

Eurodies Italia

Organization, management and control model

General section



Index

4	DEFINITIONS
9	WELCOME TO EURODIES
	THE ADMINISTRATIVE LIABILITY OF BODIES:
15	THE CONDITIONS Brief notes on the body's administrative liability for offenses The Conditions The sanctions
41	GUIDELINES OF THE REPRESENTATIVE ASSOCIATIONS Operational indications and specific company characteristics The guidelines and principles in the construction and updating phases of the Model
45	THE ORGANIZATIONAL MODEL Introduction to the Organizational Model Recipients The aims of the Model The process of preparing the Model

55	THE SUPERVISORY BODY The mission of the Supervisory Body Requirements of integrity, autonomy and independence, professionalism and continuity of activity The composition, appointment and duration of the Supervisory Body The ineligibility and incompatibility requirements Causes for suspension and revocation Termination due to renunciation and unexpected incapacity or death Operation and powers of the Supervisory Body Relations between the Supervisory Body and Corporate Bodies Information obligations towards the Supervisory Body
75	THE WHISTLEBLOWING PROCEDURE
79	THE DISCIPLINARY SYSTEM General characteristics The characteristics of the sanctions and the recipients The procedure for applying sanctions
85	DISSEMINATION OF THE MODEL AND TRAINING Information to external collaborators, suppliers and customers

Definitions

For the purposes of this Organizational Model, the following definitions are clarified:

Legislative Decree 231/2001 or Decree:

refers to the Legislative Decree 8th June 2001, no. 231, which governs the administrative liability of legal persons, companies and associations, including those without legal personality;

Eurodies or Company:

indicates Eurodies Italia srl with registered office in Avigliana (TO), Viale dei Mareschi 25;

Illegitimate behaviors:

indicates the behaviors in the context of work or situations of risk within this same content that may be subject to reporting. Hence, it includes actions or omissions that do not comply with Legislative Decree 231/2001;

Code of Ethics:

indicates the Code of Ethics that has been approved and adopted by Eurodies Italia srl, as well as being approved and adopted at Group level and published on the Company's website;

Recipients:

includes all employees and Company's collaborators with the exception of the cases expressly provided for;

Collaborators:

all Subjects other than subordinate workers employed by the Company who are, for the purposes of this Organizational, control and management Model, are recipients of the discipline. They are, for instance, external consultants, lenders, including intellectual work, as well as self-employed workers who carry out the agreed services in favor and on behalf of the Company, regardless of the contractual form of the assignment or final agreement, whether they are natural or legal persons;

Top management:

Article 5, paragraph 1, lett. a, of Legislative Decree 231/2001 defines them as: *"the persons who have representative, administrative or management functions of the entity or one of its organizational units with financial and functional autonomy, as well as the persons who exercise, in fact, the management and control of the entity"*;

Employees:

Article 5, paragraph 1, lett. b, of Leg. Decree 231/2001 establishes that they are: *"persons subject to the management or supervision of one of the aforementioned top managers"*;

Offenses:

offenses referred to in Leg. Decree 231/2001 committed in the interest or to the advantage of the Entity;

Guidelines:

indicates the guidelines favored and reported by Confindustria in March 2002, with subsequent updates, for the implementation of Organization, Management and Control Models pursuant to the Leg. Decree 8 June 2001, no. 231;

Risk Assessment:

the mapping document containing the analysis of sensitive activities and areas of risk of crime;

Organizational Model, OMM or Model:

the organization, management and control Model adopted by the Company and pursuant to Legislative Decree 231/2001;

Supervisory Body or SB:

the body responsible for controlling the operation and compliance with the organization, management and control Model adopted and pursuant to Legislative Decree 231/2001;

Company Procedures:

procedures implemented by the Company in application and in compliance with the principles according to the Organizational Model;

Operating Protocols:

operating protocols implemented by the Company that contemplate specific application methods of the Organizational Model with the related forms of control;

System of sanctions:

the system envisaged by the Company aimed at sanctioning the violation or, in any case, any form of non-compliance with the principles indicated in the Code of Ethics and the rules of conduct provided for in the Organization, management and control model;

Whistleblowing System or WB System:

System adopted to guarantee confidentiality and protection from any retaliation to the person who reported illegal conduct;

Workers' Statute:

Law 20 May 1970, n. 300.



Welcome to Eurodies

Illustrious Collaborators, Clients and Suppliers,

In Eurodies we have a strong conviction: the corporate system in which the activity is articulated is no less important than the results that derive from the work of all of us. On the contrary, we proudly ascertain that our results systematically exceed the objectives, thanks to the firm attention to legal standards and the ethical development of products, processing procedures and decision-making and operational systems adopted in the company. On all these aspects, our investment is constant.

The Governance Model of a Company is the mirror of the social context in which it intends to operate: compliance with the legal standards of the present and the investment to help increase future standards

Marina Berrino, Chairman
of the Board of Directors

Therefore, not only a diligent and essential compliance with the legislation in force but searching for higher standards of prevention and control that would fully satisfy the morality and integrity that characterize the company Management, the Integrated System and the People who collaborate, regardless of their role.

And why is that?

Because a company can no longer be traditionally understood as a mere production center, but as a dynamic system that maintains continuous interactions and exchange relationships with the external environment, influencing each other. Therefore, high legal rating translates into a positive influence characterized by correctness, transparency, impartiality, integrity and collaboration. These constituent elements are in-

herent in every business process, without exception, whether it is decision-making or operational. This is not a business cost, but an investment for the social and corporate future.

At a European request, with Legislative Decree 231 of 8 June 2001, the national system governs the administrative liability of legal persons, companies and associations, including those without legal personality.

With that introduction, a liability is identified as “administrative” of the legal person following the commission of some specific offences - which is therefore added to the criminal offense of the natural person who was engaged in the conduct - in the interest, for the benefit or in a mere functional relationship with the entity itself.

Liability borne by the Company, however, is being excluded when the management body proves, among other things, to have adopted and effectively implemented, before the commission of the offence, an Organization, Management and Control Model concretely suitable to prevent the offences of the kind that the one of interest belong to.

Only sharing a common legality project allows you to strengthen timeless ideas and values and to consolidate the criteria of legal assessment, with a view to continuous improvement

Vincenzo Rosati -
Chief Executive Officer and CEO

The Eurodies is, therefore, intended to implement the legislation, formalizing the decision-making, organizational, operational and control system already in place, proudly ascertaining how the current business management methods not only go in the right direction, but also seem to grasp the *ratio* of prevention and the need for correctness that characterize the provisions. Model 231 certainly represents a constant investment for the company and integrates with the systems implemented and ISO certified on quality, safety and the environment that witnessed the commitment of the Eurodies to every social front.

Hence, this Organization, Management and Control Model is divided in a general Part which contains the conditions of the regulation implemented and in a special Part, filed with the Board of Directors of the Company, which describes the adopted operating and control procedures. Notably a Model in which the ethical Principles are an integral part and inspiring criteria are in constant improvement.

Having said this, Eurodies welcomes you to its reality, inviting you to share the same social and environmental friendly perspective, to be an active part of it and to embrace it both in relationships and daily activity, so that the investment in the future is **a great common project**.

Gruppo Eurodies



The administrative liability of bodies

The Conditions

Brief notes on the body's administrative liability for offenses

The Body is responsible for the offences referred to the Legislative Decree 231/2001 committed in the interest or to the advantage of the so-called Senior Managers¹ or Employees². However, the Body is not liable if the aforementioned persons acted in their own exclusive interest or that of third parties³.

In the event the offence is committed by a Senior Manager, the body is not liable if it proves that⁴:

- a. the management body has adopted and effectively implemented, prior to the commission of the fact, organizational, management and control models suitable to prevent offences of the kind pursuant to Legislative Decree 231/2001;
- b. the task of supervising the functioning, effectiveness and observance of the models as well as their updating has been entrusted to the organism of the body with autonomous powers of the initiative and control;
- c. the natural persons committed the offence by fraudulently evading the organization, management and control models;
- d. there was no omission or insufficient supervision by the body responsible for supervisory activities.

In the case, however, of an offence being committed by an Employee⁵, the body is liable if his/her commission failed to comply with the obligations of the management or supervision. However, the legislation clarifies that non-compliance with management or supervision obligations is excluded if the body, prior to the offence, has adopted and effectively implemented an organization, management and control model suitable to prevent offences of such kind.

¹ Cit. Art. 5, paragraph 1, lett. a, of Legislative Decree 231/2001: "persons who hold representative, administrative or management functions of the entity or one of its organizational units with financial and functional autonomy, as well as by persons who exercise, even de facto, the management and control of the same"

² Cit. Art. 5, paragraph 1, lett. b, of Legislative Decree 231/2001 "persons subject to the management or supervision" by one of the top managers indicated above.

³ Cit. Art. 5, paragraph 2, of Legislative Decree 231/2001

⁴ Cit. Art. 6 of Legislative Decree 231/2001

⁵ Cit. Art. 7 of Legislative Decree 231/2001

The discipline recognizes in the adoption of the organization, management and control model, therefore, the exemption condition for which the body can avoid being charged of administrative responsibility. In any case, far from considering the formal adoption of the Model, an automatic cause for exclusion, it is clarified, as previously stated, that the effectiveness and effective implementation must exist - and hence proven.

In terms of effectiveness⁶, Legislative Decree 231/2001 provides that the Organizational Model must:

- carry out a complete mapping of the activities in the area where the predicate offenses were committed;
- identify specific protocols aimed at planning the formation and implementation of company decisions in relation to the offences to be prevented, as identified above;
- determine the methods for managing financial resources suitable for preventing the commission of such offenses;
- define the information on the obligations towards the supervisory body in charge of checking the operation and compliance with the organizational model;
- provide for a disciplinary protocol aimed at sanctioning non-compliance with the regulations of the organizational model.

⁶ Cit. Art. 7, paragraphs 3 and 4, of Legislative Decree 231/2001

Predicate offences del Legislative Decree 231/2001 (Chapter I, Sec. III)

The offences examined can be divided into groups, as shown in the tables

Families of crime	Reference articles	Crime
Undue receipt of disbursements, fraud to the detriment of the State, a public body or the European Union or for the achievement of public funds, computer fraud to the detriment of the State or a public body and fraud in public supplies	art. 24	<ul style="list-style-type: none"> ▪ Embezzlement of public disbursements (art. 316-bis of the Italian Criminal Code) [article amended by Legislative Decree no. 13/2022] ▪ Undue receipt of public disbursements (art. 316-ter c.p.) [article amended by Law no. 3/2019 and by Legislative Decree no. 13/2022] ▪ Fraud to the detriment of the State or other public body or the European Communities (Article 640, paragraph 2, no. 1, c.p.) ▪ Aggravated fraud for the achievement of public disbursements (art. 640-bis of the Italian Criminal Code) [article amended by Legislative Decree no. 13/2022] ▪ Computer fraud to the detriment of the State or other public body (art. 640-ter c.p.) ▪ Fraud in public supplies (art. 356 c.p.) [article added by Legislative Decree no. 75/2020] ▪ Fraud against the European Agricultural Fund (art. 2. L. 23/12/1986, n.898) [article added by Legislative Decree n. 75/2020]

Families of crime	Reference articles	Crime
Computer crimes and unlawful processing of data	art. 24-bis	<ul style="list-style-type: none"> ▪ Electronic documents (art. 491-bis of the Italian Criminal Code) ▪ Unauthorized access to a computer or telematic system (art. 615-ter c.p.) ▪ Possession, dissemination and abusive installation of equipment, codes and other means of access to computer or telematic systems (Article 615-quarter of the Criminal Code) [article amended by Law no. 238/2021] ▪ Possession, dissemination and abusive installation of equipment, devices or computer programs aimed at damaging or interrupting a computer or telematic system (art. 615-quinquies c.p.) [article amended by Law no. 238/2021] ▪ Interception, impediment or unlawful interruption of computer or telematic communications (art. 617-quarter of the Italian Criminal Code) [article amended by Law no. 238/2021] ▪ Detention, dissemination and abusive installation of equipment and other means to intercept, prevent or interrupt computer or telematic communications (art. 617-quinquies c.p.) [article amended by Law no. 238/2021] ▪ Damage to information, data and computer programs (art. 635-bis of the Italian Criminal Code) ▪ Damage to information, data and computer programs used by the State or other public body or otherwise of public utility (Article 635-ter of the Criminal Code) ▪ Damage to computer or telematic systems (art. 635-quarter of the Italian Criminal Code) ▪ Damage to computer or telematic systems of public utility (art.635-quinquies c.p.) ▪ Computer fraud of the certifier of electronic signature (art. 640-quinquies c.p.) ▪ Violation of the rules on the Nationalcyber Security Perimeter (Article 1, paragraph 11, Legislative Decree no. 105 of 21 September 2019)

Families of crime	Reference articles	Crime
Organized crime	art. 24-ter	<ul style="list-style-type: none"> ▪ Criminal association (art. 416 c.p.) ▪ Mafia-type association, including foreign ones (art. 416-bis of the Italian Criminal Code) [article amended by Law no. 69/2015] ▪ Political-mafia electoral exchange (art. 416-ter c.p.) [thus replaced by art. 1, paragraph 1, L. 17 April 2014, n. 62, starting from 18 April 2014, pursuant to the provisions of art. 2, paragraph 1 of the same L. 62/2014] ▪ Kidnapping for the purpose of extortion (art. 630 c.p.) ▪ Association aimed at illicit trafficking of narcotic or psychotropic substances (Article 74 of Presidential Decree 9 October 1990, n. 309) [paragraph 7-bis added by Legislative Decree no. 202/2016] ▪ All crimes if committed using the conditions provided for by Article 416-bis of the Criminal Code to facilitate the activities of the associations provided for in the same article (Law 203/91) ▪ Illegal manufacture, introduction into the State, sale, transfer, possession and carrying in a public place or open to the public of weapons of war or type of war or parts thereof, explosives, clandestine weapons and several common firearms excluding those provided for in Article 2, third paragraph, of Law no. 110 of 18 April 1975 (Article 407, paragraph 2, letter a), number 5), c.p.p.)

Families of crime	Reference articles	Crime
Embezzlement, bribery, undue inducement to give or promise benefits, corruption and abuse of office	art. 25	<ul style="list-style-type: none"> ▪ Bribery (art. 317 c.p.) [article amended by Law no. 69/2015] ▪ Corruption for the exercise of the function (art. 318 c.p.) [article amended by Law no. 190/2012, Law no. 69/2015 and Law no. 3/2019] ▪ Corruption for an act contrary to official duties (art. 319 c.p.) [article amended by Law no. 69/2015] ▪ Aggravating circumstances (art. 319-bis of the Italian Criminal Code) ▪ Corruption in judicial acts (art. 319-ter c.p.) [article amended by Law no. 69/2015] Undue inducement to give or promise benefits (art. 319-quarter) [article added by Law no. 190/2012 and amended by Law no. 69/2015] ▪ ▪ Bribery of a person in charge of a public service (art. 320 c.p.) ▪ Penalties for the corruptor (art. 321 c.p.) ▪ Incitement to corruption (art. 322 c.p.) ▪ Embezzlement, extortion, undue inducement to give or promise benefits, corruption and incitement to corruption of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organizations and officials of the European Communities and foreign States (art. 322-bis c.p.) [article amended by Law no. 190/2012 and Law no. 3/2019] ▪ Trafficking in illicit influences (art. 346-bis of the Italian Criminal Code) [article amended by L.3/2019] ▪ Peculato (limited to the first paragraph) (art. 314 c.p.) [article added by Legislative Decree no. 75/2020] ▪ Peculato by profit from the error of others (art. 316 c.p.) [article added by Legislative Decree no. 75/2020] ▪ Abuse of office (art. 323 c.p.) [article added by Legislative Decree no. 75/2020]

Families of crime	Reference articles	Crime
Forgeries in coins, public credit cards, stamp values and identification instruments or signs	art. 25-bis	<ul style="list-style-type: none"> ▪ Counterfeiting of coins, spending and introduction into the State, after concert, of counterfeit coins (art. 453 c.p.) ▪ Alteration of coins (art. 454 c.p.) ▪ Spending and introduction into the State, without concert, of counterfeit coins (art. 455 c.p.) ▪ Spent counterfeit coins received in good faith (art. 457 c.p.) ▪ Falsification of stamp values, introduction into the State, purchase, possession or putting into circulation of falsified stamp values (art. 459 c.p.) ▪ Counterfeiting of watermarked paper used for the manufacture of public credit cards or stamp values (Article 460 of the Criminal Code) ▪ Manufacture or possession of watermarks or instruments intended for counterfeiting coins, stamp values or watermarked paper (art. 461c.p.) ▪ Use of counterfeit or altered stamp values (art. 464 c.p.) ▪ Counterfeiting, alteration or use of trademarks or distinctive signs or patents, models and designs (Article 473 of the Criminal Code) ▪ Introduction into the State and trade in products with false signs (art. 474c.p.)
Crimes against industry and commerce	art. 25-bis.1	<ul style="list-style-type: none"> ▪ Disturbed freedom of industry or commerce (art. 513 c.p.) ▪ Illicit competition with threat or violence” (art. 513-bis of the Italian Criminal Code) ▪ Fraud against national industries (art. 514 c.p.) ▪ Fraud in the exercise of trade (art. 515 c.p.) ▪ Sale of non-genuine food substances as genuine (art. 516 c.p.) ▪ Sale of industrial products with false signs (art. 517 c.p.) ▪ Manufacture and trade of goods made by usurping industrial property rights (art. 517-ter c.p.) ▪ Counterfeiting of geographical indications or designations of origin of agri-food products (Article 517-quarter of the Italian Criminal Code)

Families of crime	Reference articles	Crime
Corporate crimes	art. 25-ter	<ul style="list-style-type: none"> ▪ False corporate communications (art. 2621 c.c.) [article amended by Law no. 69/2015] ▪ Minor facts (art. 2621-bis of the Italian Civil Code) ▪ False corporate communications of listed companies (art. 2622 c.c.) [article amended by Law no. 69/2015] ▪ Prevented control (art. 2625, paragraph 2, c.c.) ▪ Undue restitution of contributions (art. 2626 of the Italian Civil Code) ▪ Illegal distribution of profits and reserves (art. 2627 c.c.) ▪ Illicit transactions on shares or shares or of the parent company (Article 2628 of the Italian Civil Code) ▪ Transactions to the detriment of creditors (Article 2629 of the Civil Code) ▪ Failure to communicate conflict of interest (Article 2629-bis of the Italian Civil Code) [added by Law no. 262/2005] ▪ Fictitious formation of capital (art. 2632 c.c.) ▪ Undue distribution of corporate assets by liquidators (Article 2633 of the Civil Code) ▪ Corruption between private individuals (art. 2635 c.c.) [added by Law no. 190/2012; amended by Legislative Decree no. 38/2017 and Law no. 3/2019] ▪ Incitement to corruption between private individuals (art. 2635-bis of the Italian Civil Code) [added by Legislative Decree no. 38/2017 and amended by Law no. 3/2019] ▪ Illicit influence on the shareholders’ meeting (art. 2636 c.c.) ▪ Rigging (art. 2637 c.c.) ▪ Obstacle to the exercise of the functions of public supervisory authorities (Article 2638, paragraphs 1 and 2, of the Italian Civil Code)

Families of crime	Reference articles	Crime
Offences with the purpose of terrorism or subversion of the democratic order provided for by the penal code and special laws	art. 25 quater	<ul style="list-style-type: none"> ▪ Subversive associations (art. 270 c.p.) ▪ Associations with the purpose of terrorism, including international terrorism, or subversion of the democratic order (art. 270-bis of the Italian Criminal Code) ▪ Aggravating and mitigating circumstances (art. 270-bis.1 c.p.) [Article introduced by Legislative Decree no. 21/2018] ▪ Assistance to members (art. 270-ter c.p.) ▪ Enlistment for the purpose of terrorism, including international terrorism, (art. 270-quarter of the Italian Criminal Code) ▪ Organization of transfer for terrorist purposes (art. 270-quater.1) [inserted by Legislative Decree no. 7/2015, converted, with amendments, by Law no. 43/2015] ▪ Training for activities with the purpose of terrorism, including international terrorism, (art. 270-quinquies c.p.) ▪ Financing of conduct for terrorist purposes (Law no. 153/2016, art.270-quinquies.1 c.p.) ▪ Subtraction of assets or money subject to seizure (art. 270-quinquies.2 c.p.) ▪ Conducted for terrorist purposes (art. 270-sexies of the Italian Criminal Code) ▪ Attack for terrorist purposes or subversion (art. 280 c.p.) ▪ Act of terrorism with lethal or explosive devices (art. 280-bis c.p.) ▪ Acts of nuclear terrorism (art. 280-ter c.p.) ▪ Kidnapping for the purpose of terrorism or subversion (art. 289-bis of the Italian Criminal Code) ▪ Seizure for the purpose of coercion (art. 289-ter c.p.) [introduced by Legislative Decree 21/2018] ▪ Incitement to commit any of the crimes envisaged by the first and second Heads (art. 302 c.p.) ▪ Political conspiracy by agreement (art. 304 c.p.) ▪ Political conspiracy by association (art. 305 c.p.) ▪ Armed band: training and participation (art. 306 c.p.) ▪ Assistance to participants in conspiracy or armed gang (art. 307 c.p.) ▪ Possession, hijacking and destruction of an aircraft (L. n.342/1976, art. 1) ▪ Damage to ground installations (L. n. 342/1976, art. 2) ▪ Sanctions (L. n. 422/1989, art. 3) ▪ Industrious repentance (Legislative Decree n. 625/1979, art. 5) ▪ New York Convention of 9 December 1999 (art. 2) ▪ • • • •

Families of crime	Reference articles	Crime
Practices of mutilation of female genital organs	art. 25 quater.1	<ul style="list-style-type: none"> ▪ Practices of mutilation of female genital organs (art. 583-bis c.p.)
Crimes against the individual personality	art. 25 quinquies	<ul style="list-style-type: none"> ▪ Reduction or maintenance in slavery or servitude (art. 600 c.p.) ▪ Child prostitution (art. 600-bis c.p.) ▪ Child pornography (art. 600-ter c.p.) ▪ Possession or access to pornographic material (art. 600-quarter) [article amended by Law no. 238/2021] ▪ Virtual pornography (art. 600-quater.1 c.p.) [added by art. 10, L. 6 February 2006 n. 38] ▪ Tourist initiatives aimed at the exploitation of child prostitution (art.600-quinquies c.p.) ▪ Trafficking in persons (art. 601 c.p.) [amended by Legislative Decree 21/2018] ▪ Purchase and alienation of slaves (art. 602 c.p.) ▪ Illicit intermediation and labor exploitation (art. 603-bis of the Italian Criminal Code) ▪ Solicitation of minors (art. 609-undecies c.p.) [article amended by Law no. 238/2021]
Market abuse offences	art. 25-e	<ul style="list-style-type: none"> ▪ Market manipulation (Article 185 of Legislative Decree no. 58/1998) [amended by Legislative Decree no. 107/2018 and Law no. 238/2021] ▪ Abuse or unlawful disclosure of inside information. Recommendation or inducement of others to the commission of insider dealing (Article 184 of Legislative Decree no. 58/1998) [article amended by Law no. 238/2021]
Other cases of market abuse	art. 187-quinquies TUF	<ul style="list-style-type: none"> ▪ Prohibition of insider dealing and unlawful disclosure of inside information (Article 14 of EU Regulation No 596/2014) ▪ Prohibition of market manipulation (Article 15 of EU Regulation No 596/2014)

Families of crime	Reference articles	Crime
Crimes of manslaughter and serious or very serious culpable injuries, committed with violation of accident prevention regulations and on the protection of hygiene and health at work	art. 25-septies	<ul style="list-style-type: none"> ▪ Manslaughter (art. 589 c.p.) ▪ Culpable personal injury (art. 590 c.p.)
Receiving stolen goods, money laundering and use of illicitly sourced money, goods or benefits, as well as self-laundering	art. 25-octies	<ul style="list-style-type: none"> ▪ Receiving stolen goods (art. 648 c.p.) [article amended by Legislative Decree 195/2021] ▪ Recycling (art. 648-bis c.p.) [article amended by Legislative Decree 195/2021] ▪ Use of money, goods or benefits of illicit origin (art. 648-ter c.p.) [article amended by Legislative Decree 195/2021] ▪ Self-laundering (art. 648-ter.1 c.p.) [article amended by Legislative Decree 195/2021]
Offences relating to non-cash payment instruments (Added by Legislative Decree no. 184/2021)	art. 25-octies.1	<ul style="list-style-type: none"> ▪ Improper use and falsification of payment instruments other than cash (Article 493-ter of the Italian Criminal Code) ▪ Possession and dissemination of equipment, devices or computer programs aimed at committing crimes concerning payment instruments other than cash (Article 493-quarter of the Italian Criminal Code) ▪ Computer fraud aggravated by the realization of a transfer of money, monetary value or virtual currency (art. 640-ter c.p.)

Families of crime	Reference articles	Crime
Other cases concerning non-cash payment instruments (Added by Legislative Decree no. 184/2021)	art. 25-octies.1, sub. 2	Unless the fact constitutes another administrative offense sanctioned more seriously, in relation to the commission of any other crime against the public faith, against property or that otherwise offends the property provided for by the penal code, when it concerns payment instruments other than cash, the following pecuniary sanctions shall apply to the institution:a) if the crime is punishable by imprisonment of less than ten years, the pecuniary sanction up to 500 quotas;b) if the crime is punished with a penalty of not less than ten years of imprisonment, the pecuniary sanction from 300 to 800 quotas.

Families of crime	Reference articles	Crime
Copyright infringement offences	art. 25-novies	<ul style="list-style-type: none"> ▪ Making available to the public, in a system of telematic networks, through connections of any kind, of a protected intellectual work, or part of it (art. 171, L. n.633 / 1941 paragraph 1 letter a) bis) ▪ Crimes referred to in the previous point committed on works of others not intended for publication if the honor or reputation is offended (art. 171, L. n.633/1941 paragraph 3) ▪ Abusive duplication, to make a profit, of computer programs; import, distribution, sale or possession for commercial or entrepreneurial purposes or lease of programs contained in media not marked by the SIAE; preparation of means to remove or circumvent the protection devices of computer programs (art. 171-bis L. n.633/1941 paragraph 1) ▪ Reproduction, transfer to another medium, distribution, communication, presentation or demonstration in public, of the contents of a database; extraction or re-utilization of the database; distribution, sale or leasing of databases (art.171-bis L. n.633/1941 paragraph 2) ▪ Abusive duplication, reproduction, transmission or dissemination in public by any process, in whole or in part, of intellectual works intended for television, cinema, sale or rental of records, tapes or similar media or any other support containing phonograms or videograms of musical works, similar cinematographic or audiovisual or moving image sequences; literary, dramatic, scientific or didactic, musical or dramatic musical or multimedia works, even if included in collective or composite works or databases; reproduction, duplication, transmission or misuse, sale or trade, assignment to any title or abusive import of more than fifty copies or copies of works protected by copyright and related rights; placing in a system of telematic networks, through connections of any kind, of an intellectual work protected by copyright, or part of it (art. 171-ter L. n.633 / 1941) Failure to communicate to the SIAE the identification data of the media not subject to marking or false declaration (art. 171-septies L.n.633 / 1941) <ul style="list-style-type: none"> ▪ ▪ Fraudulent production, sale, import, promotion, installation, modification, use for public and private use of equipment or parts of equipment suitable for the decoding of audiovisual transmissions with conditional access made over the air, by satellite, by cable, in both analog and digital form (art. 171-octies L. n.633/1941)

Families of crime	Reference articles	Crime
Induction not to make statements or to make false statements to the judicial authority	art. 25-decies	<ul style="list-style-type: none"> ▪ Induction not to make statements or to make false statements to the judicial authority (art. 377-bis c.p.).

Families of crime	Reference articles	Crime
Environmental crimes	art. 25-undecies	<ul style="list-style-type: none"> ▪ Environmental pollution (art. 452-bis c.p.) ▪ Environmental disaster (art. 452-quarter c.p.) ▪ Culpable crimes against the environment (art. 452-quinquies c.p.) ▪ Trafficking and abandonment of highly radioactive material (art. 452-sexies of the Italian Criminal Code) ▪ Aggravating circumstances (art. 452-octies c.p.) ▪ Killing, destruction, capture, collection, possession of specimens of protected wild animal or plant species (art. 727-bis of the Italian Criminal Code) ▪ Destruction or deterioration of habitats within a protected site (art. 733-bis c.p.) ▪ Import, export, possession, use for profit, purchase, sale, exhibition or possession for sale or commercial purposes of protected species (L. n.150/1992, art. 1, art. 2, art. 3-bis and art. 6) ▪ Discharges of industrial waste water containing hazardous substances; discharges to soil, subsoil and groundwater; discharge into the sea waters by ships or aircraft (Legislative Decree no. 152/2006, art.137) Unauthorized waste management activities (Legislative Decree no. 152/2006, art. 256) Pollution of soil, subsoil, surface water or groundwater (Legislative Decree no. 152/2006, art. 257) Illegal waste trafficking (Legislative Decree no. 152/2006, art. 259) ▪ ▪ ▪ ▪ Violation of reporting obligations, keeping of mandatory registers and forms (Legislative Decree no. 152/2006, art. 258) ▪ Organized activities for the illicit traffic of waste (art. 452-quaterdecies c.p.) [introduced by Legislative Decree no. 21/2018] ▪ False indications on the nature, composition and chemical-physical characteristics of waste in the preparation of a waste analysis certificate; insertion in SISTRI of a false waste analysis certificate; omission or fraudulent alteration of the paper copy of the SISTRI card - handling area in the transport of waste (Legislative Decree n.152 / 2006, art. 260-bis) Penalties (Legislative Decree no. 152/2006, art. 279) Malicious pollution caused by ships (Legislative Decree no. 202/2007, art. 8) ▪ ▪ ▪ Culpable pollution caused by ships (Legislative Decree no. 202/2007, art. 9) Cessation and reduction of the use of harmful substances (L. n. 549/1993 art. 3) ▪

Families of crime	Reference articles	Crime
Employment of illegally staying third-country nationals	art. 25-duodecies	<ul style="list-style-type: none"> ▪ Provisions against illegal immigration (art. 12, paragraph 3, 3-bis, 3-ter and paragraph 5, Legislative Decree no. 286/1998) Employment of illegally staying third-country nationals (art. 22, paragraph 12-bis, Legislative Decree no. 286/1998) ▪ .
Racism and xenophobia	art. 25-terdecies	<ul style="list-style-type: none"> ▪ Propaganda and incitement to crime for reasons of racial, ethnic and religious discrimination (art. 604-bis of the Italian Criminal Code) [added by Legislative Decree no. 21/2018].
Fraud in sports competitions, abusive gambling or betting and games of chance carried out by means of prohibited devices	art. 25-quaterdecis	<ul style="list-style-type: none"> ▪ Fraud in sports competitions (art. 1, L. n. 401/1989) Abusive exercise of gaming or betting activities (art. 4, L. n.401/1989) ▪

Families of crime	Reference articles	Crime
Tax Crimes	art. 25-quinquiesdecies	<ul style="list-style-type: none">▪ Fraudulent declaration through the use of invoices or other documents for non-existent transactions (Article 2 of Legislative Decree no. 74/2000)Fraudulent declaration through other artifices (Article 3 of Legislative Decree no. 74/2000)Issuance of invoices or other documents for non-existent transactions (Article 8 of Legislative Decree no. 74/2000)Concealment or destruction of accounting documents (Article 10 of Legislative Decree no. 74/2000)Fraudulent subtraction from the payment of taxes (Article 11 of Legislative Decree no. 74/2000)▪ ▪ ▪ ▪ ▪ Unfaithful declaration (art. 4 D.Lgs. n. 74/2000) [article added by Legislative Decree no. 75/2020]Failure to declare (Article 5 of Legislative Decree no. 74/2000) [article added by Legislative Decree no. 75/2020]Undue compensation (Article 10-quarter of Legislative Decree no. 74/2000) [article added by Legislative Decree no. 75/2020]▪ ▪

Families of crime	Reference articles	Crime
Contraband (Added by Legislative Decree no. 184/2021)	art. 25-sexiesdecies	<ul style="list-style-type: none">▪ Smuggling in the movement of goods across land borders and customs spaces (art. 282 DPR n. 43/1973)Smuggling in the movement of goods in border lakes (art. 283DPR n. 43/1973)Smuggling in the maritime movement of goods (art. 284 DPR n.43 / 1973)Smuggling in the movement of goods by air (art. 285 DPR n.43 / 1973)Smuggling in non-customs areas (art. 286 DPR n. 43/1973)▪ ▪ ▪ ▪ ▪ Smuggling for improper use of goods imported with customs facilities (art. 287 DPR n. 43/1973)Smuggling in customs warehouses (art. 288 DPR n. 43/1973)Smuggling in cabotage and circulation (art. 289 DPR n.43 / 1973)Smuggling in the export of goods admitted to repayment of rights (art. 290 DPR n. 43/1973)Smuggling in import or temporary export (art. 291DPR n. 43/1973)Smuggling of foreign manufactured tobacco (art. 291-bis DPR n. 43/1973)▪ ▪ ▪ ▪ ▪ Circumstances aggravating factors of the crime of smuggling foreign manufactured tobacco (art. 291-ter DPR n. 43/1973)Criminal association aimed at smuggling foreign manufactured tobacco (art. 291-quarter DPR n. 43/1973)Other cases of smuggling (art. 292 DPR n. 43/1973)Aggravating circumstances of smuggling (art. 295 DPR n. 43/1973)▪ ▪ ▪

Families of crime	Reference articles	Crime
Crimes against cultural heritage (Article added by Law no. 22/2022)	art. 25-septiesdecies	<ul style="list-style-type: none"> ▪ Theft of cultural property (art. 518-bis of the Italian Criminal Code) ▪ Misappropriation of cultural property (art. 518-ter c.p.) ▪ Receiving stolen cultural property (art. 518-quarter of the Italian Criminal Code) ▪ Falsification in private writing relating to cultural goods (art. 518-octies c.p.) ▪ Violations regarding the alienation of cultural property (art. 518-novies c.p.) ▪ Illicit import of cultural goods (art. 518-decies c.p.) ▪ Illicit exit or export of cultural goods (art. 518-undecies c.p.) ▪ Destruction, dispersion, deterioration, disfigurement, soiling and illicit use of cultural or landscape assets (art. 518-duodecies c.p.) ▪ Counterfeiting of works of art (art. 518-quaterdecies c.p.)
Recycling of cultural property and devastation and looting of cultural and landscape property (Article added by Law no. 22/2022)	art. 25-duodevicies	<ul style="list-style-type: none"> ▪ Recycling of cultural heritage (art. 518-sexies c.p.) ▪ Devastation and looting of cultural and landscape heritage (art. 518-terdecies c.p.)
Liability of entities for administrative offenses dependent on crime [They are a prerequisite for entities operating within the virgin olive oil supply chain]	art. 12, L. n. 9/2013	<ul style="list-style-type: none"> ▪ Use Adulteration and counterfeiting of food substances (art. 440 c.p.) ▪ Trade in counterfeit or adulterated food substances (art. 442 c.p.) ▪ Trade in harmful food substances (art. 444 c.p.) ▪ Counterfeiting, alteration or use of distinctive signs of intellectual works or industrial products (Article 473 of the Criminal Code) ▪ Introduction into the State and trade in products with false signs (art. 474 c.p.) ▪ Fraud in the exercise of trade (art. 515 c.p.) ▪ Sale of non-genuine food substances as genuine (art. 516 c.p.) ▪ Sale of industrial products with false signs (art. 517 c.p.) ▪ Counterfeiting of geographical indications designations of origin of agri-food products (art. 517-quarter of the Italian Criminal Code)

Families of crime	Reference articles	Crime
Transnational crimes [The following offences are prerequisites for the administrative liability of entities when committed in a transnational manner]	L. n. 146/2006	<ul style="list-style-type: none"> ▪ Provisions against illegal immigration (Article 12, paragraphs 3, 3-bis, 3-ter and 5, of the consolidated text referred to in Legislative Decree no. 286 of 25 July 1998) Association aimed at illicit trafficking of narcotic or psychotropic substances (Article 74 of the consolidated text referred to in Presidential Decree no. 309 of 9 October 1990) ▪ Criminal association aimed at smuggling foreign manufactured tobacco (Article 291-quarter of the consolidated text referred to in Presidential Decree 23 January 1973, n. 43) ▪ Induction not to make statements or to make false statements to the judicial authority (art. 377-bis c.p.) ▪ Personal aiding and abetting (art. 378 c.p.) ▪ Criminal association (art. 416 c.p.) ▪ Mafia-type association (art. 416-bis of the Italian Criminal Code)

Note

(*)

List updated March 2022.

(**)

Crimes provided for by Legislative Decree 231/2001 in their original formulation, but subsequently repealed / modified and reformulated in another article / law currently not referred to by Legislative Decree 231/2001. Especially:

— the case of “false prospectus”, originally punished by art. 2623 c.c. and still subject to reference by art. 25-ter of Legislative Decree 231/2001, was repealed by Law 262/2005 and replaced by art. 173-bis TUF. The latter, however, is not referred to by Legislative Decree 231/2001;

— the case of “falsity in the reports of auditing firms”, originally provided for and punished by art. 2624 c.c. referred to in art. 25-ter of Legislative Decree 231/2001, has found its reformulation in art. 27 of Legislative Decree 39/2010. The latter rule, however, is not referred to by Legislative Decree 231/2001;

— the case of “prevented control”, referred to in art. 2625 c.c., also still referred to in art. 25-ter of Legislative Decree 231/2001, after the reformulation of its content pursuant to Legislative Decree. 39/2010, no longer covers the case-minimizing the activities of the auditors. This crime is punished by the new rule referred to in art. 29 of Legislative Decree 39/2010, however not referred to by Legislative Decree 231/2001.

(***)

The D.Lgs. 14 July 2020, n. 75, implementing Directive (EU) 2017/1371 on the fight against fraud to the Union’s financial interests by means of criminal law (cd. PIF Directive), the cases of “unfaithful declaration”, “failure to declare” and “undue compensation” are relevant in the context of administrative liability of institutions if committed under cross-border fraudulent sche-

mes and for the purpose of evading value added tax totalling not less than ten million euros.

(****)

Pursuant to Legislative Decree no. 195 of 8 November 2021, implementing Directive (EU) 2018/1673 on combating money laundering by means of criminal law, with reference to the cases of Money laundering (Article 648-bis of the Criminal Code) and Self-Laundering (Article 648-ter.1 of the Criminal Code), the extension of the predicate offences of the aforementioned crimes also to culpable crimes, previously money laundering has been envisaged. and self-laundering constituted a crime only with reference to cases – respectively – of obstruction of the identification of the criminal origin and re-use of money or goods deriving from non-culpable crimes.

(*****)

Pursuant to Legislative Decree no. 184 of 8 November 2021, implementing Directive (EU) 2019/713 on combating fraud and counterfeiting of non-cash means of payment, they are relevant in the catalogue of Crimes 231, the cases of “improper use and falsification of credit and payment cards” (in the wording amended by the same implementing decree, which extends the scope of application of illegal conduct also to intangible payment instruments), “possession and dissemination of equipment, devices or computer programs aimed at committing crimes concerning non-cash payment instruments “ and the hypothesis aggravated by the realization of a transfer of money, monetary value or virtual currency, provided for by art. 640-ter c.p. “Computer fraud”. Consequently, as regards the crime of computer fraud, the Penalty of imprisonment from one to five years and a fine from 309 euros to 1,549 euros even if this criminal act produces a transfer of money, monetary value or virtual currency, while the institution is subject to a monetary penalty of up to 500 shares.

The sanctions

Sanctions related to the criminal and administrative liability of legal persons are of different nature:

- pecuniary sanctions;
- disqualification sanctions;
- confiscation of the product of the crime;
- Publication of the judgment.

In particular, it is clear that the **pecuniary sanction** focuses on the concept of “share” and is applied to a number of not less than one hundred and not more than one thousand.

For example, for the crime of incitement to corruption between private individuals, a fine of 200 to 400 quotas is foreseen. The value of each share can vary from a minimum of € 258.00 to a maximum of € 1,549.00. So the financial penalty can be between a minimum of € 51,600 (200 shares x € 258.00) and a maximum of € 619,600 euros (400 shares x € 1,549.00). The judge will determine the amount “taking into account the seriousness of the fact, the degree of responsibility of the entity as well as the activity carried out to eliminate or mitigate the consequences of the fact and to prevent the commission of further offenses”.

To determine the monetary value of the individual share, the judge considers the economic and capital conditions of the institution, to ensure the effectiveness of the sanction (thus, in the example given, the judge will determine the amount of the share by moving towards the minimum if it has to do with an institution of reduced economic capacity; or towards the maximum, if not). For example, if it is the first time that the act has been committed, if it is a small reality and measures have been taken to prevent the fact from occurring again in the future, the Judge could decide to assign to the company an amount not much higher than € 51,600, depending on the discretion judgment made on the facts and circumstances.

The number of shares is determined by the judicial body considering the principles underlying the penal-preventive theory, that is, considering the seriousness of the

fact, the degree of responsibility of the entity, the activity carried out to eliminate or mitigate the consequences of the fact, as well as to prevent further offenses.

In determining the amount of the share, the Judge will define a multiplicative calculation considering as multipliers, firstly, the determined number of shares relative to the objective and subjective severity of the offense and, secondly, the monetary value of the single established share relative to the economic and financial conditions of the person involved.

The concept of instalment therefore translates into an efficient tool to reconcile the interest in the effectiveness of the sanction together with those of pursuing general prevention and special prevention objectives.

The disqualification sanctions, on the other hand, are directed at the company’s activity, as they may include the suspension or revocation of authorizations, licenses, or concessions functional to the commission of the offense or to the prohibition of contracting with the Public Administration.

The legislation, in any event, limits the applicability of the disqualification sanctions only to offences for which it is specifically prescribed and if at least one of the following conditions is met:

- the body has obtained a significant profit from the offense and the offense has been committed by a senior person or by persons directed by others;
- in the event of recidivism.

The **disqualification sanctions** also include a ban from exercising the applicable activity, but only if the other sanctions of the same nature are deemed inadequate by the Judge.

Faced with the application of a disqualification sanction, the publication of the sentence may be ordered in one or more newspapers or by posting to the municipality where the Company has its head office.

With the conviction sentence, the Judge always orders the confiscation of the price

or product of the crime, or sums of money, goods or other benefits of equivalent value, except for the part that can be returned to the injured party.

The confiscation of the crime and the publication of the sentence, therefore, find in their very implementation the dual ratio directed at immediately depriving the body of the economic benefit, obtained with the commission of the crime, and, at the same time, directly affecting the conception and perception of all Partners towards the entity that committed the offence.

Legislative Decree 231/2001 stipulates that: *“Anyone who, during carrying out the action of the entity, to which an interdicting sanction or a precautionary measure has been applied, infringes the obligations or prohibitions inherent to such sanctions or measures, is punished with imprisonment from six months to three years. In the case referred to in paragraph 1, a pecuniary administrative sanction from two hundred to six hundred instalments is applied to the body in the interest or to the advantage of which the crime was committed, and the confiscation of the profit, pursuant to article 19. If the body has made a significant profit from the crime referred to in paragraph 1, disqualification sanctions are applied, also several from those previously imposed”*⁷.

It can only be inferred that the aim of the sanctioning provisions is to guarantee the effectiveness of the sanctions and/or precautionary disqualification measures potential applied to the Company.

⁷ Cit. Art. 23 of Lgs. D. 231/2001;

The administrative liability of bodies

Guidelines of the Representative Associations

Operational indications and specific company characteristics

Legislative Decree 231/2001 allows for the adoption of an organization, management and control model that also takes into account codes of conduct drawn up by the representative associations of the entities, communicated to the Ministry of Justice which, in agreement with the competent Ministries, may comment on the suitability of the models to prevent crimes.

A concrete and valid help to the companies with the most representative national body, which is Confindustria in its sector, has developed and keeps constantly updated both according to regulatory changes - especially in terms of predicate offenses -, but also according to the different case studies that, over time, the jurisprudence has been able to deal with. The operational indications, although duly to be declined in the specifics of the company⁸, allow to outline a uniform interpretative basis which, since the beginning of the legislation, have guided companies in meeting the ratio legis.

Not only constant adjustments to the new legislative, jurisprudential changes and practices are being made - always by maintaining the distinction between the general and special part of the Organizational Model, but also valid food for thought to aid the integration of the ISO certified systems made by the Companies with respect to the needs of protection of the Legislative Decree 231/2001, as well as in-depth analysis of the predicate offenses through case studies aimed not only at dealing with the on-going cases, but also at introducing a schematic analytic methods that are easy to use by the operator.

The guidelines and principles in the construction and updating phases of the Model

Therefore, without prejudice to the non-binding nature, the guidelines act as a reference tool for the establishment of the Models in all the phases foreseen with the definition, such as:

⁸ The risk of crime in each company, in fact, depends strictly on the economic sector, the organizational complexity, not only the dimensional, of the company and the geographical area in which the crime took place.

- the specific identification of the potential risks regarding the commission of the relevant offenses pursuant to Legislative Decree 231/2001;
- the design and implementation of a control system concretely suitable to prevent the risks identified above by adopting clear and specific protocols. An organization, management and control system that is structured as follows:

- V. Code of Ethics;
- VI. Organizational system;
- VII. Manual and IT procedures;
- VIII. Authorization and signature powers;
- IX. Control and management systems;
- X. Information on the personnel and their training.

All these components are essentially inspired by the following principles:

1. Segregation of duties;
2. Verification, consistency and congruence of each operation;
3. Documentation of controls;
4. Adequacy, proportionality and efficiency of the sanction system for the violation of the rules of the Code of Ethics and of the procedures provided in the Organizational Model;
5. Autonomy, independence, professionalism and continuity of the action of the supervisory body (which is guaranteed to function through specifically predetermined information flows).

Eurodies considers that the aforementioned authoritative guidelines regarding the indications and measures suitable to respond to the ratio legis and strong commitment to the standards of correctness, legality and transparency that have always characterized the company's activity and for which the Management has always invested in every front, for this reason - the construction of this Model - was also inspired by the principles mentioned herein.

To meet the needs required for the continuing update of the effectiveness and efficacy of the organizational and control system, the Supervisory Body is responsible to report to the Board of Directors any changes to the Guidelines, the intervention of

interpretative changes or the publication of circulars which could lead to the need for evaluation of the update of the Model.

To ensure a constant adaptation of the implemented system, Eurodies also refers to the opinions (so-called Position paper) of the Association of Supervisory Bodies pursuant to Legislative Decree 231/2001.

The administrative liability of bodies

The Organizational Model

The Eurodies Group perform its activities and achieves results by respecting the ethical principles, considering them as an essential element regarding the social context in which it operates, supporting the continuous growth and development of the relations with various market interlocutors.

In pursuit of these objectives, in compliance with the directions of the Legislative Decree 231/2001, the Group has chosen to formalize the Organizational Model to crystallize the values and rules of the conduct and to involve all those who work in under and on behalf of the Company, confirming with absolute certainty - the daughter of decades of experience - that legality, correctness, transparency and ethics are now more than ever the elements that differentiate an entrepreneurial reality, guaranteeing the way to success and enabling delivery of the social value added to its context.

Recipients

Knowledge and compliance with the Organizational Model, within the specific competence areas, is addressed to:

- to the members of the Board of Directors, required to comply with the principles of the Model and to be an example for all the other partners;
- to the Executives, who in compliance with the practical implementation of the organizational model, must be the leading force to create an ever greater interconnection and collaboration between all company levels;
- to employees, and to those in a subordinate position, who must carry out their work and any other activity in complete transparency and managerial correctness, following internal company procedures to obtain ever greater completeness of information;
- to the Collaborators that carry out, directly or indirectly, activities related to or involving the company (consultants, external professionals) irrespectively of the contractual form;
- to the suppliers and the interlocutors, who have a role in transactions of any nature;
- to the Supervisory Board, in the field of their control and verification activities;

- to the Statutory Auditors, in the field of accounting verification services and control activities that the financial statements are clearly drafted to represent accurately and correctly the capital and financial situation, as well as the Company's economic result;
- to all the third parties related to collaborations, cooperations or in any type of relationships with the Company, for a fee or free of charge.

Compliance with the Model is an indispensable element for the orderly function of all company's procedures as well as ensuring the company's transparency and reliability, the founding principles of Eurodies. All recipients are required to comply with all the provisions with fairness and diligence regardless of the internal or external relationships established within the Company.

The aims of the Model

The Company implements the Organizational Model in compliance with Legislative Decree no. 231/2001, with its continuous commitment that distinguishes it, to maintain the high ethical standards with the efficient governance system that is a source of inspiration and a model to be followed.

The introduction of an Organizational Model aims to establish the ethical principles, by respecting and improving, where necessary, the existing high standards of behavior to which are committed all of those who interface with the company, both by their actions and by their decision-making procedures.

Having said this, Eurodies defines a structured system with control procedures that enable, where possible, the prevention of committed crimes and in which the Organizational Model sets itself the mission of implementing and defending - with renewed vigour and always on the path of correctness, transparency and legality - the principles on which Eurodies is based and which have always been, in its culture, the essential elements for achieving every result that the Group has achieved in its history.

The Organizational Model must guarantee the following pivots to characterize the corporate system:

- the performance of activities by internal and external parties who interface with the Company in compliance with the principles of correctness and transparency, preventing the risk of committing the offenses referred in the Decree;
- to make all the recipients aware that failure to comply with company directives will result in the application of disciplinary sanctions as well as criminal and administrative investigations;
- to disseminate a conscious orientation aimed at risk control and management;
- to create and strengthen a control network that intervenes with any potential irregularities;
- to constantly monitoring of the areas and company's activities that have higher risk;
- to implement a policy based on effectiveness and efficiency with a complete harmonization and unity of the company procedures, placing at the centre of attention the training and the accountability of the responsibility of the supervisors to formulate decisions and to be primarily responsible for their observance, as well as to manage their internal and external dissemination;
- to carry out company activities with the focus to observe the transparency and to warn them to improve their efficiency;
- to fully and accurately inform all recipients of the consequences of any conduct that does not comply with Legislative Decree 231/2001;
- to create or implement, where they are already present, to prevent and suppress the offenses addressed in the Decree;
- to continue to spread the culture of legality, correctness and transparency, with the constant aim to always comply according to the law and marking one's work with the utmost diligence;
- all recipients must refrain from carrying out activities against or in conflict of interest with the company or which in any way may undermine the transparency and intellectual freedom that has always distinguished this company;
- make all recipients aware that failure to comply with the principles and regulations of conduct presented in this model will result in disciplinary and/or contractual sanctions.

The process of preparing the Model

The methodology used in the preparatory activities and in the preparation of the Organizational Model aims to guarantee the consolidation of the results, and at the same time crystallize the operating procedures, the various phases of company's processes and the distribution of responsibilities at different corporate levels. In addition, the Company guarantees the applicability, the continuous updating and the operation of the Model.

The guidelines and the various phases that led to the definition of the Model are shown below:

- **Initial phase of the "Organizational Model" Project:** in this initial phase the company processes and the most sensitive activities of the company system were framed and analysed, determining any critical issues that may favour the crimes referred to by Legislative Decree n. 231/2001. During this initial analysis, the managers of the various company areas are being identified;
- **Identification of management models with the involvement of company resources:** in this second phase the company resources are being involved, establishing a continuous dialogue that aims to deepen the knowledge of different company areas, as well as of different production processes, setting the common goal to crystallize the organization and the procedures of each company substrate. Furthermore, this joint analysis led to the verification of the control systems, which allowed the identification of the aspects to be integrated and reinforced;
- **Sharing and raising awareness of the subjects:** this third phase follows the previous one, as the involvement of the corporate subjects in the framework of the Organizational Model stimulated with renewed enthusiasm a spirit of collaboration and unity that has always characterized the company and which always the engine that pushes it towards the achievement of the increasingly ambitious objectives that it sets itself. In addition, the involvement of company subjects has achieved the goal of further sensitizing everyone to the observance of the principles of legality, fairness and transparency;

- **Configuration of the company processes and preventive control of the risks envisaged by Legislative Decree n. 231/2001:** in this fourth phase the analysis carried out is configured by mapping the procedures of the company processes aimed at preventive control of the risks provided for by Legislative Decree n. 231/2001.

The methodology for preparing the Model and for carrying out the risk assessment

The Eurodies Organization, Management and Control Model was developed considering the activity carried out by the Company, its structure, as well as the nature and the dimensions of its organization.

The Company proceeded with a preliminary risk assessment within the company context and the corporate areas, verifying the potential risk profiles in relation to the commission of the offenses indicated by Legislative Decree n. 231/2001 both in terms of probability of verification and impact on the consequences in the event of occurrence.

The verification of the organizational and control system considers the complexity of the enterprise in its many aspects, which influence each other:

- roles and responsibilities (organizational chart, powers and delegations);
- operating procedures and instructions, segregation;
- separation of tasks both from an organizational and IT point of view;
- traceability of documentation, reporting systems and their availability - such as KPIs and KRIs - and the existence of verifications by independent bodies, such as certification bodies and the Supervisory Body.

The types of offenses relevant to the Company

The Organizational Model is adopted by the Company to guide the work of the recipients by encouraging legality, transparency, and correctness throughout the com-

pany system to act constantly also under the direction of preventing any offense.

The corporate areas at risk pursuant to Legislative Decree 231/2001 and the identification of predicate offenses that could be committed during business activities are identified and explained, together with the operational prevention and control protocols, in the special part of the Organizational Model.

Adoption, updating and adaptation of the Model

The Eurodies Board of Directors has the exclusive competence to adopt, modify and integrate the Organizational Model.

The Supervisory Body, within the scope of the powers conferred in accordance with art. 6, paragraph 1, lett. b) and by art. 7, paragraph 4, lett. a) of Legislative Decree 231/2001, develops and promotes the constant updating of the Model by providing observations and proposals to the Board of Directors.

Upon completion of its activities, the Supervisory Body has the duty to promptly report to the Administrative Body the facts, circumstances or organizational defects found during the supervisory activities that emphasize the need or the opportunity to modify or supplement the Model - for example, in the case of:

- violations or evasion of the provisions of the Model that have shown its ineffectiveness or inconsistency towards the aim of preventing the offenses sanctioned pursuant to Legislative Decree n. 231/2001;
- significant changes to the organizational structure of the Company and/or the methods of carrying out company activities (e.g. following the acquisition of a business unit);
- changes to the regulatory framework;
- significant shortcomings found on the control system during the supervisory activity.

The Supervisory Body is constantly informed on the updating and implementation of the new operating procedures.



The administrative liability of bodies

The Supervisory Body

In compliance with art. 6 of Legislative Decree 231/2001, Eurodies has set up a Supervisory Body, which we will also indicate with SB, with characteristics of autonomy, independence, and competence.

The Supervisory Body has a double objective:

1. to supervise the functioning and compliance with the Organizational Model
2. take care of the update

The mission of the Supervisory Body

Pursuant to Legislative Decree 231/2001, the Supervisory Body exercises the supervisory functions on the function and observance of the Model and, in particular, the mission is divided into:

- To constantly plan and verify the existing authorization or signature powers in order to ascertain their consistency with the defined responsibilities and to propose their updating or adaptation, where necessary;
- To constantly plan and systematically carry out surveillance interventions of company activities in order to continue the control of the areas at crime risk pursuant to Legislative Decree 231/01, proposing updating and integration, where necessary;
- To schedule and constantly carry out periodic and systematic controls of the company sectors deemed to be at risk of crime in order to verify that they carry out their activities in accordance with the Model pursuant to the adopted Legislative Decree 231/01, also making use, for these purposes, of internal auxiliaries or internal audits;
- To plan and carry out constant controls on the effectiveness of the Organizational Model in relation to the entity and company structure as well as the effective ability to prevent the commission of offenses, proposing, without any form constraint, any updates to the Model, with particular attention to any changes in the organizational structure or company operations and/or to the current legislation;
- To check the organizational model periodically and at least annually, promoting any action (including training interventions, also the targeted ones)

useful for ensuring its effectiveness, also being able to propose, elaborate, integrate or modify the operation and control procedures in order to guarantee the highest level of implementation and efficiency;

- To verify that the information flow to and from the Supervisory Body is effective and periodically updated, especially in the areas assessed at risk of crime, as well as establishing any further communication methods, to improve the means of knowledge and control;
- To verify the effectiveness and to implement an effective flow of information to the competent company bodies, to promote any of their communication necessary for the control to which the SB is in charge and to proceed with prompt reporting in case of information omissions;
- To plan, to promote - in agreement with the Human Resources Office and the Management - a training, information and updating process for all personnel through suitable initiatives (also additional to the initial training courses and including leaflets, brochures and posters) for the dissemination of knowledge and understanding of the Organizational Model;
- To keep the documentation relating to the activities specified above by means of an archiving system prepared by the Company.

The Supervisory Body must therefore supervise the *internal environment* by checking the existence and observance of an adequate code of ethics and a disciplinary system, the existence or otherwise of an organizational structure with the specific attribution of powers and responsibilities as well as the involvement of management in the dissemination of the model.

The identification *event*, *risk assessment* and *risk response activities* will involve a control of the risk identification processes, identification of critical activities in relation to the probability of committing crimes until the intervention systems develop.

The verification of the efficiency of the preventive controls will require that the control activities aim at individual risk areas have to analyse the existence or otherwise of the principles of conduct as well as the *ad hoc* procedures.

The *monitoring activity* will involve control and verification activities both on the adequacy of the *information and communication systems*, but also on the suitability of the design, updating and operation of the Model.

Requirements of integrity, autonomy and independence, professionalism and continuity of activity

Pursuant to Legislative Decree no. 231/2001, the effectiveness and efficacy of the implementation of the Model are guaranteed by the supervision of a Body that is characterized by autonomy and independence, professionalism and continuity of action. In fact, art. 6 of Legislative Decree 231/2001 specifies that the Entity is not liable if it is proven that *“the task of supervising the functioning and observance of the models and their updating has been entrusted to a body of the entity with autonomous powers of initiative and control”*⁹ and that there was no “omission or insufficient supervision from the body”¹⁰ de quo.

These are, therefore, the characteristics that must exist from the appointment of the Body itself to the performance of the tasks for which is responsible in supervising the compliance with the Model, in supervising the operation and activating the updating of the Model itself.

In order to assess the existence or otherwise of these requirements, it is therefore necessary to have criteria or, in any case, reference points that define the basic components of the internal control system¹¹.

To guarantee the effective performance of the tasks entrusted to the SB, it must therefore be endowed with real powers of “initiative, autonomy and control”, *“it must not have operational tasks which, by making it a participant in the decisions of the body, could compromise the serenity of judgment at the time of carrying out the verifications”*¹² and must be made up of individuals that have the necessary professionalism.

⁹ Cit. Art. 6 paragraph 1, letter b, of Legislative Decree 231/2001

¹⁰ Cit. Art. 6 paragraph 1, letter d, of Legislative Decree 231/2001

¹¹ Cit. AODV, Requirements and composition of the Supervisory Body, 15.11.2009 and the study of the relationship between the following studies: Italian Association of Internal Auditors, *Position paper Legislative Decree 231/2001, Administrative responsibility of companies, organizational models of prevention and control*, 2001, p. 31 ss; CoSO (Committee of Sponsoring Organizations of the Treadway Commission), *ERM - Enterprise Risk Management: reference model and some application techniques*, Il Sole 24Ore, 2006. The study, in fact, correctly concluded that: *“the implementation of compliance activities according to the declination proposed by the CoSO Report is superposable with respect to the needs of the Model and compatible with the purposes pursued by the Decree, with the obvious advantage, for the ODV, of being able to take advantage of the solid conceptual basis and the implementation experiences gained over time in this regard”*.

¹² Cit. GIP di Roma, 4-14 aprile 2003;

A separate premise must be reserved for the need of good reputation which is not explicitly provided by the Legislator, but which jurisprudence over the years has been qualified as an indispensable requirement considering the context in which the Model and the functions of the SB are located. A need, therefore, which taking up the company legislation on the offices of corporate bodies¹³, leads to the exclusion of the possibility to offer the position of SB to those who:

- is in a state of temporary interdiction or suspension from the head office of the legal persons and of the companies;
- is in one of the ineligibility or forfeiture conditions pursuant to Art. 2382 of the Civil Code;
- was subjected to preventive measures pursuant to the law of 27 December 1956, n. 1423 or the law of 31 May 1965, n. 575 and subsequent amendments and additions, without prejudice to the effects of rehabilitation;
- had been convicted¹⁴, even if with a conditionally suspended sentence, without prejudice to the effects of rehabilitation, for one of the crimes included in the Royal Decree no. 267 (bankruptcy law); for one of the crimes included in title XI of Book V of the civil code (companies and consortia); for a non-culpable crime, for a period of not less than one year; for a crime against the public administration, against public faith, against property, against the public economy; for one of the crimes envisaged by the rules governing banking, financial, securities, insurance and by the rules on markets and securities, payment instruments.

Recalling, in any event, that the Company reserves the right to integrate the criteria to evaluate a good reputation, according to the provisions of art. 2387 of the civil code for the Board of Statutory Auditors.

The autonomy and independence of the SB translate into the autonomy of the control initiative with respect to any form of interference or conditioning by the representatives of the Company and the management body. To this end, the SB must have

¹³ The Confindustria Guidelines confirm that the requirements *“[...] of integrity [...] may also be defined by reference to the provisions for other sectors of corporate legislation [...]”*;

¹⁴ Ord. GIP of the Court of Naples, June 26, 2007; Ord. GIP of the Court of Milan, 20th September 2004, which clarifies the lack of good reputation even in the phases preceding the irrevocable sentence;

autonomy of judgment and report directly to the Board of Directors. The Supervisory Body also has such guarantees to prevent the same Body, or any of its members, from being removed or affected from the performance of their duties. During the audits and inspections, the Supervisory Body and any auxiliaries it may use are granted with the widest powers in order to effectively carry out the tasks they were entrusted with.

To be able to act autonomously and independently, the SB has autonomous spending powers on the basis of the annual budget, approved by the Board of Directors, according to the proposal of the SB itself. In any case, the latter may request an integration of the assigned budget, if it is not sufficient for the effective performance of their functions and can select as well as directly manage external consultants to support their activities, in the presence of exceptional or urgent situations. These circumstances will be reported by the SB to the Board of Directors.

The requirement of professionalism is guaranteed by the amount of professional, technical, and practical knowledge available to the members of the SB¹⁵. In particular, the chosen composition guarantees suitable legal and technical knowledge as well as the knowledge on the principles and techniques of control and monitoring, as well as the company's organization and the main Company procedures. It, therefore, translates into the ability of the Supervisory Body to perform its inspection functions according to the effectiveness of the application of the Model. Given the heterogeneity of regulations and control areas, for the purposes of the effectiveness of the action, the Company prefers a reciprocal composition that brings together multiple and different areas of specialization, therefore legal nor solely technical.

Finally, with reference to the continuity of action, the SB has a dedicated structure, also supported by a technical secretariat, when necessary, whose activity is scheduled, coordinated, documented, and guaranteed by its own internal operating regulations.

¹⁵ The guidelines of Confindustria identify – as main connotation of the SB – the professionalism, intended as the “[...] Luggage of instruments and techniques that the Body must have in order develop the activity assigned [...]”.

The composition, appointment and duration of the Supervisory Body

The Supervisory Body is constituted in a collective form of at least three members, one of whom works as a chairman, that are chosen among qualified individuals, that possess the requirements of autonomy, professionalism, and independence according to the Decree, as well as the requirements of integrity, as mentioned above. The Company considers in terms of efficiency that the composition of the SB must meet the following criteria:

- **technical-industrial** expertise;
- knowledge of **HSE - Health, Safety and Environment**;
- experience in the **administrative-accounting and finance** fields as well as **personnel administration**;
- juridical-legal knowledge with experience of **legal consultancy** and **control in medium-large companies**;
- experience in management control pursuant to Legislative Decree 231/2001 also within supervisory bodies.

The Board of Directors recognizes the possibility that each member making up the SB may have acquired and guarantee even more than one of the listed competences and, upon appointment, verifies that the SB, in its complete composition, fully covers these competences.

Eurodies Italia srl, with a view to equal opportunities, prefers a mixed composition to ensure gender equality both in the top and in the control bodies; to this end, even if there is no legal obligation in this regard, the Company intends to guarantee the presence of at least 1/3 of members belonging to the female gender who have – in any case – the technical requirements mentioned above.

The Board of Directors appoints the Supervisory Body, also establishing its compensation, motivating the provision regarding the choice of each member, also verifying the existence of the requirements as outlined above.

To this end, external candidates are required to send their Curriculum Vitae together with a declaration in which they certify that they have the requirements described

above and once received, the Board of Directors examines all the information in order to assess that they actual have the necessary requirements.

Upon acceptance of the office, the members of the SB, having read the Model and formally adhering to the Code of Ethics, are committed to carry out the functions attributed to them and immediately notify the Board of Directors of any event that may affect the maintenance of the requirements of appointment.

While the Supervisory Body is in office, its members are required to notify the Body and the Board of Directors for any loss of subjective requirements.

The absence of the subjective requirements for a member of the SB determines the immediate forfeiture of office. In the event of forfeiture, death, resignation or revocation, the Board of Directors will promptly replace the terminated member if the number of members falls below the minimum number.

In addition, upon the expiry of the office, except for the previous cases, the members of the SB maintain their functions and powers until the possible re-confirmation or the appointment of new members. The duration of office for the SB members is established by the Board of Directors which appointed it in 3 years and, at the end of the mandate, its members can be re-elected.

In order to ensure the operation of the Supervisory Body even in cases of suspension or temporary impediment of a member, the Board of Directors may appoint a substitute who ceases to hold office when the impediment of the member of the substituted SB ceases. In the event of failure to appoint a substitute member, the SB will still exercise its powers in the reduced group.

Art. 6 of Legislative Decree 231/2001 allows that the functions of supervision can also be covered by the Board of Statutory Auditors. This is a faculty with a simplifying ratio of value which, nevertheless, Eurodies did not intend to take advantage of the fact that the concentration in a single body of the control powers may not be adequate and fully effective.

The relationship between the Board of Statutory Auditors and the SB must be charac-

terized by a collaborative and transparent exchange of information - within the context of issues relevant to the prevention of crimes associated with the preparation of financial statements - which may also be expressed through meetings, exchange of documents, communications also without particular formalities, focused on the control activity, whose physiology is beyond the inspection intentions on each other and will not be strictly and exclusively aimed at mutual and constant supervision. Given the fact that it cannot be excluded that both bodies may examine and review certain activities or omissions of each other¹⁶, with the sole aim of constantly improving the control protocols in use¹⁷, the Company prefers to maintain an autonomous structure between them.

On the one hand we, actually, have control over which of the Board of Statutory Auditors is responsible pursuant to art. 2403 of the Italian Civil Code, in terms of “*supervising compliance with the law and the Articles of the Statute, compliance with the principles of correct administration and in particular with the adequacy of the organizational, administrative and accounting structure adopted by the company and its concrete functioning*”, which, therefore, concerns in the first place, the areas that have points of contact with the discipline of Legislative Decree 231/2001 - such as verification of compliance with the rules relating to the preparation of the financial statements (articles 2423 et seq. of the Italian Civil Code) - and, secondly, sectors in which it has supervisory powers over the regularity (formal, administrative and accounting) of the activity put in place by the SB, without prejudice - in any case - to the immunity, on the merits, of the operational strategy of the SB.

However, according to the current regulatory framework, the statutory auditors are potential active subjects of some of the predicate offenses of Legislative Decree 231/2001, with particular reference to corporate crimes pursuant to art. 25ter of the decree, and - therefore - subject to the control pursuant to the same decree.

¹⁶ Compatibly also with the *ratio* of the Bill of 28 June 2018 n. 818 under review by the II Justice Commission, in the referent, entitled “*Amendments to Legislative Decree 8 June 2001, n. 231, to the legislative decree 21 November 2007, n. 231, and other provisions, on the subject of supervisory bodies of entities and liability for administrative offenses depending on the crime of entities, banks, financial intermediation companies and insurance companies*” which, in order to “*consolidate the independence of the Supervisory Body*” and “*eliminate the possibility of assigning the tasks of the Supervisory Body to the Board of Statutory Auditors*”, expressly requires the repeal of paragraph 4 bis, art. 6, Legislative Decree 231/2001;

¹⁷ Ref. Cass (penal section) SS.UU., n. 38343/2014 for which “*the organizational model cannot be considered effectively implemented if the Body, or even one of its members, is called to be its own judge*”; see also AODV Opinion of 31.10.2012; ABI Circular no. 1, 11.01.2012;

The ineligibility and incompatibility requirements

Before the decision of the Board of Directors on the assignment of the appointment, the SB members, when submitting their curriculum vitae, must declare the lack of reasons for ineligibility and/or incompatibility.

Reasons for ineligibility and/or incompatibility of the SB members include:

- To be or become administrator of the company;
- Have been working as legal auditor of the company over the last 3 years;
- To have family relations, connubiability or relatives withing the fourth degree of kin with the members of the Board of Directors or the Board of Statutory Auditors of the Company;
- To have economic relations and/or contractual relations whether for payment of free of charge with the Company or with its Administrators that may compromise the independence;
- To be in a temporary state of interdiction or suspension from the management offices of the legal persons and of the companies;
- To be in one of the ineligibility or forfeiture conditions pursuant to the Art. 2382 of the civil code;
- have been subjected to the preventive measures pursuant to Law 27 December 1956, no. 1423; of the Law 31 May 1965, n. 575 and subsequent amendments and without prejudice to the effects of rehabilitation; of Legislative Decree no. 159/2011;
- having reported a sentence of condemnation or plea bargaining, even if not definitive, even if with a conditionally suspended sentence, without prejudice to the effects of rehabilitation: for one of the crimes provided by Royal Decree March 16, 1942, n. 267 (Bankruptcy Law); for one of the crimes included in the Title XI of Book V of the Civil Code (companies and consortia); for a crime against the Public Administration, against public confidence, against assets, against the public economy or for a tax crime; for one of the crimes envisaged by the rules governing banking, financial, securities, insurance and by the regulations on markets and securities, means of payment; for any other non-culpable crime, for a period of not less than one year;
- have reported, in Italy or abroad, a sentence of condemnation or plea bar-

gaining, even if is not final, even with a conditionally suspended sentence, without prejudice to the effects of rehabilitation, for violations relevant to the administrative liability of entities pursuant to Legislative Decree n. 231/2001;

- be the recipient of a decree that orders the indictment of all the crimes/offenses envisaged by Legislative Decree no. 231/2001.

The members of the SB are required to notify the Board of Directors within 24 hours of the occurrence of a cause of ineligibility and/or incompatibility.

Causes for suspension and revocation

Causes for **suspension** from the function of a member of the Supervisory Body include:

- the circumstance that the member is the recipient of an indictment order relating to one of the predicate offenses included in the Decree or, in any case, for an offense whose commission is sanctioned with even a temporary interdiction from the management offices of legal persons or of companies or in relation to one of the administrative offenses relating to market abuse, referred to in the TUF;
- the opening of criminal proceedings with indictment of a member of the SB;
- the submission to preventive measures pursuant to the law of 27 December 1956, no. 1423 or the law of 31 May 1965, n. 575 and subsequent amendments and additions, without prejudice to the effects of rehabilitation;
- the illness or injury or other justified impediment that last for more than three months and prevent the member of the SB from participating in the sessions of the same body.

The members of the Supervisory Body, under their responsibility, must promptly notify the other members of the SB and the Chairman of the Board of Directors of the occurrence of one of the causes of suspension mentioned above.

In any case, should the Chairman of the Board of Directors become aware of the occurrence of one of the aforementioned causes of suspension, she/he shall promptly

inform the Board of Directors so that, in its first subsequent meeting, the suspension from office will be announced.

In the event of the suspension of one or more effective members, the Board of Directors arranges the integration of the Supervisory Body by appointing a substitute member, taking into account the specific skills of each member.

Unless otherwise provided by law and regulations, the suspension cannot last more than six months. The continuation of the suspension cause for a longer time allows the Board of Directors to revoke the suspended member.

If the suspension concerns the Chairman of the Supervisory Body, the Chairmanship is hired for her/his entire duration, by the most senior member of the appointment or, with the same seniority of appointment, by the oldest member.

In addition the Board of Directors **can revoke**, for a justified cause and with a motivated resolution, at any time, one or more members of the Supervisory Body in the event of ascertained and severe negligence in the performance of the tasks connected with the assignment such as:

- failure to verify the reports to which the SB is addressed, regarding the commission or alleged commission of crimes referred to in the Decree, as well as the violation or alleged violation of the Ethic Code of Conduct, the Model or the procedures established in its implementation;
- failure to call and hold meetings of the SB during a semester;
- failure to verify the adequacy of the training programs, methods of implementation and results;
- failure to call and hold meetings of the SB for a semester;
- failure to verify the adequacy of training programs, methods of implementation and results;
- failure to report to the Board of Directors and the Board of Statutory Auditors about any changes in the regulatory framework and/or significant changes in the Company's internal structure and/or in the methods of carrying out business activities that require an update of the Model;
- failure to carry out verification activities on sensitive activities.

Termination due to renunciation and unexpected incapacity or death

Each member of the Supervisory Body can withdraw from the appointment at any time with at least three months' notice by means of written communication to be sent by certified e-mail to the other members of the SB and to the Chairman of the Board of Directors. The Chairman of the Board of Directors informs the Board of Directors without delay so that, in the first useful meeting, it can proceed with the replacement.

Even in the case of incapacity or death, the Board of Directors, in the first useful meeting, proceeds with the replacement.

Operation and powers of the Supervisory Body

The Supervisory Body convenes the first meeting within one month of its establishment in order to discuss its operating regulations. Within the following three months, the SB fully approves the content.

The Supervisory Body generally meets on a monthly basis and whenever a member requests a meeting from the other members, attaching a justification. Minutes of the meetings are drawn up and will be transcribed in the book of meetings and resolutions of the Supervisory Body and signed by all members.

The Supervisory Body organizes its activities on the basis of an action plan, scheduled and identified at the first meeting, presented to the Board of Directors, through which the initiatives to be undertaken aimed at assessing the effectiveness and effectiveness of the Model are planned as well as its updating.

For the performance of the assigned tasks, the Supervisory Body is vested with all the powers of initiative and control over each company sector and reports exclusively to the Board of Directors, to which it reports through its Chairman or the delegate in charge from time to time. The tasks and powers of the Supervisory Body cannot be reviewed by any other body, it being understood that the Board of Directors can verify the consistency between the actual activity carried out by the Supervisory Body and the task assigned to it.

The SB, unless otherwise provided by the law, has free access - without the need for any prior consent - to all the Company's Functions and Bodies, in order to obtain all information, data and documents deemed necessary for the performance of its tasks and of which it ensures total confidentiality. The SB may also conduct surprise checks for the purpose of carrying out its duties.

The SB assesses the adequacy of its annual budget approved by the Board of Directors when appointing the SB itself.

Relations between the Supervisory Body and Corporate Bodies

Relations between the Supervisory Body, the Board of Directors, the Board of Statutory Auditors and the Statutory Auditors are characterized by transparency, reciprocity and collaboration, also by means of scheduled meetings or meetings linked to specific needs, periodic and systematic information flows.

The SB informs the Board of Directors on the control activity and on any critical aspects detected through a half-yearly reporting that contains a report and related assessments on the functioning and effectiveness of the Model, also with reference to specific areas subject to analysis. The document also contains a report of those received concerning alleged violations of the Model, as well as the outcome of the resulting verification activities, and the report on any disciplinary proceedings initiated for the infringements referred to in the rules of the Model.

The report of the second semester must contain the annual report of the expenses incurred within the assigned budget and the judgment of congruity on the same.

Whenever the corporate bodies and the SB meet, minutes are drawn up and signed by all the participants specifying the issues dealt with, the external assessments and the activity plan determined at the conclusion of the findings..

Information obligations towards the Supervisory Body

Pursuant to art. 6, paragraph, of Legislative Decree 231/2001, the Organizational Model provides for information obligations towards the Supervisory Body which are concretely expressed at predefined times in order to ensure their frequency on the one hand and timeliness on the other.

Although the Report accompanying the Decree does not provide particular specifications, **the Company draws inspiration from the principle of effectiveness and efficiency** that the Model must guarantee in order to facilitate the performance of its duties by the Supervisory Body both as regards the supervisory activity on the functioning and observance of the system implemented, but also to allow the subsequent verification of the causes that made possible the occurrence of illegitimate conduct. The Company envisages, as a minimum criterion, a periodic obligation to inform - at least every two months and promptly, in any case, at the request of the SB - to which the corporate functions relating to the results of the control activities carried out by the same to be. These results must also include anomalies, atypical features found, organizational dysfunctions that may also lead to control and management inefficiencies. The Company encourages and favors a continuous exchange of information, also by means of communications without particular formalities, aimed at obtaining clarifications or support.

The information obligation in question highlights the role of the Managers and the Governing Body of the Company in the necessary control action for the preventive purposes pursued by the Organizational Model. Upon the outcome of this check, the SB therefore has the obligation to evaluate and proceed in compliance with its competences.

The Company formalizes and imposes the obligation to inform employees who become aware of news relating to the commission of crimes, practices that do not comply with the rules of conduct or organizational deficits that may cause organizational and managerial risks in the terms of interest of the present Model.

At least annually, but also upon reasoned request, the Supervisory Body invites the Managers and the governance body to participate to discuss - within the scope of operations within its competence - the principles of control and conduct. In particular, in these meetings, they will be asked to highlight

- any critical issues in the processes managed;
- the management and operational procedures considered deficient or inadequate, also with reference to specific or exceptional cases;
- any proposed and / or adopted decisive measures.

The Company provides for obligation of a continuous information and full cooperation as it is considered an essential requirement to allow full implementation of the Model. Without any predetermined periodicity, but promptly following any relevant event, there is an obligation to provide information on:

- any clear violation of the Code of Ethics and the Model;
- any illegal behavior;
- any anomalous and / or atypical conduct (even if it does not constitute an explicit violation of the Model but deviates significantly from the procedures in force);
- any procedural shortcomings.

This obligation is also required by external parties involved, for various reasons, in sensitive activities, on the basis of the provisions of the clauses of commitment included in the contracts and / or in the letters of appointment governing the relations between the Company and these subjects.

When reporting, the SB must specify:

- the factual circumstances observed;
- supporting evidence and indication of the investigations as well as the investigations carried out.

The information obligation must also be satisfied on the following circumstances:

- any fact or news relating to events that could be relevant for the purposes of Legislative Decree 231/2001;
- changes in the Company's System of Delegations;
- any reporting documents prepared by the Supervisory Board and Statutory Auditors as part of their verification activities, from which facts, acts, events or omissions with critical profiles may emerge with respect to compliance

with the provisions of Legislative Decree no. 231/2001 and / or the provisions of the Model and protocols;

- accidents / injuries or near misses regarding safety in the workplace;
- disciplinary proceedings initiated for alleged violations of the Model;
- judicial proceedings initiated and / or convictions made against managers, managers or employees who have been challenged with the types of offenses referred to in the Decree;
- visits, inspections and assessments by the competent Authorities and the bodies in charge such as the Financial Police Force, the Tax Agency and the Social Security Bodies in Italy (ASL, INPS, INAIL) and the relative results.

Any omitted or delayed communication to the SB of the information flows listed above is considered a violation of the Model and is subject to disciplinary procedure.

In addition to the information obligations indicated above, the Supervisory Body has the right to independently request information regarding the functioning and observance of the Organizational Model, regardless of timing.

All communications from and/or to the SB must take place:

- by e-mail to **odv@eurodiesitalia.com**
- in a sealed envelope with an express indication on the front of the envelope: "All'Att.ne Organismo di Vigilanza" in the dedicated box at the company headquarters

and must be kept in a paper and / or computer archive.



The administrative liability of bodies

The Whistleblowing Procedure

With Law 30 November 2017, n. 179 containing the “Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship”, specific provisions have been introduced for the recipient entities of Legislative Decree no. 231/2001 and inserted within art. 6 of the same decree, three new paragraphs, namely paragraph 2-bis, 2-ter and 2-quater.

In particular, art. 6, as amended, provides in paragraph 2-bis that the Organization, Management and Control Models must provide for one or more channels that:

- allow the subjects indicated in art. 5, paragraph 1, to submit, in order to protect the integrity of the entity, detailed reports of unlawful conduct, relevant pursuant to the Decree and based on precise and concordant facts, or of violations of the organization and management model of the entity, of which they have become aware due to the functions performed;
- guarantee the confidentiality of the identity of the whistleblower, also with IT methods, in the management of the reporting.

as well as the prohibition of retaliation or discriminatory acts, direct or indirect, against the whistleblower for reasons connected, directly or indirectly, to the report.

The Company must therefore also guarantee sanctions against those who violate the protection measures of the whistleblower, as well as those who make reports with willful misconduct or gross negligence that prove to be unfounded.

Art. 6, paragraph 2-ter, provides that the adoption of discriminatory measures against the subjects who make the reports referred to in paragraph 2-bis can be reported to the Labor Inspectorate, for the measures within its competence, as well as by the reporting, also by the trade union organization indicated by the same.

Finally, paragraph 2-quater governs the retaliatory or discriminatory dismissal of the reporting subject, which is expressly qualified as “null”. The change of duties pursuant to art. 2103 of the Italian Civil Code, as well as any other retaliatory or discriminatory measure adopted against the whistleblower.

In order to implement the additions made by the legislative novel, the company integrates a management system of reports of offenses that allows to protect the identity of the whistleblower and the related right to confidentiality also through the introduction into the disciplinary system specific sanctions imposed in the event of any retaliatory conduct and discriminatory attitudes to the detriment of the reporting subject for having reported, in good faith and on the basis of reasonable factual circumstances, illegal conduct and / or in violation of the Organization, Management and Control Model or of the Code of Ethics.

Given the above, the Company - to protect the effectiveness of the whistleblowing system - adopts a specific procedure for the management of reports to the Supervisory Body informing the workers of the communication channels, of the guaranteed confidentiality fees, the ratio behind the reporting system and the elements that must be indicated to allow the SB to start the investigation procedure.

Eurodies Italia srl acknowledges that with the EU Directive 2019/1937, the European Parliament and the Council intended to formalize the minimum requirements on the protection of persons who report breaches of Union law. With Law no. 53 of 22.04.2021, the Government is delegated to adopt legislative decrees for the transposition of European directives, pursuant to Article 1 of the same provision.

The Directive has the main purpose of standardizing the national regulations present in Europe which, currently, are very heterogeneous or fragmented and to enhance the reporting tool, making it easier to identify violations of Community law through the protection of the Whistleblower.

For the 2019 European directive, public entities are called upon to adapt by 2021. For private entities: if they have more than 50 employees by 2023, with more than 250 employees by 2021. Therefore, Eurodies Italia srl is waiting for the transposition law to provide for the adaptation of the Whistleblowing system within the deadline provided for by law. To date, it appears that only Denmark and Sweden have adopted a transposition rule. In the opinion of the scholars and interpreters involved, it would seem in any case that in these legislations they have not foreseen upheavals or peculiarities, instead following the principles of the directive without now anticipating any operational lines from which the national government can draw inspiration at a comparative level.

The administrative liability of bodies

The Disciplinary System

General characteristics

An essential aspect in the construction of an effectively implemented organizational model is the definition of an adequate disciplinary system in case of violations of the implemented structure, procedures and code of ethics.

In fact, Article 6, paragraph 2, letter e) of Legislative Decree no. 231/2001 provides that the Organization, Management and Control Models must, firstly, *“introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model”* and, secondly, - following the provisions introduced by the Law 29 December 2017, n. 179 on *“Provisions for the protection of the authors of reports of offences or irregularities of which one has become aware in the context of a public or private employment relationship”* - to organize a system that:

- contemplates measures related to the presentation and management of reports in order to protect the whistleblower from any retaliation or prejudice of any kind;
- ensures the protection of the reported person if said reporting is made with willful misconduct or gross negligence and is found to be baseless;
- The Company considers it essential and guarantees the confidentiality required by the regulations and protects the whistleblower from any form, direct or indirect, of retaliation, discrimination, or penalization, for reasons connected, directly or indirectly, to the reporting.

For the purposes of the disciplinary system and in compliance with the provisions of the collective negotiations agreement, therefore, both the unlawful conduct relevant to the terms of the Decree and the violations of the Model carried out by employees or third parties who have relations with the Company are subject to sanctions.

Furthermore, is conduct potentially likely to undergo disciplinary sanctions when the violation of the measures put in place to protect the whistleblower and the report made with willful misconduct or gross negligence turns out to be unfounded.

Confindustria guidelines¹⁸ underline the preventive function of the disciplinary

system and highlight that non-compliance with the measures provided for by the Organizational Model must activate the sanctioning mechanism provided for by the same regardless of the possible institution of a criminal trial for the offence possibly committed and that, indeed, the Model can be considered effectively implemented only when the disciplinary system is implemented to combat early-warning-sign behaviors to the offence. The disciplinary system of the Model is therefore distinct and independent from the criminal sanction system resulting from the commission by natural persons of predicate offenses.

The characteristics of the sanctions and the recipients

The Company provides for the application of disciplinary sanctions that are independent of the initiation and / or outcome of any criminal proceedings and which are independent of the type of offence that the violations of the Model itself may determine given that such conduct damages the relationship of trust established between worker and employer.

Considering the essentially preventive function of the disciplinary system, this must therefore provide for:

1. sanctions graded in terms of proportionality and adequacy according to:
 - type of the alleged offence;
 - circumstances of committing the offence;
 - methods of commissioning the conduct;
 - severity of the violation;
 - subjective element and behavior following the conduct;
 - possible commission of multiple violations in the context of the same conduct;
 - possible concurrence of more than one person in the commission of the violation and willful or negligent nature of the cooperation;
 - possible recidivism of the author in the same type of conduct.
2. the cross-examination, ensuring the right of defense of the interested party through a timely and specific dispute as well as the granting of terms that allow active participation for their own protection;
3. typical and specific sanctions, the detailed definition of which is accompanied by the provision and adoption of a related sanction system;

¹⁸ 40 Sbisa, Administrative Liability of Entities, Milan, 2017, 82; Tosello, Disciplinary system, Rev. 231, 02-2010, 105 and following

About the type of sanctions that can be imposed, any sanctioning measure must comply with the procedures provided for by art. 7 of the Workers' Statute and the special regulations in force.

Always in accordance with art. 7 of the Statute of Workers, the behavioral and sanctioning system must be brought to the attention of all workers. The Company provides by affixing and displaying in a place accessible to all and evaluates the opportunity to proceed, also by means of individual delivery, against a request for confirmation of reading and understanding.

These rules are applied even if the unlawful conduct is committed by Managers, in the performance of their activities.

In cases where the violation of the Model is of such gravity as to damage the relationship of trust - not allowing the continuation, even provisional, of the employment relationship - the Recipient incurs the provision of dismissal without notice. If the unlawful conduct and / or the violation are minor but still serious enough to irreparably damage the fiduciary bond, the Recipient who has defaulted will incur justified dismissal with notice.

The sanctions that can be imposed fall within those provided for by the Company Disciplinary Code, in compliance with the procedure provided for in Article 7 of the Workers' Statute and the applicable collective source legislation.

The disciplinary system, included in the Company Regulations, is constantly monitored by the Human Resources Manager, who reports to the Supervisory Body.

Contractual clauses are addressed to the Recipients who are self-employed workers which require compliance with the provisions of the Organizational Model and the Code of Ethics and which sanction violations with a warning to the most precise compliance with the principles and rules indicated therein, the application of a penalty or with the termination of the contract in the most serious cases.

To this end, the Company guarantees the publicity of the Model and the Code of Ethics also to third parties as it acknowledges the impossibility of requiring compliance

with principles and measures that are not knowable and known.

In the event of violations carried out by one or more members of the Company's Administrative Body or Control Body, the Supervisory Body will evaluate any information to the competent Authorities, considering the seriousness of the violation and in accordance with the powers provided for by the law.

The procedure for applying sanctions

The procedure for applying the sanctions resulting from the carrying out of unlawful conduct relevant to the purposes of Legislative Decree no. 231/2001 or, in any case, of violations of the Model and of the Code of Ethics starts since knowledge acquired independently by the Supervisory Body or following reports received by the same.

The Supervisory Body therefore has, in the first place, the obligation to carry out preliminary activities by carrying out investigations and checks that fall within its sphere of activity - also making use of the internal company functions - and, consequently, to draw up a reasoned opinion informing the Board of Directors by following content:

- the description of the conduct found;
- the indication of the provisions of the Model or the Decree that appear to have been violated;
- the personal details of the person responsible for the violation;
- any supporting documents.

Within seven days of the acquisition of the report from the Supervisory Body, the Administrative Body evaluates the appropriate disciplinary measures and initiates the disciplinary procedure in accordance with the provisions of the Statute of Workers and the applicable National Collective Agreement.

The Supervisory Body is informed of the conclusion of the procedure and of the sanctioning measure applied.

Should the Supervisory Body finds a violation of the Model or, more generally, an

illegal behavior relevant for the purposes of Legislative Decree no. 231/2001 by a member of the Administrative Body or the Supervisory Body, it will therefore evaluate any information to the competent bodies or authorities, taking into account the seriousness of the violation and in accordance with the powers provided for by law, preparing a report containing:

- the description of the conduct found;
- the indication of the provisions of the Model or the Decree that appear to have been violated;
- the personal details of the person responsible for the violation;
- any supporting documents.

If, during this proceeding, the Supervisory Body violates the regulatory provisions on whistleblowing, the BoD has the power to dismiss the member who committed the violation or the entire Body if the commission took place in contest of people.

The administrative liability of bodies

Dissemination of the Model and Training

To ensure the effective implementation of the Model, the Company guarantees adequate dissemination of the relevant rules of conduct through information and training on the content of the precepts, sanctions and control measures.

Both information and training must be modulated with respect to the recipients, their role as well as the type of activity they carry out and have a content of immediate perception, clear and understandable.

The Supervisory Body draws up an information and training plan, then periodically updated, including courses with specific content and compulsory attendance.

The training is aimed to:

- Subordinate workers;
- Function Managers;
- Directors;
- Other specifically identified corporate subjects.

It is the Company's objective to:

- make the Recipients aware of the procedures and conduct expected from the Code of Ethics and the Model;
- increase the awareness and the responsibility of the subjects operating in the areas considered at risk.

Dissemination must at least include:

- insertion of the Code of Ethics and the General Part of the Model on the company website;
- delivery of the Code of Ethics and the General Part of the Model for all Workers, from the moment they enter the company, with a subscription request for the acknowledgment and acceptance of the content;
- availability of the Code of Ethics and the General Part of the Model at the Human Resources Office and on notice boards;
- dissemination of information and detailed brochures;
- training courses;
- refresher courses.

The Company favors classroom training for Recipients who work in the sectors considered most at risk and allows e-learning delivery methods, as long as it includes verification tests, including mid tests.

Training must be promoted and supervised by the Supervisory Body which may also make use of the support of external consultants.

Information to external collaborators, suppliers and customers

The dissemination of the contents of the Code of Ethics and the Organizational Model is also aimed at third parties who have collaborative relationships of any nature, professional or commercial, with the Company.

The information is obtained through an invitation to consult and / or attach the documentation. About external Consultants or, in any case, Collaborators operating in sectors considered to be potentially high risk, the Company requests the release of a declaration in which the former certify that they have read and fully accept the contents of the Code of Conduct and the Organizational model, undertaking to respect them in every part.



Eurodies Italia S.r.l.
Legal and operational headquarters in
Viale dei Mareschi, 25
10051 Avigliana (Turin – Italy)
Direct +39 011 9572962

Supervisory Board
odv@eurodiesitalia.com

Approvato in prima stesura dal Consiglio di Amministrazione dell'1/3/2021,
in seconda revisione aggiornata dal Consiglio di Amministrazione del 09/09/2022

Manca traduzione