, within the plant or the economy in general» (art. 183, para. 1.t), Legislative Decree 152/2006).

¹⁰ “Disposal” means «any operation other than recycling, even when the secondary consequence of that operation is the recycling of substances or energy» (art. 183, para. 1.z), Legislative Decree 152/2006).

- ✓ temporary holding in the production location of hazardous bio-waste in violation of art. 227, para. 1.b), of Legislative Decree 152/2006¹¹ (para. 6, first sentence);
- **pollution of the soil, sub-soil, surface waters or underground waters**, envisaged in art. 257, paras. 1 and 2, of Legislative Decree 152/2006 and comprising the conduct of whoever causes the pollution of the soil, sub-soil, surface waters or underground waters, in concentrations that exceed the threshold of risk, without notifying the competent authorities by the prescribed deadline or decontaminating the site in accordance with the plan approved by the competent authorities;
- **preparation or use of a false certificate of waste analysis**, envisaged in art. 258, para. 4, second sentence, of Legislative Decree 152/2006 and comprising the conduct of whoever, when preparing a certificate of waste analysis, provides false information about the nature, composition and chemical-physical characteristics of the waste, or uses a false certificate during transportation;
- **illegal trafficking of waste**, envisaged in art. 259, para. 1, of Legislative Decree 152/2006 and comprising the conduct of whoever ships waste in a manner that represents the illegal trafficking of waste pursuant to art. 26 of Regulation (EEC) 259 dated 1 February 1993, n. 259, or ships waste listed in Annex II to the Regulation in violation of art. 1, para. 3.a), b), c) and d), of the Regulation;
- **organized activities for the illegal trafficking of waste**, envisaged in art. 260, paras. 1 and 2, of Legislative Decree 152/2006 and comprising the conduct of whoever sells, receives, transports, exports, imports or otherwise manages illegally massive quantities of waste on multiple occasions, via continuous and organized activities and the employment of resources;
- **falsification of a waste analysis certificate used in the context of the system for controlling the traceability of waste, use of a certificate or a printed copy of the SISTRI form containing fraudulent alterations**, envisaged in art. 260-bis, paras. 6, 7 and 8, of Legislative Decree 152/2006 and comprising the following cases:
 - ✓ provision of false information about the nature, composition and chemical-physical characteristics of waste when preparing a waste analysis certificate, used in the context of the system for controlling the traceability of waste, or inclusion of a false certificate in data provided regarding the traceability of waste (para. 6);
 - ✓ failure by the carrier to transport waste together with a printed copy of the “SISTRI - Handling Area” form and, when required under current regulations, a copy of the certificate detailing the characteristics of the hazardous waste transported (para. 7);

¹¹ This provision makes reference to Presidential Decree 254 dated 15 January 2003.

- ✓ transportation of waste together with a certificate of waste analysis containing false information about the nature, composition and chemical-physical characteristics of the waste transported (para. 7);
- ✓ transportation of waste (whether hazardous or not) using a printed copy of the “SISTRI - Handling Area” form that has been altered fraudulently (para. 8);
- **violation of emission limits when operating a plant**, envisaged in art. 279, para. 5, of Legislative Decree 152/2006 and comprising the situation in which the atmospheric emissions¹² produced in excess of the emission limits also cause the air quality limits specified in current legislation to be exceeded;
- **offenses linked to protection of the ozone layer**, envisaged in art. 3, para. 6, of Law 549 dated 28 December 1993 and comprising situations that involve the production, consumption, importation, exportation, storage and sale of substances that damage the ozone layer of the atmosphere;
- **environmental pollution**, envisaged in art. 452-*bis* of the penal code and comprising the conduct of whoever compromises or causes significant, measurable deterioration of: 1) the waters or the air, or extended or significant portions of the soil or the sub-soil; 2) an eco-system, or biodiversity, including agrarian biodiversity, or the flora or fauna. The penalty is greater when such pollution is caused in a natural area that is protected or of significant natural, environmental, historical, artistic, architectural or archaeological interest, or to the detriment of protected animal or vegetable species;
- **environmental disaster**, envisaged in art. 452-*quater* of the penal code and, except in the cases envisaged in art. 434, comprising the conduct of whoever causes an environmental disaster. Environmental disaster comprises, as alternatives: 1) irreversible alteration of the equilibrium of an ecosystem; 2) alteration of the equilibrium of an ecosystem that is particularly onerous to correct and only by taking exceptional measures; 3) endangerment of public safety due to the significance of the fact given the extent of the alteration or its harmful effects or due to the number of persons affected or exposed to the hazard. The penalty is greater when the disaster is caused in a natural area that is protected or of significant natural, environmental, historical, artistic, architectural or archaeological interest, or to the detriment of protected animal or vegetable species;
- **environmental negligence**, envisaged in art. 452-*quinquies* of the penal code and comprising situations in which activities significantly compromise or deteriorate (environmental pollution) or significantly alter (environmental disaster) the waters, the air, portions of the soil or the sub-soil; especially when such activities are carried out in areas of significant natural, environmental, historical, artistic, architectural or

¹² “Emission” means «any solid, liquid or gaseous substance added to the atmosphere that might cause atmospheric pollution» (art. 268, para. 1.b), Legislative Decree 152/2006). Emission limit means «the emission factor, concentration, percentage or flow of polluting substances contained in emissions that must not be exceeded. Emission limits expressed as concentrations are established with reference to operation of the plant under the worst conditions and, unless specified [title I of part V of Legislative Decree 152/2006] or authorized otherwise, are measured as an hourly average» (art. 268, para. 1.q), Legislative Decree 152/2006).

archaeological interest, or to the detriment of protected animal or vegetable species;

- **aggravating circumstances**, envisaged in art. 452-*octies* of the penal code and comprising activities carried out in association, possibly with exponents of the Public Administration, that are likely to cause pollution or environmental disasters.

K.2. Sensitive activities

The Company has identified the following sensitive activities, in the context of which the above environmental offenses envisaged in art. 25-*undecies* of the Decree might be committed:

- management of environmental compliance;
- procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists;
- management of waste;
- management of productive plant activities;
- management of local units;
- management of general services and maintenance, including at local units;
- management of customer technical support provided on site;
- management of non-operating assets owned by the Company;
- design and manufacture of gas distribution networks and installation of new plant.

K.3. General protocols

The following general principles are applied in the management of key environmental matters:

Policy

The Company must adopt a formalized system of procedures for environmental management, which also establishes the general objectives to be achieved. These procedures:

- must contain a commitment to ensure compliance with the applicable environmental laws;
- must be adequately communicated to employees and the other parties involved;
- must be updated periodically.

Roles and responsibilities

With reference to persons responsible for activities with a potential environmental impact, the Company must formally assign their responsibilities via mandates and the delegation of powers that are formally accepted; in addition:

- an organization chart must identify *inter alia* the business functions whose activities may have an environmental impact;
- specific minimum requirements must be established - and checked periodically - for each function, consistent with organizational requirements and the relevant legislation (e.g. prior experience, specific qualifications, skills, training, etc.);
- a document must describe the relevant functions within the organization.

Monitoring of legislation

The Company must adopt a formalized system that defines:

- roles and responsibilities with reference to information about significant regulatory matters and the applicable environmental requirements;
- criteria and procedures regarding regulatory updates and their communication to the business areas concerned;
- criteria and procedures for checking the evolution of best practices and the technical regulations that govern environmental matters.

Management of documentation

The Company must adopt a procedure governing the control of its environmental management documentation.

This procedure must define:

- roles and responsibilities for managing the documentation (e.g. manuals, procedures, operating instructions), consistent with corporate policy;
- methods for recording, managing, filing and retaining the documentation produced (e.g. procedures for registering and filing documents, to ensure their traceability for checking purposes).

Skills, training and awareness

The Company must adopt a procedure that governs the provision of information and training, including the organization of practical training and the coverage of environmental matters. In particular, this procedure must define:

- roles and responsibilities for the provision of training on environmental matters and the related procedures, which must be taken by all Company employees;
- criteria for updating and/or supplementing the training, considering possible transfers or changes in duties, as well as the introduction of new equipment or technologies that might have a significant environmental impact, etc.;
- the content of training and the delivery method, considering the roles and duties of participants within the organization and giving special attention to the functions involved in environmental matters;
- the time needed to deliver the training (e.g. definition of a training plan).

Identification of environmental aspects and operational controls

Criteria and the persons responsible for checking sensitive activities with an environmental impact must be identified, together with organizational criteria for:

- identifying relevant environmental matters;
- defining and assessing the importance of adverse environmental impacts that give rise to the risk of committing environmental offenses;
- identifying measures for controlling adverse environmental impacts considering the acceptability of the risk of committing environmental offenses.

The Company must adopt a specific procedure for checking sensitive activities with an environmental impact, defining in particular the criteria and the persons responsible for performing the checks.

Management of environmental emergencies

The Company must adopt a specific procedure for the management of emergencies with a potential impact on the environment:

- identifying scenarios for possible environmental emergencies;
- defining roles, responsibilities and measures for the control of emergency situations;
- identifying suitable measures for avoiding public health risks and the deterioration of habitats;
- defining times and procedures for holding emergency drills;
- defining procedures for keeping historical records of the drills and simulations carried out and the emergency situations that have occurred, in order to assess the adequacy of the response plans prepared and the traceability of the corrective actions taken.

Audit activities

Roles, responsibilities and operational procedures must be defined for audits of the efficiency and effectiveness of the environmental management system, together with procedures for:

- identifying and applying corrective actions and checking on their actual implementation;
- communicating the results to the Administrative Body.

K.4. Specific prevention protocols

For operations involving the **management of environmental compliance**, current procedures and practices must guarantee compliance with the following specific conduct and control protocols, given the potential impact of the activity on the habitat, flora and fauna, and on the management of pollution of the waters, the air, the soil and sub-soil; the management of waste and protection of the ozone layer:

- identify, as necessary, any protected areas in zones where business operations are carried out, by consulting official databases (Region, Province, National Geo-portal, etc.);
- assess properly any environmental impacts linked to the construction of new plants and/or the extension or retirement of existing plant;
- monitor and inform the Company about changes in the environmental regulations, including new legislation;
- formalize management of the various aspects of water discharges, with particular focus on applications for authorizations and renewals;
- monitor the regulations on discharges, in order to align the plant with any legislative changes;
- adopt specific procedures governing activities, roles and responsibilities in relation to the commission of air pollution offenses;
- ensure that the required authorizations are obtained, maintained and renewed, as applicable, in relation to activities that may involve atmospheric emissions;
- monitor the regulations on atmospheric emissions, in order to align the plant with any legislative changes;
- adopt specific procedures governing activities, roles and responsibilities in relation to waste management operations;
- activate the necessary procedures for checking and/or obtaining the necessary authorizations for waste management operations;
- define appropriate procedures for identifying, characterizing, classifying and recording waste;

- identify areas for the temporary storage of waste and procedures for monitoring compliance with the related quantity and/or time limits specified in current regulations;
- monitor the regulations on waste, in order to align the plant with any legislative changes;
- adopt specific procedures governing activities, roles and responsibilities in relation to the commission of soil pollution offenses;
- define a suitable program for monitoring the soil, sub-soil and surface or underground waters, in order to check for pollution at, in particular, locations owned by the Company and at decommissioned sites;
- determine roles and responsibilities for ensuring that the required communications are made following an environmental emergency resulting in pollution of the soil, sub-soil or surface or underground waters;
- monitor the regulations governing communications and clean-up of the soil, in order to align the plant with any legislative changes;
- adopt specific procedures governing activities, roles and responsibilities in relation to the physical identification, use and retirement of, and authorizations needed for, equipment that contains ozone-depleting substances;
- prepare and keep updated a plan for the retirement of equipment that contains ozone-depleting substances;
- monitor the regulations on ozone-depleting substances, in order to align the plant with any legislative changes;
- given all the environmental impacts described, ensure the traceability and availability of the related documentation (e.g. records of the detailed checks carried out);
- given all the environmental impacts described, ensure the formalization and implementation of an audit plan;
 - ✓ given all the environmental impacts described, ensure that the results of the audits are communicated to the responsible managers and any appropriate corrective actions are given due consideration.

For operations involving the **procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists**, current procedures and practices must guarantee compliance with the following specific conduct and control protocols, given the potential indirect impact of the above third-party activities on the management of pollution of the waters, the air, the soil and sub-soil; the management of waste and protection of the ozone layer:

- define roles, responsibilities and procedures for selecting vendors and subcontractors;

- prior to selection, check vendor satisfaction of any technical-professional requirements (e.g. inclusion on the register of environmental managers for parties responsible for the management of waste, Sincert accreditation for analysis laboratories, etc.);
- envisage contractual clauses requiring compliance with the applicable environmental regulations and, where necessary, procedures defined by the Company, as well as compliance with the general principles embodied in the Model and the Code of Ethics;
- envisage audits of vendors;
- envisage assessments of vendor performance.

For operations involving the **management of waste**, current procedures and practices must guarantee compliance with the following specific conduct and control protocols, given the potential impact of the activity on the management of waste, the soil and the subsoil and pollution of the waters:

- guarantee the proper characterization and classification of waste;
- envisage the separation of waste in order to prevent prohibited mixing;
- guarantee the proper management of waste stored temporarily, based on the types and quantities of the waste produced;
- check the consistency of the waste produced with its CER qualification, even when this service is provided by external laboratories;
- if transportation is carried out directly, check satisfaction of the requirements specified in current regulations;
- if transportation is carried out by third parties, check their possession of the required authorizations;
- check proper compliance with the waste transportation requirements, from hand over to the transporter through to final delivery to the waste manager (management of analysis sheets and loading/unloading registers and SISTRI management);
- check proper preparation of the disposal documentation (e.g. registers, analysis sheets, detailed delivery documentation, etc.), as well as the consistency of the quantities sent for disposal with those indicated on the documentation returned;
- check proper management of the FIR (waste identification analysis sheets), making reference *inter alia* to databases and summaries by CER code (prepared by the appointed SISTRI manager), needed for proper compilation of the annual MUD (combined environmental declaration form);
- check the availability and proper filing of the waste management documentation.

For operations involving the **management of productive plant activities**, current procedures and practices must guarantee compliance with the following specific conduct and control protocols, given the potential impact of the activity on the habitat, flora and fauna, and on the management of pollution of the waters, the air, the soil and sub-soil; the management of waste and protection of the ozone layer:

- check the environmental impact of structural or organizational changes at operational locations;
- establish suitable procedures for the management of emergencies;
- assess the raw materials used in productive activities, identify any that are hazardous and notify the business functions responsible for complying with the environmental regulations about them;
- envisage adequate storage/retention facilities for raw materials;
- monitor compliance with regard to discharges, emissions and waste production;
- establish procedures for managing any situations exceeding the applicable regulatory limits and notifications to the competent authorities;
- envisage compliance by maintenance activities with the established environmental procedures, especially with regard to the management of waste, discharges, protection of the soil and sub-soil from polluting events, atmospheric emissions and, lastly, installations that contain ozone-depleting gases;
- check that plant, machinery and equipment satisfy the relevant environmental requirements;
- check constantly that hazardous substances and, in any case, those with environmental impacts are managed and handled solely by persons with the necessary skills;
- carry out periodic and scheduled maintenance in locations used for the temporary storage of waste, in order to limit the exposure of waste to atmospheric agents;
- carry out special maintenance in order *inter alia* to contain possible environmental incidents;
- monitor constantly the chemical/physical parameters of effluents;
- carry out periodic and scheduled maintenance on discharge locations and chimney filters;
- guarantee the traceability and availability of the documentation relating to the maintenance work carried out (e.g. records of detailed checks, maintenance registers);
- communicate the results of monitoring/sampling to the environmental compliance manager;
- establish suitable urgent maintenance measures that contain pollution should environmental emergencies occur;

- make the required communications following an environmental emergency resulting in pollution of the soil, sub-soil or surface or underground waters;
- physically identify assets that contain ozone-depleting substances and define the related plans for maintenance checks and/or their shut-down and retirement, as envisaged in the current regulations.

For operations involving the **management of local units**, current procedures and practices must guarantee compliance with the following specific conduct and control protocols, given the potential impact of the activity on the habitat, flora and fauna, and on the management of pollution of the waters, the air, the soil and sub-soil; the management of waste and protection of the ozone layer:

- check the environmental impact of structural or organizational changes at operational locations;
- establish suitable procedures for the management of emergencies;
- assess the raw materials used in productive activities, identify any that are hazardous and notify the business functions responsible for complying with the environmental regulations about them;
- envisage adequate storage/retention facilities for raw materials;
- monitor compliance with regard to waste production;
- envisage compliance by maintenance activities with the established environmental procedures, especially with regard to the management of waste and protection of the soil and sub-soil from polluting events;
- check that plant, machinery and equipment satisfy the relevant environmental requirements;
- check constantly that hazardous substances and, in any case, those with environmental impacts are managed and handled solely by persons with the necessary skills;
- carry out periodic and scheduled maintenance in locations used for the temporary storage of waste, in order to limit the exposure of waste to atmospheric agents;
- carry out special maintenance in order *inter alia* to contain possible environmental incidents;
- guarantee the traceability and availability of the documentation relating to the maintenance work carried out (e.g. records of detailed checks, maintenance registers);
- communicate the results of monitoring/sampling to the environmental compliance manager;
- establish suitable urgent maintenance measures that contain pollution should environmental emergencies occur;
- make the required communications following an environmental emergency resulting in pollution of the soil, sub-soil or surface or underground waters;

- physically identify assets that contain ozone-depleting substances and define the related plans for maintenance checks and/or their shut-down and retirement, as envisaged in the current regulations.

For operations involving the **management of general services and maintenance, including at local units**, current procedures and practices must guarantee compliance with the following specific conduct and control protocols, given the impact of the activity on the habitat, flora and fauna, and on the management of pollution of the waters, the soil and sub-soil, and the management of waste:

- comply with the environmental procedures when carrying out maintenance activities;
- check that plant, machinery and equipment satisfy the relevant environmental requirements;
- check that hazardous substances and, in any case, those with environmental impacts are managed and handled solely by persons with the necessary skills;
- ensure that checks and periodic and scheduled maintenance are carried out on plant and equipment with potentially adverse environmental impacts, as well as on any forms of environmental protection;
- carry out periodic and scheduled maintenance at storage locations, in order to limit exposure of the waste produced to atmospheric agents;
- formalize the checks and periodic analyses to be carried out;
- formalize the action to be taken if parameters exceed the established limits;
- ensure that special maintenance is carried out in order *inter alia* to contain possible environmental incidents;
- ensure the traceability and availability of the related documentation;
- ensure proper management of the requirements regarding the production, collection, storage, transportation and disposal of waste, checking that these operations are carried out lawfully, not least via the inclusion of specific contractual clauses governing the responsibilities of the parties responsible for those operations, as well as the consequences for them of contractual breaches and violations of the environmental regulations;
- monitor periodically the proper compilation, directly or by third parties, of the FIR (waste identification analysis sheets), making reference *inter alia* to databases and summaries by CER code (prepared by the appointed SISTRI manager), needed for proper compilation of the annual MUD (combined environmental declaration form);
- identify the measures needed to avoid pollution of the soil, sub-soil or surface or underground waters;
- establish suitable control measures designed to contain pollution should environmental emergencies occur;

- determine roles and responsibilities for ensuring that the required communications are made following an environmental emergency resulting in pollution of the soil, sub-soil or surface or underground waters;
- determine roles and responsibilities for ensuring that the parties responsible for maintenance and disposal activities satisfy the requirements envisaged in current regulations;
- carry out periodic maintenance on equipment that contains ozone-depleting substances.

For operations involving the **management of customer technical support provided on site**, or at local units, current procedures and practices must guarantee compliance with the following specific conduct and control protocols, given the impact of the activity on the habitat, flora and fauna, the management of pollution of the waters, the air, the soil and sub-soil, and the management of waste:

- comply with the environmental procedures when carrying out activities at customer locations;
- check that plant, machinery and equipment satisfy the relevant environmental requirements;
- check that hazardous substances and, in any case, those with environmental impacts are managed and handled solely by persons with the necessary skills;
- carry out the necessary periodic and scheduled maintenance;
- ensure that special maintenance is carried out in order *inter alia* to contain possible environmental incidents;
- ensure the traceability and availability of the related documentation;
- ensure proper management of the requirements regarding the production, collection, storage, transportation and disposal of waste, checking that these operations are carried out lawfully, not least via the inclusion of specific contractual clauses governing the responsibilities of the parties responsible for those operations, as well as the consequences for them of contractual breaches and violations of the environmental regulations;
- monitor periodically the proper compilation, directly or by third parties, of the FIR (waste identification analysis sheets), making reference *inter alia* to databases and summaries by CER code (prepared by the appointed SISTRI manager), needed for proper compilation of the annual MUD (combined environmental declaration form);
- establish suitable control measures designed to contain pollution should environmental emergencies occur;
- determine roles and responsibilities for ensuring that the required communications are made following an environmental emergency resulting in pollution of the soil, sub-soil or surface or underground waters.

For operations involving the **management of non-operating assets owned by the Company**, current procedures and practices must guarantee compliance with the following specific conduct and control protocols, given the impact of the activity on the management of pollution of the soil and the subsoil and the management of waste:

- define a suitable monitoring program that envisages periodic checks on the adequacy and good working condition of operating assets and their compliance with applicable regulatory requirements;
- in the case of assets leased to third parties, carry out periodic inspections to check compliance by the lessee with the environmental regulations;
- define criteria and procedures (e.g. environmental due diligence) for identifying and assessing any potential or actual environmental issues associated with each asset, whenever they are acquired and/or transferred on whatever basis;
- physically identify all asbestos roofing and define the related plans for maintenance checks and/or its removal and disposal, as envisaged in the current regulations;
- carry out periodic monitoring and assessment of the condition of materials that contain asbestos;
- implement appropriate maintenance and decontamination activities;
- communicate the results of monitoring/sampling to the environmental compliance manager;
- establish suitable urgent maintenance measures that contain pollution should environmental emergencies occur;
- guarantee the traceability and availability of the documentation relating to the maintenance and clean-up work carried out (e.g. records of detailed checks, maintenance registers);
- implement appropriate operational procedures for monitoring and managing the maintenance and decontamination of asbestos roofing by third parties.

For operations involving the **design and manufacture of gas distribution networks and installation of new plant**, current procedures and practices must guarantee compliance with the following specific conduct and control protocols, given the impact of the activity on the habitat, flora and fauna, and on the management of pollution of the waters, the soil and sub-soil, and the management of waste:

- identify any protected areas in zones where business operations are carried out, by consulting official databases (Region, Province, National Geo-portal, etc.);
- comply with the environmental procedures when carrying out activities;
- check that plant, machinery and equipment satisfy the relevant environmental requirements;

- check that hazardous substances and, in any case, those with environmental impacts are managed and handled solely by persons with the necessary skills;
- ensure that special maintenance is carried out in order *inter alia* to contain possible environmental incidents;
- ensure the traceability and availability of the related documentation;
- ensure proper management of the requirements regarding the production, collection, storage, transportation and disposal of waste, checking that these operations are carried out lawfully, not least via the inclusion of specific contractual clauses governing the responsibilities of the parties responsible for those operations, as well as the consequences for them of contractual breaches and violations of the environmental regulations;
- monitor periodically the proper compilation, directly or by third parties, of the FIR (waste identification analysis sheets), making reference *inter alia* to databases and summaries by CER code (prepared by the appointed SISTRI manager), needed for proper compilation of the annual MUD (combined environmental declaration form);
- identify the measures needed to avoid pollution of the soil, sub-soil or surface or underground waters;
- establish suitable control measures designed to contain pollution should environmental emergencies occur;
- determine roles and responsibilities for ensuring that the required communications are made following an environmental emergency resulting in pollution of the soil, sub-soil or surface or underground waters.

K.5. Information flows to the SB

In addition to the information flows specified in the above protocols for specific sensitive activities, the Managers of sensitive activities must provide the SB with the information indicated in the procedures and other applicable Instruments for implementing the Model, on the basis and with the frequency identified in them.

SECTION L. Employment of foreign citizens without a proper permit (art. 25-*duodecies* of the Decree)

L.1. Applicable offense

Based on the analyses carried out, the offense of **employing foreign citizens without a proper permit** is deemed applicable to the Company. This offense is envisaged in art. 22, para. 12-*bis*, of Legislative Decree 286 dated 25 July 1998 and comprising the conduct of whoever, as an employer, engages foreign workers without a residence permit, or whose permit has expired without a request for renewal, revocation or cancellation being made prior to the legal deadline, if the workers employed (as alternatives):

- exceed three;
- are children of below working age;
- are subject to other working conditions involving the particular degree of exploitation identified in art. 603-*bis* of the penal code, being exposed to grave danger, considering the characteristics of the work to be performed and the working conditions.

This offense is committed by whoever, in violation of the Consolidated Immigration Law, respectively:

- i) “promotes, directs, organizes, finances or transports foreign citizens into the territory of the State, or performs other deeds intended to obtain illegal entry into the territory of the State, or another State of which they are not citizens or entitled to permanent residence” on the conditions established in art. 12, paras. 3, 3-*bis* and 3-*ter* of the Consolidated Immigration Law;
- ii) “in order to obtain an unjust profit from the illegal situation of foreign citizens or, in the context of the activities punished by [art. 12], facilitates their stay in the territory of the State in violation of the provisions of this law”, envisaged in art. 12, para. 5, of the Consolidated Immigration Law.

L.2. Sensitive activities

The Company has identified the following sensitive activities, in the context of which the above offenses regarding the employment of foreign citizens without a proper permit envisaged in art. 25-*duodecies* of the Decree might be committed:

- procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists;
- selection, hiring and management of personnel (including the management of incentive policies and the personnel appraisal process).

L.3. Specific prevention protocols

For operations involving the **procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists**, see section H.3 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- counterparty satisfaction of the regulatory requirements to be current with payments must be checked by receipt of the documentation envisaged by law (e.g. combined contributions status document - DURC);
- contractual clauses must allow the Company to make checks on the personnel employed by the counterparty;
- vendor selection must involve advance assessment against predetermined subjective and objective criteria, including market reputation and reliability, as well as the adoption of values consistent with those embodied in the Code of Ethics and the Model of the Company;
- contracts governing relations with vendors must include specific clauses establishing clear responsibilities for failure to comply with the fundamental principles embodied in the Model and the Code of Ethics. If appropriate, the contract governing the relationship must also oblige the counterparty to comply with requests for information or documentation made by the Supervisory Body or the Internal Manager;
- relations with the vendor of the goods and/services must be formalized in a contract that includes specific clauses requiring the counterparty to comply with the laws governing worker exploitation. In particular, these clauses must prohibit the vendor from:
 - ✓ repeatedly paying wages that are clearly out of line with the national or territorial employment contracts signed with the most representative trade unions at national level or, in any case, disproportionate to the quantity and quality of the work performed by its employees;
 - ✓ repeatedly violating the regulations governing working hours, rest periods, weekly rest, required leave, vacations;
 - ✓ behaving or creating situations in violation of the occupational health and safety regulations, or subjecting workers to degrading conditions in terms of their work, supervision or accommodation;
- where possible, contractual clauses must allow the Company or the SB to carry out inspections at vendor premises or demand all useful documentation, in order to check compliance with the commitments made in the previous point;
- the contract with vendors must also grant the Company the right to apply safeguards (e.g. terminate the contract, apply penalties, etc.), if violations of the above points are identified.

For operations involving the **selection, hiring and management of personnel (including the management of incentive policies and the personnel appraisal process)**, see section A.4 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- when hiring, the HR Development and Personnel function must obtain a copy of the candidate's residence permit and check its expiry date, in order to monitor its continuing validity throughout the employment relationship;
- the documentation must be retained by the HR Development and Personnel Manager concerned in a separate file, following procedures that prevent subsequent changes unless specifically highlighted, in order to ensure proper traceability of the entire process and facilitate any subsequent checks.

L.4. Information flows to the SB

The Managers of sensitive activities must provide the SB with the information indicated in the procedures and other applicable Instruments for implementing the Model, on the basis and with the frequency identified in them.

SECTION M. Tax offenses and contraband (art. 25-*quinquiesdecies* and art. 25-*sexiesdecies* of the Decree)

M.1. Applicable offenses

Based on the analyses carried out, the following tax offenses are deemed applicable to the Company:

- **fraudulent declarations using invoices or other documents for non-existent transactions**, envisaged in art. 2 of Legislative Decree 74/2000 and comprising the conduct of whoever, in order to evade income or value-added taxes by using invoices or other documents for non-existent transactions, includes fictitious expenses in the related tax declarations; the situation arises when invoices or other documents for non-existent transactions are recorded in the mandatory accounting records or retained as evidence for the tax authorities.
- **fraudulent declarations by other means**, envisaged in art. 3 of Decree 74/2000 and, except for the cases envisaged in art. 2, comprising the conduct of whoever, in order to evade income or value-added taxes, puts in place subjectively or objectively untrue operations or uses false documents or other fraudulent means to impede verification or mislead the tax authorities and, consequently, understates income in the related tax declarations or includes fictitious expenses, tax credits or withholdings in them.
- **untrue declarations**, envisaged in art. 4 of Legislative Decree 74/2000 and, except for the cases envisaged in arts. 2 and 3, comprising the conduct of whoever, in order to evade income or value-added taxes, understates income in a related annual tax declaration or includes non-existent expenses when, at the same time:
 - a) the tax evaded in relation to any of the above taxes exceeds Euro 100 thousand;
 - b) the total income hidden from taxation, including via the indication of non-existent expenses, exceeds 10% of the total income declared or, in any case, exceeds Euro 2 million.

Pursuant to art. 5 of Legislative Decree 75/2020 transposing the so-called “PIF Directive”, this offense is only relevant for the purposes of Legislative Decree 231/2001 if:

- ✓ it relates to VAT;
 - ✓ it was committed in more than one EU member State;
 - ✓ the tax evaded was more than Euro 10 million.
- **omitted declaration**, envisaged in art. 5 of Decree 74/2000 and comprising the conduct of whoever, in order to evade income or value-added taxes, fails to file a related mandatory tax declaration when the tax evaded in relation to any of the above taxes exceeds Euro 50 thousand. Punishment also applies to whoever fails to file a mandatory tax agent declaration, when the amount of the withholding taxes not paid over exceeds Euro 50 thousand.

Pursuant to art. 5 of Legislative Decree 75/2020 transposing the so-called “PIF Directive”, this offense is only relevant for the purposes of Legislative Decree 231/2001 if:

- ✓ it relates to VAT;
- ✓ it was committed in more than one EU member State;
- ✓ the tax evaded was more than Euro 10 million.

- **issuing of invoices or other documents for non-existent transactions**, envisaged in art. 8 of Decree 74/2000 and comprising the conduct of whoever, in order to enable third parties to evade income or value-added taxes, issues or provides invoices or other documents for non-existent operations.
- **hiding or destruction of accounting documents**, envisaged in art. 10 of Decree 74/2000 and comprising the conduct of whoever, in order to evade income or value-added taxes, or enable third parties to evade them, hides or destroys, in whole or in part, mandatory accounting records or documents that must be retained, in order to prevent the reconstruction of their income or volume of business.
- **improper offsets**, envisaged in art. 10-*quater* of Decree 74/2000 and comprising the conduct of whoever fails to pay amounts due by offsetting, pursuant to art. 17 of Decree 241 dated 9 July 1997, undue or non-existent credits with an annual amount in excess of Euro 50 thousand.

Pursuant to art. 5 of Legislative Decree 75/2020 transposing the so-called “PIF Directive”, this offense is only relevant for the purposes of Legislative Decree 231/2001 if:

- ✓ it relates to VAT;
- ✓ it was committed in more than one EU member State;
- ✓ the tax evaded was more than Euro 10 million.

- **fraudulent failure to pay taxes due**, envisaged in art. 11 of Decree 74/2000 and comprising the conduct of whoever, in order to avoid the payment of income or value-added taxes or interest or administrative penalties relating to those taxes totaling more than Euro 50 thousand, fraudulently sells or carries out other fraudulent deeds relating to their assets, or those of others, in order to render the enforced collection procedure ineffective, in whole or in part.

Based on the analyses carried out, the following contraband crimes are deemed applicable to the Company:

- **contraband in the movement of goods across land borders and within customs areas**, envisaged in art. 282 of Presidential Decree 73/1943 and comprising the conduct of whoever:
 - ✓ imports foreign goods across land borders in violation of the instructions, prohibitions and restrictions established in art. 16;

- ✓ unloads or deposits foreign goods in the area between the frontier and the nearest customs office;
 - ✓ is caught with foreign goods on their person or in baggage, parcels or furniture or among goods of another type or in any means of transport, in order to avoid customs inspection;
 - ✓ removes goods from customs areas without having paid the duties due or guaranteed their payment, except as envisaged in art. 90;
 - ✓ removes from the customs territory, in the circumstances envisaged in the preceding points, domestic goods or those transformed into domestic goods that are subject to border duties;
 - ✓ holds foreign goods in the circumstances envisaged in art. 25, para. 2, for the crime of contraband.
- **other cases of contraband**, envisaged in art. 292 of Presidential Decree 73/1943 and comprising the conduct of whoever, except in the cases envisaged in the above articles, arranges for goods to avoid payment of the customs duties due.

M.2. Sensitive activities

The Company has identified the following sensitive activities, in the context of which the above tax offenses envisaged in art. 25-*quinquiesdecies* of the Decree might be committed:

- Subjective measurements and estimates of financial statement balances; approval of contract budgets, recognition, registration and presentation of business activities, including intercompany transactions, in the accounting records, reports, financial statements and other corporate documents; update of the chart of accounts;
- Management of special operations, capital transactions and dividend distributions;
- Management of intercompany and other collections and payments;
- Management of expense claims;
- Management of receivables and disputes, including with recourse to advisors;
- Management of intercompany operations and transfer pricing;
- Issue of invoices and the accounting registration of invoices issued and received;
- Calculation of the tax liability and presentation of the tax declarations;
- Disposal and retirement of assets;
- Management of inventories;
- Management of petty cash;
- Management of gifts, sponsorships and donations;

- Management of electronic documentation usable as evidence;
- Management of IT system security;
- Relations with potential customers (qualification, assessment), including those via agents and distributors;
- Sales of goods and services (e.g. technical gases, medical gases) via filling stations, agencies, on-site sales, gas pipelines, etc.;
- Selection, assessment and management of relations with commercial partners;
- Selection, hiring and management of personnel (including the management of incentive policies and the personnel appraisal process);
- Procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists;
- Management of consultancy and professional services (including the selection and qualification of advisors and the administration of relations with them).

The Company has identified the following sensitive activities, in the context of which the above crimes of contraband envisaged in art. 25-*sexiesdecies* of the Decree might be committed:

- Management of import and export activities.

M.3. General principles of conduct

When carrying out sensitive activities, all Model recipients are required to comply with the general principles of conduct that the Company has identified, partly with reference to the Code of Ethics.

With regard to tax offenses and the crimes of contraband, persons working in sensitive areas must comply strictly with all legal requirements.

Accordingly, it is forbidden to initiate, collaborate with or give reason to behave in a manner that, individually or collectively, may directly or indirectly result in commission of the offenses envisaged in art. 25-*quinqüesdecies* and art. 25- *sexiesdecies* of Legislative Decree 231/2001.

In particular with regard to tax offenses, all employees and collaborators of Siad S.p.A. are forbidden to:

- use invoices or other documents for non-existent operations, register them in the mandatory accounting records or indicate the related fictitious expenses in income or value-added tax declarations;
- put in place subjectively or objectively untrue operations or use false documents or other fraudulent means to impede verification or mislead the tax authorities and, consequently, understate income in the related income and value-added tax declarations or include fictitious expenses, tax credits or withholdings in them;

- issue or provide invoices or other documents for non-existent transactions in order to enable third parties to evade income or value-added taxes;
- understate income in the related annual income and value-added tax declarations or include fictitious expenses in them;
- omit the filing of an income or value-added tax declaration;
- offset undue or non-existent credits;
- hide or destroy, in whole or in part, mandatory accounting records or documents that must be retained, in order to prevent the reconstruction of income or the volume of business;
- sell fraudulently or carry out other fraudulent deeds relating to own assets, or those of others, in order to render enforced collection procedures ineffective.

With reference to the crimes of contraband, on the other hand, all employees and collaborators of Siad S.p.A. are forbidden to:

- file declarations with domestic or foreign public bodies that are untrue or omit required information or, in any case, carry out any deed that might mislead the public body;
- give or promise money or other benefits to third parties or their associates, in order to obtain undue advantages of any kind for the Company as a consequence of their intermediation with members of the Public Administration;
- acquiesce to improper instructions or pressure from public officials or providers of public services;
- behave in a misleading or fraudulent way in relations with the Public Administration, in order to induce errors of judgment;
- obtain, import, deposit or hold goods in violation of the customs regulations.

M.4. Specific prevention protocols

For operations involving **subjective measurements and estimates of financial statement balances; approval of contract budgets, recognition, registration and presentation of business activities, including intercompany transactions, in the accounting records, reports, financial statements and other corporate documents; update of the chart of accounts**, see section E.3 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- roles, responsibilities and procedures must be established for administering the Chart of Accounts. In particular, following a request to open or amend a general ledger account, the Administration and Finance Department must check:
 - ✓ the completeness and accuracy of the information contained in the request;
 - ✓ the presence of authorization from a person with suitable powers;

- ✓ the consistency of the information provided with the need identified;
- responsibilities, deadlines and filing procedures must be established for the mandatory accounting and tax documentation, including:
 - ✓ the daybook;
 - ✓ invoices issued and received, credit and debit notes;
 - ✓ the fixed asset register and register of depreciable assets;
 - ✓ the VAT registers;
 - ✓ the documentation evidencing returns and assets to be destroyed or given away (e.g. pc, destruction reports etc.).

For operations involving the **management of special operations, capital transactions and dividend distributions**, see section E.3 in this Special Part with reference to the corresponding sensitive activity.

For operations involving the **management of intercompany and other collections and payments**, see section H.3 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- responsibilities must be allocated appropriately between the persons responsible for creating master files that include bank details and those responsible for making payments;
- the IBAN and VAT rate indicated by the Company on invoices issued to customers must be checked periodically for accuracy and updated as necessary.

For operations involving the **management of expense claims**, see section A.4 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- depending on the nature of the service provided, standard procedures must be established in advance for requesting, authorizing and making cash advances and reimbursing the expenses incurred by Company personnel. The reimbursement of expenses incurred must require the completion of specific claim forms and the production of suitable documentary evidence.

For operations involving the **management of receivables and disputes, including with recourse to advisors**, see section A.4 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- roles, responsibilities and operational procedures must be established for the management of receivables: definition of credit limits, management of receivables and chasing past due amounts, management of doubtful accounts, analysis of and trends in receivables.

For operations involving the **management of intercompany and other collections and payments**, see section H.3 in this Special Part with reference to the corresponding sensitive activity.

For operations involving the **issue of invoices and the accounting registration of invoices issued and received**, see section H.3 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- prior to the issue of invoices, the administrative-accounting system adopted by the Company must be configured to:
 - ✓ reference the data contained in the sales order including, in particular, the correct customer details and description of the goods;
 - ✓ reject registration of the invoice/change note if the fields in the sales order are not complete with all important accounting and tax information;
 - ✓ guarantee proper recording of the accounting entries that derive from the invoicing of sales;
 - ✓ guarantee the proper application of virtual stamp duty in the cases envisaged by law.
- prior to recording purchase invoices, the administrative-accounting system adopted by the Company must be configured to carry out the following checks:
 - ✓ proper indication of the vendor (consistent with the contract) and the invoice number and date;
 - ✓ proper indication of all required elements (e.g. correct description of treatment for VAT purposes).

For operations involving the **calculation of the tax liability and presentation of the tax declarations**, see section H.3 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- the function responsible for calculating the tax liability must have access to the tools needed to determine taxable income and the related corporate (IRES) and value-added taxes;
- checks must be made to ensure the accuracy of the data included in the calculation of the tax liability;
- the tools used by the function responsible for calculating the tax liability must be updated periodically to reflect any tax changes, the tax elections made by the Company and any other events of tax significance;
- before determining the amount of taxable income, the function responsible for calculating the tax liability (including the external advisors that assist the Company with the calculation) must obtain confirmation from the Administration and Finance Department of completion of the work needed to determine the pre-tax result, including the compilation by any other Departments involved in operations of tax significance of specific reporting forms containing the information and details needed to ensure the accuracy of the declarations made;
- the function responsible for calculating the tax liability must document the facts of tax significance in a tax schedule that allows ex-post reconstruction and traceability of the calculation made;
- the function responsible for calculating the tax liability must calculate the required tax advances with reference to consolidated drivers and the IRES balance due;

- persons must be identified with responsibility for checking that the total of VAT purchases and VAT sales agrees with the balance on the summary general ledger accounts. VAT turnover must be reconciled with the revenues reported in the financial statements;
- the VAT recoverable reported in the financial statements must be checked;
- the function responsible for preparing and presenting tax declarations must take responsibility for checking the completeness and accuracy of the completed tax declaration forms, before submitting them for signature by the responsible managers;
- the function responsible for preparing and presenting tax declarations must prepare an “annual folder” that contains:
 - ✓ print-outs of the principal details (lines and boxes) included in the declarations;
 - ✓ supporting documentation for the analyses and calculations made;
 - ✓ copy of the attestation letter issued by the auditing firm;
 - ✓ the original of the declaration and the receipt issued by the Tax Authorities;
 - ✓ supporting documentation for the calculation of tax advances;
- segregation must be guaranteed between the persons who make the tax calculations and prepare the payment and declaration forms and those who check and approve the tax payments;
- current and deferred taxes must be determined in accordance with the relevant regulations;
- the completeness, accuracy and arithmetic correctness of the data input to the tool used to calculate current and deferred taxes must be checked, together with the related accounting entries;
- the principal tax adjustments (allowances and disallowances) of a permanent or temporary nature for IRES (corporate tax) purposes must be analyzed to identify the underlying drivers and assess their incidence;
- operational procedures must be adopted to check, with support from autonomous and independent advisors, proper preparation of the tax declarations.

For operations involving the **disposal and retirement of assets**, the protocols envisage that:

- rules must be established for approving the disposal or retirement of assets, with an approval process that ensures:
 - ✓ authorization from the competent business functions;
 - ✓ activation of the accounting and tax procedures associated with the disposal or retirement operation.

- if retired assets will be destroyed or scrapped, checks must be made to ensure that:
 - ✓ the request for authorization contains at least minimum information on the reasons for their elimination, the procedures followed, the parties (waste managers) involved and the date of the operation;
 - ✓ when required by the regulations, the territorial tax police and tax office must be informed about the planned disposal, the assets to be destroyed and their value.

For operations involving the **management of inventory**, see section E.3 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- the IT system must guarantee timely monitoring of the existence and physical availability of materials;
- the persons responsible for receiving goods must check, on arrival, that the types, quality and quantity received agree with those ordered;
- roles and responsibilities must be established for confirming that goods are received properly;
- the IT system must guarantee that inventory management:
 - ✓ sets thresholds of tolerance to prevent the acceptance of goods not ordered, in quantities not ordered or exceeding other predetermined thresholds of acceptability;
 - ✓ ensures that the persons who record the receipt of goods are unable to amend any system parameters;
 - ✓ requires input of the receiving date before the receipt of goods can be saved and recorded;
 - ✓ ensures the automatic pricing of inventories and the related withdrawals in accordance with the related accounting policies;
- checks periodically the consistency of the accounting data with the physical quantities held in the warehouses. Any book/physical differences (over/under) must be promptly subjected to an approval process before they are recorded on the IT system;
- the volume and materiality of inventory adjustments must be monitored on a continuous/periodic basis;
- inventory balances must be priced for tax purposes in a manner consistent with that used to determine taxable income (weighted-average cost method);
- the same operational rules and management criteria as above must be applied to goods held by third parties, keeping the complete and proper accounting records required by the tax regulations, as well as those needed for organizational purposes;
- before a shipment is made, the person responsible must check the quali/quantitative agreement of that sent with that sold;

- a system must be established to record and monitor the goods shipped.

For operations involving the **management of petty cash**, the protocols envisage that:

- the amount of the petty cash fund must be determined, together with the related top-up procedures;
- the types of expense settled using petty cash must be identified and formalized;
- procedures for reporting petty cash inflows and outflows must be formalized, together with those for making the related accounting entries;
- procedures must be established for reporting petty cash movements to management and for preparing monthly reconciliations;
- roles, responsibilities and procedures must be established for authorizing all admissible petty cash outflows;
- procedures must be defined for the use of HQ and other petty cash funds;
- formal authorization must be required for the use of petty cash and procedures must be defined for topping-up the HQ and other petty cash funds;
- procedures must be defined to ensure the traceability of cash requests and expenses incurred, as well as the return of unused cash drawn from HQ or other petty cash funds;
- petty cash balances must be reconciled periodically and procedures must be defined for the flow of reporting from other petty cash funds to the principal petty cash fund.

For operations involving the **management of gifts, sponsorships and donations**, see section A.4 in this Special Part with reference to the corresponding sensitive activity.

For operations involving the **management of electronic documentation usable as evidence**, see section B.3 in this Special Part with reference to the corresponding sensitive activity.

For operations involving the **management of IT system security**, see section B.3 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- procedures must be established for monitoring and filing IT anomalies (IT security incidents), so that they can be managed using a ticketing system capable of classifying and prioritizing the errors encountered;
- necessary procedures must be adopted for managing the back-up of mandatory records that, in particular:
 - ✓ store back-up copies in locations sufficiently far from the main location;
 - ✓ carry out tests of the restoration of mandatory accounting records;
 - ✓ monitor the results of back-ups, so that any anomalies can be addressed and resolved promptly;

- establish and periodically update and test specific disaster recovery plans that assure the continuity of the IT systems used to keep the mandatory accounting records;
- establish a formal system of authorizations for access to the administrative-accounting system by authorized persons only;
- ensure that the administrative-accounting system does not allow accounting entries to be made during “quiet” periods;
- ensure that the accounting system has a specific internal mechanism that prevents duplicate registrations of a document in the same accounting period.

For operations involving **relations with potential customers (qualification, assessment), including those via agents and distributors**, see sections E.3, F.4 and H.3 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- procedures must be defined for the creation and management of customer master files, specifying the minimum documentation needed for their creation / amendment;
- a system must be established for reporting information to the competent Function Manager about meetings with customers or potential customers, the outcome of those meetings and principal issues identified;
- procedures and requirements must be established for the accreditation of customers, which must be honorable, respectable, of good economic-financial standing and commercially reliable.

For operations involving **sales of goods and services (e.g. technical gases, medical gases) via filling stations, agencies, on-site sales, gas pipelines, etc.**, see sections D.3, E.3, F.4 and H.3 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- the standard contractual formats used must guarantee adequate coverage of the more significant risks, with clear rules for deviations from the standard formats;
- sales contracts must always be signed by persons with suitable powers, who are also responsible for checking their preparation in a proper, complete and appropriate manner;
- based on the technical proposal, the final cost estimate and the forecast delivery lead time for the required plant, the Commercial Function must:
 - ✓ establish the related economic conditions and delivery schedule;
 - ✓ check the availability of the RFT documentation accompanying the offer;
 - ✓ process the offer and send it to the customer on the basis and with the timing specified in the RFT;
- a sales reporting tool must be adopted, with standard reports that include:

- ✓ number of visits to a customer in the period, analyzed between “development” (e.g. offer, negotiations...) and “administration” (e.g. price revisions...);
 - ✓ new business (actual vs budget);
 - ✓ list of customers lost, with impact on quantities and value;
 - ✓ list of customers with price reductions (erosion) during the year;
 - ✓ analysis of the travel effect;
- roles, responsibilities and operational procedures must be established for the management of complaints (e.g. classification and assessment of the complaint), with an authorization process for managing related requests for invoicing adjustments (i.e. issue of credit notes);
 - roles, responsibilities and operational procedures must be established for managing receivables:
 - ✓ definition of credit limits;
 - ✓ management of receivables and past due amounts;
 - ✓ management of doubtful accounts;
 - ✓ analysis of receivables and trends (by branch/agency and area of responsibility).

For operations involving the **selection, assessment and management of relations with commercial partners**, see sections C.3 and H.3 in this Special Part with reference to the corresponding sensitive activity.

For operations involving the **selection, hiring and management of personnel (including the management of incentive policies and the personnel appraisal process)**, see sections A.4, C.3 and L.3 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- procedures must be identified for creating and managing the employee master file;
- authorization processes must be established for vacation/overtime requests and for checking the completeness and accuracy of payslips;
- authorization flows must be established for paying wages and salaries;
- responsibilities and responsibilities must be identified for processing, assessing and approving the budget for bonuses;
- an internal process must be defined for assessing performance and determining the remuneration, incentives and career development of personnel, guaranteeing the segregation of duties between those who manage and assess performance and those who authorize the recognition of rewards, ensuring their consistency with actual performance;

- the proper filing and retention of documentation must be guaranteed in relation to the assessment, remuneration and incentivization of personnel.

For operations involving the **procurement of goods, services and supply contracts arranged by the Company, including the selection, assessment and management of vendors/contractors and the creation of vendor lists**, see sections A.4, C.3, E.3, H.3, I.3 and L.3 in this Special Part with reference to the corresponding sensitive activity. The protocols also envisage that:

- the standard contractual formats devised must guarantee adequate coverage of the more significant risks with, where necessary, clear rules for deviations from those formats;
- purchase orders and/or contracts must always be signed by competent persons with suitable delegated powers, who are also responsible for checking that they have been prepared in a proper, complete and appropriate manner, following a suitable assignment process;
- the counterparty for a specific service must be selected following a competitive tendering process, applying predetermined technical-economic criteria;
- if contracts are assigned to an individual counterparty (single source), the selection must be explained adequately and approved by the competent manager.

For operations involving the **management of consultancy and professional services (including the selection and qualification of advisors and the administration of relations with them)**, see section A.4 in this Special Part with reference to the corresponding sensitive activity.

For operations involving the **management of import and export activities**, the protocols envisage that:

- all deeds, requests and formal communications involving the PA as recipient must be managed and signed solely by persons identified and authorized in advance by the Company;
- such persons must report to their hierarchical and functional superior on meetings held with representatives of the PA and the key outcomes;
- the Internal Managers for implementing the above operations must:
 - ✓ identify the most appropriate tools for ensuring that relations between their Functions and the PA are always transparent, documented and verifiable;
 - ✓ authorize in advance the use of data and information about the Company to be included in deeds, communications, attestations and requests of any kind sent to the PA or involving the latter as recipient;
 - ✓ check that the documents, declarations and information sent to the PA by the Company are complete and true;

- with reference to the arrangement of agreements and contracts, check the existence of segregation between the person negotiating within assigned limits and the person who finally approves and signs the agreement;
- in all negotiations and/or bidding competitions involving the PA, check that all employees comply with current laws and regulations, proper commercial practice and established corporate procedures;
- the documentation must be retained by the Function Manager concerned in a separate file, following procedures that prevent subsequent changes unless specifically highlighted, in order to ensure proper traceability of the entire process and facilitate any subsequent checks;
- the Function Manager must inform the SB about the results of the various phases of the activity and any issues encountered;
- the persons assigned to maintain relations and represent the Company in dealings with the Customs Agency, including any inspections or investigations carried out by the latter, must be identified formally via a system of mandates and delegated powers;
- external persons assigned to maintain relations and represent the Company in dealings with the Customs Agency, including any inspections or investigations carried out by the latter, must be identified formally and the related powers detailed in their contracts;
- sample checks must be carried out in order to ensure compliance with the customs regulations by the appointed freight forwarder;
- changes in the regulatory environment must be monitored constantly, even via external advisors, including those affecting the deadlines for communications / filings / compliance activities involving the Customs Agency.

M.5. Information flows to the SB

In addition to the information flows specified in the above protocols for specific sensitive activities, the Managers of sensitive activities must provide the SB with the information indicated in the procedures and other applicable Instruments for implementing the Model, on the basis and with the frequency identified in them.