



**COTONIFICIO ALBINI S.P.A.  
ORGANISATION,  
MANAGEMENT AND CONTROL  
MODEL**

(pursuant to Legislative Decree no. 231 dated 8th June 2001)

**SPECIAL SECTION**

**Approved by Cotonificio Albini S.p.A.'s Board of Directors  
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**SPECIAL SECTION A**

**OFFENCES AGAINST THE PUBLIC ADMINISTRATION AND ITS HOLDINGS, OFFENCES OF CORRUPTION BETWEEN PRIVATE INDIVIDUALS AND INCITEMENT TO CORRUPTION BETWEEN PRIVATE INDIVIDUALS AND THE CRIME OF INCITEMENT TO REFRAIN FROM MAKING STATEMENTS OR TO MAKE FALSE STATEMENTS TO THE JUDICIAL AUTHORITY**

## **A.1 Function of Special Section A**

This Special Section aims to illustrate the responsibilities, criteria and behavioural norms to which the “Recipients” of the Model – as defined in the General Section – must follow when handling activities at risk in regards to the offences referred to in Articles 24, 25, 25-ter (limited to wrongdoings of corruption between individuals and incitement to corruption between private individuals) and 25-*decies* of Legislative Decree no. 231/2001, in compliance with the principles of maximum transparency, timeliness and collaboration, as well as traceability of activities.

Specifically, this Special Section is intended to define:

- the principles of conduct to be observed by the Recipients in order to properly apply the requirements of the Form;
- the flows of information to the Supervisory Body.

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## **A.2 Pertinent offences**

For declarative completeness, below are all the offences that form the basis of the administrative responsibility of the institutions pursuant to Articles 24, 25, 25-ter (as specified above) and 25-*decies* of the Decree.

### **Offences against the Public Administration and its holdings**

#### ***Misappropriation to the detriment of the State (Article 316-bis of the Italian Criminal Code)***

The crime is committed in the event that, after having legitimately received funding or contributions from the Italian State, other Public Entity or the European Union for the realisation of works or activities of public interest, the sums obtained are not used for the purposes for which they were intended. Such conduct, in fact, consists in diverting – even partially – the sum obtained. No assessment assumes the fact that the scheduled activity took place in any case.

#### ***Undue receipt of disbursements to the detriment of the State (Article 316-ter of the Italian Criminal Code)***

A crime is committed in cases where, by means of the use or presentation of statements or documents that are false or attest untruths, or by means of the omission of due information, any aid, funding, subsidised loans or other disbursements of a similar nature – however they may be named – to be granted or allocated by the State, by other public bodies or by the European Communities, are unjustly obtained for one’s self or for others.

The actual use of the disbursements is not taken into consideration, given that the offence arises upon the funding being actually obtained.

This assumption of crime arises compared with the more serious offences of fraud against the State, in the sense that it is only configured when the conduct does not complete the details of the act of fraud that is aggravated due to the perception of public funds (Article 640-bis of the Italian Criminal Code).

***Extortion (Article 317 of the Italian Criminal Code)***

The offence is committed in the event that a public official or public service officer, in abusing their position, forces someone to procure undue monies or other benefits for themselves or another party.

This offence is subject to merely residual application compared to other offences covered by the Decree. In particular, this form of offence could arise in the event that an employee or agent of the company takes part in the crime committed by the public official or public service officer who, by taking advantage of this attribute, requests undue benefits from a third party (in this case, it would also involve the responsibility of the institution if the unlawful conduct is enacted in the interests – even if not exclusively so – of the Company).

***Corruption of persons performing a public service (Article 318 of the Italian Criminal Code)***

Corruption in exercising the function — which, as is noted, has replaced the act of corruption with an act of office — is constituted by the conduct of a public official or a public service officer who, in order to carry out their functions or powers, receives or accepts the promise of undue monies or other benefit for themselves or a third party.

For the purpose of consummation, it is not necessary to identify a specific deed as the subject of the illicit agreement, with the nature of the offence resting on the fact that the hand-over of the monies or other benefit is effectuated simply by reason of the functions performed by the public official and in order to pay for their favours.

This offence could arise through the recruitment of staff indicated by the public official, through the issuance to the latter (or third parties thereto) of compensation not in line with the provision/invoice issued or by the fabricated allocation of goods by way gift or donation.

***Corruption for the performance of an act contrary to official duties (Article 319 of the Code)***

The offence is committed in the event that a public official receives – for themselves or others – monies or other advantages for performing, omitting or delaying acts of their office.

The difference between corruption in exercising a function, examined above, and corruption in a deed contrary to official duties, is outlined as follows. In the first case, following an agreement with a private subject, a violation of the principle of fairness and the duty of impartiality is carried out by the public official without, however, partiality being applied to any undertaking. In the second case, rather, partiality affects a deed that does not fulfil the public purpose underlying such and which is therefore enacted for eminently private benefit.

In order to determine whether or not a deed is contrary to official duties, it is necessary to assess the act itself (to verify its legitimacy or otherwise) but also its compliance with all duties of office or service that may come into account, resulting in a deed not being illegitimate in and of itself but nonetheless contrary to official duties.

Such verification must be done not in relation to individual deeds but by taking into account the whole service rendered to the private party.

For example, it is unlawful to promise monies or other benefit to a public official to fail to report anomalies to have emerged as a result of an audit set up by the Supervisory Authorities.

***Aggravating circumstances (Article 319-bis of the Italian Criminal Code)***

The aggravating circumstance in question persists in cases in which corruption due to a deed contrary to official duties consists in the provision of public employment, salaries or pensions or entering into contracts where the administration to which the public official belongs and the payment or reimbursement of taxes is concerned.

***Corruption in legal proceedings (Article 319-ter paragraph 2 and 321 of the Italian Criminal Code)***

The crime of corruption in legal proceedings constitutes an autonomous criminal act characterised by the fact that the offending conduct is enacted in a judicial setting (civil, criminal or administrative) in order to benefit or disfavour a party in the proceedings.

For this offence to be committed, it is not necessary for the acts to be directly traced to the exercise of a judicial function, with activities relative to subjects other than the court falling within the operative sphere of the indicting regulation (Registrar, Officer, Judicial Police Section).

For example, unlawful conduct would also involve promising money or other benefits to a judge in order to achieve a favourable ruling in tax proceedings.

***Undue incitement to give or promise benefits (Article 319-quater of the Italian Criminal Code)***

The regulation punishes the public official or public service officer who, in abusing their position or powers, induces someone to improperly give or promise monies or other benefit to themselves or a third party, save whereby the deed constitutes a more serious offence.

The criminality is further extended to the private party who is incited to complete payment or their promise to do so (and hence becomes an active participant).

For the criminal offences to be constituted, the following elements must exist:

- conduct of those engaging in the conduct such as to result in an activity of inducement;
- an event embodied by two conduits of the passive subject (promise or undue assignment of monies or other benefit);
- a causative link between the inducement and the final event;
- the representation and volition of their non-legal action.

***Corruption of public service officers (Article 320 of the Italian Criminal Code)***

The provision in question extends the applicability of the criminal offences set out under Articles 318 of the Italian Criminal Code (corruption of persons performing a public service) and Article 319 of the Criminal Code (corruption due to an act contrary to the duties of office) also to conduct carried out by a public service appointee. In the suppositions elaborated herein, the penalties are reduced by up to one third compared to those imposed in relation to the cited crimes.

***Penalties for the corruptor (Article 321 of the Italian Criminal Code)***

The punishments set out in Article 318, paragraph 1, 319, 319-bis, 319-ter and 320 of the Italian Criminal Code in relation to the hypotheses of Article 318 and 319 of the Italian

Criminal Code also apply to those giving or promising monies or other benefit to the public official or public service official.

***Incitement to corruption (Article 322 of the Italian Criminal Code)***

Any person who offers or promises undue monies or other benefits to a public official or public service officer, for the performance of their duties or powers where the offer or promise is not accepted.

The same provision also punishes anyone offering or promising monies or other benefit not due to a public official or public service officer, if the offer or promise is aimed at causing their official duties to be omitted or delayed or to perform an act contrary to their duties, whereby the offer or promise is not accepted.

Such punishability also extends to the public official or public service officer who solicits a promise or assignment of monies or other benefit for the performance of their duties or powers.

***Fraud in procurement to public entities (Article 356 of the Italian Criminal Code)***

The law punishes anyone who commits fraud in the execution of procurement or in the fulfillment of other contractual obligations to the detriment of the State, of another public entity, or of an undertaking operating public or public services and to the detriment of the European Union.

***Fraud against the State, another Public Entity (Article 640, paragraph 2, no. 1 of the Italian Criminal Code)***

The offence is committed with deeds or actions aimed at achieving an unfair profit such as to mislead and cause damage to the State (or to another Public Authority or the European Union).

The crime may be committed, for example, in the event that untruthful information is provided to the Public Administration (for example, supported by false information) when preparing documents or data for participation in tender procedures, in order to obtain the award of the tender.

***Aggravated fraud to obtain public funds (Article 640-bis of the Italian Criminal Code)***

The offence occurs in the event that the fraud is committed in order to unduly receive public disbursements.

This offence can be determined in the event of artifice or deception, for example by communicating untrue data or arranging for false documentation, in order to obtain public funding.

***Computer fraud (Article 640-ter of the Italian Criminal Code)***

The offence is configured in the event that, by altering the functioning of a computer or telematic system in any way or by manipulating the data, information or programs contained therein, an unfair profit is gained through causing harm to third parties. The matter is aggravated if the deed is committed to the detriment of the State or other public entity, if the deed is committed by abuse of the position of system operator or if committed with theft or improper use of a digital identity to the detriment of one or more subjects.

***Fraud in Agriculture (Article 2 laws no. 898/1986)***



Where the fact does not constitute the most serious offence provided for in Article 640-bis of the Italian Criminal Code, any person, through the disclosure of false data or information, unduly receives aid, grants, allowances, refunds or contributions for themselves or other parties, in whole or in part issued by the European Agricultural Warranty Fund or the European Agricultural Fund for Rural Development.

Disbursements by the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development shall be treated in the same way as the national quotas foreseen by EC regulations to complete the amounts disbursed by such Funds, in addition to the disbursements charged to the national finance on the basis of community legislation.

***Embezzlement (Article 314 of the Italian Criminal Code)***

This offence is committed where an official or a person in charge of a public service who, by reason of his or her office or service, has in his or her possession or access to money or other moveable assets belonging to the public administration, embezzles or removes the same for his or her benefit or that of others.

This offence may involve administrative liability of the Entity when the crime offends the financial interests of the European Union.

***Fraudulent misappropriation pursuant to the error of others (Article 316 Italian Italian Code of Criminal Procedure.)***

This offence is committed when a public official or the person in charge of a public service who, in carrying out his duties or service, and taking advantage of the error of others, unlawfully receives or retains money or other benefits for him/herself or other third party.

The penalty is imprisonment from six months to four years when the fact offends the financial interests of the European Union and the damage or profit is greater than Euro 100,000.

***Embezzlement, extortion, undue incitement to give or promise benefits, corruption and instigation to corruption of members of international criminal courts or bodies of European Communities or officials of the European Communities and Foreign States (Article 322-bis of the Italian Criminal Code)***

The provisions of Articles 314, 316, 317 to 320 and 322, third and fourth paragraphs, shall also apply to:

- 1) members of the European Community Commission, the European Parliament, the European Court of Justice and the European Community Court of Auditors;
- 2) officials and agents employed with contracts pursuant to the by-laws applicable to EU officials or the regime applicable to agents of the EU;
- 3) individuals seconded by EU member states or by any public or private body at the European Community, whose duties correspond to those of officials or agents of the European Community;
- 4) members and employees of bodies constituted in accordance with the treaties establishing the European Community;
- 5) individuals who, on behalf of member states of the European Union, carry out duties or activities that correspond to those of public officials and public service employees.

5-bis) judges, the public prosecutor, additional prosecutors, officials, and servants of the International Criminal Court, persons employed by the States adhering to the Treaty endorsed by the International Criminal Court who exercise functions corresponding to those of the officials and servants of the same Court, the members and officers of entities established in relation to the Treaty endorsed by the International Criminal Court;

5-ter) individuals who carry out duties or activities that correspond to those of public officials and public service employees of other foreign countries or international public organisations;

5-quater); members of international parliamentary assemblies or of an international or supranational organisation and judges and officials of international courts.

5-ter) individuals who carry out duties or activities that correspond to those of public officials and public service employees of other foreign countries or international public organisations outside the European Union, when the fact offends the financial interests of the European Union.

The provisions of Articles 319-quater, second paragraph, 321 and 322, first and second paragraphs, apply even if monies or other benefit is given, offered or promised to:

- 1) the individuals indicated in paragraph 1 of this article;
- 2) individuals who carry out duties or activities that correspond to those of public officials and public service employees of other foreign countries or international public organisations.

***Abuse of office (Article 323 of the Italian Criminal Code)***

The public official or official in charge of a public service is punished whenever he or she acts intentionally in breaching the law or other law enforcement regulations, otherwise, fails to abstain in circumstances of conflict of interests (relevant even in the case of a third party's interest), obtaining – in this way – an undue profit for himself or herself (or for others) or, alternatively, causing a detriment to others.

This offence may involve administrative liability of the Entity when the crime offends the financial interests of the European Union.

***Trafficking of illicit influences (Article 346-bis of the Italian Criminal Code)***

The incriminating regulation – remaining in force in relation to the above-examined offences of corruption – punishes the conduct of anyone who exploits or boasts of existing or alleged relationships with a public official or a person in charge of a public service or one of the other subjects referred to in Article 322-bis, improperly gives or promises money or other benefits, as the price of their illicit mediation towards one of these subjects, or to remunerate such persons in relation to the exercise of their functions or powers.

The same penalty applies to those who unduly give or promise money or other benefits to the “trafficker of illicit influences” (being the “mediator” who exploits or boasts of existing or asserted relationships with a subject holding public positions).

The offence in question thus concerns the conduct of taking and accepting undue benefits in the context of an unlawful intermediation activities, functional to the stipulation of future corruptive agreements.

For example, the directive may be considered constituted whereby a company manager promises a sum of money to a third party, so that they may exploit their relationship with a public official to be awarded a tender (the offence being committed regardless of the actual existence of the relationship between the mediator and the public official, and even if the purpose for which the money is directed is not securely achieved by the agent).

### **Crime of corruption amongst private individuals**

#### ***Corruption between individuals (Article 2635 of the Italian Civil Code)***

The regulation punishes directors, general managers and executives in charge of drafting corporate accounting documents, or any auditor, liquidator or other entities exercising directive functions within the framework of private entities or companies who, even through third parties, solicit or receive for themselves or others, undue monies or other benefit or accept the promise thereof, in order to perform or omit actions in breach of their obligations or duties of loyalty (Article 2635, paragraph 1 of the Italian Criminal Code).

The provision also punishes the conduct of solicitation or receipt of monies or other benefit undertaken by individuals who hold managerial or supervisory positions of the subjects referred to above (thus, for example, employees of the company) and also sanctions those who offer, promise or grant – even through third parties – corruptive monies or other benefit (Article 2635, paragraph 2 and 3 of the Italian Civil Code).

The penalties are increased if the company has securities listed or disseminated amongst the public to a significant extent pursuant to Article 116 of the Consolidation Act on Financial Intermediation.

#### ***Incitement of corruption between private individuals (Article 2635-bis of the Italian Civil Code)***

The provision sanctions anyone who offers or promises undue monies or other benefit to the persons referred to in the first sub-paragraph of Article 2635 of the Italian Criminal Code and the offer or promise is not accepted.

This punishment is further applicable to directors, general managers, executives, auditors or supervisors who, in soliciting money or other benefits for themselves or others, promise or omit actions in breach of duties even when such requests are not accepted.

### **Crime of incitement to refrain from making statements or to make false statements to the Judicial Authority**

#### ***Inducement not to make statements or to make false statements to Judicial Authorities (art. 377-bis of the Italian Criminal Code);***

The crime occurs when any person who uses violence or threats or else offers or promises money or other benefit to induce not to make statements or to make false statements by any person called before the judicial authorities to make statements in connection with

criminal proceedings, when the same has the option to provide no comment <sup>(1)</sup>, unless the deed constitutes a more serious offence.

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<sup>(1)</sup> Being subjects who are qualified as being a suspect (or defendant), their next of kin to whom the law awards the right not to make any comment, Pursuant to Article 199 of the Code of Criminal Procedure, and persons who are qualified as suspect (or accused) of relative or related crimes, provided that they have already taken on the role of witness.

### **A.3 Areas of Major Risk**

The main areas of jeopardy for the Company, with reference to crimes against the Public Administration and its holdings, to the offences of corruption between private individuals and incitement to corruption between private individuals and the crime of inducement not to make statements or to make false statements before the Judicial Authority, are attributable to:

- *Management of commercial activities;*
- *Management of relations with the PA;*
- *Management of public funding and contributions;*
- *Handling disputes and dealings with the Judicial Authority;*
- *Management of certifications and accreditations;*
- *Management of purchasing goods and services;*
- *Selection and management of personnel;*
- *Management of relationships with third parties (agents and contractors);*
- *Management of expense reports;*
- *Management of cash flows;*
- *Management of intercompany relationships;*
- *Handling of gratuities, donations and sponsorships;*
- *Management of customs activities.*

Recipients are required to adapt their behaviour to that set out in this document.

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### **A.4 Principles of Behaviour and Examples of Committing Offences**

The following lists some of the general principles to be considered as applicable to the Recipients, as defined in the General Section of this Model.

In general, **it is obligatory** to ensure that the carrying out of such activities takes place in absolute compliance with:

- laws and regulations in force;
- principles of loyalty, fairness and clarity;
- the Code of Ethics;
- business procedures.

In general, **it is forbidden** to carry out conduct or contribute to the implementation of conduct that may fall within the present offences referred to in Articles 24, 25, 25-ter (as specified above) and 25-decies of Legislative Decree no. 231/2001 cited prior.

The following principals of conduct should also be respected if the sensitive activities referred to in this Organisation, Management and Control Model are carried out by third party subjects under specific service contracts.

Below is a list exemplifying the means of committing offences with reference to the following activities:

- *Management of commercial activities.*

The **management of commercial activities** could present a risk in relation to the **crime of corruption between private individuals** in the event that a person in a senior position or subordinate of the Company offers or promises monies or other benefit to the purchasing manager of a client company in order to have a contract entered into for the provision of products.

With reference to the above activities, following are the specific principles of conduct.

Recipients who, for reason of their assignment or function, are involved in the management of the aforementioned activities **shall be obliged** to ensure:

- that relations with commercial counterparties take place in absolute compliance with the laws in force and with the regulations and principles of diligence, loyalty, fairness, clarity and transparency;
- compliance with all the provisions of the Company's policies and procedures;
- the proper qualification of clients, in accordance with corporate operating practices;
- traceability of all phases of the sales process, including the definition of sales prices and any discounts applied;
- that commercial offers are subject to the control of all functions performed and approved by entities with appropriate powers and in accordance with the approval process established by internal corporate regulations;
- that commercial offers/proposals (in terms of both prices and discounts) are defined on the basis of that established in a specific price list and/or pre-prepared cost sheet;
- that the products offered for sale are accompanied by the necessary documentation both in Italy and abroad (such as technical data sheets, customs documents, certificates of origin for the product, and so on);
- the completeness, clarity, truthfulness and correctness of the documentation to be sent to customers and that such documentation has been subject to approval by persons with appropriate powers;
- in the event that commercial activities are carried out – in whole or in part – with the support of third parties (agents), that the selection of the same is always done in compliance with that governed by the "Management of Relationships with Third Parties" section of this Special Section;
- that intervening relations with counterparties are formalised in written contracts signed by persons with appropriate powers;
- that all documentation relating to the management of commercial activities is filed by the company functions involved in the process, including through the use of suitable computer systems;

- that their hierarchical manager or corporate management, along with the Supervisory Body, is informed without delay regarding any conduct carried out by those operating with the private counterparty aimed at obtaining favours, illicit money or other benefits, including before third parties, as well as any critical matter or conflict of interest to arise in the context of the relationship with the clientele.

In the context of the aforementioned conduct, **it is prohibited** to:

- to make promises or undue contributions of monies or other benefit (by way of non-exhaustive example, hiring or conferring professional, commercial or technical assignments) to counterparties or persons close to the same;
- to enter into contracts with counterparties under conditions established according to non-objective parameters;
- to receive payments from persons who have no contractual/commercial relationship with the Company;
- to carry out any commercial operation, either directly or through a third party, with entities (natural or legal persons) named in international blacklists, or with entities controlled by the latter, where such control relationships are known;
- to adopt any deceptive behaviour towards the clientele.

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Below is a list exemplifying the means of committing offences with reference to the following activities:

- *Management of relations with the Public Administration;*
- *Management of public funding and contributions;*
- *Management of certifications and accreditations;*
- *Management of customs activities.*

The **management of relations with the Public Administration** could present risks in regards to the crime of **fraud against the State** in the event that, for example, a person in a senior position or subordinate of the Company misleads the Public Administration does not simply submit false statements or documents nor attesting to untrue circumstances but enacts further acts of deceit such as, for example, enclosing invoices for non-existent transactions in order to unduly obtain – for themselves or others – authorisation or permission granted by the Public Administration.

The **management of relations with the Public Administration upon audits and inspections** (Guardia di Finanza, the Local Health Unit, the Regional Environmental Protection Agency, and so on) could result in risks in relation to the **crime of corruption in carrying out a deed contrary to the duties of office** in the event that, for example, a person in a senior position

or subordinate of the Company gives or promises monies or other benefit to a public entity in order to induce them to determine the successful outcome of the inspection.

The **management of relations with the Public Administration** could also present risks in relation to the **crime of trafficking illicit influences** in the hypothesis in which a person in a senior position or subordinate of the Company offers or promises monies or other benefit to a third party who, by having relations with a public official or public service officer, may operate as an intermediary in relations with the Public Administration to obtain favourable treatment or undue benefits for the Company, such as the issuance of permits or authorisations, or the successful outcome of an inspection.

The **management of public funding** could present risks in relation to the configuration of **offences against the Public Administration** in the event of which, for example, the Company misleads a Public Official through artifice or deception in order to obtain undue financing or use such resources for purposes other than those for which the same were requested and obtained.

**Certification and accreditation management** could present risks in relation to the **crime of corruption against the Public Administration** in the event that a person in a senior position or subordinate of the Company offers or promises monies or other benefit to a public service appointee or persons indicated by them, in order to carry out an act of corruption or in any case obtain favourable treatment within the scope of the responsibilities of the same.

The **management of certifications and accreditations** could also present risks in relation to the crime of **corruption between private individuals** in the event that, for example, a person in a senior position or subordinate of the Company offers monies or other benefit to an official of a certification entity in order to obtain favourable treatment as part of a verification when obtaining/renewing specific certification.

The **management of customs activities** could result in risks in relation to the crime of **corruption** in the event that, for example, a person in a senior position or subordinate of the Company gives or promises monies or other benefit to a public entity in order to induce them to determine the successful outcome of the inspection.

With reference to the above activities, following are the specific principles of conduct.

Recipients who, for reason of their assignment or function, are involved in the management of the aforementioned activities shall be obliged to:

- ensure that relations with Public Administration officials are managed exclusively by persons with suitable and specific powers of representation or by persons specially and formally delegated;
- maintain high standards of integrity in all interactions with public entities, adopting transparent and responsible conduct;



- in the event of inspections, ensure that at least two resources appointed by the Company take part in the meetings, wherever possible;
- ensure full cooperation with the Public Officials during any possible inspections;
- ensure that compliance with the Public Administration is carried out with the utmost diligence and professionalism in order to provide information that is current, accurate complete and truthful whilst preventing and, in any case, avoiding situations of conflict of interest in the appropriate forms and ways;
- ensure traceability of relationships with the Public Administration, through archiving all communications, both inbound and outbound and/or reporting activities;
- ensure that the documentation to be sent to the Public Administration is prepared by the relevant persons;
- before forwarding to the Public Administration, submit the documentation to be transmitted to persons with suitable powers in order to verify the validity, completeness and truthfulness;
- promptly communicate to the Public Administration any significant variation that could impact the obtaining/maintenance of authorisations, licenses and so on;
- fulfil the obligations regarding transmission to the competent Authorities of the data and documents set out in the regulations in force or specifically requested by such Authorities;
- in the case of requests for funding and public contributions, verify that the declarations and documentation submitted for the purpose of obtaining such financing are complete and truthful;
- following participation in a tender for obtaining financing/contributions, ensure that the financing activities are conducted with the support of the competent functions, in the manner and within the time limits established in all banking/financing contracts, and that the information communicated is true and correct;
- ensure that financial resources obtained via public financing, contributions or grants are intended solely for the achievement of the purposes for which they have been requested and obtained;
- in the event that activities are carried out – in whole or in part – with the support of third parties (consultants, legal experts, and so on), ensure that the selection of the same is always done in compliance with that governed by the “*Management of Purchasing Goods and Services*” section of this Special Section;
- communicate without delay to their hierarchical manager or the management of the Company together with the Supervisory Body, regarding any conduct carried out by those operating with the public counterparty aimed at obtaining favours, illicit funds or

other benefits, including before third parties, as well as any critical matter or conflict of interest to arise in the context of the relationship with the Public Administration;

- communicate to the Administrative Body regarding the initiation of inspection activities;
- ensure that all process documentation is filed by the functions involved in the process.

In the context of the aforementioned conduct, **it is prohibited** to:

- to have dealings with Civil Service Officers or public officials without the presence of at least one other person, where possible, and without ensuring the decree of traceability specified above;
- to make promises or issue undue monies or other benefit (but not limited to: giveaways of significant value, hiring, conferring of professional, commercial or technical appointments) to public officials or public service officers or persons close to them or to private entities, with the aim of promoting or favouring the interests of the Company;
- in any event, to behave with the intention to improperly influence the decisions of officials dealing with or making decisions on behalf of the Public Administration;
- to follow recommendations or give in to pressure from public officials or public service officers;
- to submit untruthful statements by presenting documents that do not correspond with reality in whole or in part or by omitting the presentation of true documentation;
- to behave deceptively before the Public Administration in such a way as to lead the latter erring in its assessment throughout the analysis of requests for authorisations and the like;
- obstruct civil servants in carrying out inspection activities.

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Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Handling disputes and dealings with the Judicial Authority.*

**Handling disputes** could present a risk in relation to the **crime of corruption in court records** (either directly or through legal consultants) throughout dealings with the Administrative and Judicial Authorities, in the event that the Company proceeds to pay illicit compensation to counterparties in order to obtain a successful outcome in the dispute even in the absence of the preconditions for such.

**Handling disputes** could result in the risk of committing the **crime of corruption in carrying out a deed contrary to the duties of office** if, for example, a person in a senior position or subordinate of the Company transfers money to a judge in order to compensate them for a favourable outcome in court.

The **management of rapports with the Judicial Authority** could present risks in relation to the **crime of incitement to refrain from making statements or to make false statements to the Judicial Authority** in the event that, for example, a person in a senior position or subordinate of the Company accused of wrongdoings or being investigated in criminal proceedings is incited to make false statements (or to refrain from making them) to prevent the Company being found liable.

With reference to the above activities, following are the specific principles of conduct.

Recipients who, for reason of their assignment or function, are involved in the management of the aforementioned disputes shall be obliged to:

- operate in full compliance with laws, regulations, standards of conduct and principles of loyalty, fairness, clarity and transparency;
- ensure that all documentation and deeds submitted in the context of handling disputes and relations with the Judicial Authority are signed by entities with appropriate powers;
- ensure that the documentation for each individual activity is archived so as to ensure complete traceability of the information and decisions made, to enable the reconstruction of responsibilities, the reasons behind the choices made and sources of information used;
- ensure that the selection process regarding any external consultants and legal counsel is carried out by assessing the professionalism and reputation of the counterparty, whilst always being in compliance with that governed under the “Management of Purchases of Goods and Services” part of this Special Section;
- ensure that relations with legal counsel are defined within formalised contracts/letters of assignment containing clauses specifying:
  - that the third party declares compliance with the principles pursuant to Legislative Decree no. 231/2001 and adheres to the principles of the Code of Ethics adopted by the Company;
  - that the third party declares having completed all necessary acts of compliance and precautions aimed at preventing the above offences, having reinforced — where possible — its corporate structure with internal procedures and systems that are entirely suited to such prevention;
  - that any lack of truthfulness in the above declarations could constitute cause for termination of the contract pursuant to Article 1456 of the Italian Civil Code;
- ensure that, in relations with the Judicial Authority, the Recipients effectively cooperate and make statements that are truthful, transparent and exhaustively represent the facts.

In the context of the aforementioned conduct, **it is prohibited** to:

- issue provisions or payments to external legal agents, consultants, appraisers or other third parties operating on behalf of the Company that are not adequately justified in the context of the contractual relationship entered into with the same;
- engage in conduct contrary to the laws and the Code of Ethics in formal and informal meetings, including through external legal experts and consultants, to induce Judges or members of Arbitration Boards (including official auxiliaries and appraisers) to unduly favour the interests of the Company;
- engage in conduct contrary to the laws and the Code of Ethics during inspections/controls/audits by public entities or official surveyors, to influence the Judge/outcome in the interest of the Company, also by means of external legal experts and consultants.

In carrying out all operations related to handling relations with the Judicial Authority, in addition to the set of regulations outlined in this Model, the Recipients are obliged to know and respect the following:

- in relations with the Judicial Authority, the Recipients are obliged to provide effective cooperation and to make statements that are truthful, transparent and exhaustively representative of the facts;
- in relations with the Judicial Authority, the Recipients and, in particular, those being investigated or defendants in criminal proceedings (along with those related thereto) in regards to the professional undertakings provided to the Company, are required to freely express their representation of the facts or exercise the right not to respond accorded by law;
- all Recipients must promptly inform – via the communication tools existing within the Company (or using any other communication instrument, provided it be in compliance with the principle of traceability) – the Supervisory Body regarding any deed, summons to testify or judicial proceedings (civil, criminal or administrative) in which they are involved, in any respect, in relationship to or in any case connected to their work activity;
- the Supervisory Body must be able to obtain full knowledge of any ongoing proceedings, including through participation in meetings concerning the processes that are pertinent or in any case preparatory to the defensive activities of the Recipient themselves, even in cases where the aforementioned meetings foresee the involvement of external consultants.

In the context of the aforementioned conduct, **it is also prohibited** to:

- coerce or induce – in any form and in any manner, in the misaligned interests of the Company – the will of the Recipients to respond to the Supervisory Authority or to avail of the right not to respond;

- accept, in relations with the Judicial Authority, monies or other benefit, including through consultants of the Company itself;
- induce the Recipient to make untruthful statements in relations with the Supervisory Authority.

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Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Management of purchasing goods and services.*

The **management of purchasing goods and services** could present risks in relation to committing **crimes against the Public Administration** in the case in which, for example, a person in a senior position or subordinate of the Company enters into contracts that have been fabricated or with deliberately incongruous values in order to generate provisions to be used for corruptive purposes.

The **management of purchasing goods and services** could also present risks in relation to the **crime of corruption between private individuals** in the event that, example, a person in a senior position or subordinate of the Company issues monies or other benefit (such as gratuities, donations, hiring, and so on) to the purchasing manager of a supplier company in order to obtain the provision of a good or service at a lower price than the market value or under conditions that are particularly favourable in respect of the standards normally adopted to the detriment of the counterpart.

With reference to the above activities, following are the **specific principles of conduct**.

In the management of relations with suppliers of goods and services, the Company must introduce into the contracts clauses specifying:

- that the company concerned declares compliance with Form 231 and the Company's Code of Ethics;
- in regards any procurement, work or administration contracts, that the company concerned declares employing only personnel hired under legal employment contracts, in full compliance with existing legislation on social security, taxation, insurance and regulations on immigration;
- that the company concerned declares having the authorisations required by law to carry out its business;
- that the company concerned declares having enacted all necessary acts of compliance and precautions aimed at preventing the above offences, having reinforced – where possible – its corporate structure with internal procedures and systems that are entirely suited to such prevention;
- that any lack of truthfulness in the above declarations could constitute cause for termination of the contract pursuant to Article 1456 of the Italian Civil Code.

If such clauses are not accepted by the counterparty, the Company shall inform the Supervisory Body in a timely manner.

Recipients who, for reason of their assignment, function or specific mandate, are involved in the aforementioned activity shall be obliged to:

- ensure compliance with all the provisions of the Company’s policies and procedures;
- ensure adequate segregation between functions within the supplier selection, qualification and management process;
- ensure that relations with suppliers and consultants take place in absolute compliance with the laws in force and with the regulations and principles of loyalty, fairness and transparency;
- be equipped with a specific supplier record in order to gather and sort all critical and significant information of these;
- ensure that the selection of suppliers, contractors and consultants is carried out by assessing pre-defined subjective and objective criteria, including the reputation and reliability of the subject in the market, and updated by the Company where necessary;
- subject suppliers and consultants/contractors considered to be “at risk” to a qualification process enabling the verification of the requirements of integrity, professionalism and commercial reliability, as well as the technical-professional, insurance contributions and financial soundness of the same by analysing Chamber of Commerce certificates, anti-mafia self-certification and other documentation available, also found by online searches;
- verify and assess potential conflicts of interest with the supplier/consultant; in the event of assignments to individuals, check there are no relative incompatibilities, such as having formerly been a public servant, in order to ensure compliance with the provisions of Legislative Decree no. 165/2001, Article 53, paragraph 16-ter (introduced by Law 190/2012 on “Anti-corruption”);
- proceed with the selection of the supplier through the comparison of several offers in terms of expenses with a higher default amount, using a “tender” mechanism between suppliers where appropriate, except in particular cases that must be duly reasoned (such as contracts of significant value, contracts with specific companies, and so on);
- ensure that the choice of suppliers is always reasoned and adequately documented, including with reference to the single supplier;
- verify that suppliers hold the specific authorisations required to carry out certain activities;
- ensure that all relationships with suppliers or consultants/professionals are formalised on the basis of contractual standards approved according to the system of proxies in

force, including clear indications of the price of the goods or the payment of the service;

- ensure that monitoring activities are conducted on suppliers on the basis of the underlying level of risk;
- ensure that the determination of the amount is made on the basis of principles of cost-effectiveness (“market values”) and of congruity with respect to the object of the provision/purchase and that the same is proportionate to the actual benefit of the supply/provision for progression of the Company’s activities;
- ensure traceability of the purchase process (purchase request, purchase authorisation and vendor selection process) through filing documentation to support the decision-making process;
- ensure that the contract/appointment with the supplier or consultant is signed before the execution of the planned activities and after the issuance of internal authorisations;
- in the case of procurement services involving the use of non-EU personnel, verify the validity of the relevant residence permits;
- verify the conformity of the products/services received with respect to that effectively ordered;
- make payments only if properly supported by valid documentation (contract or purchase order) and only as a result of validation according to the default internal authorisation process;
- check the legality of payments, with reference to the entire coincidence between the recipient/payer and the counterparties actually involved;
- monitor the congruence between that ordered and that received as well as the compliance of the services carried out by consultants and suppliers with respect to that envisaged at a contractual level;
- identify appropriate and transparent remuneration criteria for any consultants;
- monitor and periodically assess the performance of external consultants/legal advisors and suppliers;
- communicate, without delay, to their hierarchical manager and to the management of the Company together with the pertinent Supervisory Body regarding any critical factor to have emerged in handling the goods and services purchasing activities.

In the context of the aforementioned conduct, **it is prohibited** to:

- make payments in cash, to bank accounts that are encrypted or not registered to the supplier or not per that listed in the Contract;

- make payments in countries other than that of the supplier’s residence;
- make inadequately-documented payments;
- create provisions against unjustified payments (in whole or in part);
- commit the company to verbal orders/contracts with consultants;
- carry out any commercial or financial operations, either directly or through a third party, with entities (natural or legal persons) named in lists held by the Bank of Italy or with entities controlled by the latter, where such control relationships are known;
- perform services for consultants and suppliers that are not adequately justified in the context of the contractual relationship established with them and to pay compensation that is not adequately justified in relation to the type of assignment to be carried out and the procedures in force within the local area.

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Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Selection and management of personnel;*
- *Management of expense reports and entertainment expenses.*

**Personnel selection activities** could present risks in relation to the **crime of corruption** in the event of, for example, a candidate close to or indicated by a public official, in order to obtain an undue advantage for the Company itself.

**Personnel selection activities** could also present risks in relation to the **crime of corruption amongst private individuals** in the event that, for example, a person in a senior position or subordinate of the Company hires an employee of a competing enterprise in exchange for information useful to the Company itself (industrial secrets, and so on), to the detriment of the counterparty.

**Management of expense reports** could present risks in relation to **offences of corruption**, the event that, for example, a person in a senior position or subordinate of the Company, in order to equip employees with provisions to be used for corruptive purposes, reimburses fabricated expenses or expenses not falling within the normal activities of the employee.

Again, with reference to the above activities, following are the specific principles of conduct.

Recipients who, for reason of their assignment, function or specific mandate, are involved in the selection and management of the personnel shall be obliged to:

- ensure compliance with all the provisions of the Company’s policies and procedures;
- operate in full compliance with the laws, regulations, Code of Ethics and principles of loyalty, fairness, clarity and transparency;



- carry out selection activities aimed at ensuring that the choice of candidates is carried out on the basis of the professional and personal characteristics necessary for the execution of the work to be conducted and in the compliance with the requirements of equality in processing, independence and competence whilst avoiding favouritism of any kind;
- operate in respect of personal dignity, the criterion of meritocracy and equal opportunities, without any discrimination based on sex, racial or ethnic origin, nationality, age, political views, religious beliefs, health status, sexual orientation, or economic-social conditions;
- ensure segregation of the personnel selection process, adopting specific roles and responsibilities in relation to the activity of analysis of curricula and conduct of interviews, and the hiring stage;
- hire staff only and exclusively under legal employment contracts and with remuneration consistent with the applicable Collective Agreement;
- ensure that contracts are signed by entities with appropriate powers;
- in the process of welcoming all new hires into the company, ensure that the information transmitted is clear and adequate in order to enable the newcomer to receive the best instructions in a business reality that is still unknown;
- ensure that a copy of the Code of Ethics and this Model are issued to the new employee upon hiring and that the employee formally undertakes to fully comply with the principles contained therein;
- ensure an adequate training process for induction of the new hire, providing – amongst other things – suitable information regarding the Company’s Model and Code of Ethics, as well as the occupational health and safety standards;
- monitor due participation in training sessions;
- ensure the existence of documentation certifying the proper conduct of the selection and recruitment process with details of the motivation underlying the choice of candidate;
- ensure the collection, storage and retention of all documentation relating to the selection of personnel to be completed by the functions involved in the process;
- ensure that the verification of possible conflicts of interest with regards to the candidate is carried out during the selection phase;
- verify if the candidate has ever held a position as a public employee, in order to ensure compliance with the provisions of Legislative Decree no. 165/2001, Article 53, paragraph 16-ter (introduced by Law 190/2012 on “Anti-corruption”);
- where third parties have recourse to the selection of candidates, ensure that the process of selecting the personnel always takes place in compliance with that regulated with regards to the sensitive activity of *Management of Purchasing Goods and Services*

in this Special Section and is carried out by assessing the professionalism and integrity of the counterparty;

- ensure that the determination of remuneration and the framework for the position covered is made on the basis of the principle of conformity with the professional qualification of the person selected/hired and the standards of reference of the internal organisational and remuneration system and the labour market, as well as being proportionate to the actual utility of the job conferred for the development of the Company's activities;
- define specific policies on fixed and variable remuneration according to the role held within the Company;
- ensure that the provision of any incentives or premiums to staff is conducted on the basis of objective, quantitative, accountable and verifiable parameters;
- ensure traceability of the incentive procedure, through the formalisation of the objectives and the relative finalisation;
- ensure that the reimbursement of expenses incurred shall be requested through the computer systems used by the Company and will be via tools that ensure the traceability of financial flows (bank transfer or bank cheque);
- verify that any costs incurred are inherent in the conduct of work, appropriate and adequately documented through the annexing of fiscally-valid supporting documentation;
- ensure that expense reports are properly checked in compliance with internal regulations and authorised by entities with suitable powers;
- ensure traceability of the various stages of the expense reimbursement management procedure through systematic filing of documentation with the Administration function in order to permit the reconstruction of responsibilities and reasoning behind the choices made whilst also respecting the provisions of taxation laws;
- ensure that no abnormal charges are reimbursed;
- communicate, without delay, to their hierarchical manager or management of the Company together with the Supervisory Body regarding any conduct aimed at obtaining an illicit advantage for the Company.

In the context of the aforementioned conduct, **it is prohibited** to:

- operate according to the logic of favouritism;
- hire or promise recruitment to employees of the Public Administration (or their relatives, relations, friends, and so on) who have participated in the Public Administration's authorisation processes or in inspection activities, vis-à-vis the Company;

- promise hires/career advancements to resources close to or valued by public officials or private counterparties (such as competitors, suppliers, and so on) without aligning with the actual requirements of the company and not respecting the principle of meritocracy with the aim of producing an undue advantage for the Company;
- reimburse expenses that:
  - have not been duly authorised;
  - are not suitably justified in relation to the type of activity carried out;
  - are not supported by valid justification or are not listed in the expense report.

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Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Management of relationships with third parties (agents and contractors).*

The **management of relationships with third parties** could present risks in relation to the **crime of corruption** in the event that, for example, a person in a senior position or subordinate of the Company enters into trade agreements that have been fabricated or contain deliberately incongruous values with trading partners in order to generate provisions to be used for corruptive purposes.

With reference to the above activities, following are the specific principles of conduct.

Recipients who, for reason of their assignment, function or specific mandate, are involved in the aforementioned activity shall be obliged to:

- ensure an adequate qualification process for third parties, including verification of commercial and professional reliability along with compliance with the requirements of integrity of the counterparties through, for example, requesting a copy of the professional's *resumé* or Chamber of Commerce certificates, register of pending charges, anti-mafia self-certification or other information commercially available;
- respect the principles of transparency, professionalism, reliability, motivation and non-discrimination when choosing the counterparty;
- ensure that the process of selecting business partners always takes place in compliance with that governed by corporate procedures;
- be sure of the identity of the counterparty;
- ensure that the agreed remuneration and commissions fall within normal market conditions and are in any case, contractually defined on the basis of objective calculation criteria;

- ensure that relationships with such third parties are defined within formalised contracts containing clauses specifying:
  - that the third party declares compliance with the principles pursuant to Legislative Decree no. 231/2001 and adheres to the principles of the Code of Ethics adopted by the Company;
  - that the third party declares having completed all necessary acts of compliance and precautions aimed at preventing the above offences, having reinforced — where possible — its corporate structure with internal procedures and systems that are entirely suited to such prevention;
  - that any lack of truthfulness in the above declarations could constitute cause for termination of the contract pursuant to Article 1456 of the Italian Civil Code;
- subject third parties to periodic visits aimed at verifying compliance with the established regulatory and compliance standards;
- pay out compensation in a manner that is always transparent, documentable and reconstructible ex post – in particular, verify the correspondence between the person receiving the payment and the person who provided the service;
- promptly communicate to their hierarchical manager or management of the Company together with the Supervisory Body, including through existing communication tools in the Company, regarding any suspicious conduct or activities carried out by those operating on behalf of the counterparty.

In the context of the aforementioned conduct, **it is prohibited** to:

- engage the Company with verbal contracts with the counterparty;
- issue or accept invoices regarding non-existent transactions;
- make payments and issue reimbursements for counterparties that are not adequately justified in relation to the type of activity carried out, that are not supported by fiscally-valid justification and are not listed on an invoice;
- attest to the receipt of non-existent sales benefits;
- create off-balance sheet funds for transactions contracted at higher than market conditions or invoices that are non-existent in whole or in part.

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Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Management of cash flows;*
- *Management of intercompany relationships.*

**Non-transparent management of financial resources** could present risks in relation to **offences of corruption** in the event whereby, for example, the Company is permitted to issue funds for corruptive purposes.

The **management of intercompany relationships** could present risks in relation to **offences against the Public Administration and its holdings and in the crime of corruption between individuals** in the event that, for example, the Company uses financial resources in transactions with Group companies in order to generate provisions to be used for corruptive purposes.

Again, with reference to the above activities, following are the specific principles of conduct.

Recipients who, for reason of their assignment, function or specific mandate, are involved in the aforementioned activities shall be obliged to:

- only authorise persons who have been identified prior and have a special proxy to manage and handle cash flows;
- pay registered invoices, accompanied by the relevant orders and in any case approved by the applicant function who certifies the provision and consequently authorises the payment;
- ensure that all provisions in bank accounts registered to the Company are adequately documented and authorised in accordance with the system of proxies in force;
- ensure that payments or receipts paid out in cash are made within the limits permitted by current legislation;
- ensure periodic balancing of bank account records;
- ensure that transactions involving the application or use of economic resources (acquisition, management, transfer of money and values) or financial resources always have an express causation, are motivated by the requesting entity, and are documented and registered in accordance with the principles of professionalism and proper management and accounting, in addition to being aimed towards lawful and ethical activities;
- ensure the detection and analysis of payments/receipts deemed abnormal in regards to any suspicious counterparty, the amount, type, object, frequency or entity;
- immediately cease or, in any case, not execute collection and payment operations involving persons undertaking their activities, even in part, in States reported as being uncooperative according to the indications of national and/or supranational bodies working towards combating money laundering and terrorism;

- check the legality of payments in reference to the full coincidence of the recipients/issuers whilst the counterparties actually involved in the transaction, in particular, must be precisely verified as coinciding with the person to whom the order is registered and the person collecting the relative sums;
- carry out appropriate checks on the holder of suppliers' bank accounts and duly give reasons for situations in which cash flows are not issued:
  - in the country of residence of the supplier and/or the Company;
  - in the country in which the provision takes place;
- ensure that, for the management of inbound and outbound streams, only banking channels and other financial intermediaries that are accredited and subject to the European Union framework are utilised, or else credit/financial institutions located in a non-Community State imposing obligations equivalent to those established in the laws on laundering and including monitoring of compliance with such obligations;
- ensure that the Company's payments and cash flows are always traceable and provable documentally;
- ensure appropriate segregation between entities authorised to upload payment slips, approvers and those who manage sensitive data within the supplier records;
- make payments exclusively by bank transfer to the bank account indicated by the supplier in the relative contract – under no circumstances is the Company to make payments in cash or by means of securities to the bearer or to a person other than the counterparty and in a country other than that in which the provider has rendered its services;
- in the case of using petty cash, comply with the internal regulations adopted by the Company and the limits on using the cash as established under current legislation;
- ensure that the use of petty cash is adequately documented and carried out by duly-authorised personnel;
- ensure periodic balancing of the petty cash;
- ensure proper and complete archiving of documentation by the functions involved in the process;
- without delay, communicate to corporate management as well as the Supervisory Body regarding any critical information that might arise in the context of the activity in question.

Recipients who, for reason of their assignment, function or specific mandate, are involved in managing intercompany relationships shall **also be obliged** to:

- ensure that intercompany relationships are regulated through specific disciplinary contracts, including:
  - details of the contracted activities and the services provided;
  - the roles and responsibilities of the parties;

- the agreed remuneration and corresponding parameters for determining the amount;
- ensure that contracts entered into with Group Companies are signed by entities with suitable powers;
- ensure traceability of all operations with Group Companies by filing all pertinent documentation.

In the context of the aforementioned conduct, **it is prohibited** to:

- make payments or issue compensation for employees, suppliers, consultants or other third parties operating on behalf of the Company, whereby not adequately justified in the context of the constituted contractual relationship and not adequately documented;
- make payments in cash or by means of securities to the bearer or an entity other than the counterparty and in a country other than the one in which the provider has rendered its services;
- accept and execute payment orders from non-identifiable entities;
- make payments to encrypted bank accounts or accounts not registered to the supplier or other than those contractually established;
- generate funds before unjustified payments (in whole or in part), including through relationships with companies belonging to the Group;
- make cash payments for amounts exceeding regulatory limits or via untraceable means of payment;
- pay intercompany invoices relating to non-existent transactions in whole or in part;
- receive payments from persons who have no contractual/commercial relationship with the Company;
- make money transfers whereby there is not complete coincidence between the recipients/issuers and the counterparties actually involved in the transactions.

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Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Handling of gratuities, donations and sponsorships.*

**The management of gratuities, sponsorships and donations** could present risks in relation to the **crime of bribery** in the event that, for example, a person in a senior position or subordinate of the Company grants donations or gratuities of significant value to public or private counterparties in order to carry out corruptive deeds and obtain illicit benefits.

Recipients who, for reason of their assignment, function or specific mandate, are involved in the aforementioned activity shall be obliged to:

- ensure that the value, nature and purpose of the gratuities are considered ethically correct, such as not to compromise the image of the Company;
- check that the beneficiaries of the initiatives operate in compliance with the Company's principles;
- ensure that donations and disbursements of any kind are made only whereby authorised by competent entities, formalised and accounted for ahead of time;
- ensure that purchasing gratuities and entering into sponsorship and donation agreements are carried out in accordance with the corporate delegate and proxy system;
- ensure that free sponsorships and disbursements of any kind occurs only whereby properly authorised, formalised and accounted for;
- ensure that sponsorships are conducted by duly qualified entities and subject to the authorisation of the Managing Director;
- check the legal nature of the beneficiaries, ensuring that initiatives are carried out only before individuals who demonstrate credibility and a good reputation and who orient their management criteria towards ethicality and transparency;
- ensure the transparency and traceability of all documentation relating to the process of approving donations and dispersing gratuities (verification of the list of names);
- ensure that relations with counterparties are formalised through appropriate contractual instruments (such as requests and/or sponsorship contracts);
- verify, in the context of sponsorship contracts, the actual conduct of contracted activities;
- verify the effective conduct of the subsidised initiatives (donations), with respect to the purposes (intended use) for which they have been granted, through compiling appropriate documentation;
- ensure documentation relating to the process of issuing gratuities, donations, largesse and sponsorships is completely and correctly filed by the functions involved in the process;
- ensure that the legality of payments is verified, with reference to the full coincidence of the recipients of payments and the counterparties actually involved;
- ensure that any gratuities have a negligible (modest) value and are inspired by the principle of sobriety – with no prizes or benefits of a pecuniary nature or of more than a negligible value;
- without delay, communicate to the corporate management as well as to the Supervisory Body regarding any critical matters that arise in the context of the management of the disbursement activities of sponsorships, donations and gratuities.



In the context of the aforementioned conduct, **it is prohibited** to:

- promise or give gifts to Italian or foreign public officials, including sponsorships, for purposes other than institutional or service purposes;
- offer or promise gifts or gratuities outside of corporate practices and exceeding normal courtesy;
- sign sponsorship contracts at deliberately unreasonable values in order to provide undue benefit to a public or private counterparty;
- offer or promise public servants or their family members – directly or indirectly – any form of gift or gratuitous benefit that may appear in any way related to the business relationship with the Company, be it aimed towards influencing the independence of judgement or to induce insurances of any advantage to the Company.

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### **A.5 Flows of information to the Supervisory Body**

The Recipients of this Model who, in carrying out their activities, have to handle pertinent activities within the meaning of Articles 24, 25 and 25-ter (as specified above) and 25-*decies* of Legislative Decree no. 231/2001, shall promptly communicate to the Supervisory Body, in writing, any information concerning derogations or breaches of which they become aware with respect to the standards of conduct governed therein, the pertinent legal regulations and the principles set out in the Code of Ethics.

In addition, by way of mere example, the Recipients are required to transmit to the Body:

- the measures or information issued by judicial police bodies or any other authority from which the conduct of investigative activities regarding offences relevant to the purposes of the Decree is demonstrated, also whereby initiated against the unknown parties;
- requests for legal assistance in the event of any initiation of legal proceedings for offences relevant to the Decree;
- any information shining light on the disciplinary proceedings carried out and any sanctions imposed, the measures taken or the reasoned measures to file disciplinary proceedings against the Company personnel;
- pertinent information regarding any violations of the regulations referred to in the Model.

### **A.6 Sanctions**

In the event of any violation of the provisions contained in this Special Section, the disciplinary sanctions established in the Company's Organisation, Management and Control Model shall apply in accordance with the applicable National Collective Bargaining Agreement or the Contract signed on each occasion.

Any violation of the requirements contained therein or conduct of third parties not compliant with such shall be sanctioned by the competent bodies in accordance with internal corporate regulations, according to that set out in the clauses of the applicable contracts.

**SPECIAL SECTION B**

**COMPUTER CRIMES, UNLAWFUL PROCESSING OF DATA AND  
OFFENCES RELATING TO COPYRIGHT INFRINGEMENT**

## **B.1 Function of Special Section B**

This Special Section aims to illustrate the responsibilities, the criteria and behavioural norms to which the Recipients of this Model – as defined in the General Section – must follow in handling activities at risk related to the criminal offences referred to in Article 24-bis and 25-*novies* of Legislative Decree no. 231/2001, in compliance with the principles of maximum transparency, timeliness and collaboration, as well as traceability of activities.

Specifically, this Special Section is intended to define:

- the principles of conduct to be observed by the Recipients in order to properly apply the requirements of the Form;
- the flows of information to the Supervisory Body.

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## **B.2 Pertinent offences**

For declarative completeness, below are all the offences that form the basis of the administrative responsibility of the institutions pursuant to Articles 24-bis and 25-ter and 25-*novies* of the Decree.

### **Computer crime and unlawful data processing**

#### ***Forgery of electronic documents or papers with probative value (Article 491-bis of the Italian Criminal Code)***

The regulation sanctions conduct falsifying electronic documents, having probative effect by extending the application of the provisions on material and documentary forgery enacted before the hypotheses of falsification of electronic documentation.

#### ***Illicit access to a computerised or telematic system (Article 615-ter of the Italian Criminal Code)***

The standard protects electronic and telematic privacy, being the confidentiality of data stored in IT systems or transmitted via telematic systems. It sets out two separate offences: that of abusive access to a computer or telematic system protected by security measures, and that regarding persons who maintain such against the express or tacit will of those who have the right to exclude this.

The computer system is understood as the complex of physical (*hardware*) and abstract (*software*) components comprising processing apparatus. A telematic system is any communication structure in which the exchange of data and information is managed with computer and telecommunications technologies.

Such conduct arises when the agent breaches the security barriers of both the hardware and software. The law does not require the agent to have assumed knowledge of all or a conspicuous portion of the data stored in the hacked system. For the offence to be committed, it is sufficient that they have breached the protective barriers and have begun to become aware of the data contained therein.

***Possession and illicit diffusion of codes for the access to computerised and telematic systems (Article 615-quater of the Italian Criminal Code)***

The offending conduct consists alternatively in procuring, or in any case acquiring the availability (it being entirely irrelevant if the access code to the computer system subject to the transfer has been obtained unlawfully) to reproduce or make one or more copies, disseminate or disclose, communicate, or bring to the material knowledge of third parties the codes, keywords or other means suitable for accessing a computer or telematic system of others protected by security measures, or in providing information or instructions such as to allow a third party to access a computer system of others protected by security measures.

The regulation provides for the aggravation of punishment in cases in which the deed is committed:

- to the detriment of a computer or telematic system used by the State or other public body or undertaking that operates public or public utilities;
- by a public official or public service officer, with abuse of powers or breach of duties relating to the function or service, or by misuse of the role of system operator.

***Dissemination of equipment, devices or software aiming at damaging or discontinuing a computerised system (Article 615-quinquies of the Italian Criminal Code)***

The regulation aims to preserve the proper functioning of computer technologies. It sanctions the conduct of anyone who procures, manufactures, reproduces, imports, disseminates, communicates, deliveries or, in any case, makes available to others any computer equipment, devices or programs for the purpose of unlawfully damaging an electronic or telematic system, the information, data or programs contained therein or pertinent to such, or to encourage the total or partial interruption or alteration of its operation.

Reference is, amongst other things, made to viruses, being programs capable of modifying or deleting the data of a computer system.

***Illicit interception, impediment or interruption of computerised or telematic communications (Article 617-quater of the Italian Criminal Code)***

The standard in question protects the confidentiality of computer communications or the right to exclusivity of knowledge of the content of the latter, as well as conduct of undue capturing, and the revelation of content determined illegally.

The offending conduct alternately consists in fraudulently intercepting, preventing or disrupting communications between computer systems.

***Installation of equipment suitable for intercepting, preventing or interrupting computerised or telematic communications (Article 617-quinquies of the Italian Criminal Code)***

The standard protects the legal right to confidentiality regarding information or news transmitted electronically or processed by individual computer systems.

The offence occurs upon the implementation of equipment able to intercept, impede or interrupt computer or telematic communications.

***Damage to computerised information, data and computer programs (Article 635-bis of the Italian Criminal Code)***

Except whereby the deed constitutes a more serious crime, the regulation punishes anyone who destroys, degrades, deletes, alters or suppresses informational data or computer programs.

The severity of the penalty is increased if the act is committed by violence to the person or by threat, as an abuse of the role as system operator.

***Damage to information, data and computer programs used by the State or by another Public Entity or in any case of public utility (Article 635-ter of the Italian Criminal Code)***

Except whereby the deed constitutes a more serious offence, the regulation sanctions the conduct of any person who acts to destroy, degrade, erase, alter or suppress data or the computer programs used by the State or other public entity or pertinent thereto or in any case of public benefit.

The severity of the penalty is increased if the deed results in the destruction, degradation, erasure, alteration or suppression of information, data or computer programs or if the act is committed with violence to the person or through threat or abuse of the role of system operator.

***Damage to computerised or telematic systems (Article 635-quater of the Italian Criminal Code)***

Unless the deed constitutes a more serious offence, the regulation shall sanction anyone who, by means of the conduct referred to in Article 635-bis, destroys, damages, renders entirely or partially inoperable computer or telematics systems of others, or severely hinders their functioning through the introduction or transmission of data, information or programs.

The severity of the penalty is increased if the act is committed by violence to the person or by threat, as an abuse of the role as system operator.

***Damage of computerised or telematic systems of public utility (Article 635-quinquies of the Italian Criminal Code);***

The regulation sanctions the same conduct as referred to in the preceding point in the event that the deed is aimed at destroying, damaging, or rendering entirely or partially inoperable computer or telematic systems of public utility or to severely impede the operation thereof.

The severity of the penalty is increased if the act results in the destruction or damage of the computer or telematics system of public utility or such is rendered, in whole or in part, inoperable and if the deed is committed by violence to the person or by threat or abuse of the role of system operator.

***Computer fraud of the entity providing electronic signature certification services (Article 640-quinquies of the Italian Criminal Code)***

The regulation punishes any person who provides electronic signature certification services and who, in order to procure an unfair gain for themselves or others or to cause other damage, violates the obligations set out by law for issuing a qualified certificate.

***Violation of the national cyber security regulations***

The crime punishes any person making false statements or fail to communicate data or information relevant to the performance of controls by the Public Authorities responsible for the surveillance of national cyber security, in the three cases referred to by the regulation:

- procedure for the establishment of lists of networks on which the performance of an essential function or service depends, under art. 1 par. 2 letter b) Legislative Decree Cyber Security;
- procedure for the supply of ICT goods, systems and services to be used within the national security perimeter ex art. 1 par. 6 lett. a);
- performance of functions of supervision on the national security perimeter by the Presidency of the Council of Ministers and the Ministry of Economic Development under art. 1 par. 6 lett. c).

### **Copyright infringement offences**

These are offences established under Law 633/1941 to protect copyright. Namely:

#### ***Criminal protection of economic and moral copyright (Article 171, paragraph 1, letter a-bis) and paragraph 3 of Law no. 633/1941)***

This regulation curbs the conduct of those who, without being entitled to do so, for any purpose and in any form, render a work of protected ingenuity – or part thereof – available to the public by placing it in a system of telematic networks, by any type of connection.

The punishment is increased upon the conduct being committed over a work of others not intended for publication, that is by usurpation of the work's authorship or by deformation, mutilation or other modification of the work itself, whereby offensive to the honour or reputation of the author.

According to the second sub-paragraph, it is possible to squash the crime by paying a sum corresponding to half of the maximum financial penalty set out in the first sub-paragraph before the commencement of the proceedings or prior to the issuance of the sentencing decreeing the penalty, in addition to the costs of the proceeding.

This article indicts the so-called "*peer-to-peer*",<sup>2</sup> yet only cites the uploading of protected intellectual works to the *internet* and not also the subsequent activities of sharing and dissemination by which anyone can access the works present on the telematic network.

The object of the protection is the protected intellectual works, to be understood, according to the definitions:

- of Article 1 of Law no. 633/1941, according to which "*Works of creative ingenuity belonging to literature, music, figurative arts, architecture, the theatre and cinematography, no matter the manner or the means or form of expression. Like literary works, computer programs are also protected under the Berne Convention for*

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(<sup>2</sup>) *Peer-to-peer* is the exchange of protected works that occurs in *file-sharing* systems, in which each user is both a *downloader* and *uploader* in automatically sharing downloaded files even during the *download* phase.

*the Protection of Literary and Artistic Works ratified and implemented with Law no. 399 dated 20th June 1978, as are the databases constituting an intellectual creation of the author or arrangement of the material”;*<sup>3</sup>

- of Article 2575 of the of the Italian Civil Code, for which “*The works subject to copyright<sup>4</sup> are of creative ingenuity belonging to the sciences, literature, music or figurative arts, to architecture, theatre or cinematography, no matter the manner or form of expression.*”

**Criminal protection of software and databases (Article 171-bis of Law no. 633/1941)**

The standard in question lays out two hypotheses of crime:

- in the first sub-paragraph, the conduct of those who duplicate for profit any computer programs or else for the same purposes imports, distributes, sells, holds for commercial or entrepreneurial purposes or rents programs contained in media not identified by the Società Italiana degli Autori ed Editori (SIAE, being the Italian Society of Authors and Publishers). The same conduct shall also be criminally prosecuted if inherent in any means intended solely to allow or facilitate the arbitrary removal or functional circumvention of devices aimed at protecting a

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(<sup>3</sup>) Article 2 specifies which works are subject to protection, providing that “*Included, in particular, under the protection are: 1) literary, dramatic, scientific, didactic or religious works, be they in written or oral form; 2) musical works and compositions, with or without lyrics, dramatic-musical works and musical variations constituting original work in their own right; 3) choreographic and pantomimic works, of which there is set evidence in writing or otherwise; 4) the works of sculpture, painting, of the art of drawing, engraving and similar figurative arts, including scenography; 5) architectural drawings and works; 6) works on the art of film – silent or with sound – always whereby such are not merely documents protected under the regulations of Chapter 5 of Title 2; 7) photographic works and those expressed with similar procedures to that of photography always other than simple photography protected under the regulations of Chapter 5 of Title 2; 8) computer programmes – in any way expressed – provided they are original as a result of the author’s intellectual creation. The ideas and principles underlying any component of a program, including those underlying its interfaces, remain excluded from the protection granted by this Act. The term ‘programme’ shall also include preparatory material for design of the programme; 9) the databases referred to in the second sub-paragraph of Article 1, intended as collections of works, data or other independent components systematically or methodically arranged and individually accessible by electronic means or otherwise. The protection of databases does not extend to their content and does not prejudice existing rights to such content; 10) works of industrial design that in and of themselves have a creative character and artistic value”.*

(<sup>4</sup>) The content subject to copyright is defined by Article 2577 of the Italian Civil Code, which sets out that “*The author has the exclusive right to publish the work and to use it economically in any form and manner, within the limits and for the effects established by law. The author – even after the transfer of the rights provided for in the preceding paragraph – may claim authorship of the work and object to any deformation, mutilation or other modification of the work itself, which may be prejudice to their honour or reputation*” and Article 12 of Law 633/1941, that establishes that the author has the exclusive right to publish the work and to economically avail of the work within the limits set by law.



- computer program;
- in the second sub-paragraph, the conduct of those who – in seeking to profit from such – reproduce, transfer to other media, distribute, communicate, present or demonstrate in public the content of a database on non-marked SIAE media or perform the extraction or re-use of the database in violation of the legal provisions, or distribute, sell or lease a database.

***Criminal protection of audio-visual works (Article 171-ter of Law no. 633/1941)***

The first sub-paragraph of the standard in question punishes a range of conduct whereby carried out for non-personal use and for-profit purposes; in particular, the following are sanctioned:

- the abusive duplication, reproduction, transmission or dissemination in public via any process, in whole or in part, of a work of ingenuity intended for television, film or the sales or rental circuit, discs, tapes or similar media or any other media containing phonograms or videograms of assimilated musical, film or audiovisual works or sequences of moving images;
- the abusive reproduction, transmission or dissemination in public, via any process, in whole or in part, of works of a literary, dramatic, scientific or didactic nature, musical or dramatic/musical works, or multimedia, even if included in collective or composite works or databases;
- beyond the cases of competition in duplication or reproduction, introduction into the territory of the State, possession for sale or distribution, distribution, placing on the market, granting as a rental or transfer in any capacity, public screening, broadcast by television via any process, broadcast by radio, with the aim of having the public listen to the duplications or abusive reproductions mentioned above;
- holding for sale or distribution, placing on the market, sale, rental, transfer in any capacity, public projection, broadcast by radio or television via any process, of videotapes, music cassettes, any media containing phonograms or videograms of musical, film or audiovisual works or sequences of moving images, or other media for which it is prescribed, pursuant to copyright law, the affixing of a SIAE marking, without the marking or bearing forged or altered marking;
- the retransmission or dissemination via any means of an encrypted service received through an apparatus or parts of an apparatus for decoding transmissions with conditional access, in the absence of agreement with the legitimate distributor;
- introduction into the territory of the State, holding for sale or distribution, distribution, sale, granting for hire, transfer in any capacity, commercial promotion, installation of special decoding devices or elements allowing access to an encrypted service without payment of the due fee;
- the manufacture, import, distribute, sale, rent or transfer in any capacity, advertising for sale or rental, holding equipment, products or components for commercial purposes or the provision of services that have the prevailing purpose or commercial use of circumventing effective preventive technological measures or that are primarily designed, produced, adapted or manufactured with the purpose of making

- possible or facilitating the circumvention of such measures;
- the abusive removal or alteration of electronic information identifying the protected work, material or the author or any other holder of rights thereof under copyright law, or the distribution, import for distribution, broadcasting by radio or television, communication or making available to the public works or other protected materials from which such electronic information has been removed or altered.

The second paragraph of the standard in question punishes:

- the unfair reproduction, duplication, transmission, dissemination, sale, placing on the market, transfer via any capacity or import of more than fifty copies or samples of works protected by copyright or other relative rights;
- communication to the public for profit and in violation of the provisions on the right to communicate the work to the public, through connections of any kind, of an intellectual work protected by copyright, or part thereof;
- the conduct outlined in paragraph 1 being enacted by those who carry out business activities of reproduction, distribution, sale, marketing or import of works protected by copyright and relative rights;
- the promotion or organisation of illicit activities referred to in the first subparagraph.

The third paragraph establishes as a mitigating factor if the deed is particularly insubstantial, whilst the fourth paragraph provides certain incidental sentences, namely the publication of the conviction, the ban from a profession or art, temporary interdiction from the executive offices of legal entities and undertakings, and suspension for a period of one year from the concession or authorisation for radio and television broadcasting in exercising productive or commercial activities.

***Criminal liability relating to media (Article 171-septies of Law 633/1941)***

The standard under analysis establishes the application of the penalty imposed for the conduct referred to in paragraph 1 of Article 171-ter also for:

- the producers or importers of the media not subject to the SIAE marking, who do not communicate to the SIAE within 30 days of the date of placing on the market of the national territory or the importation of data necessary for the unique identification of the media;
- anyone who falsely declares the fulfilment of the obligations arising from copyright and related rights legislation.

***Criminal liability relating to conditional access to audio-visual transmissions (Article 171-octies of Law 633/1941)***

The standard in question curbs the conduct of those who – for fraudulent purposes – produce, put up for sale, import, promote, install, modify, use apparatus or parts of apparatus for public and private use aimed at decoding conditional access to audiovisual transmissions carried out by ether, satellite or cable means, be it in either analogue or digital form. All audiovisual signals transmitted by Italian or foreign broadcasters are

subject to conditional access in such a form as to render the same exclusively visible to closed groups of users selected by the subject issuing the signal, regardless of the imposition of a fee for the use of such a service.

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### **B.3 Areas of Major Risk**

The Company's main areas of risk, with reference to cybercrime and unlawful data processing or copyright infringement offences, can be attributed to:

- *Cybersecurity management.*

Recipients are required to adapt their behaviour to that set out in this document.

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### **B.4 Principles of Conduct**

The following lists some of the general principles to be considered as applicable to the Recipients, as defined in the General Section of this Model.

In general, **it is obligatory** to ensure that the carrying out of such activities takes place in absolute compliance with:

- laws and regulations in force;
- principles of loyalty, fairness and clarity;
- the Code of Ethics;
- the standards, regulations and internal provisions.

In general, **it is forbidden** to carry out conduct or contribute to the implementation of conduct that may fall within the present offences referred to in Articles 24-*bis* and 25-*novies* of Legislative Decree no. 231/2001 cited prior.

Below is a list exemplifying the means of committing offences with reference to the following activities:

- *Cybersecurity management.*

**Cybersecurity management** could present risks in relation to the configuration of **computer crime** in the event whereby, for example, a person in a senior position or subordinate of the Company uses the computer tools subject to the Company's information assets to commit one of the offences cited in Article 24-*bis* of Legislative Decree no. 231/2001.

**Cybersecurity management** could present further risks in relation to **copyright infringement offences** in the event whereby, for example, a person in a senior position or subordinate of the Company installs software without having acquired its licenses, with the aim of achieving economic savings.

Recipients who, for reason of their assignment, function or mandate are involved in the management of the IT security shall be obliged to:

- ensure compliance with all the provisions of the Company's policies and procedures;
- strictly observe the regulations established by law and the internal working instructions concerning the security of the Company's information systems and the processing of any personal data, as well as for copyright matters;

- ensure that access to information systems is nominative, limited and protected by authentication tools – only being possible by entering a personal username and password, for which periodic update procedures are established;
- define policies and ways to create passwords to access the corporate network, applications, information assets, as well as any critical or sensitive systems (such as minimum length of passwords, complexity regulations, expiration);
- update passwords with maximum expiration of 180 days;
- ensure that user-ID codes for accessing the applications and the network are individual and unique;
- carefully safeguard personal credentials for access to the Company's information systems, preventing third parties from becoming aware of such;
- promptly communicate to the IT Function upon the recruitment of new staff, indicating the characteristics of the new user (role, offices and user privileges), in order to activate the new users;
- promptly communicate any terminations of employment relationships (resignations, redundancies) in order to manage the outgoing user profile and promptly delete system access credentials;
- ensure that all new users are activated by the IT Function only as a result of a formalised request from the Human Resources Function;
- ensure the timely suspension of users associated with personnel who have left the Company;
- ensure that the individual user be informed of the correct management of their workstation and of all assigned IT equipment;
- guarantee, at an application level, that administrator profiles are assigned exclusively to entities with specific powers and that their activity is properly tracked;
- allow access to the Company's local network only to users with corporate accounts and for strictly professional purposes;
- remove any files and software that may be considered as a threat to the security of the system or any material acquired or installed in violation of corporate procedures;
- carry out periodic verification of the type of data saved on the corporate network or on the company workstations;
- remove any files that are not relevant to the work activity whereby located on the local disk or network;
- ensure that the physical security of the servers and that access to their premises is reserved only to authorised personnel, providing that exceptions or exemptions in terms of additional authorisations must be approved by persons with suitable powers,

- whilst any external maintenance personnel are to be accompanied inside the technical premises by IT personnel;
- ensure that data backups are periodically stored and that the media are properly secured, being stored and protected by fire-retardant systems;
  - ensure that new software installations are carried out exclusively by the authorised functions after acquiring the pertinent licenses;
  - ensure that the network is protected by periodically-updated antivirus/antispam software;
  - where possible, implement traffic-monitoring and security-event tracking mechanisms on the networks (such as anomalous access in terms of frequency, mode, temporality);
  - ensure that the transmission network of corporate data is protected by appropriate access restriction tools (firewalls and *proxies*);
  - refrain from any conduct that could compromise the security, confidentiality and integrity of corporate and third-party information or data;
  - refrain from any conduct aimed at breaching or circumventing the protections of the corporate computer system of the Company or others (be they public or private entities);
  - define access regulations to business servers based on user profile types, implementing a ban on data modification by unauthorised parties;
  - use only software for which a valid license has been obtained;
  - request permission before accessing sites considered at risk;
  - ensure that periodic verification of the efficiency and effectiveness of the cybersecurity management system are carried out;
  - define a periodically-updated *business continuity and disaster recovery* plan;
  - ensure that all documentation concerning each individual activity and the changes made is archived in order to ensure the traceability of activities, in accordance with internal regulations;
  - ensure that the user promptly reports the event regarding the theft, damage or loss of computer devices, in such a way that appropriate measures for intervention may be adopted in a suitable timeframe;
  - periodically check:
    - the coincidence between the installed software and the number of licenses paid to the relevant manufacturer, as well as the coincidence between software installed and authorised by the function itself;
    - that the content on the corporate network does not infringe any copyright or rights related to the use of works protected by intellectual property;

- that software or database licenses are purchased and used in compliance with the contractual terms;
- that software programs and databases with user licenses are utilised within the limits and conditions established under current legislation and the license itself, including for research, extraction, processing, reprocessing and publishing of the data contained therein;
- where third parties are used to manage cybersecurity, ensure that all relationships are formalised through written contracts bearing clauses that require strict observance of the principles set out under Legislative Decree no. 231/2001 and in the Code of Ethics adopted by the Company. In the contracts to be entered into, clauses shall be included that specify:
  - where possible and in accordance with the provisions of the corporate procedures – that the third party declares compliance with the principles set out in Legislative Decree no. 231/2001, and adheres to the principles of the Code of Ethics;
  - that the third party declares having completed all necessary acts of compliance and precautions aimed at preventing the above offences, having reinforced — where possible — its corporate structure with internal procedures and systems that are entirely suited to such prevention;
  - that any lack of truthfulness in the above declarations could constitute cause for termination of the contract pursuant to Article 1456 of the Italian Civil Code.

In the context of the aforementioned conduct, **it is prohibited** to:

- store on or download from magnetic/optical media files to the corporate PC that are of no relevance to the job being performed;
- use computer resources (such as stationary or portable computers) or network resources assigned by the Company for personal or non-work purposes;
- alter any public or private electronic documents for evidentiary purposes;
- access a computer or telematic system without authorisation or withhold such against the express or tacit will of those entitled to exclude such (with the prohibition including both access to internal information systems and access to the information systems of public or private competing entities for the purpose of obtaining information on commercial or industrial developments);
- obtain, reproduce, disseminate, communicate, or bring to the knowledge of third parties any codes, keywords or other means suitable for accessing a computer or telematic system of others protected by security, or otherwise provide information or instructions to allow a third party access to a computer system protected by security measures;

- procure, produce, reproduce, import, disseminate, communicate, deliver or in any case, make available to others any computer equipment, devices or programs for the purpose of unlawfully damaging a computer or telematic system, the information, data or programmes contained therein or pertinent thereto, or to encourage the total or partial interruption to or alteration of its operation (with the prohibition including the transmission of viruses with the purpose of damaging the information systems of competing entities);
- illicitly intercept, prevent or interrupt computer or telematic communications;
- destroy, degrade, delete, alter or suppress information, data and computer programs (the prohibition includes unauthorised entry to the information system of competing companies, with the purpose of altering information or data of the latter);
- destroy, degrade, delete, alter or suppress information, data and computer programs used by the State, other public entity or body pertinent thereto or in any case of public utility;
- install additional software/programs other than those existing and/or authorised;
- in the context of one's work activities and/or through the use of the Company's resources, engage in conduct of any kind aimed at affecting intellectual property rights of others;
- introduce into the territory of the State, hold for sale, put up for sale or otherwise put into circulation – in order to profit from such – goods made by usurping copyright or patents of third parties;
- disseminate – through telematic networks – a work of intellectual property or part thereof;
- install and/or execute any type of computer programs other than those authorised by the Company, even if it is duly-licensed or test software (the so-called "shareware"), or software that is free and freely-downloadable from the Internet (so-termed "freeware");
- collect from the Internet, copy and/or store on one's personal computer any kind of information (such as, but not limited to, audio, video and executable files) not necessary for work activities;
- use any type of removable storage media or communication technology for storing or sending information externally whereby pertaining to the working relationship, except upon proven service needs;
- leave one's personal computer unattended and accessible, or allow use by unauthorised persons, especially after passing through the authentication phase;



- delete the screensaver password request that is automatically set upon prolonged worker inactivity on their workstation, in order to prevent misuse upon temporary absences;
- duplicate, import, distribute, sell, lease, disseminate, transmit to the public, hold for commercial purposes or otherwise with the aim of profiting from computer programs, databases or other property for which the obligations arising from copyright law and rights relative to their exercise have not been fulfilled.

## **B.5 Flows of information to the Supervisory Body**

The Recipients of this Model who, in carrying out their activities, have to handle pertinent activities within the meaning of Articles 24-bis e 25-*novies* of Legislative Decree no. 231/2001, shall promptly communicate to the Supervisory Body, in writing, any information concerning derogations or breaches of which they become aware with respect to the standards of conduct governed therein, the pertinent legal regulations and the principles set out in the Code of Ethics.

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## **B.6 Sanctions**

In the event of any violation of the provisions contained in this Special Section, the disciplinary sanctions established in the Company's Organisation, Management and Control Model shall apply in accordance with the applicable National Collective Bargaining Agreement or the Contract signed on each occasion.

Any violation of the requirements contained therein or conduct of third parties not compliant with such shall be sanctioned by the competent bodies in accordance with internal corporate regulations, according to that set out in the clauses of the applicable contracts.

**SPECIAL SECTION C**

**CRIMES AGAINST INDUSTRY AND TRADE**

## **C.1 Function of Special Section C**

This Special Section aims to illustrate the responsibilities, the criteria and behavioural norms to which the Recipients of this Model – as defined in the General Section – must follow in handling activities at risk related to the criminal offences referred to in Article 25-bis.1 of Legislative Decree no. 231/2001, in compliance with the principles of maximum transparency, timeliness and collaboration, as well as traceability of activities.

Specifically, this Special Section is intended to define:

- the principles of conduct to be observed by the Recipients in order to properly apply the requirements of the Form;
- the flows of information to the Supervisory Body.

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## **C.2 Pertinent offences**

For completeness, below are all the criminal offences that form the basis of the administrative responsibility of the institutions pursuant to Articles 24-bis.1 of the Decree.

### **Crimes against industry and trade**

#### ***Disturbance of the freedom of industry and commerce (Article 513 of the Italian Criminal Code)***

This applies to any person who uses violence or fraudulent means to prevent or disrupt the operation of an industry or trade, whereby the deed does not constitute a more serious offence.

#### ***Illicit competition with threats or violence (Article 513-bis of the Italian Criminal Code)***

This applies to anyone who engages in commercial, industrial or any other productive activity, who enacts violence or threat aimed towards the competition.

The conduct of “unfair competition” is carried out when violence or threats are exerted against the competitor in a direct or indirect manner, operating, for example, against third parties (customers, collaborators, and so on).

#### ***Fraud against national industries (Article 514 of the Italian Criminal Code)***

This applies to any person, by putting up for sale or otherwise putting industrial products in circulation on domestic or foreign markets, with names, trademarks or distinctive signs that are counterfeit or altered, causing harm to the national industry.

#### ***Fraud in the exercise of trade (Article 515 of the Italian Criminal Code)***

This applies to anyone who, in exercising a commercial activity or an outlet open to the public, passes off to the buyer one movable good as another, being another movable good of origin, provenance, quality or quantity other than that declared or agreed upon, whereby the deed does not constitute a more serious crime.

#### ***Sale of non-genuine food substances sold as genuine (Article 516 of the Italian Criminal Code)***

This applies to anyone who puts up for sale or otherwise places on the market non-genuine food substances as genuine.

***Sale of industrial products with misleading signs (Article 517 of the Italian Criminal Code)***

This applies to anyone who offers for sale or otherwise puts into circulation intellectual works or industrial products, with national or foreign names, trademarks or distinctive signs, to deceive the buyer on the origin, provenance or quality of the work or product, whereby the deed is not covered by any other legal provision.

***Manufacture and trade of goods manufactured by encroaching upon industrial propriety rights (Article 517-ter of the Italian Criminal Code)***

This applies to anyone who, upon becoming aware of the existence of an industrial property right, produces or industrially uses objects or other goods manufactured by usurping an industrial property right or in any case, in violation of the same, without prejudice to the application of Articles 473 and 474 of the Italian Criminal Code.

***Counterfeiting geographical indications or appellations of agricultural food products (Article 517-quater of the Italian Criminal Code)***

This applies to anyone who counterfeits or otherwise alters geographical indications or designations of origin of agricultural-food products or, in order to profit from such, introduces into the territory of the State, holds for sale, puts up for sale with a direct offer to consumers or otherwise distributes the same products with counterfeit indications or names.

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### **C.3 Areas of Major Risk**

The main areas of risk for the Company, with reference to crimes against industry and commerce, can be traced back to:

- *Management of commercial activities;*
- *Management of production activities;*
- *Management of certifications and accreditations.*

Recipients are required to adapt their behaviour to that set out in this document.

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### **C.4 Principles of Conduct**

The following lists some of the general principles to be considered as applicable to the Recipients, as defined in the General Section of this Model.

In general, **it is compulsory** to ensure that the management of such activities takes place in absolute compliance with:

- laws and regulations in force;
- principles of loyalty, fairness and clarity;
- the Code of Ethics;
- the standards, regulations and internal provisions.

In general, **it is forbidden** to carry out conduct or contribute to the implementation of conduct that may fall within the present offences referred to in Articles 25-*bis*.1 of Legislative Decree no. 231/2001 cited prior.

Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Management of commercial activities.*

The **management of commercial activities** could present risks in relation to the **crime of fraud in trading** in the event that, example, a person in a senior position or subordinate of the Company delivers to the customer a product of different quality other than that declared or established in the agreement.

With reference to the above activities, following are the specific principles of conduct.

Recipients who, for reason of their assignment or function or mandate, are involved in the **management of commercial activities**, in addition to what is provided for in the Special Section A – “*Offences against the Public Administration and its holdings, offences of corruption between private individuals and incitement to corruption between private individuals and the crime of inducement not to make representations or to make false statements to the Judicial Authority*”, are **obliged** to:

- ensure that all products marketed comply with the stated characteristics and the requirements of the regulations;
- verify the completeness and correctness of the technical documentation in support of the products.

In the context of the aforementioned conduct, **it is prohibited** to:

- market products that do not meet the stated characteristics and do not satisfy the requirements set out in regulations.

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Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Management of production activities;*
- *Management of certifications and accreditations.*

The **management of production activities** could present risks in relation to the **crime of fraud in trading** in the event that, for example, the Company puts to market a product with characteristics other than those declared or otherwise of a quality other than that stated.

The **management of production activities** could present risks in relation to the configuration of **crimes in the manufacture and trade** of goods produced by usurping industrial property rights in the event that, for example, the Company manufactures or uses products by usurping another's industrial property rights.

**Certification management** could present risks in relation to the configuration of **crimes against industry and commerce** in the event that, example, the Company indicates production conditions of its products other than the conditions in place.

With reference to the above activities, following are the specific principles of conduct.

Recipients who, for reason of their assignment, function or mandate, are involved in the aforementioned activities shall be obliged to:

- ensure compliance with quality control processes;
- ensure that checks are carried out throughout the entire production process;
- ensure traceability of quality checks carried out during the production process;
- carry out regular checks on compliance of suppliers of raw materials and production services with quality regulations;
- ensure compliance with internal, Community and international regulations for the protection of industrial property rights, patents, designs or models;

- only use products or trademarks for which third-party industrial property rights exist whereby based on agreements formalised in writing with the rightful owner for their exploitation and in any case, within the limits of such agreements;
- verify the absence of possible infringements of third-party rights in product development activities;
- in the event of an application for a patent, ensure the possession of the requirements for the submission of the application ahead of time;
- upon resorting to third parties in the management of activities, ensure that relations with such are formalised through written contracts containing clauses specifying:
  - that the third party declares compliance with the principles pursuant to Legislative Decree no. 231/2001 and adheres to the principles of the Code of Ethics adopted by the Company;
  - that the third party declares having completed all necessary acts of compliance and precautions aimed at preventing the above offences, having reinforced — where possible — its corporate structure with internal procedures and systems that are entirely suited to such prevention;
  - that any lack of truthfulness in the above declarations could constitute cause for termination of the contract pursuant to Article 1456 of the Italian Civil Code.

In the context of the aforementioned conduct, **it is prohibited to:**

- use or market products with third-party industrial property rights in the absence of agreements with its holders, or in breach of the terms and conditions set out in such agreements;
- adopt any conduct aimed at, in general, the production and marketing of products protected by third-party industrial property rights.

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### **C.5 Flows of information to the Supervisory Body**

The Recipients of this Model who, in carrying out their activities, have to handle pertinent activities within the meaning of Articles 25-bis.1 of Legislative Decree no. 231/2001, shall promptly communicate to the Supervisory Body regarding any derogations, breaches or suspected violations of which they become aware with respect to the standards of conduct governed therein, the pertinent legal regulations and the principles set out in the Code of Ethics.

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### **C.6 Sanctions**

In the event of any violation of the provisions contained in this Special Section, the disciplinary sanctions established in the Company's Organisation, Management and Control Model shall apply in accordance with the applicable National Collective Bargaining Agreement or the Contract signed on each occasion.

Any violation of the requirements contained therein or conduct of third parties not compliant with such shall be sanctioned by the competent bodies in accordance with internal corporate regulations, according to that set out in the clauses of the applicable contracts.

**SPECIAL SECTION D**

**CORPORATE AND TAX OFFENCES**

## **D.1 Function of Special Section D**

This Special Section aims to illustrate the responsibilities, the criteria and behavioural norms to which the Recipients of this Model – as defined in the General Section – must follow in handling activities at risk related to the criminal offences referred to in Article 25-ter and 25-*quinqüesdecies* of Legislative Decree no. 231/2001, in compliance with the principles of maximum transparency, timeliness and collaboration, as well as traceability of activities.

Specifically, this Special Section is intended to define:

- the principles of conduct to be observed by the Recipients in order to properly apply the requirements of the Form;
- the flows of information to the Supervisory Body.

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## **D.2 Pertinent offences**

For completeness, below are all the criminal offences that form the basis of the administrative responsibility of the institutions pursuant to Articles 25-ter and 25-*quinqüesdecies* of the Decree.

### **Corporate offences**

#### ***False corporate communications (Article 2621 of the Italian Civil Code)***

False communications consist in the conduct of Directors, General Managers, Managers in charge of drafting corporate accounting documents, Auditors and Liquidators who, with the intention to deceive members or the public and in order to achieve an unfair benefit for themselves or others, cite material facts that do not correspond with the truth – even if subject to evaluation – in financial statements, reports or other corporate communications established by law and addressed to shareholders or to the public or to omit information whose communication is required by law in regards to the economic, asset or financial position of the Company in a manner that is able to mislead the recipients on the above situation, causing financial damage to the company, shareholders or creditors. It is also punishable whereby the information concerns assets owned or administered by the company on behalf of third parties.

#### ***Minor violations (Article 2621-bis of the Italian Civil Code)***

Unless such constitutes a more serious offence, the sentence of six months to three years imprisonment shall apply if the deeds referred to in Article 2621 of the Italian Civil Code are of minor magnitude, taking into account the nature and dimensions of the company and the modalities or effects of the conduct.

Unless constituting more serious offence, the same penalty as referred to in the preceding paragraph shall apply upon the deeds referred to in Article 2621 of the Italian Civil Code pertaining to companies that do not exceed the limits indicated by the second paragraph of

Article 1 of Royal Decree 267/1942. In such a case, the crime is subject to a complaint by the Company, its shareholders, creditors or other recipients of the corporate communication.

**False corporate communications of listed companies (Article 2622 of the Italian Civil Code)**

This concerns the conduct of the Directors, General Managers, Managers in charge of drafting corporate accounting documents, Auditors and Liquidators of companies issuing financial instruments subject to trading in a regulated market in Italy or other country of the European Union, which, in order to achieve an unfair gain for themselves or others, in the balance sheets, reports or other corporate communications directed to shareholders or the public, knowingly present untrue material facts or omits relevant material facts whose communication is imposed by the law on the economic, capital or financial status of the company or group to which the company belongs, concretely aimed at misleading others.

***Hindering supervisory activities (Article 2625 of the Italian Criminal Code)***

The crime of impeding control measures is committed in the event that, through the concealment of documents or other apposite artifice, the conduct of the monitoring activities is prevented or simply obstructed, being legally attributed to shareholders and other corporate bodies.

The offence shall be deemed to be attributable to the company only in the event that the impediment or the mere obstacle has caused damage to the shareholders, given the explicit reference to the second sub-paragraph of such a provision, contained in Legislative Decree no. 231/2001.

***Illicit return of contributions (Article 2626 of the Italian Civil Code)***

The offence arises whereby directors who, beyond cases of legitimate reduction in share capital, reinstate – including via falsification – the contributions to shareholders or release them from the obligation to execute such, reducing the integrity and effectiveness of the share capital to guarantee the rights of creditors and third parties.

***Illegal breakdown of profits and reserves (Article 2627 of the Italian Civil Code)***

The offence punishes the conduct of any director who apportions profits or balances on profits that have not actually been achieved or that are legally intended for the reserve.

This offence could also arise through the allocation of reserves, even whereby not construed as profits, that cannot be legally distributed.

***Illicit transactions in shares or quotas of the parent company (Article 2628 of the Italian Civil Code)***

The offence shall be committed upon administrators purchasing or underwriting shares or own shares or quotas of the parent company outside the cases permitted by law and which results in injury to the integrity of the share capital and reserves not distributable by law.

***Transactions to the detriment of creditors (Article 2629 of the Italian Civil Code)***

Transactions to the detriment of creditors shall consist in the conduct of directors who, in violation of the legal provisions to protect creditors, apply reductions to the share capital or arrange mergers with other companies or demergers, causing damage to creditors.

***Failure to disclose conflict of interest (Article 2629-bis of the Italian Civil Code)***

The offence in question is configured when a member of the Board of Directors or corporate management board with securities listed with regulated Italian or other State markets of the European Union or disseminated amongst the public to a significant extent pursuant to Article 116 of the Consolidated Text of the provisions on financial intermediation, referred to in Legislative Decree no. 58/1998, or of a supervised entity under the Consolidated Text of the laws on banking and credit, referred to in Legislative Decree no. 385/1993, of the aforementioned Consolidated Text referred to in Legislative Decree no. 58/1998, of Law 576/1982 or of Legislative Decree no. 124/1993 violates the regulations on the interests of directors as set out in the Civil Code, with damages to the same or third parties.

More specifically, the regulation refers to Article 2391, paragraph 1 of the Italian Civil Code, which requires members of the Board of Directors to communicate (to the other members of the Board and to the Auditors) in regards to any interest that they themselves, on their own behalf or for third parties, have in a certain operations of the company, specifying its nature, terms, origin and scope.

***Fictitious creation of capital (Article 2632 of the Italian Civil Code)***

The offence pertains to the conduct of directors and contributing shareholders who, even in part, form or increase the share capital in a fraudulent way through allocations of shares or quotas to an extent that exceeds the amount of overall share capital, the mutual undersigning of shares or quotas, major over-valuation of the injections of assets in kind or credits or the assets of the company in the event of transformation.

***Illicit allotment of corporate assets by liquidators (Article 2633 of the Italian Civil Code)***

The offence occurs upon the allocation of corporate assets between shareholders before the payment of company creditors or the provision of sums necessary to satisfy such, which results in damage to the creditors. Active subjects are the liquidators whilst compensating creditors for damages constitutes a means of extinguishing the crime prior to any legal ruling.

***Illicit influence over shareholders' meetings (Article 2636 of the Italian Civil Code)***

The offence occurs upon anyone, through falsified or fraudulent acts, determining a majority in the meeting for the purpose of procuring an unfair profit for themselves or others.

It should be recalled that the institution's responsibility arises only when the conduct pursuant to the Article concerned is carried out in the interest of the Authority. Such renders it difficult to conceive the crime in question which, as a rule, is conducted to favour the interests of the party and not of the "institution".

***Agiotage (Article 2637 of the Italian Civil Code)***

The realisation of this offence involves the dissemination of false information, being the enacting of simulated or other artificial operations, specifically aimed at causing a significant alteration to the price of unlisted financial instruments or for which a request for admission to trading on a regulated market has not been submitted, or to significantly impact upon the reliance of the public in the capital stability of banks or banking groups.

***Hindering the activities of public supervisory authorities (Article 2638 of the Italian Civil Code)***

The offence is committed in the event that certain entities (directors, general managers, auditors, liquidators of companies or entities and, in general, those subjected to the public authorities of surveillance ex lege) present – in communicating to public supervisory authorities that which is legally required – material facts that do not align with the actual facts, even if subject to evaluations, or else wholly or partially concealed using fraudulent means, deeds that were required to be communicated regarding the asset, economic or financial position of the company, including where the information concerns property owned or administered by the company on behalf of third parties, in which case the offence is committed in the event that criminal conduct is specifically aimed at obstructing the activity of public supervisory authorities.

**Tax offences**

**Fraudulent declaration by use of invoices or other documents for non-existent transactions (Article 2 of Legislative Decree no. 74/2000)**

The regulation punishes, with imprisonment of four to eight years, anyone who, availing of invoices or other documents for non-existent transactions, registers such taxable fabricated items in a declaration in order to evade income or value-added taxes.

The deed is committed upon the use of invoices or other documents for non-existent transactions when such invoices or documents are recorded in the mandatory books or held for the purpose of evidence in terms of financial administration.

The regulation also sets out that if the amount of fabricated liabilities is less than one-hundred thousand euro, imprisonment from one year and six months to six years shall apply.

**Fraudulent declaration via other means (Article 3 of Legislative Decree no. 74/2000)**

Beyond the cases established by Article 2 of Legislative Decree no. 74/2000, the regulation punishes with imprisonment of three to eight years anyone who objectively or subjectively completes falsified transactions or uses false documents or other fraudulent means capable of obstructing the determination of amounts due and misdirecting the financial administration in order to evade income or value added taxes, indicating in any of the statements relative to the said taxes asset items at less than the actual amount or fabricated debit items or receivables deemed to be fabricated, when jointly:

a) the tax evaded is higher, with reference to an item of individual taxes, than thirty thousand euro;

b) the total amount of assets subtracted from taxation, including by indicating fabricated items of liability, is more than five per cent of the total amount of assets indicated in the declaration or in any case, exceeds one million, five-hundred thousand euro or whereby the total amount of fabricated receivables and withholdings to diminish the taxation is more than five percent of the amount of the tax itself or in any case thirty thousand euro.

According to the regulation, the deed is considered to have been committed upon the use of falsified documents when such documentation is recorded in mandatory records or held for evidentiary purpose before the financial administration.

For the purposes of applying the standard in question, the mere breach of invoicing and asset entry obligations regarding assets in the books or the mere indication in invoices or entries of gains lower than those actually achieved are not considered fraudulent means.

**False declarations (art. 4 of Legislative Decree 74/2000)<sup>5</sup>**

Punishment applies to whoever in order to evade taxes on income or VAT, indicates in a tax return assets for a total amount that is lower the real one or fictitious liability items when, jointly:

- a) the tax evaded is higher, with reference to each of the individual taxes, than Euro 100,000;
- b) the total amount of the assets deducted from taxation, also by indicating non-existent liabilities, is more than 10% of the total amount of the assets indicated in the declaration, or in any case more than Euro 2 million.

The incorrect classification, the assessment of objectively existing assets or liabilities shall not be taken into account, in respect of which the criteria actually applied has in any case been indicated in the balance sheet or in other documentation relevant to tax purposes, infringement of the criteria used for determining the exercise of competence, non-inference, and non-deductibility of real liabilities.

The total of the valuations that differ by less than 10% from the correct ones shall not give rise to punishable facts. The amounts included in this percentage shall not be taken into account when verifying that the punishable thresholds referred to in points (a) and (b) of paragraph 1 have been exceeded.

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<sup>5</sup> The crime of false declarations, punished by art. 4, of Legislative Decree no. 74/2000 is included among the predicate offences referred to in art. 25- quinquiesdecies of Legislative Decree no. 231/2001 and Legislative Decree no. 175 of 14 July 2020, providing the “implementation of Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law” (so-called “PIF Directive”), may involve the administrative liability of the Authority if committed committed within the context of cross-border fraudulent systems and in order to evade value added tax for a total amount of no less than EUR 10 million.

**Omission of tax return statements (art. 5 of L.D. 74/2000)<sup>6</sup>**

Whoever in order to evade taxes on income or VAT, does not submit a mandatory tax return form for such taxes shall be punished when the evaded tax, for each individual tax, is above Euro 50,000.

The tax return statement submitted within 90 days of the expiry of the time limit, or not signed or not prepared on a printed form conforming to the prescribed model shall not be considered to be omitted.

**Issue of invoices or other documents for non-existent transactions (Article 8 of Legislative Decree no. 74/2000)**

The regulation punishes with imprisonment of four to eight years anyone who, in order to allow third parties to evade income or value-added taxes, emits or issues invoices or other documents for non-existent operations.

For the purposes of applying the standard in question, emitting or issuing multiple invoices or documents for non-existent transactions during the same taxation period shall be regarded as a single felony.

Finally, the regulation states that if the incorrect amount shown on the invoices or documents, per tax period, is less than one-hundred thousand euro, imprisonment for one year and six months to six years shall apply.

**Concealment or destruction of accounting documentation (Article 10 of Legislative Decree 74/2000)**

Except whereby the deed constitutes a more serious crime, the regulation punishes anyone with imprisonment of three to seven years who, in order to evade income or value-added taxes or to facilitate the avoidance of such by third parties, conceals or destroys in whole or in part the accounting entries or documents required to be retained, so as not to allow the reconstruction of income or volume of business dealings.

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<sup>6</sup> The crime omission of tax return statements, punished by art. 5 of Legislative Decree no. 74/2000 is included among the predicate offences referred to in art. 25- quinquiesdecies of Legislative Decree no. 231/2001 and Legislative Decree no. 175 of 14 July 2020, providing the “implementation of Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law” (so-called “PIF Directive”), may involve the administrative liability of the Authority if committed committed within the context of cross-border fraudulent systems and in order to evade value added tax for a total amount of no less than EUR 10 million.



**Unlawful compensation (art. 10 of Legislative Decree no. 74/2000)<sup>7</sup>**

Whoever does not pay the amounts due, using in compensation, in accordance with Article 17 of Legislative Decree no. 241 of 9 July 1997, undue receivables for an annual amount exceeding Euro 50,000 shall be punished. Whoever does not pay the amounts due, using in compensation, in accordance with Article 17 of Legislative Decree no. 241 of 9 July 1997, non-existent credits for an annual amount exceeding Euro 50,000 shall be subject to increased punishment.

**Fraudulent evasion of taxes (Article 11 of Legislative Decree no. 74/2000)**

With imprisonment from six months to four years, the regulation punishes anyone who, in order to avoid payment of income or value-added taxes or administrative interest or penalties relative to such taxes for a total amount of more than fifty thousand euro, falsely cedes or carries out other fraudulent deeds on their own or other goods able to render the compulsory collection procedure wholly or partially ineffective.

If the amount of taxes, sanctions and interest exceeds two-hundred thousand euro, imprisonment from one year to six years shall apply.

Finally, the regulation punishes with imprisonment from six months to four years anyone who – in order to obtain for themselves or others a partial payment of the taxation and relative ancillaries – lists assets in the documentation submitted for the purposes of the tax transaction procedure at less than the actual amount or fabricated dues for a total amount exceeding fifty thousand euro. If the amount exceeds two-hundred thousand euro, imprisonment from one year to six years shall apply.

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<sup>7</sup> The crime of undue compensation, punished by art. 10-quater of Legislative Decree no. 74/2000 is included among the predicate offences referred to in art. 25- quinquiesdecies of Legislative Decree no. 231/2001 and Legislative Decree no. 175 of 14 July 2020, providing the “implementation of Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law” (so-called “PIF Directive”), may involve the administrative liability of the Authority if committed committed within the context of cross-border fraudulent systems and in order to evade value added tax for a total amount of no less than EUR 10 million.

### **D.3 Areas of Major Risk**

The Company's main areas of risk, with reference to corporate crimes and tax offences are attributable to:

- *Management of relations with the Public Administration;*
- *Management of accounting and drafting of financial statements;*
- *Management of tax aspects*
- *Management of shareholder activities;*
- *Management of commercial activities;*
- *Management of purchasing goods and services;*
- *Management of relationships with third parties;*
- *Management of expense reports;*
- *Management of intercompany relationships;*
- *Handling of gratuities, donations and sponsorships.*

Recipients are required to adapt their behaviour to that set out in this document.

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### **D.4 Principles of Conduct**

The following lists some of the general principles to be considered as applicable to the Recipients, as defined in the General Section of this Model.

In general, **it is compulsory** to ensure that the management of such activities takes place in absolute compliance with:

- laws and regulations in force;
- principles of loyalty, fairness and clarity;
- the Code of Ethics;
- the standards, regulations and internal provisions.

In general, **it is forbidden** to enact conduct or contribute to the execution of conduct that may fall within the present offences referred to in Articles 25-ter and 25-quinquiesdecies of Legislative Decree no. 231/2001 cited prior.

Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Management of relations with the Public Administration.*

**The management of relationships with public officials** in the event of audits and inspections could present risks in relation to the **offence of hindering the activities of public supervisory authorities** whereby, for example, the directors present material facts not responding to the truth when communicating with public supervisory authorities with whom they are legally required to liaise, having the intent to hinder their activity.

For specific principles of conduct in relation to the aforementioned sensitive area, please refer to that contained in Special Section A – “*Offences against the Public Administration and its holdings, crimes of corruption between private individuals and incitement to corruption between private individuals and the crime of inducement not to make statements or to make false statements to the Judicial Authority*” of this Organisation, Management and Control Model.

Recipients who, for reason of their appointment, function or mandate, are involved in the management of relations with public entities and Supervisory Authorities and in the handling of administrative obligations and inspection activities are further **required** to:

- establish relations with the Supervisory Authorities, with the utmost transparency, collaboration and availability as well as in full respect of the institutional role they hold and the legal provisions in force, the general principles and rules of conduct referred to in the Code of Ethics and in this Special Section;
- clearly define the roles and responsibilities in the context of sending reports to the Supervisory Authorities;
- ensure that the documentation to be submitted to the Supervisory Authorities is produced by persons who are people competent in the matter and who have been duly identified prior;
- ensure that all legally-required communications, per the regulations concerning supervisory bodies or authorities, are carried out promptly and correctly in a truthful and complete manner;
- ensure that the management of the process is carried out by the functions with suitable powers.

In the context of the aforementioned conduct, **it is forbidden** to submit untruthful declarations to the Supervisory Authorities, presenting documents that do not align with reality in whole or in part.

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Below is a list exemplifying the means of committing offences with reference to the following activities:

- *Management of accounting and drafting of financial statements;*
- *Management of tax aspects*

**Activities related to accounting management and balance sheet preparation** could present risks in relation to the **crime of false corporate communications** in the event that, for example, the approval of an untrue balance sheet also occurs due to incorrect management, registration, aggregation and valuation of accounting data.

**Accounting management** may present risks in relation to **corporate crimes** if the Company modifies the accounting data in the corporate systems in order to misrepresent the balance

sheet, economic or financial position through the inclusion of non-existent balance sheet items or untrue values.

**Accounting management** could present risks in relation to the **crime of concealment of accounting documents** in the event that, for example, the legal representative of the Company, in order to evade income or value-added tax, conceals documents that must necessarily be retained, with the aim of impeding the Authority from reconstructing the Company's income and turnover.

**The management of taxation and declarations drawn up for tax purposes** could present risks in relation to the **crime of fraudulent declaration by use of invoices or other documents for non-existent transactions** in the event that, for example, the Company were to utilise various types of fabricated debit items within the yearly declaration, thus on the basis of the entry of both invoices for non-existent transactions and of the use of other documentation that are also representative of false accounting.

Recipients who, by reason of their appointment, function or mandate, are involved in the management of the accounts, in drafting financial statements and the relative annexes thereto, or in the management of taxation, are **required** to:

- ensure the proper keeping of documentation and all accounting and tax records as required by current legislation;
- maintain correct, transparent and collaborative conduct, in compliance with legal regulations, applicable accounting standards and internal regulations, in all activities aimed at the formation of the statutory balance sheet and other corporate communications, in order to provide truthful and correct information on the economic, capital, financial and fiscal situation of the company Cotonificio Albini S.p.A.;
- observe the rules of clear, correct, complete and timely registration in the activities of accounting deeds connected to the Company's management;
- ensure compliance with the regulations concerning the segregation of tasks between the person carrying out the operation, the person registering such in the accounting records and the person who carries out the control thereof;
- identify the roles and responsibilities regarding the keeping, retention and updating of the budget dossier, from the approval of the Board of Directors and the Shareholder's Meeting, to the filing and publication (including electronic) of the same through to archiving;
- carry out the assessment and registration of economic capital items in compliance with the criteria of reasonableness and prudence, clearly illustrating in the relevant documentation the criteria to have guided the determination of the value of the asset;
- ensure the correct application of the accounting standards for the definition of statutory financial statements and a correct operating procedure for their accounting;
- ensure the strictest accounting transparency at all times and under any circumstances;

- ensure the documentability of transactions and accounting disclosure in order to be able to reconstruct the transactions shown in the accounting records with a reasonable level of detail;
- ensure the necessary training in the main legal and accounting concepts and legal issues on the budget, addressed to those responsible for the functions involved in drafting the budget and other relative documents, taking care of both the training of new hires and the carrying out of periodic refresher courses in particular;
- ensure that the closure of the accounts and their modalities and timing are regulated by instructions given to the internal functions, indicating the data and information to be provided to the function in preparing documents within the process;
- strictly observe all regulations established by law to protect the integrity and effectiveness of the share capital so as not to impact the guarantees of creditors and third parties in general;
- ensure compliance with corporate regulations regarding the preparation of the statutory financial statements;
- ensure that drafts of the financial statements are made available to the directors with reasonable time before the Board of Directors meeting approving the budget;
- ensure the smooth functioning of the Company and its corporate bodies, guaranteeing and facilitating any form of internal control over corporate management as set out by law;
- ensure compliance with the obligations (both in terms of declarations and payments) and the deadlines defined by taxation law;
- promptly and correctly, in a truthful and complete manner, communicate that required by the law, regulations and corporate rules in the time required;
- ensure traceability of the steps of the decision-making process relating to the management of fiscal compliance, as well as all documentation, documents and supporting information sources used;
- ensure the proper processing of taxation with regards to income, allowances and deductions in accordance with tax law;
- ensure compliance with the obligations set out under legislation on direct and indirect taxes;
- ensure that the main new tax regulations are promptly disseminated to staff involved in the management of taxation;
- ensure that tax obligations are fulfilled or supported by duly-selected external professionals;
- where recourse is made to third parties (companies, consultants, professionals, and so on) to manage the activities, ensure that relations with such are formalised through written contracts reporting clauses specifying — where possible and in accordance with

the provisions of the company procedures in place — that the third party declares compliance with the principles set out under Legislative Decree no. 231/2001, and adheres to the principles of the Code of Ethics;

- ensure the correct and complete archiving of all procedural documentation in compliance with the deadlines laid down in the legislation of reference;
- establish relations with the Supervisory Authorities – including tax authorities – with the utmost transparency, collaboration and availability as well as in full respect of the institutional role they hold and the legal provisions in force, the general principles and rules of conduct referred to in the Code of Ethics and in this Special Section;
- comply with the Supervisory Authorities with the utmost diligence and professionalism, in order to provide clear, accurate, complete, faithful and truthful information, so as to avoid situations of conflict of interest and to promptly inform them in the manner deemed most appropriate;
- report to their hierarchical manager or corporate management and, at the same time, to the Supervisory Body, in regards to the existence of errors or omissions in the accounting process of operating events or any conduct not in line with the above provisions.

In the context of the aforementioned conduct, **it is prohibited** to:

- operate with a view to provide misleading information with reference to the actual representation of the Company, providing an improper representation of the Company's economic, patrimonial, financial and tax status;
- omit data and information legally required on the Company's economic, capital and financial status.

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Below is a list exemplifying the means of committing offences with reference to the following activities:

- *Management of shareholder activities.*

The **management of the corporate secretariat** could present risks in relation to committing **corporate crimes** in the event that, for example, the Directors or the auditors of the Company, through capital transactions or improper management of the meeting activities, enact actions to the disadvantage of the Company's shareholders.

The activity could also present risks in relation to the **offence of hindering the activities of public supervisory authorities** in the event that, for example, the directors present material facts not responding to the truth when communicating with public supervisory authorities with whom they are legally required to liaise, having the intent to hinder their activity.

The **management of shareholder meeting activities** could present risks in relation to the **crime of unlawful influence on the meeting** in the event that anyone, with falsify or

fraudulent deeds, determines a majority of the meeting for the purpose of procuring an unfair profit for themselves or others.

All corporate obligations (summons, company records, administrative obligations, and so on) must be handled in accordance with the modalities and timelines established by law.

The Company ensures compliance with the regulations regarding segregation of tasks amongst those involved in the management of shareholder activities and capital operations.

All documentation must be filed by the functions involved in the process, based on the requirements of the corporate regulations and the standards of reference.

Recipients who, for reason of their assignment, function or mandate, are involved in the management of the corporate secretariat and extraordinary operations, are **obliged** to ensure the smooth functioning of the Company and Corporate Bodies, certifying and facilitating any form of internal control over company management established by law, as well as the free and correct formation of the shareholder will.

With reference to extraordinary transactions (typically referring to borrowing and financing, underwriting and increasing share capital, granting guarantees and sureties, issuing financing and underwriting bonds, acquisitions of business branches or equity holdings, other extraordinary transactions such as mergers, splits, injections, or otherwise), the parties involved are to ensure that the competent entity – be it the Board of Directors or other formally-delegated party – has adequate supporting information in order to be able to make an informed decision.

For each extraordinary financial operation to be decided upon, at the request of the Board of Directors, the documentation necessary to assess its feasibility and the strategic and economic viability must be prepared. Such necessary documentation may cover the following aspects:

- qualitative and quantitative description of the target (feasibility study, financial analysis, studies and statistics on the market of reference, comparisons between various production alternatives of the operation);
- characteristics and subjects involved in the operation, including through an analysis of compliance of the same;
- technical structure, principal collateral agreements and guarantees, as well as financial coverage of the transaction;
- means for determining the economic conditions of the transaction and indicating any external consultants/intermediaries/advisors involved;
- impact on the prospective economic, financial and capital status;
- assessments regarding the congruity and compliance with the Company's interest in the transaction to be deliberated upon by entities with suitable powers.

The Company ensures that administrative and accounting obligations related to operations on capital are managed with the utmost diligence and professionalism, avoiding situations involving conflict of interest.

In the context of the aforementioned conduct, **it is prohibited** to:

- present during meetings any falsified or fraudulent documents aimed at altering the regular procedure for forming the will of those present;
- operate with a view to provide misleading information with reference to the actual representation of the Company, providing an improper representation of the Company's economic, patrimonial, financial and tax status;
- omit data and information legally required on the Company's economic, capital and financial status;
- return contributions to shareholders or release them from the obligation to execute such, beyond any instance of legitimate reduction in share capital;
- divvy up profits (or advance payments on profits) not actually earned or earmarked for the statutory reserve, as well as allocate reserves that cannot legally be distributed;
- diminish the share capital, mergers or demergers in violation of the statutory provisions protecting creditors;
- in any way proceed with the fabricated formation or increase in share capital;
- carry out transactions in order to circumvent tax regulations;
- authorise the transition to credit losses without the requirements for such being satisfied;
- alter or destroy financial and accounting documents and information available on the net through unauthorised access or other actions aimed at such purposes;
- submit untruthful statements to the Supervisory Authorities, displaying documents that do not wholly or partially align with reality.

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Below is a list exemplifying the means of committing offences with reference to the following activities:

*- Management of commercial activities.*

The **management of commercial activities** could present risks in relation to **tax crimes** in the event that the Company issues fabricated credit notes in order to evade income and value-added taxes.

The **management of commercial activities** could also present risks in relation to **tax crimes** in the event that the Company issues invoices for non-existent transactions in order to facilitate a third party's evasion of income and value-added taxes.

For the principles of conduct related to the activity of "Management of Commercial Activities", please refer to the provisions of Special Section A – "*Offences against Public Administration and its holdings, offences of corruption between private individuals and incitement to corruption between private individuals and the crime of inducement not to*



*make statements or to make false statements to the Judicial Authority”* referred to in this Organisation, Management and Control Model.

Recipients who, for reason of their assignment, function or mandate, are involved in the aforementioned activities shall be obliged to:

- ensure the proper keeping of documentation and all accounting and tax records as required by current legislation;
- to maintain proper, transparent and collaborative behaviour, in compliance with legal regulations, applicable accounting standards and internal regulations;
- observe the rules of clear, correct, complete and timely registration in the activities of accounting deeds connected to the Company’s management;
- ensure compliance with the regulations concerning the segregation of tasks between the person carrying out the operation, the person registering such in the accounting records and the person who carries out the control thereof;
- ensure the strictest accounting transparency at all times and under any circumstances;
- ensure the documentability of transactions and accounting disclosure in order to be able to reconstruct the transactions shown in the accounting records with a reasonable level of detail.

In the context of the aforementioned conduct, **it is prohibited** to:

- operate with a view to provide misleading information with reference to the actual representation of the Company, providing an improper representation of the Company’s economic, patrimonial, financial and tax status;
- omit data and information legally required on the Company’s economic, capital and financial status.

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Below is a list exemplifying the means of committing offences with reference to the following activities:

- *Management of purchasing goods and services;*
- *Management of relationships with third parties;*
- *Management of expense reports;*
- *Management of intercompany relationships;*
- *Handling of gratuities, donations and sponsorships.*

The **management of purchasing goods and services** could present risks in committing the **crime of fraudulent declaration by use of invoices or other documents for non-existent transactions** if, for example, it were possible to enter into the books — in order to evade taxes on income or value-added taxes — invoices or other documents for non-existent transactions and consequently the legal representative were to list fabricated debit items on the tax declaration forms.

The **management of relationships with third parties** could present risks in the committing the **crime of fraudulent declaration by use of invoices or other documents for non-existent transactions** if, for example, invoices or other documents for non-existent transactions were to be registered in order to evade taxes on income or value-added taxes and consequently the legal representative were to list fabricated debit items on the tax declaration forms.

The management of expense forms could present risks in the committing the crime of fraudulent declaration by use of documents for non-existent transactions if, for example, invoices or other documents for non-existent transactions were to be registered in order to evade income tax or VAT and consequently the legal representative were to list fabricated debit items on the tax return forms.

The **management of intercompany relationships** could present risks, for example, in relation to the **crime of fraudulent reporting through the use of invoices for non-existent transactions** if the Company were to record invoices issued by Group companies for services not rendered (in whole or in part) or invoices whose services are rendered by entities other than those resulting from the accounting documentation with the aim of evading taxes.

The **management of gratuities and donations** could present risks in relation to the **crime of fraudulent reporting with invoices or other documents for non-existent transactions** if, for example, it were possible to enter into the books — in order to evade taxes on income or value-added taxes — invoices or other documents for non-existent transactions and consequently the legal representative were to list fabricated debit items on the tax declaration forms.

For the principles of conduct relating to these activities, please refer to that included in Special Section A – *“Offences against Public Administration and its holdings, offences of corruption between private individuals and incitement to corruption between private individuals and the crime of inducement not to make statements or to make false statements to the Judicial Authority”* referred to in this Organisation, Management and Control Model.

Recipients who, for reason of their assignment, function or mandate, are involved in the aforementioned activities shall also be obliged to:

- ensure the proper keeping of documentation and all accounting and tax records as required by current legislation;
- to maintain proper, transparent and collaborative behaviour, in compliance with legal regulations, applicable accounting standards and internal regulations;
- observe the rules of clear, correct, complete and timely registration in the activities of accounting deeds connected to the Company’s management;
- ensure compliance with the regulations concerning the segregation of tasks between the person carrying out the operation, the person registering such in the accounting records and the person who carries out the control thereof;
- ensure the strictest accounting transparency at all times and under any circumstances;

- ensure the documentability of transactions and accounting disclosure in order to be able to reconstruct the transactions shown in the accounting records with a reasonable level of detail.

In the context of the aforementioned conduct, **it is prohibited** to:

- operate with a view to provide misleading information with reference to the actual representation of the Company, providing an improper representation of the Company's economic, patrimonial, financial and tax status;
- omit data and information legally required on the Company's economic, capital and financial status.

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### **D.5 Flows of information to the Supervisory Body**

The Recipients of this Model who, in carrying out their activities, have to handle pertinent activities within the meaning of Articles 25-ter e 25-*quinquiesdecies* of Legislative Decree no. 231/2001, shall promptly communicate to the Supervisory Body regarding any derogations, breaches or suspected violations of which they become aware with respect to the standards of conduct governed therein, the pertinent legal regulations and the principles set out in the Code of Ethics.

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### **D.6 Sanctions**

In the event of any violation of the provisions contained in this Special Section, the disciplinary sanctions established in the Company's Organisation, Management and Control Model shall apply in accordance with the applicable National Collective Bargaining Agreement or the Contract signed on each occasion.

Any violation of the requirements contained therein or conduct of third parties not compliant with such shall be sanctioned by the competent bodies in accordance with internal corporate regulations, according to that set out in the clauses of the applicable contracts.

**SPECIAL SECTION E**

**CRIMES AGAINST THE PERSON AND CRIMES OF EMPLOYING THIRD-COUNTRY NATIONALS WITHOUT A LEGAL RESIDENCE PERMIT**

## **E.1 Function of Special Section E**

This Special Section aims to illustrate the responsibilities, the criteria and behavioural norms to which the Recipients of this Model – as defined in the General Section – must follow in handling activities at risk related to the criminal offences referred to in Article 25-quinquies and 25-*duodecies* of Legislative Decree no. 231/2001, in compliance with the principles of maximum transparency, timeliness and collaboration, as well as traceability of activities.

Specifically, this Special Section is intended to define:

- the principles of conduct to be observed by the Recipients in order to properly apply the requirements of the Form;
- the flows of information to the Supervisory Body.

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## **E.2 Pertinent offences**

Below are all the criminal offences that form the basis of the administrative responsibility of the Entities pursuant to 25-quinquies and 25-*duodecies* of the Decree.

### **Crimes against the individual person**

#### **Reduction to or retention in slavery or servitude (Article 600 of the Italian Criminal Code)**

Anyone who exercises powers over a person corresponding to those of the right to ownership or whoever reduces or maintains a person in a state of continuous subjection, forcing them to work or provide sexual services or to beg or in any case carry out illegal activities that involve exploitation or undergoing the removal of organs, is punished with imprisonment from eight to twenty years.

The reduction to or maintenance of the state of subjection occurs when the conduct is implemented through violence, threat, deception, abuse of authority or by taking advantage of a situation of vulnerability or of physical or psychological inferiority, or a situation of necessity, or by giving sums of money or other advantages to the person over whom they have authority.

#### **Child prostitution (Article 600-bis of the Italian Criminal Code)**

The punishments shall involve imprisonment from six to twelve years and a fine of 15,000 to 150,000 euro for anyone who:

- 1) recruits or induces a person under the age of eighteen to engage in prostitution;
- 2) promotes, exploits, manages, organises or controls the prostitution of a person under the age of eighteen, or otherwise profits therefrom.

Unless the deed constitutes a more serious offence, anyone who performs sexual acts with a child between the ages of fourteen and eighteen years, in exchange for monies or other benefit, even whereby merely promised, shall be punished by imprisonment of one to six years and with a fine of 1,500 to 6,000 euro.

**Child pornography (Article 600-ter of the Italian Criminal Code);**

The punishments shall involve imprisonment from six to twelve years and a fine of 24,000 to 240,000 euro for anyone who:

- 1) utilising children under the age of eighteen years, creates pornographic exhibitions or shows or produces pornographic material;
- 2) recruits or induces minors under the age of eighteen to participate in pornographic exhibitions or shows or otherwise profits such displays.

Those who trade in pornographic material referred to in the first sub-paragraph shall be subject to the same penalty.

Beyond the hypotheses referred to in the first and second sub-paragraphs, anyone who distributes, discloses, disseminates or advertises the pornographic material referred to in the first sub-paragraph by any means including electronically, or who distributes or discloses details or information aimed at soliciting or exploiting minors under eighteen years of age shall be punished by imprisonment from one to five years and with a fine of 2,582 to 51,645 euro.

Beyond the hypotheses referred to in the first, second and third paragraphs, any person who offers or gives to others – including free of charge – the pornographic material referred to in the first sub-paragraph shall be punished by imprisonment of up to three years and a fine from 1,549 to 5,164 euro.

In the cases set out in the third and fourth sub-paragraphs, the severity of the penalty shall be increased by an amount not exceeding two thirds where a large quantity of material is possessed.

Unless the deed constitutes a more serious offence, anyone who views a pornographic exhibition or show involving children under the age of eighteen years shall be punished by imprisonment of up to three years and a fine from 1,500 to 6,000 euro.

For the purposes referred to in this Article, child pornography shall mean any representation, by any means, of a minor under eighteen years involved in any explicit, real or simulated sexual activity or any representation of the sexual organs of a child under the age of eighteen years for sexual purposes.

**Possession of pornographic material (Article 600-quater of the Italian Criminal Code)**

Beyond the hypotheses set out in Article 600-ter, anyone who knowingly procures or possesses pornographic material made using minors under eighteen years of age, shall be punished by imprisonment of up to three years and a fine no less than 1,549 euro.

The penalty shall be increased by an amount not exceeding two thirds where a large quantity of material is possessed.

**Virtual pornography (Article 600-quater 1 of the Italian Criminal Code);**

The provisions of Articles 600-ter and 600-quater shall also apply where pornographic material represents virtual images created using images of minors under eighteen years of age or their features, with the penalty decreased by a third.

Virtual images mean depictions created using graphical processing techniques not associated in whole or in part with real situations, with the quality of representation rendering non-real situations appear as true.

**Tourism aimed at the exploitation of child prostitution (Article 600-quinquies of the Italian Criminal Code)**

Any person who organises or promotes trips aimed at availing of prostitution activities to the detriment of minors or in any case including such activity shall be punished by imprisonment of six to twelve years and a fine from 15,493 to 154,937 euro.

**Trafficking in persons (Article 601 of the Italian Criminal Code)**

A punishment of imprisonment from eight to twenty years shall be issued to anyone who recruits, introduces into or transfers out of the territory of the State, transports, cedes authority over the person, hosts one or more persons under the conditions referred to in Article 600, being to carry out the same conduct on one or more persons by deception, violence, threat, abuse of authority or taking advantage of a situation of vulnerability or of physical or psychological inferiority, or a situation of necessity, or by promising or giving sums of money or other advantages to the person over whom they have authority in order to induce or force them to complete work, sexual deeds or begging or otherwise to carry out illicit activities involving exploitation or to undergo organ removal.

The same penalty shall be given to anyone who, even beyond the modalities referred to in the first sub-paragraph, operates per that laid out therein vis-à-vis a minor under the age of eighteen.

**Purchase and sale of slaves (Article 602 of the Italian Criminal Code)**

Any person, beyond the cases referred to in Article 601, who acquires, transfers or cedes a person in one of the conditions referred to in Article 600 shall be punished by imprisonment from eight to twenty years.

**Unlawful intermediation and exploitation of labour (Article 603-bis of the Italian Criminal Code)**

Unless the deed constitutes a more serious offence, punishment of imprisonment of one to six years and a fine of 500 to 1,000 euro for each recruited worker shall be issued to anyone who:

- 1) recruits labour for the purpose of assigning them to work for third parties under conditions of exploitation, taking advantage of the worker's state of need;



- 2) uses, hires or employs labour, including through the brokerage activity referred to in point 1), subjecting workers to conditions of exploitation and taking advantage of their state of need.

If the deeds are committed through violence or threat, the penalty of imprisonment of five to eight years and a fine of 1,000 to 2,000 euro for each recruited worker shall apply.

For the purposes of this Article, the existence of one or more of the following conditions shall constitute an indication of exploitation:

- 1) the repeated payment of remuneration in a manner that is clearly not in line with the national or territorial collective agreements entered into by the most representative trade unions at a national level, or in any case disproportionate to the quantity and quality of the work carried out;
- 2) the repeated violation of the regulations relating to working hours, rest periods, weekly rest days, mandatory leave, holidays;
- 3) violations of the regulations on workplace safety and hygiene;
- 4) subjecting the worker to degrading working conditions, surveillance methods or housing situations.

Constituting specific aggravation and resulting in an increase in sentencing from one third to half are:

- 1) the recruitment of more than three workers;
- 2) the fact that one or more of the subjects recruited is a minor under the legal working age;
- 3) having committed the act by exposing the exploited workers to situations of serious danger, having regard to the characteristics of the services to be performed and the working conditions.

#### **Grooming of minors (Article 609-undecies of the Italian Criminal Code)**

Any person who – for the purpose of committing the offences referred to in Articles 600, 600-bis, 600-ter and 600-quater, even if relating to pornographic material cited under Article 600-quater.1, 600-quinquies, 609-bis, 609-quater, 609-quinquies and 609-octies – solicits a minor under sixteen years of age shall be punished with imprisonment from one to three years whereby the deed does not constitute a serious offence. Soliciting means any act aimed at gaining the trust of the child by means of artifice, flattery or threat, including through the use of the Internet or other networks or means of communication.

#### **Crime of employment of third-country nationals without a legal resident permit**

**Provisions against clandestine immigrations (Article 12, paragraph 3, 3-bis, 3-ter and paragraph 5, Legislative Decree no. 286/1998)**

Unless the deed constitutes a more serious crime, anyone who – in violation of the provisions of the consolidated text on immigration – promotes, directs, organises, funds or carries out the transport of foreigners into the territory of the State or completes other acts aimed at unlawfully procuring entry into the territory of the State or of another State of which the person is not a citizen or has permanent residence, shall be punished by imprisonment of five to fifteen years and a fine of 15,000 euro for each person, in the event that:

- a) the deed pertains to the illegal entry or residence of five or more persons in the territory of the State;
- b) any person transported has been exposed to threats to their life or safety in order to obtain entry or unlawful residence;
- c) any person transported has been subjected to inhuman or degrading treatment in order to obtain unlawful entry or residence;
- d) the deed is committed by three or more persons in conjunction with each other or using international transport services, or by using documents that have been counterfeited or altered or otherwise unlawfully obtained;
- e) those committing the deeds have access to weapons or explosive materials.

Anyone who, in order to glean an unfair profit from the foreigner's condition of illegality or in the context of the activities punished *ut supra*, favours such persons remaining in the territory of the State in violation of the regulations of the consolidated text on immigration, shall be punished with imprisonment of up to four years and a fine of up to 15,493 euro. When the deed is committed in collusion between two or more people, namely the presence of five or more persons, the severity of the penalty shall be increased from one-third to half.

**Fixed-term and indefinite work (Article 22, paragraph 12-bis Legislative Decree no. 286/1998)**

The offence is configured when the employer hires a worker:

- without a residence permit;
- whose residence permit has expired and renewal has not been requested under the statutory terms;
- whose residence permit has been revoked or cancelled.

The aforementioned crime entails the administrative responsibility referred to in the Decree whereby:

- more than three workers recruited;
- concerning minors of non-working age;

- intermediated workers are exposed to situations of serious danger, as regards the characteristics of the acts to be carried out and the working conditions.

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### **E.3 Areas of Major Risk**

The Company's main areas of risk with regard to crimes against individual personality and the crime of employment of third-country nationals whose residence is not legal are attributable to:

- *Management of purchasing goods and services;*
- *Selection and management of personnel;*
- *Management of relationships with third parties.*

Recipients are required to adapt their behaviour to that set out in this document.

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### **E.4 Principles of Conduct**

The following lists some of the general principles to be considered as applicable to the Recipients, as defined in the General Section of this Model.

In general, **it is compulsory** to ensure that the management of such activities takes place in absolute compliance with:

- laws and regulations in force;
- principles of loyalty, fairness and clarity;
- the Code of Ethics;
- the standards, regulations and internal provisions.

In general, **it is forbidden** to carry out conduct or contribute to the implementation of conduct that may fall within the present offences referred to in Articles 25-*quinquies* and 25-*duodecies* of Legislative Decree no. 231/2001 cited prior.

Below is a list exemplifying the means of committing offences with reference to the following activities:

- *Management of purchasing goods and services.*

The **management of purchasing goods and services** could present risks in relation to the configuration of **unlawful intermediation activities and exploitation of labour offences** in the event that, for example, a person in a senior position or subordinate of the Company under a contract, avails of suppliers that employ workers and subject them to conditions of exploitation, taking advantage of their state of need.

The **management of purchasing goods and services** could present potential risks in relation to the **crime of employment of third-country nationals in the country illegally** in the event that, for example, the Company – in the context of a contract – targets suppliers that employ workers who are citizens of third states without a residence permit.

In the **management of purchasing goods and services**, the Company must introduce into the contracts clauses specifying:

- that the company concerned declares compliance with the principles pursuant to Legislative Decree no. 231/2001 and adheres to the principles of the Code of Ethics adopted by the Company;
- that the company concerned declares having enacted all necessary acts of compliance and precautions aimed at preventing the above offences, having reinforced – where possible – its corporate structure with internal procedures and systems that are entirely suited to such prevention;
- that the company concerned declares to only employ personnel hired under valid employment contracts, in full compliance with the legislation;
- that any lack of truthfulness in the above declarations could constitute cause for termination of the contract pursuant to Article 1456 of the Italian Civil Code.

For the principles of conduct relating to the *“Management of Purchases of Goods and Services”*, please refer to the provisions of Special Section A – *“Offences against Public Administration and its holdings, offences of corruption between private individuals and incitement to corruption between private individuals and the crime of inducement not to make statements or to make false statements to the Judicial Authority”*.

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Below is a list exemplifying the means of committing offences with reference to the following activities:

- *Selection and management of personnel.*

**Staff selection** may present risks in relation to the crime of **employment of third-country nationals not legally in the country** in the event that, for example, the Company employs foreign workers without a residence permit.

The **selection of staff** could present risks in relation to the crime of **unlawful intermediation and exploitation of labour** in the event that, for example, the Company pays its workers a disproportionate remuneration in respect of the amount and quality of work completed or repeatedly infringes legislation relating to working hours, rest periods, weekly rest days, mandatory leave and holidays.

Recipients who, for reason of their assignment or function or specific mandate, are involved in the aforementioned activities, in addition to the provisions of Special Section A – *“Offences against Public Administration and its holdings, offences of corruption between private individuals and incitement to corruption between private individuals and the crime of inducement not to make statements or to make false statements to the Judicial Authority”* of this Model, are **required** to:

- ensure compliance with the regulations relating to working hours, rest periods, weekly rest days, mandatory leave and holidays;

- ensure that the external companies involved in the selection of staff are agencies listed in the register established at the Ministry of Labour and that comply with Corporate Policies;
- ensure remuneration that is in line with:
  - national or territorial collective bargaining agreements entered into by the most representative trade unions at a national level;
  - the quantity and quality of the work provided and according to the role held within the Company;
- prohibit any type of bullying, as well as all situations that may subject personnel to working conditions, surveillance methods or situations of degrading housing;
- adopt the necessary measures in order to render the working environment adequate in terms of safety and/or hygiene;
- ensure all workers employed, regardless of their citizenship, operate under the same health and safety conditions;
- always ensure that the employment relationship is governed via a detailed and written contract;
- verify the fairness of the remuneration paid;
- ensure working conditions respecting personal dignity, equal opportunities and a suitable working environment, in compliance with the collective contractual legislation of the sector and the social security, taxation and insurance legislation;
- verify that candidates who are nationals of third countries:
  - are in possession of a valid residence and work permit (which has not expired nor been revoked or cancelled);
  - in the event of an expired residence permit, have submitted an application for renewal within the time limit established under legislation (documented by the relative postal receipt);
- monitor the validity of the documents of employees who are nationals of third states and request their renewal prior to the date of expiry indicated on the residence permit;
- ensure the complete and correct entry in a specific list regarding the recruitment of third-country nationals, as well as of third-country agency workers.

With regard to any impact on occupational health and safety and working conditions in the broad sense, reference is made to the prevention protocols defined in Section F of the Special Section of the Model – “Crimes of manslaughter or grievous bodily harm through negligence, committed in violation of the rules on health and safety at work”.

In the context of the aforementioned conduct, **it is prohibited** to:

- employ staff, including for temporary contracts, without complying with existing regulations on social security, taxation, insurance, immigration and so on;
- tolerate forms of illegal employment or child labour or labour exploitation;

- employ non-EU staff who do not satisfy the requirements established by law for residing and working within the national territory;
- pay remuneration in a manner that is clearly not in line with the national or territorial collective agreements entered into by the most representative trade unions at a national level, or in any case in a manner that is disproportionate to the quantity and quality of the work carried out;
- violate the regulations relating to working hours, rest periods, weekly time off, mandatory leave and holidays;
- subject the worker to degrading working conditions, surveillance methods or housing situations.

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Below is a list exemplifying the means of committing offences with reference to the following activities:

- *Management of relationships with third parties.*

The **management of relationships with third parties** could present risks in relation to the configuration of **crimes against the individual person** in the hypothesis in which, for example, a person in a senior position or subordinate of the Company enters into commercial agreements with persons using child labour or workers kept in conditions of slavery or servitude.

For the principles of conduct relating to these, in addition to the provisions of Special Section A – *“Offences against the Public Administration and its assets, offences of corruption between private individuals and incitement to corruption between private individuals and the crime of induction not to make statements or to make mendacious statements to the Judicial Authority”* Organisation, Management and Control Model, it is also **necessary** to:

- introduce clauses in contracts specifying:
  - that the company concerned declares compliance with the principles pursuant to Legislative Decree no. 231/2001, and adheres to the principles of the Code of Ethics;
  - that the company concerned declares having fulfilled all necessary obligations and taking caution aimed at preventing the offences referred to above;
  - that any lack of truthfulness in the above declarations could constitute cause for termination of the contract pursuant to Article 1456 of the Italian Civil Code.
- establish in any contracts/agreements with third parties the Company’s right to carry out the control activities deemed necessary.

In the context of the aforementioned conduct, **it is prohibited** to:

- tolerate forms of illegal employment or child labour or labour exploitation;

- subject the worker to degrading working conditions, surveillance methods or housing situations.

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### **E.5 Flows of information to the Supervisory Body**

The Recipients of this Model who, in carrying out their activities, have to handle pertinent activities within the meaning of Articles 25-quinquies e 25-*duodecies* of Legislative Decree no. 231/2001, shall promptly communicate to the Supervisory Body, in writing, any information concerning derogations or breaches of which they become aware with respect to the standards of conduct governed therein, the pertinent legal regulations and the principles set out in the Code of Ethics.

\*\*\*

### **E.6 Sanctions**

In the event of any violation of the provisions contained in this Special Section, the disciplinary sanctions established in the Company's Organisation, Management and Control Model shall apply in accordance with the applicable National Collective Bargaining Agreement or the Contract signed on each occasion.

Any violation of the requirements contained therein or conduct of third parties not compliant with such shall be sanctioned by the competent bodies in accordance with internal corporate regulations, according to that set out in the clauses of the applicable contracts.

**SPECIAL SECTION F**

**CRIMES OF MANSLAUGHTER OR GRIEVOUS BODILY HARM THROUGH  
NEGLIGENCE, COMMITTED IN VIOLATION OF THE RULES ON HEALTH  
AND SAFETY AT WORK**

## **F.1 Function of Special Section F**

This Special Section aims to illustrate the responsibilities, the criteria and behavioural norms to which the Recipients of this Model – as defined in the General Section – must follow in handling activities at risk related to the criminal offences referred to in Article 25-septies of Legislative Decree no. 231/2001.

Specifically, this Special Section is intended to define:

- the principles of conduct to be observed by the Recipients in order to properly apply the requirements of the Form;
- the flows of information to the Supervisory Body.

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## **F.2 Pertinent offences**

Below are the criminal offences that form the basis of the administrative responsibility of the institutions pursuant to Articles 25-septies of the Decree.

### **Crimes of manslaughter or grievous bodily harm through negligence, committed in violation of the rules on health and safety at work**

#### ***Manslaughter (Article 589 of the Italian Criminal Code)***

Manslaughter is committed in all cases in which the agent, acting lawfully, performs an act that results in the death of a person due to negligence, recklessness, imperiousness or breach of any law, regulation, order or discipline.

#### ***Grievous bodily harm (Article 590, paragraph 3, of the Italian Criminal Code)***

This applies to anyone responsible for causing serious or grievous personal injury to others.

The personal injury is considered **grievous (Article 583 of the Italian Criminal Code)**:

- if a disease derives from a deed that endangers the life of the injured party, being an illness or inability to complete ordinary duties for more than forty days;
- if the deed results in the permanent weakening of a sense or organ.

The personal injury is considered **extremely grievous (Article 583 of the Italian Criminal Code) if it results in:**

- a disease that is certainly or probably incurable;
- the loss of a sense;
- the loss of a limb or mutilation that renders the limb unusable, or else loss of the use of an organ or ability to procreate, or permanent and serious difficulty to speak;
- deformation, being the permanent scarring of the face.

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### **F.3 Areas of Major Risk**

The most significant risk areas of the Company, with reference to the crimes of manslaughter and serious and very grievous bodily harm committed with violation of the regulations on health protection and occupational safety, as identified in the Risk Assessment Document (DVR), to which reference is made for thorough examination, can be traced to:

- *Management of purchasing goods and services;*
- *Management of worker health and safety.*

Recipients are required to adapt their behaviour to that set out in this document.

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### **F.4 Principles of Conduct**

The following lists some of the general principles to be considered as applicable to the Recipients, as defined in the General Section of this Model.

In general, **it is compulsory** to ensure that the management of such activities takes place in absolute compliance with:

- laws and regulations in force;
- principles of loyalty, fairness and clarity;
- the Code of Ethics;
- the standards, regulations and internal provisions.

In general, **it is forbidden** to carry out conduct or contribute to the implementation of conduct that may fall within the present offences referred to in Articles 25-*septies* of Legislative Decree no. 231/2001 cited prior.

Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Management of purchasing goods and services.*

The **management of purchasing goods and services** could present risks in relation to **occupational health and safety offences** in the event that, in order to obtain economic savings, the Company selects suppliers that do not comply with the pertinent regulations.

Recipients who, for reason of their assignment or function, are involved in the management of the aforementioned activities **shall be obliged to**:

- comply with the principles of conduct set out in Special Section A – “*Offences against Public Administration and its holdings, offences of corruption between private individuals and incitement to corruption between private individuals and the crime of inducement not to make statements or to make false statements to the Judicial Authority*” referred to in this Organisation, Management and Control Model;

- assess, during the selection process, the ability of contractors or self-employed workers to ensure the protection of the health and safety of both workers employed directly by them and those of the Company;
- for contractors and subcontractors, set up procedures able to verify documentation attesting to the employment status of their employees, with the involvement of the Head of the Prevention and Protection Service for the Interference Risk Assessment Document;
- ensure that the procedures for managing and coordinating contracts are formalised in writing with express references to the obligations referred to in Article 26 of Legislative Decree no. 81/2008;
- ensure that all procurement contracts indicate the costs related to job security by citing from which date the employee representative and worker trade union organisations can gain access upon request;
- verify the technical-professional suitability of contracting companies or self-employed persons in connection with the work to be entrusted by tender or through a work or administration contract including — but not only — according to the modalities established in Article 26 paragraph 1 of Legislative Decree no. 81/2008. Specifically required, amongst other things, are:
  - the certificate of registration with the Chamber of Commerce, Industry and Crafts (CCIAA);
  - the consolidated document of contributory regularity (also referred to as “DURC” – being the Consolidated Document of Contributory Regularity) referred to in the Ministerial Decree dated 24th October 2007 – “Consolidated Document of Contributory Regularity”;
  - a list of all staff with specific tasks who are to enter the sites for work reasons and their residence permit for non-EU staff where appropriate;
  - a list of safety devices supplied to workers;
  - specific documentation certifying the conformity of machinery and/or equipment, and/or provisional works with regard to the machinery or equipment that will be utilised in the work covered by the tender contract;
  - training provided on occupational health and safety;
- provide the above-listed subjects with information regarding:
  - specific risks existing in the environment in which they operate;
  - prevention and emergency measures adopted in relation to the activities carried out;
- draw up (where envisaged and with the cooperation of the contractor/subcontractor), an “Interference Risk Assessment Document” (DUVRI) with the aim of:

- cooperating in the implementation of measures to prevent and protect against risks of workplace accidents in activities covered by the contract;
  - coordinating the prevention and protection against risks to which workers are exposed, reciprocally providing information, including in order to eliminate risks due to interference between the work of various undertakings involved in the execution of the project overall;
- formalise and track checks carried out on mandatory documentation in line with the regulations of reference whenever contractors access the Company's facilities.

All Recipients involved in safety management are to inform the Supervisory Body of any abnormal or non-compliant situations, as defined in this section of the Model and in the Code of Ethics.

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Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Occupational health and safety management.*

The **Occupational Health and Safety Management System** could present risks in relation to the configuration of **serious or very serious grievous bodily injury** in the cases whereby, for example, the Company does not provide all the necessary tools to face the identified occupational health and safety risks, in order to achieve economic benefits.

So as to ensure the most suitable presiding over health and safety issues, the Company has adopted its own organisational structure with specific tasks and responsibilities in health, safety and the environment, formally defined in accordance with the organisational and functional structure of the company, starting from the employer through to the individual employee, with particular regard to the specific figures operating in this area (RSPP — Head of Prevention and Protection Service, MC — Medical Competent, RLS — Workers' Safety Representatives, ASPP — Service Workers of Prevention and Protection, Emergency Teams, First Aid and Firefighting).

With reference to the above activities, following are the specific principles of conduct.

To the Recipients, as identified above, and to all persons with responsibilities in managing the obligations established in the regulations on Occupational Health and Safety, **required to** operate in compliance with applicable regulations and **ensure** within their own competence:

- the definition of the objectives for worker health and safety and the continuous identification of any risks;
- an appropriate level of information/training amongst general managers, employees, temporary workers and suppliers/contractors, including in regards to the

consequences arising from any failure to comply with legal regulations and the rules of conduct and control as defined by the Company;

- accident and disease prevention and emergency management;
- the adequacy of human resources – in terms of the number and professional qualifications – and material resources necessary to achieve the objectives set by the Company for worker health and safety;
- the application of disciplinary measures in the event of violations of the behavioural principles defined and communicated by the Company, in accordance with the Disciplinary System enucleated in the Organisation, Management and Control Model adopted by the Company and to which reference is made (General Section, Chapter 6).

Whilst not limited to disciplinary wrongdoings and infringements, such constitute a violation of the obligations referred to in Article 59 paragraph 1 letter a) of Legislative Decree no. 81/2008, according to which workers must:

- observe the provisions and instructions issued by the employer, managers and supervisors regarding collective and personal protection;
- appropriately use the protective equipment available to them;
- immediately report to the employer or person in charge regarding any conditions of danger of which they become aware, taking direct action in cases of urgency and within their competences and without prejudice to the obligation set out below, to eliminate or reduce situations of serious and pending danger, informing the workers' safety representative;
- not to remove or modify the safety, signalling or control devices without authorisation;
- not to carry out operations or manoeuvres that are not within their competence or which may jeopardise their own safety or that of other workers;
- participate in education and training programmes organised by the Employer also through accredited external consultants.

In general, all Recipients of the Model must respect that defined by the Company in order to safeguard worker health and safety and to promptly communicate to the structures identified and in the predefined manner regarding any signs of risk or danger (such as near accidents or near misses), accidents (regardless of their severity) and violations of corporate regulations.

### **Specific control principles**

Recipients involved in handling these activities must ensure the below checks are carried out for each of the parties under their respective competence.

*Identifying managers, determining the powers and handling emergencies*

- the subjects forming part of the corporate security organisation chart, within their own competence, define the roles, responsibilities and faculties of those who manage, execute and verify activities that influence health and safety risks;
- entities in the corporate security organisation chart must exercise, for the area under their competence, all their powers and fulfil all obligations under the laws and regulations on safety, accident prevention and environmental hygiene applicable to the Company.

*Definition of the objectives for the worker health and safety, identification and continuous assessment of any risks*

The Employer, with the support of the Head of the Prevention and Protection Service as well as the Occupational Health Physician, must:

- define the objectives and programmes for the continuous improvement of prevention and safety and health protection measures and conditions;
- periodically carry out a formalised analysis of existing environmental risks and impacts. The risk assessment is to be repeated whenever organisational and operational changes and technical modifications occur and must describe prevention and protection measures as well as the Personal Protective Equipment, in addition to the programme of measures considered appropriate in order to implement concrete means for reducing the extent of any identified risks. With regard to the risk assessment activity, a Risk Assessment Document shall be drawn up per the methodologies and criteria specified in the document and with the content requested under the legislation of reference. Such documentation examines the individual areas in which the relevant activities are conducted in order to safeguard the hygiene, health and safety of workers.

The adequacy of the Risk Assessment Document is constantly monitored by the Employer, the Occupational Physician, the Head of the Prevention and Protection Service and the Workers Safety Representative through the reports received by the subjects themselves according to the specific activities assigned to each and, in any case, revised and – if necessary, updated – in the event of:

- organisational changes or new business structures;
- new statutory provisions;
- where the results of health surveillance show the need for such;
- as a result of significant injuries;
- requests from the control bodies;



- in any case at least every two years.

#### *Training and information on worker health and safety*

Without prejudice to all considerations expressed in the premise, the Employer – with the support of the Head of the Prevention and Protection Service – shall:

- organise and provide continuous education/training programmes to workers, including those who perform their activities with limited frequency;
- organise and provide specific training programmes to workers.

In view of the relevance of the training activities in this field, the training schedules are aligned with the requirements of the State-Regions Agreement.

The Employer, with the support of Head of the Prevention and Protection Service, shall:

- assess during the selection process the ability of suppliers to ensure the protection of the health and safety of workers employed by the supplier to complete the necessary tasks and those of the Company;
- formally communicate to suppliers regarding the conduct and control regulations adopted by the Company, as defined in this Model.

#### *Health surveillance*

It is the responsibility of the Employer, the Head of the Prevention and Protection Service and the Workers' Safety Representatives to monitor the conduct of health surveillance by the Occupational Physician by providing the appropriate space for carrying out the activities under their competence and for filing the documentation that emerges from such activities.

It is the responsibility of the Occupational Physician, whereby not at the expense of the mandatory checks provided by law, to assess the adequacy and possibly update the monitoring programme according to any prior needs, as well as to collaborate on drafting/updating the Risk Assessment Document.

The outcome of all medical analyses is formalised in the findings on suitability/unsuitability, in the manner set out by the legislation.

All Recipients involved in safety management are to inform the Supervisory Body of any abnormal or non-compliant situations, as defined in this section of the Model and in the Code of Ethics.

#### *Periodic audits on the safety management system*

The Head of the Prevention and Protection Service shall ensure the conduct of periodic audits on the safety management system in compliance with the conduct and control regulations defined in this Model.

The Employer:

- approves the annual verification plan that must include operations aimed at certifying compliance with standards and the correct implementation by all shareholders of the organisation;
- verifies the audit report and in particular, the findings (non-conformity and/or any observations) and the relevant action plan (as defined by the area/department subject to verification with the support of the person who carried out the audits), indicating the actions necessary to eliminate the non-conformities found as well as the entity responsible for their implementation and the necessary time-frames;
- approves the plan of action.

*Control and corrective actions*

The Employer, with the support of the Head of the Prevention and Protection Service, must:

- ensure the correct and complete application of internal procedures and information systems for all identification, investigation and improvement activities following accidents and near-accidents;
- ensure the recording and monitoring of health and safety indicators.

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## **F.5 Flows of information to the Supervisory Body**

The Recipients of this Model who, in carrying out their activities, have to handle pertinent activities within the meaning of Articles 25-septies of Legislative Decree no. 231/2001, shall promptly communicate to the Supervisory Body, in writing, any information concerning derogations or breaches of which they become aware with respect to the standards of conduct governed therein, the pertinent legal regulations and the principles set out in the Code of Ethics.

The Employer is obliged to promptly transmit to the Supervisory Body any information regarding:

- the occurrence of accidents or complaints of occupational diseases;
- changes and updates to the Risk Assessment Document;
- the minutes of periodic meetings;
- the training schedule and preparation of training provided in the field of workplace health and safety;
- inspection visits by Public Administration officials and relative findings arising as a result of such verification and investigations;
- any violations by the responsible functions (established internally or by the competent authorities) relating to the obligations required by the health and safety legislation with regards to the working environment and related corrective actions adopted.

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## **F.6 Sanctions**

In the event of any violation of the provisions contained in this Special Section, the disciplinary sanctions established in the Company's Organisation, Management and Control Model shall apply in accordance with the applicable National Collective Bargaining Agreement or the Contract signed on each occasion.

Any violation of the requirements contained therein or conduct of third parties not compliant with such shall be sanctioned by the competent bodies in accordance with internal corporate regulations, according to that set out in the clauses of the applicable contracts.

**SPECIAL SECTION G**

**RECEIVING, LAUNDERING AND USING MONEY, GOODS OR ASSETS OF UNLAWFUL ORIGIN, AS WELL AS SELF-LAUNDERING, ORGANISED CRIME AND SMUGGLING OFFENCES**

## **G.1 Function of Special Section G**

This Special Section aims to illustrate the responsibilities, the criteria and behavioural norms to which the Recipients of this Model – as defined in the General Section – must follow in handling activities at risk related to the criminal offences referred to in Article 25-*octies*, 24-*ter* and 25-*sexiesdecies* of Legislative Decree no. 231/2001, in compliance with the principles of maximum transparency, timeliness and collaboration, as well as traceability of activities.

Specifically, this Special Section is intended to define:

- the principles of conduct to be observed by the Recipients in order to properly apply the requirements of the Form;
- the flows of information to the Supervisory Body.

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## **G.2 Pertinent offences**

Below are the cases of criminal offences applicable to the Company and which form the administrative responsibility of the institutions pursuant to Articles 25-*octies*, 24-*ter* and 25-*sexiesdecies* of the Decree.

### **Receiving, laundering and using money, goods or assets of unlawful origin, as well as self-laundering**

#### ***Receiving stolen goods (Article 648 of the Italian Criminal Code)***

The crime of receiving stolen goods punishes anyone who buys, receives, conceals or partakes in buying, receiving or concealing money or goods from any crime. Such conduct is aimed at making a profit for the person concerned or a third party. In order to exist, it is necessary that the offender did not participate in the commission of the crime from which the stolen money or received goods derived.

#### ***Money laundering (Article 648-bis of the Italian Criminal Code)***

The offence of laundering is committed upon replacing or transferring money, property or other benefits from an offence committed with criminal intent or anyone who carries out other transactions in relation thereto. In order to be such, the conduct must be such as to hinder the identification of the illicit provenance of money, property or other utilities. As with receiving stolen goods, money laundering also subsists outside the criminal cases from which money, property or other benefits arise.

The conduct of “exchange” includes any activity aimed at affecting the criminal compendium by separating any possible connection with the crime. Concrete operating methods may consist in banking, financial and commercial transactions, through which the economic benefits of illicit origin are exchanged with other lawful acts; or with the exchange of banknotes in different currencies, with speculation on foreign exchange and the investment of monies in government bonds, equities and so on.

The “transfer” coincides with moving unlawful values of illegal origin from one subject to another (such as a change in owner of a property or securities).

Finally, the more general “performing any other operations” formula refers to any activity aimed at obstructing the identification of illicit origin.

***Using money, assets or benefits of unlawful origin (Article 648-ter of the Italian Criminal Code)***

The crime of using money punishes anyone who, beyond cases of complicity in the crime and beyond instances of the aforementioned recovery and laundering, employs in economic or financial activities money, property or other benefits criminally obtained.

The punishable conduct is described with the verb “employ”, which does not have a precise technical merit and finishes with a particularly broad scope, being able to draw on any form of utilising money, property or other benefits from crime regardless of any objective or outcome to the benefit of the agent.

***Self-laundering (Article 648-ter.1 of the Italian Criminal Code)***

The crime sees punished anyone who – having committed or concurring to commit an offence with criminal intent – employs, replaces or transfers in economic, financial, entrepreneurial or speculative activities, the money, goods or other benefits arising from the commission of such crime, in such a way as to effectively hinder the identification of their criminal origin.

Through such a regulation, the perpetrator of the presupposed crime (being the felony that determines the unlawful provenance of the property) can also be called to answer for subsequent actions aimed at re-entering the good (be it money, tangible goods or other benefits) in the economic-business circuit.

**Organised crime offences**

***Criminal association (Article 416 of the Italian Criminal Code)***

The crime punishes those who promote, form or organise associations of three or more persons with the aim of committing multiple offences.

***Mafia-type associations, including foreign associations (Article 416-bis)***

This applies to anyone who is part of a Mafia-type association formed by three or more people.

The association is of a Mafia nature when those who take part avail of the force of intimidation of the associative bond and the condition of subjection and the code of silence that results therefrom in order to commit further crimes, to directly or indirectly acquire the management or control of economic activities, concessions of authorisations, contracts and public services or to achieve unfair profit or gain for themselves or others or else to prevent or impede the free exercise of voting or to procure votes for themselves or others during electoral sessions.

The provisions of Article 416-bis of the Italian Criminal Code also apply to the Camorra and other associations, however they are referred to locally, which avail of the intimidating

force of the associative bond to pursue purposes corresponding to those of Mafia-type associations.

***All crimes if committed availing of the conditions established in Article 416-bis of the Italian Criminal Code to facilitate the activity of associations envisaged in the same Article (Law 203/91)***

***Political-mafia electoral exchange (Article 416-ter of the Italian Criminal Code)***

The offence punishes those who obtain the promise of votes through the so-termed “mafia method”, in exchange for issuing money.

***Kidnapping for the purpose of extortion (Article 630 of the Italian Criminal Code)***

The crime is committed when certain people abduct a person for the purpose of achieving – for themselves or others – an unfair gain as the price of release.

***Association aimed at illicit trafficking of narcotic or psychotropic substances (Article 74 of Presidential Decree 309/1990)***

The crime punishes those who promote, constitute, direct, organise or finance associations of three or more persons with the aim of committing various crimes amongst those set out in Article 73 of Presidential Decree 309/1990.

***Crimes of illegal manufacture, importation, placing for sale, transfer, possession and carrying in a public place or a place open to the public, weapons of war or parts thereof, of explosives, and illegal arms and more common firearms (Article 407, paragraph 2, letter a), number 5], of the Italian Code of Criminal Procedure).***

### **Smuggling crimes**

***Smuggling and movement of goods across land borders and customs areas (art. 282 Presidential Decree no.43/1973)***

It is punished with a fine not less than two and not more than ten times the customs duties due to anyone who:

- a) introduces foreign goods across a land border in violation of the requirements, prohibitions and limitations set forth in art. 16;
- b) discharge or deposit foreign goods in the area between the border and the nearest customs office;
- c) is found to have foreign goods hidden on the person or in baggage or packages or among goods of another kind or in any means of transport to avoid customs inspection;
- d) removes goods from customs areas without having paid the required duties or without guaranteeing payment of the same, except for the provisions of art. 90;
- e) removes domestic or nationalised goods subject to border duties from the customs territory in the conditions laid down in the previous paragraphs;
- f) holds foreign goods, when the circumstances referred to in the second paragraph of art. 25 regarding smuggling crimes apply.

***Smuggling and movement of goods in border lakes (art. 283 of Presidential Decree no. 43/1973)***

It is punished with a fine not less than two and not more than ten times the customs duties due to anyone who:

- a) introduces foreign goods via Lake Maggiore or Lake Lugano and the river basins of Porlezza, without declaring them at one of the national customs offices near the border, subject to the exception provided for in the third paragraph of art. 102;
- b) without customs permission, transports foreign goods by boats in the areas of Lake Lugano where there are no custom offices, using the national sides opposite to the foreign side, or throws the anchor or conducts slow navigation or in any case communicates with the customs territory of the State, in such a way as to facilitate the unloading or loading of the goods, except in cases of force majeure.

The same penalty is applicable to anyone who hides foreign goods on boats or ships to evade customs inspections.

***Smuggling and movement of goods at sea (art. 284 Presidential Decree No 43/1973)***

It is punished with a fine of no less than two and no more than ten times the customs duties due to the captain:

- a) who, without customs permission, by transporting foreign goods by ships, sails along the sea shore or throws the anchor or conducts slow navigation near the shore, except in cases of force majeure;
- b) who, when transporting foreign goods, arrives at places where there are no customs offices, or unloads or loads the goods in breach of the regulations, prohibitions and limitations laid down in accordance with art. 16, except in cases of force majeure;
- c) who transports foreign goods without a manifest on a vessel not exceeding 200 tons net in cases where the manifest is required;
- d) who, at the time of departure of the vessel, does not have on board foreign goods or national goods exported with refunds of duties which should be found in accordance with the manifest and other customs documents;
- e) who transports foreign goods from one customs office to another using a vessel of weighing no more than 50 tons net, without the relevant security bill;
- f) who has taken on board foreign goods leaving the customs territory on a vessel weighing no more than 50 tons, except as provided for in art. 254 for the loading of ship supplies.

The same penalty is applicable to anyone who hides foreign goods on boats or ships to evade customs inspections.

***Smuggling and movement of goods by air (art. 285 of Presidential Decree no. 43/1973)***

It is punished with a fine of no less than two and no more than ten times the customs duties due to the flight captain:

- a) who transports foreign goods in the territory of the State without the relative manifest, where applicable;
- b) who, at the time of departure of the aircraft, does not have foreign goods on board, which should be found in accordance with the manifest and other customs documents;
- c) who removes goods from the aircraft landing areas without the completion of the prescribed customs operations;



- d) who, upon landing outside a customs airport, fails to report its landing, within the shortest time possible, to the Authorities referred to in Art. 114. In such cases, the aircraft is considered to be smuggled into the customs territory, in addition to its cargo.

The same penalty is applicable to anyone who throws foreign goods out of a flying aircraft, or hides foreign goods in aircrafts to evade customs inspections.

The above penalties shall apply irrespective of the penalties imposed for the same fact by the special laws on air navigation, since they do not concern customs matters.

***Smuggling in non-customs areas (art. 286 Presidential Decree No 43/1973)***

It is punished with a fine not less than two and not more than ten times the customs duties due to anyone who, in the non-customs areas indicated in art. 2, constitutes non-permitted deposits of foreign goods subject to border duties, or stores a larger amount of the same than permitted.

***Smuggling for illicit use of imported goods with customs facilities (art. 287 Presidential Decree No 43/1973)***

It is punished with a fine not less than two and not more than ten times the border duties due to anyone giving, in whole or in part, foreign goods imported with exemptions and with reduction of such duties, a destination or use other than that for which the exemption or reduction was granted, except as provided for in art. 140.

***Smuggling in customs warehouses (art. 288 Presidential Decree No 43/1973)***

The agent of a privately owned customs warehouse, which stores foreign goods for which there is no inventory declaration or storage records of, is punished with a fine not less than two and not more than ten times the border duties due.

***Smuggling and cabotage and circulation (art. 289 Presidential Decree No. 43/1973)***

It is punished with a fine not less than two and not more than ten times the customs duties and due to anyone who introduces foreign goods to the State replacing domestic or nationalised goods sent in cabotage or in circulation.

***Smuggling in the export of goods entitled to refund of duties (art. 290 Presidential Decree No 43/1973)***

Anyone who uses fraudulent means to obtain an undue refund of duties established for the import of raw materials used in the manufacture of domestic goods which are then exported, shall be fined no less than twice the amount of the duties unduly collected or attempted to collect, and no greater than ten times the amount.

***Smuggling in temporary import or export (art. 291 Presidential Decree No 43/1973)***

Anyone performing temporary import or export or re-export or re-import operations, who removes goods in order to avoid paying duties on the same or subjects the goods to artificial manipulation or uses other fraudulent means, is punished with a fine of no less than two and no more than ten times the amount of the evaded duties or attempted evasion of duties.

***Smuggling of tobacco processed abroad (art. 291-bis of Presidential Decree No 43/1973)***

Anyone who introduces, sells, transports, buys or holds in the territory of the State an amount of tobacco processed abroad by smuggling in excess of the conventional ten kilograms shall be fined Euro 5 (ten thousand lire) per conventional gram of product, as defined by Article 9 of Law No. 76 of 7 March 1985 and charged with imprisonment for two to five years.

The facts provided for in paragraph 1, when they relate to an amount of tobacco processed abroad of up to the conventional ten kilograms, shall be fined Euro 5 (ten thousand lire) per conventional gram of product and in any case no less than Euro 516 (1 million lire).

***Aggravating circumstances for offences related to the smuggling of tobacco processed abroad (art. 291-ter of Presidential Decree No 43/1973)***

If the facts provided for in Article 291-bis are committed using means of transport belonging to persons other than the offenders, the penalty shall be increased.

In the cases provided for in Article 291-bis, the fine of Euro 25 (fifty thousand lire) shall apply for each conventional gram of product plus imprisonment for three to seven years, when:

- a) in committing the offence or in the conduct implemented to secure the price, product, profit or immunity pursuant to the offence, the perpetrator uses weapons or are found to have possessed them in the execution of the crime;
- b) in committing the offence or immediately after the perpetrator is surprised together with two or more persons in such a manner as to obstruct the police authorities;
- c) the fact is related to another offence against the public trust or against the public administration;
- d) in committing the offence the perpetrator has used means of transport, which, with respect to the homologated characteristics, have been subject to alterations or modifications suitable to hinder the intervention of the police or to cause danger to public safety;
- e) in committing the offence, the perpetrator has used partnerships or joint stock companies or has made use of financial resources in any way established in States which have not ratified the Convention on money laundering, search, seizure and confiscation of the proceeds of crime, passed in Strasbourg on 8 November 1990, ratified and made enforceable pursuant to Law No. 328 of 9 August 1993, and which in any case have not stipulated and ratified mutual assistance conventions with Italy concerning smuggling crimes.

The extenuating circumstance foreseen by article 62-bis of the criminal procedure, together with the aggravating circumstances referred to in letters a) and d) in paragraphs 2 of this article, cannot be considered equivalent or prevalent in relation to these acts and any reduction in punishment is based on the quantity of the punishment resulting from the increase linked to the aggravating circumstances.

***Criminal association for the purposes of smuggling tobacco manufactured abroad (Art. 291-quater Presidential Decree No 43/1973)***

When three or more persons associate for the purpose of committing crimes under article 291-bis, the act of promoting, creating, leading, organising or financing the association is punishable, in itself, by imprisonment for a term of from three to eight years.

Being part of the association is punishable by imprisonment for a term of one to six years.

The penalty is increased if there are ten or more associates.

In the case of armed association, or the circumstances envisaged by letters d) or e) of paragraph 2 of art. 291-ter occur, the term of imprisonment shall be from five to fifteen years in the cases provided for by the first paragraph of this article, and from four to ten years in the cases provided for by the second paragraph. An association is considered to be an armed association when its participants have weapons or explosive materials available, even if hidden or kept in a storage place, in order to achieve the purposes of the association.

When a defendant dissociates from the others and endeavours to prevent the criminal activity from being carried on to further consequences, also by concretely helping police or judicial authorities collect information instrumental to reconstructing the facts or locating or capturing the offenders or locating resources for use in the commission of the felonies, the penalties provided for by articles 291-bis, 291-ter and by this article imposed on the defendant are decreased by a third to a half.

***Other types of smuggling (art. 292 Presidential Decree No 43/1973)***

Anyone who, except for the cases provided for in the preceding articles, hides goods in order to avoid payment of the border duties due shall be punished with a fine of no less than two and no more than ten times the same duties.

***Aggravating circumstances for smuggling (art. 295 PD No 43/1973).***

For the offences provided for in the preceding articles, a fine of no less than five times and no more than ten times the border duties due is applicable to anyone using means of transport belonging to a person not involved in the crime.

In addition to the fine for these crimes, imprisonment of from three to five years is applicable:

- a) when, in committing the offence, or immediately afterwards in the surveillance zone, the perpetrator is caught in the possession of a fire arm;
- b) when, in committing the offence, or immediately afterwards, three or more perpetrators are surprised together in such a manner as to obstruct the police authorities;
- c) when the fact is related to another offence against the public trust or against the public administration;
- d) where the perpetrator is an associate for the purpose of committing smuggling offences and the offence committed is among those for which the association was established;

d-bis) where the amount of the border duties due is more than Euro one hundred thousand.

In addition to the fine, for the same offences, imprisonment of up to three years is applicable when the amount of the border duties due is higher than euro fifty thousand and no more than euro one hundred thousand.

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### **G.3 Areas of Major Risk**

The Company's main areas of risk, with reference to the crimes of receiving, laundering and using funds, goods or other benefits gained illegally, as well as self-laundering, organised crimes and smuggling offences can be traced back to:

- *Management of commercial activities;*
- *Management of public funding and contributions;*
- *Management of purchasing goods and services;*
- *Management of cash flows;*
- *Management of intercompany relationships;*
- *Management of tax aspects*
- *Selection and management of personnel;*
- *Management of relationships with third parties;*
- *Management of customs activities.*

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### **G.4 Principles of Conduct**

The following lists some of the general principles to be considered as applicable to the Recipients, as defined in the General Section of this Model.

In general, **it is compulsory** to ensure that the management of such activities takes place in absolute compliance with:

- laws and regulations in force;
- principles of loyalty, fairness and clarity;
- Code of Ethics;
- specific internal procedures.

In general, **it is forbidden** to enact conduct or contribute to the execution of conduct that may fall within the present offences referred to in Articles 25-ter 24-ter and 25-sexiesdecies of Legislative Decree no. 231/2001 cited prior.

Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Management of commercial activities;*
- *Management of public funding and contributions;*
- *Management of purchasing goods and services;*
- *Management of cash flows;*
- *Management of intercompany relationships;*
- *Selection and management of personnel;*
- *Management of relationships with third parties.*

The **management of commercial activities** could present risks in relation to the configuration of **smuggling offences** in the event that, for example, the Company exports goods abroad in violation of the customs regulations envisaged by the Decree.

The **management of commercial activities** could present risk profiles in relation to **smuggling offences** if, for example, in order to obtain exemption from duties, the preferential origin of the goods is declared, also by means of the presentation of false documentation, even if the requirements are not met.

The **management of public funding** could present risks in relation to **organised crime offences** where, for example, the Company – through artifice or deception, with the complicity and support of any additional third parties (such as consultants, and so on), misleads a Public Official in order to obtain undue financing or uses such resources for purposes other than those for which the same were requested and obtained.

The **management of public funding** could present risks in relation to the **crime of self-laundering** in the event whereby the Company, having committed the crime of fraud against the State in order to obtain a public contribution, employs, replaces or transfers in economic, financial, entrepreneurial or speculative activities, the money, goods or other benefits arising from the commission of such crime, in such a way as to effectively hinder the identification of their criminal origin.

The **management of purchases of goods and services** could present risks in relation to **organised crime offences** should the Company enter into fabricated contracts or with deliberately incongruous values with suppliers associated with a criminal organisation, in order to obtain economic and/or tax benefits.

The **management of purchases of goods and services** could present risks in relation to the **crime of relocation** in the event that the Company proceeded with purchasing goods of illicit provenance in order to obtain an undue advantage.

The **management of purchasing goods and services** could present risks in relation to committing **smuggling offences** in the case in which, for example, a person in a senior position or subordinate of the Company imports goods from abroad in violation of the customs regulations envisaged by the Decree.

The **management of financial resources** and, in particular, the receipt of payments, could present risks in relation to the crime of **receiving, laundering and using funds** in the event that, for example, the Company accepts money from illegal activities.

**Non-transparent management of financial resources** could present risks in relation to the commission of the **crime of self-laundering** in the event that, for example, it is possible to set aside unlawfully-sourced financial provisions to be employed, replaced or transferred in economic, financial, entrepreneurial or speculative activities, in such a way as to effectively hinder the identification of their criminal origin.

The **non-transparent management of financial flows** could present risks in relation to **organised crime offences** in the event that, for example, the Company makes undue payments for entirely or partly non-existent provisions to third parties linked to criminal or mafia associations in order to facilitate their illegal activity.

The **management of intercompany relationships** could present risks in relation to the **crime of self-laundering** in the event that, for example, the Company provides unlawfully-sourced financial provisions to be employed, replaced or transferred in economic, financial, entrepreneurial or speculative activities with other Group companies, in such a way as to effectively hinder the identification of their criminal origin.

The **management of intercompany relations**, with specific reference to commercial relations with foreign subsidiaries, could present risk profiles in relation to **smuggling offences** if, for example, in order to obtain exemption from duties, the preferential origin of the goods is declared, also by the presentation of false documentation, even if requirements are not met.

The **selection of staff** could present risks in relation to **organised crime offences** in the event that the Company, in order to receive an undue advantage, proceeds with the selection of a person selected by or associated with a criminal organisation.

The **selection and management of agents** could present risks in relation to the **organised crime offences** in the event that the Company selects agents or third parties affiliated with or aligned with a criminal association.

The **management of relations with third parties**, with specific reference to relations with service providers, could present potential risk profiles in relation to **smuggling offences** if, for example, the goods are submitted to the prescribed customs declaration by carrying out fraudulent manoeuvres aimed at misleading the customs authorities as regards to the elements of the investigation, i.e. making false declarations regarding the quantity, quality, origin and value of the goods.

For specific principles of conduct in relation to:

- *Management of commercial activities;*
- *Management of public funding and contributions;*
- *Management of purchasing goods and services;*
- *Management of cash flows;*
- *Management of intercompany relationships;*
- *Selection and management of personnel;*
- *Management of relationships with third parties;*

- *Management of customs activities.*

Reference is made to that outlined under Special Section A – "*Offences against the Public Administration and its assets, offences of corruption between private individuals and incitement to corruption between private individuals and the crime of induction not to submit statements or to make misleading statements to the Judicial Authority*".

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Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Management of customs activities;*

The **management of customs activities** could present risks in relation to **smuggling** in the event that the Company violates the customs regulations foreseen by the Decree as regards to import/export activities.

The **management of customs activities**, could present potential risk profiles in relation to **smuggling offences** if, for example, the goods are submitted to the prescribed customs declaration by carrying out fraudulent manoeuvres aimed at misleading the customs authorities as regards to the elements of the investigation, i.e. making false declarations regarding the quantity, quality, origin and value of the goods.

The **management of customs activities** could present risk profiles in relation to **smuggling offences** if, for example, in order to obtain exemption from duties, the preferential origin of the goods is declared, also by means of the presentation of false documentation, even if the requirements are not met.

Recipients who, for reason of their assignment, function or mandate are involved in the management of the aforementioned activities shall be **obliged** to:

- observe the instructions and procedures applicable to the area of competence;
- assign the management and monitoring of customs activities to those holding the necessary skills;
- ensure strict compliance with community and Italian customs legislation requirements;
- ensure the correct compilation of customs declarations, with timely verification of each consignment, the availability of all documents and the accuracy of the information concerning the nature, characteristics, intended use of the goods and the origin of the goods;
- fulfil promptly, correctly and in good faith all the obligations, including the transmission of declarations and communications, as well as the settlement and payment of customs duties, taxes and fees, as provided for in customs legislation;



- ensure that the documentation to be submitted to the customs authorities is duly prepared as regards to import and export of goods;
- verify the origin of the goods and whether the transport documents reflect the country of origin and the movement flow as regards to the import of goods;
- verify that all supporting documents relating to records, compliance and communications with the customs authorities are true, authorised and filed, for the periods laid down by the legislation in force, in an orderly manner and in such a way as to be able to carry out checks at any given time;
- verify the compliance of the documents accompanying the consignment with the purchase order issued and, in particular, with the information indicating the value, quantity, origin and classification of the goods;
- verify the compliance of the goods received with the customs support documentation;
- verify the compliance of the data indicated in the customs document with the data indicated in the invoice and in the accompanying documents, with particular reference to the customs tariffs, country of origin and value of the goods;
- verify the indication on the invoice (or other documentary medium) of all necessary and compulsory information for import activities, and the correct and complete Customs declarations concerning the nature, characteristics, intended use of the goods and the origin of the goods;
- in the case of goods with preferential origin, ensure traceability of the origin of the goods and their raw materials;
- in the event that the documentation to be submitted to the Customs Authority is produced - in whole or in part - with the support of third parties (freight forwarders, customs agents etc.), ensure that the selection of the same is always carried out in compliance with the provisions of Special Section A of this model;
- introduce clauses in contracts with suppliers and third parties (customs agents, etc.) specifying:
  - that the company concerned declares compliance with the principles pursuant to Legislative Decree no. 231/2001 and to abide by the Code of Ethics principles;
  - that the company concerned declares, where possible, having enacted all necessary acts of compliance and precautions aimed at preventing the above offences, having reinforced its corporate structure with internal procedures and systems that are entirely suited to such prevention;
  - that any lack of truthfulness in the above declarations could constitute cause for termination of the contract by serious breach pursuant to Article 1456 of the Italian Civil Code;

- that the company undertakes to comply with certain corporate provisions relevant to the activities that they are required to perform on behalf of the Company.
- in the event where the freight forwarder's invoice for customs duties is anomalous, require the freight forwarder to produce accounting documents showing that the amount of that invoice is consistent with the amounts actually paid to the customs authorities by way of duties or other charges due for the import of the goods;
- ensure traceability of relations with customs authorities and Public Administration in general;
- communicate, without delay, to their hierarchical manager or management of the Company together with the Supervisory Body regarding any conduct aimed at obtaining an illicit advantage for the Company.

In the context of the aforementioned conduct, it is prohibited to:

- submit untruthful statements by presenting documents that do not correspond with reality in whole or in part or by omitting the presentation of true documentation;
- behave deceptively towards the Authorities in such a way as to mislead its assessment and calculation of customs duties;
- fail to comply properly with the obligations arising from the performance of import and export operations.

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Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Management of tax aspects*

**Taxation management** could present risks in relation to the configuration of the **crime of self-laundering** in the event that, for example, a person in a senior position or subordinate of the Company uses invoices or other documents for non-existent transactions, in order to evade income or value added taxes, listed in one of the annual declarations relating to such taxable fabricated items and thus constitutes an unlawful provision to employ, replace or transfer from the same subject in economic, financial, entrepreneurial or speculative activities in such a way as to effectively hinder the identification of their criminal origin.

For specific principles of conduct in relation to “Management of taxation”, please refer to the provisions of Special Section D – “*Corporate Offences and Tax Offences*”.

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### **G.5 Flows of information to the Supervisory Body**

The Recipients of this Model who, in carrying out their activities, have to handle pertinent activities within the meaning of Articles 25-octies and 24-ter of Legislative Decree no. 231/2001, shall promptly communicate to the Supervisory Body regarding any derogations, breaches or suspected violations of which they become aware with respect to the standards of conduct governed therein, the pertinent legal regulations and the principles set out in the Code of Ethics.

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### **G.6 Sanctions**

The conduct of the Recipients to violate (or elude) this Special Section shall be considered as a disciplinary wrongdoing in accordance with the provisions of the Disciplinary System referred to in the General Section of this Model (Chapter 6).

**SPECIAL SECTION H**

**ENVIRONMENTAL OFFENCES**

## **H.1 Function of Special Section H**

This Special Section aims to illustrate the responsibilities, the criteria and behavioural norms to which the Recipients of this Model – as defined in the General Section – must respect in handling activities at risk related to the criminal offences referred to in Article 25-undecies of Legislative Decree no. 231/2001, in compliance with the principles of maximum transparency, timeliness and collaboration, as well as traceability of activities.

Specifically, this Special Section is intended to define:

- the principles of conduct to be observed by the Recipients in order to properly apply the requirements of the Form;
- the flows of information to the Supervisory Body.

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## **H.2 Pertinent offences**

For completeness, below are all the criminal offences that form the basis of the administrative responsibility of the institutions pursuant to Articles 25-undecies of the Decree.

### **Environmental offences**

#### ***Environmental pollution (Article 452-bis of the Italian Criminal Code)***

The regulation punishes anyone who abusively causes significant and measurable impairment to or deterioration of:

- 1) the air, water or extensive or significant portions of the soil or subsoil;
- 2) an ecosystem, agricultural biodiversity, flora or fauna.

When the pollution is produced in a natural area that protected or under landscape, environmental, historical, artistic, architectural or archaeological safeguards, or results in damage to a protected animal or plant species, the severity of the penalty is increased.

#### ***Environmental disaster (Article 452-quater of the Italian Criminal Code)***

The regulation punishes anyone who abusively causes an environmental disaster. Alternately constituting an environmental disaster are:

- 1) irreversible alteration of the balance of an ecosystem;
- 2) altering the equilibrium of an ecosystem, the rectification of which is particularly burdensome and achievable only via exceptional measures;
- 3) offence to public safety on account of the relevance of the deed due to the extent of the impairment or its detrimental effects or to the number of persons impacted or exposed to danger.

When the disaster occurs in a natural area that is protected or under landscape, environmental, historical, artistic, architectural or archaeological protection, or results in damage to a protected animal or plant species, the severity of the penalty is increased.

***Offences against the environment (Article 452-quinquies of the Italian Criminal Code)***

The regulation punishes anyone who commits through their own fault any of the deeds referred to in the preceding paragraphs (Articles 452-bis and 452-*quater* of the Italian Criminal Code).

***Traffic and abandonment of highly radioactive material (Article 452-sexies of the Italian Criminal Code)***

The regulation punishes — except whereby the deed constitutes a more serious offence — anyone who abusively cedes, buys, receives, transports, imports, procures for others, holds, transfers, abandons or illegitimately dispossesses of highly radioactive material.

The severity of the penalty is increased if the deed results in the danger of impairment of or degradation to:

- 1) the air, water or extensive or significant portions of the soil or subsoil;
- 2) an ecosystem, agricultural biodiversity, flora or fauna.

If the deed results in danger caused to people's life or safety, the severity of the penalty is increased.

***Aggravating circumstances (Article 452-octies of the Italian Criminal Code)***

An increase to the penalty is foreseen whereby the association referred to in Article 416 of the Italian Criminal Code is directed — exclusively or concurrently — for the purpose of committing certain crimes against the environment referred to in Title VI-bis of the Italian Criminal Code.

The severity of the penalty is increased when the association referred to in Article 416-bis of the Italian Criminal Code is aimed at committing any of the crimes laid out in Title VI-*bis* or upon the acquisition of management or control of economic activities, concessions, authorisations, procurement or public services in environmental matters.

The punishment is increased if public officers or persons in charge of a public service exercising functions or performing services in environmental matters are part of the association.

***Killing, destruction, capture and taking of specimens of protected wild animal or plant species (Article 727-bis of the Italian Criminal Code)***

The regulation punishes anyone who:

- save whereby the deed constitutes a more serious offence, anyone who kills, catches or holds specimens belonging to a protected wildlife species, beyond the cases permitted;
- anyone who, beyond the cases permitted, destroys, extracts or holds specimens belonging to a protected wild plant species;

Exception is made whereby the action affects a negligible amount of such specimens and has a negligible impact on the conservation status of the species.

***Destruction or adverse modification of habitats within a protected site (Article 733-bis of the Italian Criminal Code)***

The regulation punishes anyone who, beyond the cases permitted, destroys a habitat within a protected site or otherwise deteriorates such by compromising its state of conservation.

***Criminal penalties (Article 137, paragraphs 2, 3, 5, 11 and 13, Legislative Decree no. 152/2006)***

The norm punishes anyone who:

- triggers or in any case carries out new discharges of industrial wastewater containing the hazardous substances included in the families and groups of substances indicated in Tables 5 and 3/A of Annex 5 to the Part 3 of Legislative Decree no. 152/2006, without authorisation, or else continue to carry out or maintain such discharges after authorisation has been suspended or revoked;
- releases industrial wastewater containing the hazardous substances included in the families and groups of substances indicated in Tables 5 and 3/A of Annex 5 to the Part 3 of Legislative Decree no. 152/2006, without complying with the requirements of the authorisation or the other prescriptions of the competent authority pursuant to Article 107, paragraph 1 and Article 108, paragraph 4;
- in relation to the substances indicated in Table 5 of Annex 5 to Part 3 of Legislative Decree no. 152/2006, exceeds the limit values set out in Table 3 in regards to the discharge of industrial wastewater or, in the case of discharge in the soil, exceeds the limits under Table 4 of Annex 5 to Part 3 of Legislative Decree no. 152/2006, or the more restrictive limits laid out by the autonomous regions or provinces or by the competent Authority pursuant to Article 107, paragraph 1;
- does not observe the prohibitions on discharge pursuant to Articles 103 and 104 and who shall be punished by detention for up to three years.

The regulation also punishes the discharge of substances or materials released into sea waters by vessels or aircraft, whereby there is an absolute prohibition of spillage imposed under the provisions contained in the international conventions in force and ratified by Italy, unless in such quantities as to be quickly rendered harmless via physical, chemical and biological processes, which naturally occur at sea and whereby in the presence of prior authorisation by the competent authority.

***Unauthorised waste management activities (Article 256, paragraph 1 letter a) and b), 3, 5 and 6 of Legislative Decree no. 152/2006)***

The norm punishes anyone who:

- carries out a collection, transport, recovery, disposal, trade or brokering of waste in the absence of the required authorisation, registration or communication referred to in Articles 208, 209, 210, 211, 212, 214, 215 and 216 of Legislative Decree no. 152/2006;
- creates or operates an unauthorised landfill;
- carries out or manages an unauthorised landfill destined, even in part, for the disposal of hazardous waste;

- in violation of the prohibition referred to in Article 187, carries out unpermitted activities of mixing waste;
- temporarily stores hazardous sanitary waste at the site of production, in violation of the provisions set out under Article 227, paragraph 1, letter b).

***Pollution of the soil, subsoil, surface water or groundwater (Article 257, Legislative Decree no. 152/2006)***

The norm punishes anyone who:

- causes the pollution of soil, subsoil, surface water or groundwater by exceeding the risk threshold concentrations, whereby not taking actions for remediation in accordance with the project approved by the competent authority in the context of the procedure referred to in Articles 242 and Legislative Decree no. 152/2006;
- omits the communication referred to in Article 242 of Legislative Decree no. 152/2006.

The act of polluting referred to in the first point is aggravated by the use of hazardous substances.

***Violation of reporting requirements, of obligatory record-keeping and forms (Article 258, paragraph 4 of Legislative Decree no. 152/2006)***

The norm punishes those who:

- drafts a false waste analysis certificate in terms of the nature, composition and chemical-physical characteristics of the waste and
- avails of fake certification during transportation.

***Illicit trafficking of waste (Article 259, paragraph 1, Legislative Decree no. 152/2006)***

The regulation punishes anyone shipping waste constituting illicit trafficking under Article 26 of Regulation (EEC) no. 259 dated 1st February 1993, or who ships the waste listed in Annex 2 to that Regulation in violation of Article 1, paragraph 3 (a), (b), (c) and (d) of the regulations of Procedure itself. The conduct is aggravated upon dispatching hazardous waste.

***Activities organised for the purpose of illicit waste trafficking (Article 452-quaterdecies of the Italian Criminal Code)***

The regulation punishes anyone who, in order to achieve an unfair profit and through multiple operations and the set-up of continuous means and activities organises, cedes, receives, transports, exports, imports or otherwise illegally handles large quantities of waste. The conduct is aggravated if it is highly radioactivity waste.

***False information as to the nature, composition and chemical and physical characteristics of waste in a waste analysis certificate; filing a false waste analysis certificate into the SISTRI; omission or fraudulent alteration of the paper copy of the SISTRI form – handling area in waste transportation as per Article 260-bis paragraph 6, paragraph 7 and paragraph 8 of Legislative Decree no. 152/2006*** is committed by whosoever:

The regulation punishes anyone who:

- any person who in the preparation of a waste analysis certificate used in the context of the waste traceability control system provides false details on the



nature, composition and chemical-physical characteristics of the waste and those who include a false certificate in the data to be supplied for the purpose of waste traceability;

- any conveyor failing to accompany the transport of waste with a hard copy of the SISTRI form for the handling and, where necessary on the basis of current legislation, a copy of the analytical certificate identifying the characteristics of the waste, with the conduct being aggravated upon transporting hazardous waste;
- any person who, during transport, avails of a waste analysis certificate containing false details on the nature, composition or chemical-physical characteristics of the waste transported;
- the conveyor accompanying the transport of waste with a hard copy of the SISTRI form for handling that has been fraudulently altered, with the conduct being aggravated in the case of hazardous waste;

***Sanctions (Article 279, paragraph 5, of Legislative Decree no. 152/2006)***

The regulation punishes those who, in operating an establishment, violate the emission limit values or the requirements established by the authorisation, Annexes I, II, III or V to the fifth part of Legislative Decree no. 152/2006, from the plans and programmes or legislation referred to in Article 271 or the requirements otherwise imposed by the competent authority, which also results in exceeding the air quality limit values established in current legislation.

***Article 1, paragraphs 1 and 2, Law 150/1992***

The regulation punishes those who, unless the deed constitutes a more serious offence, breach the provisions of Council Regulation (EC) no. 338/97 dated 9th December 1996, along with subsequent implementations and modifications, in regards to specimens belonging to the species listed in Annex A to that Regulation, as amended:

- a. import, export or re-export specimens, availing of any customs procedure, without the prescribed certificate or license, or with an invalid certificate or license pursuant to Article 11, paragraph 2a of Regulation (EC) no. 338/97 dated 9th December 1996 and subsequent implementation and modifications;
- b. fail to comply with the requirements for safeguarding specimens, specified in a licence or certificate issued in accordance with Council Regulation (EC) no. 338/97 dated 9th December 1996, along with any successive implementations and amendments, and by Commission Regulation (EC) no. 939/97 dated 26th May 1997, as amended;
- c. use the aforementioned specimens in a manner other than the provisions contained in the authorisation or certification measures issued together with or subsequent to the import licence or certificates;
- d. transport or have transported, including on behalf of third parties, specimens without the prescribed licence or certificate issued in accordance with Council Regulation (EC) no. 338/97 dated 9th December 1996, along with any successive implementations and amendments, and by Commission Regulation (EC) no. 939/97 dated 26th May 1997, as amended and, in the case of export or re-export from a

contracting third country, the Washington Convention, issued in accordance with the Convention, or without sufficient proof of their existence;

- e. trade artificially-reproduced plants contrary to the requirements established in accordance with Article 7, paragraph 1, letter b), of Council Regulation (EC) no. 338/97 dated 9th December 1996, along with any successive implementations and amendments, and by Commission Regulation (EC) no. 939/97 dated 26th May 1997, as amended;
- f. possess, use for profit, buy, sell, exhibit or hold for sale or commercial purposes, offer for sale or otherwise cede specimens without the required documentation.

Such conduct shall be aggravated in the event of recidivism and where the offence is committed in the exercise of corporate activities.

***Article 2, paragraphs 1 and 2, of Law 150/1992***

The regulation punishes those who, unless the deed constitutes a more serious offence, breaches the provisions of Council Regulation (EC) no. 338/97 dated 9th December 1996, along with subsequent implementations and modifications, in regards to specimens belonging to the species listed in Annexes B and C to that Regulation, as amended:

- a. import, export or re-export specimens, availing of any customs procedure, without the prescribed certificate or license, or with an invalid certificate or license pursuant to Article 11, paragraph 2a of Regulation (EC) no. 338/97 dated 9th December 1996 and subsequent implementation and modifications;
- b. fail to comply with the requirements for safeguarding specimens, specified in a licence or certificate issued in accordance with Council Regulation (EC) no. 338/97 dated 9th December 1996, along with any successive implementations and amendments, and by Commission Regulation (EC) no. 939/97 dated 26th May 1997, as amended;
- c. use the aforementioned specimens in a manner other than the provisions contained in the authorisation or certification measures issued together with or subsequent to the import licence or certificates;
- d. transport or have transported, including on behalf of third parties, specimens without the prescribed licence or certificate issued in accordance with Council Regulation (EC) no. 338/97 dated 9th December 1996, along with any successive implementations and amendments, and by Commission Regulation (EC) no. 939/97 dated 26th May 1997, as amended and, in the case of export or re-export from a contracting third country, the Washington Convention, issued in accordance with the Convention, or without sufficient proof of their existence;
- e. trades artificially-reproduced plants contrary to the requirements established in accordance with Article 7, paragraph 1, letter b), of Council Regulation (EC) no. 338/97 dated 9th December 1996, along with any successive implementations and amendments, and by Commission Regulation (EC) no. 939/97 dated 26th May 1997, as amended;

- f. possess, use for profit, buy, sell, exhibit or hold for sale or commercial purposes, offer for sale or otherwise cede specimens without the required documentation, limited to species referred to in Annex B to the regulations of Procedure.

Such conduct shall be aggravated in the event of recidivism and where the offence is committed in the exercise of corporate activities.

***Article 3-bis of Law no. 150/1992***

The regulation punishes the conduct of forgery or alteration of certificates, licenses, import notices, declarations, communications of information in order to acquire a license or certificate, of the use of false or altered certificates or licenses (Criminal Code offences referred to by Article 3-bis, paragraph 1, of Law 150/1992).

***Article 6, paragraph 4, of Law no. 150/1992***

The law punishes those who possess live specimens of mammals and reptiles of wild and live specimens of mammals and reptiles from reproductions in captivity that pose a danger to public health and safety.

***Use of substances damaging the stratospheric ozone and the environment (Article 3, paragraph 6, Law 549/1993)***

The regulation punishes those who violate the provisions that call for the cessation and reduction of the employment (production, use, marketing, import and export) of substances that are harmful to the ozone.

***Malicious pollution (Article 8, paragraphs 1 and 2, of Legislative Decree no. 202/2007)***

The norm punishes the malevolent spilling of pollutants into the sea. Conduct is considered as aggravated whereby the breach causes permanent or particular damage to water quality or to animal or plant species or sections thereof.

***Offences of pollution (Article 9, paragraphs 1 and 2, of Legislative Decree no. 202/2007)***

The norm punishes grievous spills of pollutants into the sea. Conduct is considered as aggravated whereby the breach causes permanent or particular damage to water quality or to animal or plant species or sections thereof.

***Illicit combustion of waste (Article 256-bis of Legislative Decree no. 152/2006)***

The regulation punishes anyone who:

- sets fire waste that has been abandoned or dumped without being checked;
- deposits or abandons waste, or renders it subject to cross-border trafficking for subsequent illicit combustion.

The regulation, although not specifically referred to under Article 25-undecies of Legislative Decree no. 231/2001, is of particular relevance in the matter of administrative responsibility as, in the event of the commission (or attempted commission) of the above-cited crime, it constitutes liability – autonomously with respect to that of the parties involved – for the party accountable (natural person) for the undertaking or the person responsible for the activity, in any case facilitated by a lack of supervision, foreseeing the application of the interdictive sanctions set out under Article 9, paragraph 2, of the Decree.

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### **H.3 Areas of Major Risk**

The Company's main areas of risk, with reference to environmental crimes, are attributable to:

- *Management of purchasing goods and services;*
- *Management of environmental impact activities.*

Recipients are required to adapt their behaviour to that set out in this document.

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### **H.4 Principles of Conduct**

The following lists some of the general principles to be considered as applicable to the Recipients, as defined in the General Section of this Model.

In general, **it is compulsory** to ensure that the management of such activities takes place in absolute compliance with:

- laws and regulations in force;
- principles of loyalty, fairness and clarity;
- Code of Ethics.

In general, **it is forbidden** to carry out conduct or contribute to the implementation of conduct that may fall within the present offences referred to in Articles 25-*undecies* of Legislative Decree no. 231/2001 cited prior.

Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Management of purchasing goods and services.*

The **management of purchases of goods and services** could present risks in relation to the commission of **environmental crimes** in the event that, for example, a person in a senior position or subordinate of the Company enters into contracts with carriers, disposers or intermediaries that are not qualified and/or not equipped with the necessary legal authorisations, in order to obtain economic savings for the Company.

For the principles of conduct relating to the activity of "*Management of purchases of goods and services*", please refer to the provisions of Special Section A – "*Offences against the Public Administration and its holdings, crimes of corruption between private individuals and incitement to corruption between private individuals and the crime of inducement not to make statements or to make false statements to the Judicial Authority*" referred to in this Organisation, Management and Control Model.

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Below is a list exemplifying the main means of committing offences with reference to the following activities:

- *Management of environmental impact activities.*

**Waste management** could present risks in relation to **environmental crimes** in the event that:

- the Company, in order to achieve economic savings on transport and waste disposal costs, enters into contracts with carriers, disposers or intermediaries that are not qualified and/or not equipped with the necessary statutory authorisations;
- A person in a senior position or subordinate of the Company, also in agreement with carriers, disposers or intermediaries, continuously classifies/confers waste incorrectly in order to obtain economic benefits.
- A person in a senior position or subordinate of the Company, in cooperation with carriers, disposers or intermediaries, falsifies mandatory forms and registers, in order to obtain economic benefits resulting from an incorrect classification of waste and/or weights thereof.
- a person in a senior position or subordinate of the Company, in order to obtain economic benefits, disposes of waste independently and illegally (such as pouring liquids into the sewerage system, transport and storage of waste in unauthorised landfills).

**Emissions into the atmosphere** could present risks in relation to **environmental crimes** in the event that:

- also in agreement with the suppliers of the systems and/or maintenance activities, the Company does not carry out the planned maintenance in order to obtain economic savings, releasing harmful substances into the atmosphere;
- the Company does not determine the emissions released into the atmosphere or does not take necessary corrective action in the event that emissions exceed those established by law in order to achieve economic savings;
- the Company falsifies atmospheric emission checks in order to be within the limits laid out in the legislation of reference.

**Water discharge management** could present risks in relation to **environmental crimes** in the event that:

- the Company continuously releases pollutants into the drains in order to reduce disposal costs;
- the Company does not conduct or falsifies controls on waste water in order to appear to be in compliance with the legal limits and to achieve economic savings;
- the Company does not carry out the necessary maintenance activities on sewage treatment plants in order to achieve economic savings.

Recipients who, for reason of their assignment or function, are involved in the aforementioned process shall be obliged to:

- be constantly updated on the current regulations and to comply therewith;
- ensure that the management of activities with an environmental impact are coordinated by staff with appropriate powers;
- define appropriate control measures to contain pollution upon the occurrence of environmental emergencies;

- identify the nature and characteristics of the waste and assign the proper classification in order to define the correct methods for storage and disposal, according to the statutory provisions;
- ensure that personnel involved in waste management activities, whose tasks may have significant environmental impacts, are able to carry out their assigned duties – to this end, all staff must receive appropriate information regarding the correct procedures for completing their tasks;
- regulate product disposal responsibilities through specific contracts with qualified environmental service providers, with the suitable authorisations and selected in compliance with the provisions of Special Section A – *“Offences against the Public Administration and its holdings, crimes of corruption between private individuals and incitement to corruption between private individuals and the crime of inducement not to make statements or to make false statements to the Judicial Authority”* referred to in this Model.

Specifically, such contracts must contain clauses specifying:

- that the company concerned declares compliance with the principles pursuant to Legislative Decree no. 231/2001 and adheres to the principles of the Code of Ethics adopted by the Company;
  - that the company concerned declares having enacted all necessary acts of compliance and precautions aimed at preventing the offences underlying administrative responsibility of the entities, having reinforced — where possible — its corporate structure with internal procedures and systems that are entirely suited to such prevention;
  - that the company concerned declares having the authorisations required by law to carry out its business;
  - that any lack of truthfulness in the above declarations could constitute cause for termination of the present contract pursuant to Article 1456 of the Italian Civil Code;
- that the authorisations of operators to whom the Company entrusts transport and waste disposal activities have been verified;
  - that the mandatory documentation (registers/forms) shall be completed;
  - that the authorisations of the means used for processing waste shall be verified;
  - that the submission by the final disposer of the fourth copy of the form duly completed and signed shall be verified;
  - that the relevant registers established under the legislation, shall be promptly updated where applicable;

- that the necessary measures to avoid pollution of the soil, subsoil and surface water or groundwater shall be identified;
- that the activities that may involve emissions to the atmosphere shall be identified whilst ensuring that the necessary authorisations are obtained and maintained, where required;
- that periodic emission and discharge checks shall be carried out, in the manner and per the timelines set out in the environmental authorisations;
- that the filing of all procedural documentation shall be carried out by the parties involved;
- with regard to the possible temporary storage of waste:
  - the site is shown on the floor plan;
  - in the event of entrusting waste management activities to third parties, ensures that all the requirements referred to in the above points are respected by third parties.
- Staff employed at the Company must also comply with:
  - the particulars provided in the internal procedures with regard to their competence;
  - managing all business collection, temporary storage, transport and delivery activities (such as spare parts replaced by miscellaneous equipment and systems and assets to be decommissioned due to conclusion or remodelling – like computers, computer parts and furniture – even whereby carried out by third parties) in compliance with the provisions of environmental legislation.

In the context of the aforementioned conduct, **it is prohibited** to:

- confer waste to landfills that are unauthorised or do not have the appropriate authorisations on the basis of the type of refuse;
- use waste collection, transport and disposal suppliers that do not have the appropriate authorisations;
- spill hazardous substances into forecourts, down manholes and so on, generating soil and subsoil pollution;
- deposit or abandon waste;
- set fire to waste that has been abandoned or dumped without being checked.

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### **H.5 Flows of information to the Supervisory Body**

The Recipients of this Model who, in carrying out their activities, have to manage pertinent activities within the meaning of Articles 25-undecies of Legislative Decree no. 231/2001, shall promptly communicate to the Supervisory Body, in writing, regarding any information concerning derogations or breaches of which they become aware with respect to the standards of conduct governed therein, the pertinent legal regulations and the principles set out in the Code of Ethics.

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### **H.6 Sanctions**

In the event of any violation of the provisions contained in this Special Section, the disciplinary sanctions established in the Company's Organisation, Management and Control Model shall apply in accordance with the applicable National Collective Bargaining Agreement or the Contract signed on each occasion.

Any violation of the requirements contained therein or conduct of third parties not compliant with such shall be sanctioned by the competent bodies in accordance with internal corporate regulations, according to that set out in the clauses of the applicable contracts.