



Organisation, Management and Control Model

Legislative Decree No. 231 of 8 June 2001



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Italian Legislative Decree No. 231 of 8 June 2001

With Legislative Decree No. 231 of 8 June 2001, the “administrative liability of legal entities, companies, and associations, including those without legal personality” as a result of the commission of an offence is introduced into Italian legislation.

The crimes to which the decree is applicable are:

- art. 24: *misappropriation of funds, fraud against the State, a public entity, or the European Union in order to obtain public funds, computer fraud against the State or a public authority, and fraud in public supplies;*
- art. 24-bis: *computer crimes and unlawful data processing;*
- art. 24-ter: *crimes relating to organised crime;*
- art. 25: *extortion, bribery, embezzlement, corruption, and abuse of office;*
- art. 25-bis: *- counterfeiting of coins, public credit notes, revenue stamps and identifiers or signs;*
- art. 25-bis 1: *crimes against industry and trade;*
- art. 25-ter: *corporate crimes;*
- art. 25 quater: *crimes related to terrorism or the subversion of democratic order;*
- Art. 25-quater-1: *mutilation of female genital organs;*
- Art. 25 quinquies: *crimes against the individual’s personality;*
- Art. 25 sexies: *market abuse offences;*
- Art. 25-septies: *manslaughter and culpable serious or very serious harm committed in violation of occupational health and safety regulations;*
- art. 25-octies: *handling stolen goods, laundering and use of money, assets or benefits of illegal origin, including self-laundering;*
- art: 25-novies: *crimes involving breach of copyright;*
- art. 25-decies: *inducement not to make statements or to make false statements to judicial authorities;*
- art. 25-undecies: *environmental crimes;*
- art. 25-duodecies: *employment of third country nationals whose stay is illegal;*
- art. 25-terdecies: *xenophobia and racism*
- Art. 25 quaterdecies: *fraud in sports competitions, abusive gaming or gambling, betting and games of chance exercised by means of prohibited devices;*

- art. 25-quinquiesdecies: *tax offences*;
- art. 25 sexiesdecies: *contraband*;
- *Transnational crimes*

For a more complete and detailed examination of the so-called predicate offences, express reference is made to the Regulatory Appendix, to be understood as an integral part of this Organisation, Management and Control Model. Pursuant to Art. 5 of Legislative Decree 231/2001, in order to constitute administrative responsibility of the Company, any of the above offences must have been committed (or attempted) by an individual who is functionally connected with the entity, and the offence must have been committed “in the entity’s interest or to its advantage”, since the entity is not liable if the offender “acted in his/her own interest or in the interest of third parties.”

Also, to constitute the administrative responsibility of the entity, in parallel with the criminal liability of the offender (individual), the offence must have been committed by persons who hold a senior position within the organisation or by persons in a subordinate position. More precisely, in accordance with art. 5, “the entity is liable for offences committed in its interest or to its advantage:

- a) by persons who are representatives, directors or managers of the entity or any of its organisational units with financial and functional independence, or by persons who exercise, even de facto, management and control thereof (i.e. senior managers);
- b) by persons who are subject to the direction or supervision of one of the persons referred to in subparagraph a) (so-called subordinates).

According to a consolidated jurisprudential orientation, the administrative liability deriving from a crime is also applied in the presence of a Group, albeit with some significant limitations and conditions, when, for instance, a subsidiary commits a crime predicated on the liability (so-called ascent of liability), and in general, the extension of the discipline within the group also involves multinational corporations. In the event of proven liability, the Company would incur one of the following penalties: financial penalties, disqualification sanctions, confiscation and publication of the judgement.

With reference to the pecuniary sanction, a system of calculation by units has been established, to be determined by quantity and value, in order to better adapt the amount of the sanction to the reality of the case. The financial penalties range from a minimum of € 25,823 to a maximum of € 1,549,370.

Disqualification sanctions include: disqualification from exercising the business activity; the suspension or revocation of authorisations, licences or concessions functional to committing the offence; a ban on contracting with Public Authorities, with the exception of obtaining public services; exclusion from concessions, loans, contributions or subsidies and the possible revocation of those already granted; and a ban on advertising goods or services.

Unlike the financial penalties, which are always applied, the disqualification sanctions shall be applied when expressly required by the law, on the condition that at least one of the conditions referred to in art. 13 of the Decree apply, and that is:

- the entity obtains significant profit from the crime and the offence is committed by senior officers;
- the offence is committed by persons reporting to others, when commission of the offence is caused or facilitated by severe organisational shortcomings;
- in the event of repeated unlawful acts.

Disqualification sanctions have a duration of no less than three months and no more than two years.

Legislative Decree 231/01 provides for the exclusion of liability of the Company in the event that the Company has adopted and effectively implemented organisation and management models capable of preventing offences of the same type as the one committed, among other conditions.

Article 6 of the Decree states that when the offence is committed by persons in senior management positions, the Legislative Decree specifies that the entity shall not hold administrative liability if it can prove that:

- Before the offence was committed, its governing body had adopted and effectively implemented organisation and management models aimed at preventing offences of the type that occurred;
- The task of supervising the functioning and observance of the models and their updating was entrusted to a body in the entity with independent powers of initiative and control;
- The persons committed the offence by fraudulently eluding the organisation and management models;
- there was no omitted or insufficient supervision by the body referred to under subparagraph b).

In this sense, the deeper purpose of the Decree is to encourage businesses to adopt an organisation, management, and control model, in accordance with the “culture of prevention”, aimed at pursuing a “new entrepreneurial culture”.

To ensure its exempting effectiveness, the organisation and management model must address the need to:

- Identify the activities in which offences may be committed;
- Provide for specific protocols aimed at planning the conception and implementation of the entity's decisions in relation to the crimes to be prevented;
- Identify ways of managing financial resources suitable to prevent the commission of crimes;
- Provide mandatory information to the body responsible for supervising the functioning and compliance with the models;
- Introduce a proper disciplinary system for sanctioning any failure to comply with the measures indicated in the model.

General Information about the Company

1.1 COECLERICI Company and Group

COECLERICI S.p.A. (hereinafter also “the Company” and/or “COECLERICI”) is the holding company of the COECLERICI Group (hereinafter also “the Group”), founded in 1895 in Genoa, and now headquartered in Milan. The Group operates in Italy and abroad with about 1200 employees, in the areas of business commodities (mining and trading) and industry (technologies), operating in raw materials trading, mining, and construction of machinery for the converting, automotive and packaging industries.

The Group has come a long way, following trade routes across the world, determined to fulfil its current mission: the supply of energy to the electrical and steel industries in the five continents, continuing to see coal as a valuable energy source for economic growth in increasingly large areas of our planet. Following a long history in coal procurement, harbour logistics and technical and naval harbour operations, in the new millennium Coeclerici focused on new sustainable development policies, reducing its operations in certain sectors particularly dependent on coal as an energy source. In 2005 it left the shipping industry, and it subsequently also abandoned transshipment and logistics. The Group operates in 12 countries and has developed an organisational system that allows managing and supervising every stage of the procurement process of raw materials, from mining to shipping and logistics, providing quality products and services in an increasingly efficient and sustainable way, through:

- Specialisation: concentrating investment and expertise exclusively on our core business.
- Growth: achieved by establishing international partnerships and strategic acquisitions.
- Innovation: designing and implementing state-of-the-art logistics solutions adapted to the specific needs of our customers.
- Reliability: creating and developing a truly new business model, one that provides key integrated market solutions ‘turnkey’ from the mine to the customer, and establishing long-term contracts that prevent speculation and price fluctuations in the commodity market.
- Transparency: implementing an ethical governance and independent management in order to ensure maximum transparency of the business and the market.
- Responsibility: investing in technology and information, in order to comply with environmental protection and occupational safety standards, while at the same time focusing on an international approach in



relating to different peoples and cultures, with respect for and promotion of local development through direct vocational training and strategic technical advice.

COECLERICI SPA
Aree di business

Divisione Trading	Divisione Mining	Divisione Industry
100% Coeclerici Far East (Pte) Ltd.	100% Coeclerici Commodities SA 100% LLC Scc - Rozco 99% LLC Coeclerici Russia 100% SC Kisk 100% LLC UK PTU 100% SelPre Taylpskoe 100% LLC Razrez	100% IMS Technologies SpA 100% Kasper Machine Co 100% IMS Technologies Inc. 100% Goebel Schneid und Wickelsysteme GmbH 100% Beijing Goebel Slitting Technologies Co., Ltd

COECLERICI SpA summarises the company's guidance, that is, of each of its direct or indirect, central or peripheral components, at the senior management level and otherwise, reference to exclusive values that may be summarised as prevention and combating of any behaviour, initiative, action, suggestion, or influence which must be radically opposed on the basis of levels of fair ethical qualification.

1.2 Corporate governance

COECLERICI's governance structure coincides with the classic management system guided by the Shareholders' Meeting, with a Board of Directors, which measures the powers delegated to the Chairperson, including consultative and advisory powers, and among them powers of company organisation, administration, and accounting. The Board of Auditors controls the adequacy and fairness of the Company's activities, and the clarity, accuracy, truth, and fidelity of its representation of their outcomes and results. The Board of Auditors may conduct internal audits, reporting to the appropriate figures in senior management. The administrative board, to which the supervisory board reports, is ultimately responsible for the "care" of the Company's organisational structure.

It goes without saying that governance tools are constantly subjected to criticism, particularly in relation to aspects pertaining to quality and assignment of the company and its strategic and operational management.

The functions of the aforementioned corporate bodies are briefly described below:

- Shareholders' Meeting: passes resolutions on matters exclusively reserved for its competence; expresses guidelines on all issues, themes, and programmes proposed by the Board of Directors.
- Board of Directors: the Board of Directors is assigned all the functions that the law exclusively assigns to the body in charge of management of the Company, functions that comply with best practices reflecting the definition and maintenance of the Company's strategic profile, the examination of Group plans and budget, checking on the continuity of objectives in the light of market evolution, and any changes in the

business. In any case, the Board of Directors is responsible for the aspects of operating performance and forecasting in the Group's operations (investments, divestments, structure of financial sources, intercompany adjustments); it manages risk governance profiles; it is ultimately the guardian of all external disclosures of the Group's operations.

In summary, the two main areas of operation of the Board of Directors may therefore be described as the management (governance) sector and the supervisory sector, primarily monitoring of senior management and of the performance of executives, providing support / advice to executive directors.

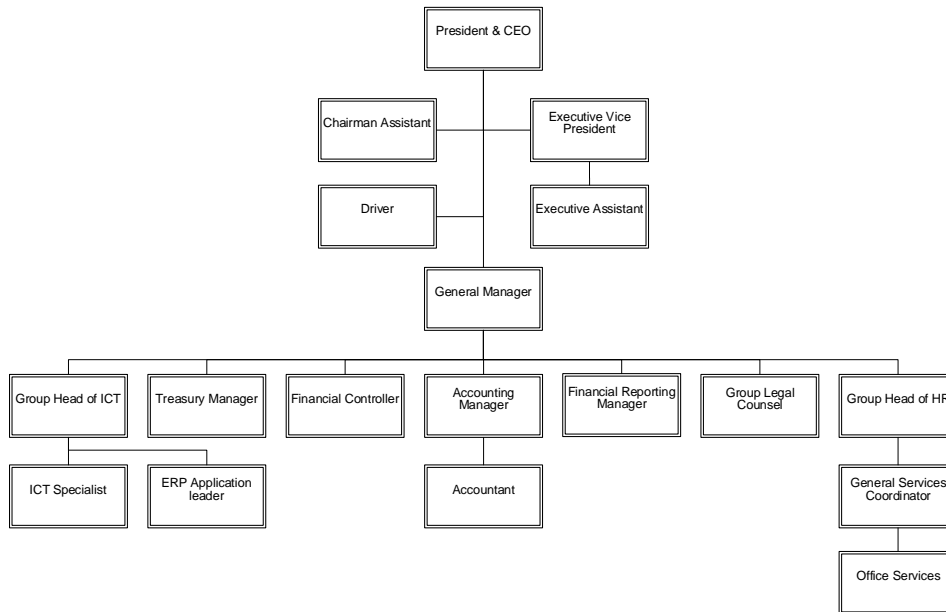
- Board of Auditors: consists of three regular members and two alternate members. All members of the Board of Auditors remain in office for three fiscal years and may be reappointed. The Board of Auditors is entrusted with the task of monitoring:
 - compliance with the law and company bylaws;
 - Compliance with the principles of proper administration;
 - The adequacy of the Company's organisational structure, internal control system, and administrative accounting system, also with reference to the reliability of the administrative accounting system in correctly describing management activities.

In addition to the corporate bodies, COECLERICI has established the following operational committees in support of senior management:

- Strategy Meeting, the main purpose of which is to discuss key trading and strategic scenarios;
- Credit Committee, the purpose of which is to monitor the situation of trade receivables and the amounts overdue payable to COECLERICI.

1.3 The Organisation

The Company's organisational structure is as follows:



Organisation, Management, and Control Model

1.4 Objectives and purposes pursued in adopting the Model

COECLERICI Spa is aware of the need to ensure fairness and transparency in conducting its business and corporate activities, to protect its position and image, the expectations of its shareholders, and the work of its employees, and is aware of the importance of adopting an internal control system capable of preventing unlawful conduct on the part of its directors, employees, contractors, and business partners. The Company has adopted an organisation and management model in the awareness that an efficient and balanced corporate organisation, suitable for preventing the commission of crimes, can be achieved by intervening primarily on the processes of conceiving and implementing the Company's decisions, on preventive and subsequent controls, as well as on information flows, both internal and external.

Through the adoption of the Model, COECLERICI Spa intends to pursue the following main objectives:

- Determine, in all those who operate in the name and on behalf of the Company, the awareness that they may, in the event of breach of the provisions contained therein, commit offences liable to criminal penalties to themselves and administrative sanctions inflicted on the Company;
- Emphasise that any form of unlawful behaviour is strongly condemned by COECLERICI Spa, because it contravenes (even in the event that the Company may appear to benefit from it) not only the law but also the ethical principles which COECLERICI Spa intends to apply in the implementation of its corporate mission;
- Allow the Company to take prompt action to prevent or oppose the commission of these offences through monitoring on the areas of activity at risk.

The Model and the principles contained therein apply to corporate bodies (meaning the Board of Directors and the Board of Auditors of the Company and their members), employees, collaborators, consultants, suppliers, partners, and, more generally, to all those who, for whatever reason, perform activities for, on behalf or in the interest of COECLERICI Spa (hereinafter referred to as the "Recipients").

1.5 Composition of the Model

COECLERICI Spa's organisation and management model consists of the following documentation:

- Confindustria guidelines, updated to March 2021, a document providing methodological guidelines, as well as references to certain specific aspects relating to operational elements pertaining to the decree;
- Risk analysis, a document describing the activities within each process, the degree of exposure to risk (expressed in terms of a specific type of crime), and suggested checks;

- Code of Ethics, a document that outlines the values guiding the Company and the Group, recommending, promoting, or prohibiting certain behaviours, and if necessary dictating specific prohibitions and requirements in relation to the offences;
- COECLERICI Spa's organisation and management model, a document that describes the regulatory principles, general and specific aspects of operational elements related to the decree (e.g. Supervisory Board, system of sanctions);
- Internal operational documents, particularly 231 protocols and the set of procedures set out therein, as well as the contractual documents defining the principles of general reference in the management of business processes;
- The system of sanctions, establishing the principles and case studies upon which the company shall regulate the measures arising from failure to comply with its regulatory system in particular and the model in general;
- Training and information processes, documenting the activity of sharing business rules and the related requirements (system of sanctions);
- Information flows to the Supervisory Board, which report potential faults or blatant violations of company rules.

1.6 The Governing Principles of the Model

In the definition, building, and implementation of the model, the following regulatory principles were observed:

- Clear formal allocation of powers and responsibilities, consistently with the assigned tasks;
- Separation of functions (when possible), so that giving permission to perform an operation must be the responsibility of a person different from the persons in charge of accounting, actual performance, or control of the operation (if the check is conducted by a single entity). This principle must still permit efficient management of the business;
- Definition of rules of conduct aimed at ensuring the performance of business activities in compliance with laws, regulations, and integrity of corporate assets;
- The availability of standard documentation for individual business activities, divided into powers of attorney, powers and delegations, and procedures;
- The traceability of operations (linked with both operational and monitoring activities) to ensure that every operation, transaction, and/or action is verifiable, documented, consistent, and appropriate.

The pillars of the Model are, in addition to the principles already specified:

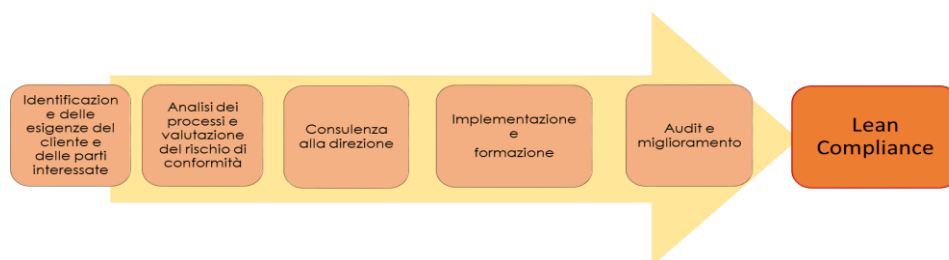
- Dissemination of the behavioural rules and established procedures at all levels in the company;

- Mapping of areas at risk in the company, i.e. the activities where there is a greater possibility of commission of crimes;
- Assignment to the Supervisory Board of specific tasks for monitoring the effective and proper functioning of the Model;
- Definition of a specific information flow from individual business functions to the Supervisory Board;
- Monitoring of corporate conduct, through regular audits conducted to verify the implementation of the Model, with consequent periodic updating (ex-post checks).

1.7 The Methodology Adopted for Updating the Model

In compliance with the provisions of Legislative Decree 231/2001 (in particular under art. 6) and illustrated in the applicable trade association guidelines, and as defined by established case law, the organisational model is constructed as the end result of a series of complex tasks. This is to ensure that adoption of the model will be an effective and efficient tool for prevention, through adoption of a general, comprehensive, and appropriate system of internal checks.

The activities involved in its implementation are organised in the following steps:



- Identification of processes and their interactions through process mapping using the self-assessment tool;
- Risk Assessment and Gap Analysis. Activities at risk of abuse are identified by conducting interviews with various process managers concerning their management procedures. Areas related to organisation (e.g. proxies and delegated powers) are also analysed. Based on the results obtained, a comparison between existing procedures, level of defined checks, degree of knowledge and their dissemination, and activities identified as at-risk was then conducted. Upon conclusion of the activity, the gap analysis of the Company was defined and formalised, identifying areas and/or activities which are not sufficiently supervised, in order to ensure the effectiveness of the organisation and management model. The gap analysis report is an integral part of this model, to which the reader is referred for more details;
- Definition of protocols. The following activities are included in this stage:
 - Formalisation and/or integration of the Company's existing documentation with the activities and checks specified and/or the production of new regulatory documentation;

- Updating of the Organisation and Management Model as a document summarising and combining the principles, rules of conduct, defined protocols, specific prevention and control measures, bodies and persons concerned, and the system of sanctions;
- Definition and updating of the information flow system, highlighting in particular the object of the information flow, the responsible person and sampling frequency;
- Planning of differentiated training activities and audits on the processes identified as exposed to the risk of offences being committed.

Features and Structure of the Internal Control System (ICS)

1.8 General Principles of the ICS

The internal control system is defined as the set of tools aimed at providing a reasonable degree of assurance of achieving the goals of efficiency and operational effectiveness, reliability of information, compliance with laws and regulations, and safeguarding of assets against possible fraud or offences.

As defined by the Confindustria Guidelines, the following elements characterise the control system:

- formalisation of the system of controls in an appropriate corporate documentation aimed at defining and regulating the methods and timing of activities involved in controls, as well as implementation of supervisory controls;
- traceability aimed at rendering the checks certifying the characteristics and reasons of individual operations documentable and verifiable, clearly identifying the persons who authorise, perform, record and verify operations;
- segregation aimed at ensuring separation of functions, thus preventing the management of the entire process from being carried out independently by a single person;
- attribution of powers of authorisation (proxies and powers of attorney), where it is possible and appropriate to distribute such powers consistently with the corporate organisation in order to avoid the attribution of unlimited powers and, above all, ensure clear awareness both inside and outside the organisation of all powers and responsibilities.

The control system is extended with continuity to the various organisational levels, across all processes, taking into account the following general principles:

- Each protocol formally adopted by the Company is binding on all the parties involved, in various capacities, in the management of the process governed by the same protocol. Among other things, protocols respond to the need to document the various stages of decision-making processes and ensure that they are verifiable, in order to track them;
- The separation of tasks through proper distribution of responsibilities and the provision of appropriate levels of authorisation (to the extent possible given the organisational dimension of the Company) prevents overlapping of functions or operational allocations that concentrate critical activities on a single person;
- Proper preparation of regulatory documentation for individual business activities, divided into powers of attorney, powers and delegations, and procedures. In particular, the system of proxies and powers of attorney ensures that:
 - The powers of attorney are consistent with the organisational position and updated as a result of organisational changes;

- In every power of attorney, the powers of the delegate and the person to whom the delegate reports are specified;
- Powers of attorney should describe the powers assigned and, where necessary, be accompanied by specification of the limits of their extent, notwithstanding budget constraints;
- The objectivity of decision-making processes should be guaranteed, where possible (for example through the preparation of qualified supplier registers and definition of objective criteria for selection and evaluation of staff);
- Formalisation of business activities in order to:
 - Define and regulate the manner and timing of the performance of these activities;
 - Ensure traceability of actions, operations, and transactions through appropriate documentary supports certifying the characteristics of and reasons for the operation and identifying the persons involved in the transaction in various ways (authorisation, performance, registration, checking);
 - Ensure, where necessary, the "objectification" of decision-making and limit business decisions based on subjective choices not linked to predefined objective criteria (e.g. existence of lists of approved suppliers, existence of objective evaluation criteria).
- Documentation of monitoring and supervision of business transactions;
- Provision of contractual clauses obliging contractors, consultants, and business partners to comply with the principles contained in the Code of Ethics, as well as the protocols specifically related to the activity carried out, giving the power to withdraw from or terminate the contract if this is not the case, claiming compensation for the damage suffered.

1.9 Modular Structure of the Control System

The Company is subject to a complex system of rules from different internal sources and modulated on different levels. The consequence is a regulatory system based on modularity consistent with the organisational logic, where documents at different levels have distinct roles:

- Code of Ethics: defined at the Group-wide level, as a tool to be adopted autonomously, which can be applied by all Group companies in general in order to establish the principles of "business ethics" that COECLERICI Spa recognises as its own and of which it requires observance by all the Company's Bodies, Employees, Consultants, and Partners. The Code of Ethics contains guidelines concerning the rights and duties of all those who participate in the organisation's life in various ways.
- Organisation, Management, and Control Model: defines the guidelines adopted by the Company in building its model, and describes its internal control system, with particular reference to:
 - Methodology applied to risk analysis and to the construction of the organisation, management, and control model;
 - The system of internal checks;
 - The principles of appointment, composition, and role and responsibilities of the Supervisory Board;

- The disciplinary system;
- Planning of information and training activities.
- System of Powers of Attorney: assigned consistently with the tasks and functions held in the Company.
- Protocols: describe, with specific reference to the so-called “sensitive” processes, the set of organisational, preventive, and control measures carried out for the activities involved in these processes. They also identify the scope and owner of specific information flows to the Supervisory Board.
- Business Procedures: identify the operating procedures for proper conduct of activities in the individual functions.
- Audit System: the Company may exercise internal audit activities to check for compliance with the Code of Ethics and the Model adopted by the Company.
- Accounting Certification and Management Control on the activities through methods of economic-financial planning and reporting.

Exposure to risk

1.10 Methodology

The processes defined within COECLERICI Spa for effective and efficient service delivery may be exposed to the risk of commission of the crimes identified in Legislative Decree 231/2001 in three different ways:

- Direct Exposure, if the performance of activities within the process is itself at risk of committing illicit activities. For example, requesting funding from the European Union, resulting in direct contact with Public Authorities, exposes the personnel in charge directly to the risk of committing crimes of fraud, corruption, or misappropriation of funds;
- Instrumental Exposure, if the process in itself is not exposed to risk of committing an offence, but its result is. For example: hiring of employees related to people working for Public Authorities could represent "bestowal", constituting the crime of corruption in the performance of an action that is required by or contrary to official duties; signing of consultancy contracts, if carried out without special care or caution, could be a way to create funds to be used for unlawful purposes;
- No Exposure, if the activity or process does not involve significant exposure to the risk of committing certain types of offence.

1.11 Sensitive Processes

In the light of the risk analysis carried out, for the purpose of preparing this Model, the following offences are considered as concretely relevant to the Company, because of the objective possibility of committing them in the processes in question.

Offences pursuant to Legislative Decree 231/2001	Reference Processes	Par.
Crimes in relations with or against Public Authorities (articles 24 and 25)	Human resources management and administration Relations with P.A. Management of Supplies Awarding of professional appointments Management of intragroup relations Administration and Finance Management of Disputes Management of Gifts and Donations Sponsorship Management Management of Accidents	5.3
Computer crimes and unlawful data processing (art. 24-bis)	Management of Networks	5.5
Crimes relating to organised crime (art. 24-ter)	Administration and Finance Management of intragroup relations Awarding of professional appointments Management of Supplies Management of Human Resources Management of Gifts and Donations Sponsorship Management	5.6

Corporate crimes (art. 25-ter)	Administration and Finance Management of intragroup relations Management of Supplies Awarding of professional appointments Management of Contracts Management of Disputes	5.7
Offences of unlawful intermediation and exploitation of labour (art. 25 quinquies)	Management of Human Resources	5.1 3
Offences related to Occupational Health and Safety (art. 25-septies)	Health and safety Management of Disputes Logistics	5.8
Crimes involving breach of copyright (art. 25-novies)	Management of Networks Management of HW and SW	5.1 2
Inducement not to make statements or to make false statements to judicial authorities (art. 25-Decies)	All Processes	5.4
Environmental crimes (art 25-undecies)	Management of Hazardous and Non-Hazardous Waste	5.1 0
Crimes of handling stolen goods, laundering, self-laundering and use of money, assets or benefits of illegal origin (art. 25-octies)	Administration and Finance Management of intragroup relations Management of Supplies	5.9
Crimes related to terrorism or the subversion of democratic order (art. 25-quater)	Administration and Finance Management of Intercompany Services Management of Supplies Awarding of professional appointments Management of Human Resources Management of Gifts and Donations Sponsorship Management	5.6
Employment of third country nationals whose stay is illegal (art. 25-duodecies. Law dated 6 November 2012, No. 190)	Management of Human Resources	5.1 1
Instigation or incitement to hate, denial of the Shoah or of crimes of genocide (art.25 terdecies)	Management of Human Resources	5.1 3
Tax offences (art. 25-quinquedecies)	Administration and Finance	5.1 2

The results of mapping made it possible to:

- Identify the organisational units of the Company which, in view of the assigned tasks and responsibilities, could potentially be involved in activities involving a risk of commission of a crime;
- Identify the main types of risk/offence;
- Outline possible ways of committing unlawful acts.

1.12 Offences against Public Authorities

Definition of Public Authorities

Public Authorities refer to all public local and national institutions, and members and internal bodies of institutions, including public officials.

As regards persons acting in the sphere of and in relation to Public Authorities, for the purpose of integrating the cases of predicate offence pursuant to Legislative Decree 231/2001, the roles of "Public Officials" and "Public Service Officers" take on particular relevance, governed respectively by Articles 357 paragraph I and 358 of the Italian Criminal Code.

Art. 357 of the Italian Criminal Code defines as a Public Official someone who *"exercises a public legislative, judicial or administrative function"*. A "public function" is an administrative activity representing the exercise of powers of decision-making, authorisation or certification.

Art. 358 of the Italian Criminal Code, on the other hand, defines persons in charge of a public service as *"persons who, in whichever capacity, provide a public service"*. A "public service" is defined as an activity regulated in the same way as a public function, but without the powers typical of the latter.

Based on the above, the discriminating element indicating whether a person does or does not qualify as a "person in charge of a public service" is represented not by the legal nature of the Entity, but by the functions entrusted to the person, which must involve upholding the public interest or satisfying needs of a general interest.

Exposure to risk

The results of risk analysis lead to identify, in the context of business processes, the following activities as those in which COECLERICI Spa is more exposed (both directly and instrumentally) to the risk of the listed offences:

- Management of obligations and relations with public institutions (management of funding and other payments, management of inspections, management of litigations, management of institutional relations);
- Management of administrative/accounting activities (asset cycle, liability cycle, etc.);
- Management of cash flows (cash pooling, current accounts and funds, hedging, etc.);
- Management of intercompany activities, in particular intercompany services and loans;
- Management of procurement activities;
- Management of professional appointments and consultations;
- Management of human resources (personnel selection and recruitment and system of rewards);
- Management of gifts, donations, and sponsorships;
- Management of accidents.

Beyond the cases of direct contact with Public Authorities, the sector of procurement and supplies (orders/contracts with suppliers, professionals, and consultants) and the associated administrative processes may also involve a risk of committing corruption offences (instrumental exposure). For example, entering into a contract for a non-existent

service may be a way to allow a Public Official or Public Service Representative obtain, directly or indirectly, the price of the service, or the “money” functional to the corruption case may also appear through the establishment of “off-book” funds. These operations are aimed at creating hidden assets through the issuance of invoices for non-existent operations, unjustified money flows, payments of consulting services that are never actually provided, or the value of which is much lower than the value declared by the Company.

Similarly, the selection of personnel unsuitable in relation to the company's established parameters may be the corruptive element in exchange for measures favourable to the Company.

The offence categories for which there is a risk of COECLERICI Spa committing a crime would appear to be crimes of corruption for an action that is conforming or contrary to official duties, attempted bribery, fraud detrimental to the State or other public or European Union body, trafficking in illicit influences and abuse of office.

It should be considered that, in general, the opportunity to benefit from grants, contributions or public funds, for example for training or certain development plans, exposes the Company to the risk of crimes of embezzlement, misappropriation of funds and fraud to obtain public funds to the detriment of the State or other public body or the European Communities.

On the other hand, the crimes of extortion and computer fraud against the State or other public body are not concretely applicable to the company. In the first case, the offence is related to the status of Public Official or Public Service Provider, i.e. a qualification unrelated to the Company for both individuals in senior positions and individuals subject to their direction and supervision. In the second case, the Company does not have access to computer or electronic systems to be able to commit such malfeasance – also considering the existing monitoring measures in the field of management of the Company's IT infrastructure.

Preventive Measures

With regard to the activities and checks implemented in order to prevent offences against or to the detriment of Public Authorities, the Company has adopted the following preventive and control measures:

- Code of Ethics that expressly prohibits all corruption practices, illegitimate favours, collusive behaviour, and direct and/or indirect requests of personal career benefits for oneself or others, as well as setting forth the general principles of conduct in conflicts of interest.
- System of powers of attorney and proxies that assign consistently the powers of authorisation and control. Protocol for Relations with Public Authorities describing activities exposed to risk and the types of relations with Public Authorities, describing specific measures for control of various types of relations with Public Authorities and specific information flows to the Supervisory Board, such as inspections, requests for authorisations and concessions, involvement in judicial proceedings. In the specific case of inspections, it requires: awarding of the power to maintain relations with public authorities and to sign reports only to persons with powers of attorney or proxies; filing and documentation; verification of fulfilment of requirements. In the

specific case of obtaining funding, authorisations and concessions, it requires: assessment of the opportunity and verification of the documentation; authorisation by persons with the appropriate powers; monitoring and control of all administrative requirements. In the specific case of relations with legal authorities, it requires: legal representation by a person with the appropriate powers; ongoing monitoring of the proceedings.

- Procedure for relations with Public Authorities requiring: traceability and documentation of all relations with Public Authorities; flow of information concerning contact with Public Authorities to the Supervisory Board and to management; express reference to the principles of the Code of Ethics.
- Intercompany Services Protocol requiring monitoring of the existence of contractual elements based on international best practices and incorporating Legislative Decree 231 clauses into the contract, signature of contracts for the supply of services to affiliated companies by the competent persons under the Company's current system of powers of attorney and proxies, and control of any changes to intercompany contracts by the Supervisory Board.
- "Liability cycle protocol" defining roles and responsibilities in managing assets and guaranteeing the traceability of checks on the regularity of payable invoices.
- "Protocol of treasury" that defines roles and responsibilities in the management of cash flows and ensures traceability of checks, in particular on the following activities:
 - ✓ Management of payments and collections;
 - ✓ Management of financial flows on current accounts and cash pooling;
 - ✓ Management of funding;
 - ✓ Management of financial instruments;
 - ✓ Management of cash.
- Procurement procedure, procurement protocol and protocol for the awarding of consultancy services and professional appointments outlining specific elements for monitoring the possibility of conflicts of interest, verification of the need for the service and definition of criteria for supplier qualification and selection, verification of the congruence of the order and the contract, and verification of actual service provision, as well as verification of the contract in the order.
- Human resources procedure and protocol requiring verification of the effective need for new hires, authorisation by a person with the appropriate powers, assessment of qualifications, definition of specific rules for the selection of new resources, acquisition of a declaration regarding any relations the person may have with the public authorities, signature of a specific contract and notification of Unilav.
- A gift procedure requiring the General Manager's authorisation to receive gifts or donations worth more than €150 or the equivalent thereof, taking into account the principle of proportionality in local currency, identifying the nature of the asset (gift, event, etc.), its value and the person giving the gift.
- "Protocol of corporate gifts and donations" that defines roles and responsibilities, and guarantees the traceability of checks on the provision and receipt of gifts or donations.

- “Protocol of sponsorships that includes the following monitoring measures:
 - ✓ Conducting a due diligence investigation of the partner;
 - ✓ Completeness of the contract;
 - ✓ Verification of actual service provision.
- “Insurance Protocol” including specific accident response monitoring measures.
- “Budgeting Protocol” including specific monitoring measures for anomalies regarding the use of a set budget.
- System of flows to the Supervisory Board.

1.13 Crime of induction to make false statements to the Judicial Authority

The crime in question is included, in the Criminal Code, among the offences “against the administration of justice”, i.e. those crimes the specific character of which causes that they are not generally included in the offences against Public Authorities. It is precisely this special character compared to the offences analysed in the previous section that makes its analysis separate from offences against Public Authorities.

Exposure to risk

The results of risk analysis lead to identify risk exposure to the offence in question whenever the Company is called as a “Party” in a criminal case or has an interest in it.

Preventive Measures

Code of Ethics that expressly prohibits providing false statements to judicial authorities.

1.14 Computer crimes and crimes involving breach of copyright law

Subclasses of computer crimes are included in all the activities aimed at the manipulation, interception, or damage of data and IT systems, regardless of whether their nature or function is private (e.g. market competitors) or public. In fact, the crimes include unauthorised access to a computer or telecommunications system; unauthorised possession and dissemination of access codes to computer or telecommunications systems; distribution of equipment, devices, or IT programs aimed at damaging or interrupting a computer or telecommunications system; illegal interception, prevention, or interruption of computer or telematic communications; and damage to computer or telecommunications systems of public utility.

In relation to offences in violation of copyright, it is possible to state that these articles punish reproduction and duplication of intellectual property. Under the legislation, it is possible to state that, in general, the management of advertising, educational, information activities of commercial type, achieved through the use of photographic or literary material, economic and scientific articles, or through the use of databases is at risk.

In addition, under Article 2 paragraph 8 of the Italian Law 633/41 intellectual property also include “computer program, expressed in any form as long as they are original as the result of intellectual creation by their authors”. This legislative

provision is the origin of the inclusion of the crime of illegal duplication, distribution, importation, sale, and possession for commercial or business purposes of computer programs.

Exposure to risk

For the type of activities carried out and organisation of the company, COECLERICI Spa's IT area is the mostly exposed to this class of crimes. In fact, even if they may be directly committed in theory by the staff of each area of the company, the IT function defines the safety features of the entire physical and logic infrastructure of the Company and can create the vulnerability conditions likely to take the form of an offence.

The circumstances described above together with the nature of the activity performed by the Company lead us to believe that the following offences may be assumed only theoretically as committed by the Company: interception, prevention, or interruption of computer or telematic communications (art. 617 quater, of the Italian Criminal Code); damage of information, data and computer programs, although used by the State or other public body or a public utility entity (articles 635 bis and 635 ter, of the Italian Criminal Code); as well as damage to computer or telecommunications systems and damage to computer or telecommunications systems of public utility (articles 635 quater and 635 quinquies); computer fraud by an entity providing electronic signature certification services (art. 640 quinquies, of the Italian Criminal Code); and false declaration or statement to the electronic signature certifier (art. 495 bis) and computer forgery (art. 491 bis).

Therefore, the activities that may be exposed to threat are:

- Assignment and management of login and password to access and use business information systems;
- Management of the hardware and software configurations of all Company's personal computers;
- Defining and maintaining adequate safety profiles (e.g. firewall, antivirus) required for maintaining the efficiency of the IT infrastructure.

Preventive Measures

- The Code of Ethics outlines the guiding values of the Company recommending, promoting, or prohibiting certain behaviours relating to the use of IT tools.
- System of proxies and powers of attorney that assign consistently the powers of authorisation and control.
- "ICT Protocol" that provides for the following monitoring measures:
 - ✓ Proper management of profiles and authorisation for access to the network, use of firewalls and other security systems, verification on the configuration, and software maintenance;
 - ✓ Assignment and formalisation of the roles and responsibilities of system administrators;
 - ✓ Formalisation of the management procedures of IT inventories;
 - ✓ Provision of specific control measures on the machines and periodic review of access profiles;

✓ The adoption of authorisation/inhibition tools for the use of programs or access to the network.

- System of flows to the Supervisory Board.

1.15 Crimes of organised crime and crimes of terrorism

The extension of the liability of entities also to offences arising from organised crime committed within the national territory is aimed at countering the commission of any type of crime, provided that it is in an associated form, or with the stable, ongoing and organised collaboration of at least three persons: this logic means that even offences formally not included among the classes of offences pursuant to Legislative Decree 231/2001, such as tax offences, can produce administrative liability of COECLERICI Spa, if committed within a logic of criminal association.

For example, the issuing or receiving of invoices for non-existent services under particularly beneficial or onerous conditions as a form of benefit to be provided to persons connected with criminal associations, simulation of a need for a purchase, or incorrect or improper management of the procurement process with a supplier who is somehow, even indirectly, connected with criminal associations in order to finance them in exchange for some benefit.

Exposure to risk

For the activities carried out by the Company, it is possible to consider the management processes of financial, administrative and accounting flows, and in general the supply of goods and services including intercompany transactions as being at risk and as activities used to commit the crimes in question aimed, for example, at forming funds to be allocated for illicit purposes.

Preventive Measures

With regard to the activities and checks implemented to prevent the offences of organised crime and the financing of terrorism, the Company has adopted the following preventive and monitoring measures:

- Code of Ethics that expressly prohibits any form of facilitation, cooperation, or flanking to criminal or terrorist organisations.
- System of powers of attorney and proxies that assign consistently the powers of authorisation and control.
- “Protocol of intercompany services” that regulates the activities of providing services and intercompany loans and guarantees the traceability of operations carried out with special reference to:
 - ✓ Definition of pricing;
 - ✓ Completeness of the contract;
 - ✓ Billing mode;
 - ✓ Tracking of anomalies;
 - ✓ Use of funds.

- “Liability cycle protocol” defining roles and responsibilities in managing assets and guaranteeing the traceability of checks on the regularity of payable invoices.
- “Treasury protocol” defining roles and responsibilities in the management of cash flows and ensuring traceability of checks, in particular on the following activities:
 - ✓ Management of payments and receipts;
 - ✓ Management of financial flows on current accounts and cash pooling;
 - ✓ Management of funding;
 - ✓ Management of financial instruments;
 - ✓ Management of cash.
- “Protocol for procurement of goods and services” and “Protocol for assignment of consultancies and professional appointments” which provide, with reference to different types of purchase, the following measures:
 - ✓ Qualification of provider through specific due diligence activity;
 - ✓ Criteria for selection of suppliers;
 - ✓ Completeness of contract/order;
 - ✓ 231 clauses (clauses with termination value and penalties for the violation of ethical principles and violation of the model laid down by the Company);
 - ✓ Check for service provisions and release of bill payment;
 - ✓ Tracking of anomalies.
- “Human resources protocol” providing for the following monitoring measures:
 - ✓ Verification of the need for recruitment;
 - ✓ Criteria for assessment and selection of candidates;
 - ✓ Check of specific documentation prior to employment, even in the form of self-declaration, such as certificate of pending charges/ongoing investigations and criminal records;
 - ✓ Check for the presence of a name in international blacklists;
 - ✓ Tracking of bonuses system.
- “Protocol for corporate gifts and donations” defining roles and responsibilities, and guaranteeing the traceability of checks on the provision and receipt of gifts or donations.
- “Budgeting Protocol” including specific monitoring measures on anomalies regarding the use of a set budget.
- “Sponsorship protocol” including the following monitoring measures:
 - ✓ Conducting a due diligence investigation of the partner
 - ✓ Completeness of the contract

✓ Verification of actual service provision

- System of flows to the Surveillance Body.

1.16 Corporate crimes

The type of crime in question is of particular significance due to both the frequency of activities exposing the Company to risk and the multiplicity of interests protected by the provisions referred to in Article 25 ter of Legislative Decree 231/2001 (transparency of corporate information, integrity of the company's assets, etc.).

The first intervention dates back to Law 190/2012, through which liability was also extended to the Company for the benefit or in the interest of which money or other benefits were given or promised in favour of the directors, general managers and executives charged with preparing corporate accounting documents, as well as auditors and liquidators, in executing or omitting acts in violation of the obligations inherent to their office, or obligations of loyalty eliciting damage to (their own) Company (active corruption pursuant to Article 2635, paragraph III of the Italian Civil Code); the second intervention dates back to Law 69/2015, through which the crime of false corporate disclosure referred to in Articles 2621-2622 of the Italian Civil Code was rewritten, with important repercussions on Legislative Decree 231/2001.

More recently, Law 3/2019 has extended the range of predicate offences with the case in point "Incitement to corruption between private individuals", which punishes inductive or instigating acts of private corruption, meaning such acts as the promise or offer, whether direct or indirect, of money or other undue benefits.

Exposure to risk

The processes exposed to the risk of committing the crimes in question are:

- Administrative/Accounting Management;
- Preparation of draft financial statements as well as any financial situations for extraordinary operations for approval by the Board of Directors and/or the Shareholders' Meeting;
- Management of relations with credit institutions;
- Management of relations with Shareholders and the Board of Auditors regarding the auditing of administrative and accounting management and financial statements;
- Management of tax compliance and tax litigation and the related relationships with tax offices having jurisdiction;
- Management of the requirements regarding wages and withholding taxes, social security and welfare contributions;
- Management of communication to supervisory boards and their requests during checks and inspections;

The above-mentioned activities could see the Company involved in the following criminal offences (provided they occur in its interest or to its advantage): false corporate communications to the detriment of shareholders or creditors, impeded control, hindering the exercise of the functions of public supervisory authorities, unlawful influence on the Shareholders' Meeting, fictitious formation of capital, operations to the detriment of creditors, corruption between individuals.

With regard to the latter, it should be noted that although the Strasbourg Convention is intended to punish the behaviour of any who provides or promises an undue advantage, as well as anyone who receives the bestowal or promise of an advantage in order to perform an act contrary to their own duties (thus active and passive corruption), Art. 25 ter of Legislative Decree 231/2001, as formulated today with respect to a partial reference to Art. 2635 of the Italian Civil Code (paragraph III only), places the liability deriving from the committing of active corruption on the entity. The following processes are exposed to the risk of committing the offences in question:

- Management of supply of goods, services, awarding of professional assignments, and obtaining of certification.
- Management of insurance policies;
- Management of intercompany services;
- Management of disputes;
- Management of contracts.

Finally, it is to be considered that the offence of failure to disclose a conflict of interest can be committed only by persons holding special positions within the company and, in particular, by a director or a member of the Board of Directors. The offence is realised with the breach of the obligations under Article 2391 of the Italian Civil Code, according to which the director of a company which, in a certain operation, has for him/herself or for third parties a conflict of interest with the Company, must inform the board of auditors and the Board of Directors, and must refrain from participating in decisions concerning the operation. On the basis of the above considerations, it can be understood that a large part of prevention of this crime must be based on the ability of the organisation to train and select its directors, also in consideration of the requirements relating to ethics, integrity, and loyalty.

Preventive Measures

COECLERICI adopts an internal control system applicable to both its own activities and interrelations between the company bodies and control bodies already required by current legislation and, more generally, by the company's documentation:

- Code of Ethics illustrating the Company's guidelines, recommending the truthfulness, completeness, correctness and accuracy of accounting data and information, and clearly prohibiting corruption, collusion, or illegitimate favours, as well as acts contrary to competition. Periodic joint or individual meetings between the

Supervisory Board, the Board of Directors, the external auditors and the Board of Auditors, and the obligation to provide the Supervisory Board and the Board of Auditors with all documentation relating to subjects in the agenda of the Shareholders' Meeting, or in any case to be submitted to them, sufficiently in advance

- System of powers of attorney and proxies that consistently assign powers of authorisation and control
- The system for monitoring accounting and financial statements requires:
 - ✓ entry of invoices payable and receivable in Oracle;
 - ✓ analysis of cost and revenue items (analysis of deviation from the budget, forecasts, history, etc.);
 - ✓ periodic reports on trends in the statement of assets and liabilities and the income statement;
 - ✓ traceability of automatic or manual adjustments to accounting entries (e.g. provision for write-downs, depreciation/amortisation, etc.);
 - ✓ preparation of half-yearly audit accounts;
 - ✓ periodic verification of the board of auditors and the independent auditor;
 - ✓ preparation of the supplementary notes and the financial report in Oracle;
 - ✓ determination of taxes payable and VAT payments by an external tax consultant;
 - ✓ approval of the financial statements and supplementary notes by the Shareholders' Meeting.
- Administrative liabilities cycle protocol defining roles and responsibilities as well as elements for the monitoring of activities involved in management of the liability cycle. More specifically, verification of the effectiveness of supplies and of the regularity of invoices in relation to the contract/order, freezing of anomalous invoices, ensuring that invoices have been appropriately authorised, entry of the invoice in the AP module, sending of invoices payable to the treasury.
- Treasury procedure and treasury protocol defining the roles and responsibilities, powers of authorisation and specific controls involved in payments. Two levels of approval are required for the amount, supplier, bank, date and beneficiary's name.
- Monthly reconciliation of the bank balance and the accounts.
- With reference to the risk of commission of acts of corruption between private individuals, the Company adopts a prevention and control system aimed primarily at preventing phenomena of corruption:
- Purchasing procedure and procurement protocol: verification that the purchase is necessary and identification of criteria for the qualification and selection of suppliers, verification of the congruity of the order with the contract, and verification of actual service provision.
- Protocol for the awarding of consulting services: verification that the purchase is necessary, identification of criteria for the qualification and selection of suppliers, and verification of actual service provision.

- “Protocol of intercompany services” that regulates the activities of providing services and intercompany loans and guarantees the traceability of operations carried out with special reference to:
 - ✓ Definition of pricing;
 - ✓ Completeness of the contract;
 - ✓ Billing mode;
 - ✓ Tracking of anomalies;
 - ✓ Use of funds
- Insurance protocol involving verification of the effective need for insurance coverage and monitoring and approval by the competent persons on the basis of proxy systems
- Protocol for relations with public authorities, and specifically relations with legal authorities, requiring legal representation by a person with the appropriate powers, and ongoing monitoring of the proceedings.
- System of flows to the Supervisory Board.

1.17 Crimes of manslaughter and culpable serious or very serious harm

The Decree implementing Law 123/2007 concerning occupational safety mentions organisation and management models, stating that an organisation and management model suitable to produce effects exempting legal entities, companies, and associations, including those without legal personality, from administrative liability pursuant to Legislative Decree No. 231 dated 8 June 2001, must be adopted and effectively implemented, thus ensuring a corporate system for the fulfilment of all legal obligations relating to:

- Observance of the technical and structural standards regarding equipment, facilities, workplaces, chemicals, and physical and biological substances;
- Risk assessment activities and preparation of the related prevention and protection measures;
- Organisational measures for the management of emergencies, first aid, contract management, periodic safety meetings, consultations with workers' safety representatives;
- Health surveillance;
- Providing workers with information and training;
- Supervision to ensure workers' observance of safety procedures and instructions;
- Acquisition of documentation and certificates required by law;
- Periodic checks of the implementation and effectiveness of the procedures adopted.

The organisational and management model pursuant to the first point must provide suitable systems for recording the actual implementation of the activities reported above.

The organisational model should in any case ensure, as required by the nature and size of the organisation and the type of business activity, an organisation of functions that provides the technical skills and powers required for verification, evaluation, management, and monitoring of risk as well as a disciplinary system to punish non-compliance with the measures mentioned in the model.

The organisational model shall also provide an appropriate system for monitoring implementation of the model and maintenance over time of the conditions for eligibility of the measures adopted. Review and possible amendment of the organisational model must be performed when significant violations of the rules relating to accident prevention and occupational health and safety are found, or in the event of changes in the organisation and activity as a result of scientific and technological progress.

In the first implementation, the company's organisational models defined in accordance with UNI-INAIL guidelines for occupational health and safety management systems (SGSL) dated 28 September 2001 or the British Standard OHSAS 18001:2007 are presumed to comply with the requirements set out in the corresponding parts of the preceding paragraphs. For the same purposes, more organisational and management models may be indicated by the Commission under Article 6.

Exposure to risk

Activities considered sensitive under the Decree have been identified, considering activities in which injuries may occur and those in which the Company may commit the offence of culpable violation of accident prevention rules and measures. In view of this dichotomy, the following can be distinguished:

- The activities involving a risk of accident and occupational disease outlined in the Risk Assessment Document, defined as activities where harmful events may potentially occur;
- The activities at risk of committing offences, defined as activities that may potentially cause the crimes referred to in Art. 25-septies of the Decree, as their omission or ineffective implementation could result in the Company's liability under the concept of Management Liability, as part of resources management and service implementation.

This model is not intended to replace the prerogatives and responsibilities of the law pertaining to the parties identified by the Italian Legislative Decree 81/08. It is, instead, an additional check and verification of the existence, effectiveness, and adequacy of the structure of the management system for the protection of occupational health and safety.

Preventive Measures

The system of activities and monitoring actions implemented in order to prevent offences in occupational health and safety is described in the following company documents:

- The Code of Ethics defines the principles and behaviours that must be observed by the Company's employees, as well as all external parties who are lawfully on the premises of the Company, in particular:
 - ✓ Comply with the regulations and internal corporate procedures for individual and collective protection;
 - ✓ Avoid any imprudent behaviour as to safeguard individual health and safety;
 - ✓ Use the safety and protection devices made available appropriately and correctly;
 - ✓ Report any anomalies, as well as any other hazard of which people become aware, without delay, in view of the responsibilities assigned;
 - ✓ Undergo the required health checks;
 - ✓ Undergo the required training programmes.
- System of powers of attorney and proxies that consistently assign powers of authorisation and control
- "Protocol of Health Safety and Environment" defines the roles and responsibilities in the management of obligations arising from occupational health and safety legislation, in particular:
 - ✓ Identification of risks;
 - ✓ Management of emergencies, accidents, and near misses;
 - ✓ Health surveillance;
 - ✓ Providing personnel with information and training.
- System of flows to the Supervisory Board

1.18 Crimes of handling stolen goods, laundering and use of money, self-laundering, and use of assets of illegal origin

The administrative responsibility of the Company according to the Italian Legislative Decree 231/01 can arise not only in relation to activities arising from money laundering and self-laundering, but also in the event that the Company provides illegal goods or services. This type of offence therefore requires careful inspection of the area of customer-supplier relations in COECLERICI Spa.

Exposure to risk

The processes exposed to the risk of the offences in questions are management of procurement of goods and services, management of financial flows, and management of intercompany services.

Preventive Measures

- The Code of Ethics outlines the Company's guiding values, recommending, promoting, or prohibiting certain behaviours with reference to the crimes in question.
- System of powers of attorney and proxies consistently assigning powers of authorisation and control.
- "Protocol of intercompany services" regulating the activities of providing services and intercompany loans and guaranteeing the traceability of operations carried out, with special reference to:
 - ✓ Definition of pricing;
 - ✓ Completeness of the contract;
 - ✓ Billing mode;
 - ✓ Tracking of anomalies;
 - ✓ Use of funds.
- "Liability cycle protocol" defining roles and responsibilities in managing assets and guaranteeing the traceability of checks on the regularity of payable invoices.
- "Treasury protocol" defining roles and responsibilities in the management of cash flows and ensuring traceability of checks, in particular on the following activities:
 - ✓ Management of payments and collections;
 - ✓ Management of financial flows on current accounts and cash pooling;
 - ✓ Management of funding;
 - ✓ Management of financial instruments;
 - ✓ Management of cash.
- "Protocol for procurement of goods and services" and "Protocol for assignment of consultancies and professional appointments" which provide, with reference to different types of purchase, the following measures:
 - ✓ Qualification of provider through specific due diligence activity;
 - ✓ Criteria for selection of suppliers;
 - ✓ Completeness of contract/order;
 - ✓ 231 clauses (clauses with termination value and penalties for the violation of ethical principles and violation of the model laid down by the Company);
 - ✓ Check for service provisions and release of bill payment;
 - ✓ Tracking of anomalies.
- "Sponsorship protocol" providing for the following monitoring measures:
 - ✓ Conducting a due diligence investigation of the partner;

- ✓ Completeness of contract;
- ✓ Verification of actual service provision.

- System of flows to the Supervisory Board.

1.19 Environmental Crimes

Environmental crimes include offences aimed at damaging and exploiting wildlife, flora and fauna (killing, destruction, catching, taking, or possession of specimens of protected wild plant or animal species, destruction or deterioration of habitats within a protected site), and environmental damage (unauthorised discharge of industrial waste water, exceeding of air quality limit values, intentional and negligent pollution), as well as explicit violation of applicable rules (unauthorised management of waste, illegal waste trafficking, organised activities for illegal waste trafficking).

Risk Exposure

The activities at risk of committing environmental crimes are essentially related only to management of hazardous and non-hazardous waste produced by the offices of the corporate headquarters.

Preventive Measures

- The Code of Ethics outlines the Company's guiding values in relation to protection of the environment, also through use of the best available technologies, constant monitoring of business processes, as well as the identification of more environmentally friendly industrial solutions in terms of choice of resources, distribution, use and management of its resources.
- The "Health, Safety and Environment Protocol" defines the roles and responsibilities in management of the wastes produced, in particular by adopting specific measures for monitoring suppliers during their qualification and verification of the required authorisations.

1.20 Employment of third country nationals whose stay is illegal and Aiding illegal immigration (art.25 duodecies D.L. 231/2001).

Issuing of a residency permit has a real constitutive effect of the foreign national's eligibility to work, as it is not at all possible to enter into lawful employment relations before it is issued (under penalty of committing the crime in question). The law therefore requires prompt verification of residency permits to confirm regular immigration status.

The active perpetrator of the crime is the employer. However, the law defines the employer as any person who "hires and pays one or more persons, for a fixed or indefinite term, with the task of performing work of any kind".

The prerequisite of the offence is the employment of a foreign national.

Law 161/2017 reformed the Anti-Mafia Code and has also amended Art. 25 duodecies introducing the crime of transporting illegal aliens in the territory of the State, as well as that of aiding and abetting the stay of illegal aliens in the territory of the State. Both crimes provide for the application of disqualification sanctions pursuant to Art. 9,

paragraph 2 of Legislative Decree 231/2001 for a period of no less than one year.

Exposure to risk

The company is only theoretically exposed to the risk of committing these crimes. The activities in which these offences could theoretically be committed are aiding illegal immigration by, for instance, failing to check documents, or through irregularities (and concealment thereof) during the selection and hiring of human resources, or by encouraging to remain in Italy.

- Preventive measures Human resources protocol providing for the following monitoring measures:
 - ✓ Verification of the need for recruitment;
 - ✓ Awarding of selection services to a leading temporary employment agency;
 - ✓ Criteria for assessment and selection of candidates;
 - ✓ Authorisation by persons holding appropriate powers;
 - ✓ Check of specific documentation prior to employment, even in the form of self-declaration, such as certificate of pending charges/ongoing investigations and criminal records;
 - ✓ Checking for the presence of a name in international blacklists;
 - ✓ Acquisition of visas and residency permits where necessary, with signature of a specific contract and communication with Unilav.

1.21 Tax offences (Art. 25 quinquiesdecies of Legislative Decree 231/2001)

The Law for the reform of Tax Offences, Law no. 157 of 19 December 2019, in conversion of the Legislative Decree no. 124 of 26 October 2019 (so-called Tax Decree), has extended the liability of entities to tax offences, by inserting Art. 25 quinquiesdecies in Legislative Decree 231/2001. Tax crimes include the offences of: fraudulent declaration through the use of invoices or other documents for non-existent transactions and/or other artifices; issuing of invoices or other documents for non-existent transactions; concealment or destruction of accounting records and fraudulent evasion of tax payments.

The list of tax crimes has been further expanded by the Decree implementing the PIF Directive (Legislative Decree no. 75/2020), introducing the following types of offence to art. 25 quinquiesdecies: untruthful statements, failure to file statements, undue compensation in relation to cross-frontier fraud with the goal of evading value-added tax totalling no less than ten million euro.

Exposure to risk

The results of the risk analysis have led to identification of the following activities as those in which Coeclerici is most greatly exposed to the risk of committing the offences under Articles 25-octies of Legislative Decree 231/2001:

- Management of the receivables cycle;
- Management of the liabilities cycle;
- Management of credits;

- Intercompany relations;
- Management of accounting entries and periodic reporting;
- Management of taxes payable;
- Preparation of financial statements.

Preventive Measures

With regard to the activities and controls implemented in order to prevent tax crimes, the Company has adopted the following preventive and monitoring measures:

- Code of Ethics setting forth general provisions aimed at ensuring compliance with the law in all the Company's areas of action. Monitoring of the traceability, characteristics of, and reasons for economic transactions, with identification of the persons who authorise, conduct, record and monitor them. Definition of principles ensuring the transparency, truthfulness and completeness of accounting information.
- Administrative liabilities cycle protocol defining roles and responsibilities as well as elements for the monitoring of activities involved in management of the liabilities cycle. More specifically, verification of the effectiveness of supplies and of the regularity of invoices in relation to the contract/order, freezing of anomalous invoices, ensuring that invoices have been appropriately authorised, entry of the invoice in the AP module, and sending of invoices payable to the treasury.
- Treasury procedure and treasury protocol defining the roles and responsibilities, powers of authorisation and specific controls involved in payments. Two levels of approval are required for the amount, supplier, bank, date and beneficiary's name.
- Monthly reconciliation of the bank balance and the accounts, signed by the Head of Treasury and the Head of Administration;
- Purchasing procedure and procurement protocol verifying that the purchase is necessary and identifying the criteria to be applied to the qualification and selection of suppliers, verification of the congruity of the order with the contract, and verification of actual service provision.
- Protocol for the awarding of consulting services including monitoring measures such as verification of a specific need to purchase the service, identification of criteria for the qualification and selection of suppliers, and verification of actual service provision.
- Monitoring of accounting, and periodic joint or individual meetings between the Supervisory Board, the Board of Directors, the independent auditor and the Board of Auditors.
- The system for monitoring accounting and financial statements requires a number of measures, including:
 - ✓ entry of invoices payable and receivable in Oracle;

- ✓ analysis of cost and revenue items (analysis of deviation from the budget, forecasts, history, etc.);
 - ✓ periodic reports on trends in the statement of assets and liabilities and the income statement;
 - ✓ traceability of automatic or manual adjustments to accounting entries (e.g. provision for write-downs, depreciation/amortisation, etc.);
 - ✓ preparation of half-yearly audit accounts;
 - ✓ periodic verification of the board of auditors and the independent auditor;
 - ✓ preparation of the supplementary notes and the financial report in Oracle;
 - ✓ determination of taxes payable and VAT payments by an external tax consultant;
 - ✓ approval of the financial statements and supplementary notes by the Shareholders' Meeting.
- Specific flows of information to the Supervisory Board.
 - Intercompany protocol describing the activities through which the Holding Company supplies services or provides funding to other Group companies. Specifically, it clearly identifies the elements of intercompany contracts, identifying the mark-up and "normal value", possibly with the aid of specialised external consultants, and verification of the conditions of the contract by the Legal and Finance area. Moreover, contracts must be signed by persons holding the appropriate powers, and the elements of contracts are verified prior to the issuing of invoices receivable.

1.22 Other crimes

From the analysis carried out, it can be stated that the Company is only marginally and purely theoretically exposed to the risk of committing the offences identified in article 25-quinquies: illegal intermediation and use of labour (art. 603-bis of the Italian Criminal Code) and 25-terdecies: xenophobia and racism.

Exposure to risk

These crimes could theoretically be committed in the context of human resources management, for instance in the recruitment and use of labour for work, even on the premises of a third party, under exploitative conditions, taking advantage of the workers' state of need, or acts of harassment committed for xenophobic reasons.

Prevention Measures:

With regard to the activities and checks implemented in this area, the Company has adopted the following preventive and monitoring measures:

- Code of Ethics acknowledging the fundamental value of the appreciation of human resources, outlining the principles of fairness, transparency and equal opportunities to be applied to human resources management and prohibiting all forms of discrimination and exploitation. The Code of Ethics also includes provisions protecting against discrimination on the basis of gender, race, age, sexual orientation, religious beliefs, or any other factor, guaranteeing respect for workers' rights in a context inspired by the merit-based principle;
- Human resources procedure and protocol checking the effective need for new hires, authorisation by persons holding appropriate powers, entrusting of the selection service to a leading temporary employment agency,

identification of specific rules for the selection of human resources, acquisition of visas and residency permits where necessary, signature of a specific contract and communication with Unilav.

From the analysis carried out it can be stated that the Company is not significantly exposed to the following cases: "Fraud in public supplies" (art. 24), "Computer crimes" (art. 24 bis), "Crimes of fraud in sports competitions, abusive gaming or gambling, betting and games of chance exercised by means of prohibited devices" (art. 24), "Crimes of counterfeiting of coins, public credit notes, revenue stamps and identifiers or signs " (art. 25-bis), "Crimes against industry and trade" (art. 25 bis 1), "Crimes against the individual personality" (art. 25- quater 1 and quinquies), "Market abuse" (art. 25-sexies), "Contraband" (art. 25 sexiesdecies).

As the Company is not significantly exposed to the offences listed above, no additional controls are implemented beyond what may be required by the Code of Ethics adopted, the internal documents, procedures, and protocols adopted.

Commented [S1]: N.d.t. = Verificare il numero dell'articolo (Art. 25 quaterdecies?)

The Supervisory Board

1.23 General

Article 6, paragraph 1, letter b), among others, of the legislative decree states that an organisation is not responsible for any crimes committed within it, if the task of supervising the functioning and compliance of the organisation and management model as well as its updating has been entrusted to a Supervisory Board of the entity with autonomous action and monitoring powers¹.

In accordance with this requirement, the Company has a joint Supervisory Board of a collegial nature appointed directly by the Board of Directors.

The completion of the Supervisory Board's tasks constitutes an essential requirement for the exemption provided for by the Decree.

1.24 Appointment and composition

The Supervisory Board is an entity of a collegial nature, and is composed of two standing members, one of whom acts as its Chairperson.

The members of the Supervisory Board are chosen from among qualified candidates endowed with outstanding professionalism and possessing the integrity requirements to be understood as referred to in Art. 4 of Legislative Decree no. 516 of 30 December 1998.

The criteria on which the Company base the formation of the Supervisory Board are:

- Composition with several members,
- Internal and external professional resources,
- Absence of potential conflicts of interest,
- Powers of individual members.

The members of the Supervisory Board are appointed by the Board of Directors with a resolution specifying the duties and the powers of the Supervisory Board, term in office and remuneration for each member, and the budget allocated to the appointed Board.

The appointment decision shall be immediately reported through appropriate means of communication.

¹ From 1st January 2012, the task of supervising the operation and observance of the models and updating them (functions previously entrusted to the Supervisory Board) can be carried out, in corporations, by the Board of Auditors, the Supervisory Council, or by a committee for management monitoring. This is established by art. 14, paragraph 12 of the Law 183/2011 (Stability Law 2012), which introduces paragraph 4-bis of art. 6 of Italian Legislative Decree 231/01.

1.25 Term of office, replacement and removal of members of the Supervisory Board

The members of the Supervisory Board remain in office for the time specified in the mandate, which may be renewed for the same period of time. In any case, each member remains in office until the appointment of his/her successor.

In the event that a member of the Supervisory Board incurs a cause of incompatibility referred to in the following paragraphs, the Board of Directors, having collected items of evidence of the fact and consulting the person in question, sets a deadline of not less than 30 days within which the situation of incompatibility must cease. After that time, if the incompatibility has not ceased, the Board of Directors shall withdraw the mandate.

The mandate will also be revoked:

- If there are circumstances due to which the requirements of autonomy and independence required by law are not met;
- If any of the members is subject to a sentence, even if not final, for any of the offences listed in the Decree, namely an offence involving disqualification, even temporary, from public office or inability to exercise management positions;
- If the integrity requirements set forth in the following paragraphs are not met.

The members of the Supervisory Board are entitled to give up the assignment at any time. In that case, they must notify the Board of Directors in writing, giving the reasons for the resignation.

In the event of resignation by all the members of the Supervisory Board, the resignation shall not go into effect until the appointment of the new members by the Board of Directors. In other cases, the resignation will take effect immediately.

To protect the Supervisory Board from the risk of unjustified withdrawal of the mandate given to any of its members by the Board of Directors, it is determined that the Board of Directors can decide upon revocation only with just cause.

In this respect, just cause for revocation refers to the following:

- Interdiction or disqualification, or a serious illness due to which any of the members of the Supervisory Board is not fit to carry out the supervisory functions, or an illness which, however, leads to the inability to do the job for a period of more than six months;
- A serious breach of the person's obligations as defined in this model;
- Gross negligence in the performance of the tasks related to the assignment;
- A conviction of the Company pursuant to the Decree *in res judicata*, or criminal proceedings concluding with so-called "Plea bargaining", whose records show "omitted or insufficient supervision by the Supervisory Board", in accordance with art. 6, paragraph 1, lett. D) of the Decree;

- A conviction, even if not final, for any of the offences listed in the Decree, namely an offence causing disqualification, even temporarily, from public office or inability to hold managerial office.

In the above cases, the Board of Directors will appoint a new member of the Supervisory Board to replace the member whose mandate was revoked. If, instead, the withdrawal is exercised for a good cause, in the terms described above, in respect of all the members of the Supervisory Board, the Board of Directors will appoint a new Supervisory Board without delay.

1.26 Requirements for members of the Supervisory Board

Autonomy and Independence COECLERICI Spa is committed to ensuring the complete autonomy of initiative of the Supervisory Board and protecting it from any form of interference or conditioning. To this end, it requires that:

- Its members are, if possible, free of directly operational tasks, taking into account the degree of exposure to the risk of crime in the function in which they operate, and they have no possibility of interference in the operation of the Company;
- In carrying out its function, the Board is not subject to the hierarchical and disciplinary power of any corporate body or function;
- The Board reports directly to the Board of Directors;
- The adoption of its decisions and the determination of its activities are not subject to appeal.

Professionalism. To ensure the proper performance of its duties, it is essential for the Board to ensure adequate professionalism. In this respect, the following is relevant:

- Knowledge of legal matters (in particular the structure and mode of commission of offences as well as the Decree as a whole);
- In-depth knowledge of the Company's organisational structure;
- Adequate expertise in auditing and control (analysis techniques and risk assessment).

Integrity and absence of conflict of interest

This requirement should be understood as follows:

- The members of the Supervisory Board are chosen from among qualified persons with outstanding professionalism, meeting the requirements of integrity to be interpreted as referred to in art. 4, Decree 30 December 1998, No. 516.
- The members of the Supervisory Board must not have family ties with senior management. They must also be free of any situations which could lead to an actual conflict of interest.

Continuity of action. The continuity of action of the Supervisory Board is ensured through the term of more than one year in office, with the possibility of subsequent renewal, and the possibility of revocation only for just cause under the terms described above.

1.27 The resources of the Supervisory Board

The Board of Directors assigns to the Supervisory Board the human and financial resources deemed necessary for the purpose of its tasks, as appropriate to the size of the Company and the duties of the Supervisory Board according to the degree of risk exposure.

The Board may make use of financial resources allocated to it in the annual budget upon its own proposals.

The Supervisory Board may make use of the assigned human resources, external consultants, and the aid of all the Company's organisations.

If necessary, the Supervisory Board may ask the Board of Directors, in a written, motivated request, to allocate additional human or financial resources.

With specific reference to issues related to the protection of occupational health and safety (Legislative Decree 81/08), the Supervisory Board must make use of all resources available for the management of such aspects.

1.28 Call of meeting

The Supervisory Board shall meet whenever deemed appropriate by the Chairperson, or as requested by at least one member to the Chairperson. The Board holds a minimum of three meetings a year. Minutes of each meeting shall be written and signed by the attendees.

1.29 Confidentiality

The members of the Supervisory Board are bound to secrecy regarding facts and information acquired in the exercise of their functions.

The members of the Supervisory Board guarantee the confidentiality of the information that comes into their hands, particularly that pertaining to any reports it may receive of alleged breaches of the Model, using them only as necessary to follow up on the reports and abstaining from revealing the personal data contained in them to unauthorised persons.

Moreover, the members of the Supervisory Board shall not seek out or make use of confidential information for purposes other than those specified in art. 6, or for any purpose not strictly inherent in the functions of the Supervisory Board, without express, conscious authorisation. In any case, all information held by the members of the Supervisory Board shall be processed in compliance with current data processing legislation, and specifically in compliance with Legislative Decree no. 196 of 30 June 2003 (Personal Data Protection Code) and Legislative Decree 24/2023 concerning internal reporting (whistleblowing).

Failure to comply with these obligations implies the automatic removal from office of a member of the Supervisory Board.

1.30 Duties and powers of the Supervisory Board

In accordance with Art. 6, paragraph 1 of the Decree, which entrusts it with the task of supervising the functioning and observance of the Model and its updating, the Supervisory Board of the Company has the following tasks:

- Checking the adequacy of the model, i.e. its capacity to prevent the occurrence of illegal behaviour, and highlighting any commission or attempted commission of offences;
- Checking the effectiveness of monitoring of the model:
 - Planning auditing activities, and reviewing the results of previous audits;
 - Carrying out checks on the activities or transactions identified in the areas at risk (e.g. updating of procedures, system of proxies in terms of consistency between the powers granted and activities carried out, knowledge of the Model),
 - Carrying out regular meetings with the management of COECLERICI Spa and with the external auditors in order to discuss, verify, and report on the progress of the organisation and management model,
 - Promoting meetings with the Board of Directors, whenever it deems appropriate, in order to make an assessment of or take an action to discuss matters relating to the functioning and effectiveness of the Organisation and Management Model;
- Checking the effectiveness of the model, i.e. the correspondence between actual behaviour and the behaviour formally provided by the Model;
- Establishing an effective and efficient system of internal communication in order to receive information pursuant to the Decree (reporting of possible violations and/or non-observance of the model);
- Providing complete, timely, accurate, accessible, and continuous training and information for employees and consultants of the Company, in particular by promoting and defining initiatives for the dissemination of knowledge about the decree and the consequences resulting from its implementation (organisation and management model, risk analysis, etc.);
- Updating the model:
 - Evaluating, with the cooperation of the competent functions, the actions to be taken, including operational actions, as required to update the model,

- Evaluating any changes from an organisational/managerial standpoint, and any legislative amendments to mandatory standards, in terms of their impact on the Organisation and Management Model;
 - Organising suitable measures in order to keep the mapping of areas at risk updated,
 - Proposing to the Board of Directors the changes to the model made necessary by significant violations of its provisions, by any changes in the organisation, by legislation requiring its adaptation, or by the actual committing of offences.
 - Arranging to perform risk analysis in the event of new information or objective needs for risk redefinition;
- Ensuring the flow of information to the Company's senior management.

It should be noted that, concerning the update of the model, the adoption of any changes shall be decided by the Board of Directors, which is directly responsible for the adoption and effective implementation of the model.

This supervisory function is also extended to the Code of Ethics on which the Supervisory Board performs the monitoring activities.

In carrying out its duties, the Supervisory Board is required to:

- document all activities carried out and measures adopted, also through the completion and keeping of specific registers;
- Document the reports and information received in order to ensure traceability of the actions;
- Record and store all documentation.

In carrying out the tasks it has been assigned, the Supervisory Board possesses all the powers required to ensure timely and efficient supervision, and in particular to:

- conduct all inspections deemed appropriate, without prior notification;
- have free access to the areas of all the functions, archives, and documents of the Company;
- avail itself of the assistance of all Company structures or external consultants, under its own direct supervision and responsibility;
- Directly accessing the financial resources specifically allocated.

1.31 Management of audits of the internal control system

The Supervisory Board establishes a programme of internal audits for the processes at risk of offence as appropriate in relation to the significance and risk level of the processes and on the basis of the results of previous assessments. In addition, the Supervisory Board may decide to conduct extraordinary audits of the internal control system in relation to the need for investigation of the data and/or information appearing in periodic information flows and the assessment thereof, internal reports it has become aware of, or when deemed appropriate for reasons linked with organisational changes or identification of deficiencies.

The checks can also be conducted by personnel who are not part of the SB, provided they have skills similar to those required for members of the SB. Evaluators other than the Supervisory Board shall be qualified and appointed by the Supervisory Board itself.

Audits of the internal control system are conducted on the basis of a programme drawn up by the SB, approved by the Management. The programme is drawn up according to the state of importance of the activities to be audited.

The SB shall inform the functions involved of the audit to be performed in due time (about ten days before), and agree on a date different from the planned date if necessary. This notification shall be made in writing, and contains:

- The date of the audit,
- The composition of the audit team,
- The scope of the audit.

The audit consists essentially in checking for implementation of ICS procedures, the effectiveness of the model, and possible emergence of new risks of commission of crimes.

Audits of the internal control system are conducted using tools such as, for example:

- Interviews,
- Examination of the documentation,
- Direct observation of activities,
- checklists (where specifications are required for each process).

After the audit, the Supervisory Board draws up a report which will be sent to Management, containing:

- The result of the audit,
- The anomalies identified,
- Possible improvement actions.

1.32 Information flow to the Supervisory Board

Under art. 6, paragraph 2, lett. d) of the Decree, the Company has set forth an obligation to provide the Supervisory Board with information in the form of specific, structured flows of data and information (system of information flows).

The frequency of reporting may be broken down as follows:

Per event: whenever the episode occurs, without undue delay;

Supervisory Board Meeting: the Board informs company functions of the upcoming meeting in due time, so as to enable them to prepare the specified information flow;

Specific frequency, assessed on the basis of potential criticality and volumes of information.

The system of information flows may be amended and/or integrated by the Supervisory Board on the basis of the goal of the information flow, as a tool for overseeing the functioning of the Model and compliance therewith.

The Supervisory Board analyses flows of information with the goal of:

- assessing the overall risk level;
- analysing the degree of conformity and compliance with procedures;
- identifying any samples to be checked and taken into account in planning audits for the following year;
- assessing data and/or information on specific potential risk situations.

The results of the Supervisory Board's work will be officially stated in reports and presented to the Board of Directors in an annual report, except in urgent cases.

1.33 Reporting and Document Management

In order to guarantee its full autonomy and independence, the Supervisory Board reports directly to the Board of Directors.

When approving the budget, the Supervisory Board provides a written report on the status of implementation of the model, reporting on the following elements:

- The supervisory activities performed by the Board in the reporting period;
- Any criticalities both in terms of internal behaviour and in terms of effectiveness of the Model;
- Corrective action and improvements planned and the state of progress on their implementation;

The Supervisory Board may be called at any time by the Board of Directors to report on particular events or situations relating to the effectiveness and efficiency of the Model. It can also at any time ask to be heard if an assessment or action on the part the Board concerning the adequacy of the Model is required.

The Supervisory Board must immediately inform the Board of Auditors should the violation concern the Company's top management and the Board of Directors. The Supervisory Board can also receive requests for information or clarification from the Board of Auditors and independent auditors.

The meetings with the persons and bodies mentioned above should be formally recorded, and copies of the minutes shall be kept by the Board.

Whistleblowing

Coeclerici acknowledges and protects the right to internal reporting in accordance with Whistleblowing legislation, amended by Legislative Decree no. 24 of 10 March 2023 implementing directive (EU) 2019/1937 of the European Parliament and the Council, on the protection of persons who report breaches of European law and containing provisions for the protection of persons who report breaches of national legislative provisions (hereinafter the Whistleblowing Decree).

Persons who may report breaches include employees and members of company bodies of COECLERICI, external associates who have a relationship of any kind with the Company, suppliers and their employees, and anyone else who has relations with COECLERICI.

Anonymous reports may be made through the channels made available, or using other tools at the disposal of the Reporting Person.

Reporting Persons may present reports concerning:

- illegal conduct of significance in relation to legislative decree no. 231 of 8 June 2001;
- breaches of this Organisation, Management and Control Model adopted under legislative decree no. 231 of 8 June 2001.

1.34 Internal reporting channel

The Company has set up specific dedicated internal reporting channels, regulated by specific procedures and duly notified to Reporting Persons.

Reports in written form must be submitted through:

- the MyWhistleblowing app, on the web at www.coeclerici.com (or by downloading the app from PlayStore or AppleStore)
- ordinary post addressed to Group Head of HR, Sede di Milano, Piazza Generale Armando Diaz n. 7 – 20123 and marked with the word “RISERVATA” (“CONFIDENTIAL”)
- text message to the number 0039.3498535177

Reports in oral form must be made through:

- telephone contact via the company’s number 0039.3498535177
- voice message via the number 0039.3498535177
- oral interview, in response to a request submitted by the Reporting Person, with the Group Head of HR, also via telephone/messaging service.

If the report regards the Group Head of HR as a Person Concerned or involved in the incident in some way, so that the Reporting Person has reason to believe that there will be no appropriate follow-up if the incident is reported internally as described above, the Reporting Person may contact the members of the Supervisory Board at the e-mail address organismodivigilanza@coeclerici.com.

If the Reporting Person is the Group Head of HR, the report should be made to the members of the Supervisory Board at the e-mail address organismodivigilanza@coeclerici.com.

The Company will adopt all necessary and reasonable measures to protect the confidentiality of the Reporting Person, the Person Concerned, and any other persons involved, and of the information and data contained in the documents presented.

7.3 Protection of Reporting Persons and prohibition of retaliation

All forms of retaliation or discrimination against the Reporting Person with an impact on working conditions as a result of the report are prohibited, defining discrimination as any unjustified disciplinary action, harassment in the workplace, and any other form of retaliation resulting in intolerable working conditions. A number of examples of behaviour constituting such retaliation, when performed as a result of the report, are provided below:

- dismissal, suspension, or equivalent measures;
- downgrading, or denial of promotion;
- changes in tasks or workplace,
- reduction of salary, changes to working hours;
- suspension of training, or any restriction of access to training;
- negative notes or references;
- adoption of disciplinary measures or other sanctions, including fines;
- coercion, intimidation, harassment or ostracism;
- discrimination or unfavourable treatment;
- failure to convert a temporary contract into a permanent contract, if the worker legitimately expected such conversion;
- failure to renew a temporary contract of employment, or cancellation thereof;
- damage, including damage to a person's reputation, particularly via social media, or economic or financial harm, such as loss of economic opportunities or of income;

- inclusion in illegitimate lists on the basis of an official or unofficial trade or industry agreement which could make it impossible for the person to find employment in the trade or industry in question in the future;
- advance conclusion or cancellation of a contract for the supply of goods or services;
- cancellation of a licence or permit;
- a request to undergo psychiatric or medical check-ups.

All forms of abuse of reporting are equally prohibited, such as, by way of example, attempts at defamation or libel, improper use or intentional instrumental use of the reporting tool. In such cases, the Company reserves the right to prosecute incorrect use of the tool (abuse of the right to reporting) by applying disciplinary sanctions proportionate to the gravity of the incident.

7.4 Activation of the Supervisory Board

The Supervisory Board examines all the reports received to its attention, evaluates them, and takes action if deemed necessary, starting all necessary investigations, such as:

Calling the person who committed the breach (or alleged breach);

Involvement of the functions affected by the report;

Access to any source of information of the Company, document, or data considered relevant to the investigation.

The Disciplinary System

1.35 Purpose of the Disciplinary System

COECLERICI considers compliance with the Model to be essential and, therefore, in accordance with Articles 6, paragraph 2, letter e), and 7, paragraph 4, letter b) of Decree 231/01, it has adopted an adequate system of sanctions to be implemented in the event of non-compliance with the rules provided by the Model, since the violation of these rules and measures imposed by COECLERICI for the prevention of offences covered by the Decree 231 damages the relationship of trust established with the Company.

For the purpose of the implementation by COECLERICI of the disciplinary sanctions provided for therein, the establishment of any criminal proceedings and their outcome are not necessary, because the rules and measures provided for in the Model are adopted by COECLERICI independently, regardless of the offence that any conduct could determine.

In no event can unlawful conduct or any form of conduct in violation of the Model be justified or considered less serious because it is committed in the interest or for the benefit of COECLERICI. Any attempts and, in particular, the actions or omissions clearly aimed at infringing the rules and regulations established by COECLERICI are also sanctioned, even if the action is not completed or the event does not occur for any reason.

1.36 Sanctions against employees

In accordance with the applicable laws, COECLERICI must inform its employees of the provisions, principles, and rules contained in the Organisation, Management and Control Model, through the information and training activities described in the section below.

The violation by the employee of the provisions, principles, and rules contained in the Model prepared by COECLERICI in order to prevent the commission of offences under Decree 231 is a disciplinary offence, punishable according to the procedures for contesting violations and the imposition of consequential sanctions provided for by the National Collective Labour Agreement in the specific “Tertiary Confcommercio” sector, as reported and described in the section “Disciplinary Standards”, and in compliance with the provisions of art. 7 of the Statute of Workers, as transcribed below.

The disciplinary system has been configured in strict compliance with all the provisions of labour laws. No methods and sanctions have been envisaged other than those already codified and reported in collective agreements and trade union agreements. In fact, the National Collective Labour Agreement in the specific “Tertiary Confcommercio” sector provides for a variety of sanctions capable of modulating, based on the seriousness of the offence, the penalty to be imposed. By way of example and not exhaustively, the following constitute disciplinary offences:

- Failure to comply with the principles contained in the Code of Ethics and Conduct or the adoption of behaviours which do not comply with the rules of the Code of Ethics and Conduct;

Failure to comply with standards, rules, and procedures contained in the Model;

Missing, incomplete, or untrue documentation, or incorrect storage of documentation, needed to ensure the transparency and verifiability of the activity in accordance with the rules and procedures contained in the Model;

Infringement and circumvention of the control system through the removal, destruction, or alteration of the documentation provided by the above procedures;

- attempts to hinder reporting, or commission of acts intended to hinder reporting;
- breach of the confidentiality requirement;
- intentional failure to set up a whistleblowing channel;
- intentional failure to adopt procedures for the making and management of reports, or intentional adoption of such procedures which fail to conform to articles 4 and 5 of the whistleblowing decree;
- intentional omission of investigation and analysis of reports received;
- hindering checks and/or unwarranted impediment to access to information and documentation to those responsible for the checks, including the Supervisory Board;
- improper use and intentional instrumental use of the report;
- abuse of the reporting tool through defamatory or libellous acts against the Person Concerned and/or the Company.

The above disciplinary offences may be punishable, depending on the severity of the deficiencies, with the following measures:

- Verbal warning;
- Written warning;
- Fine;
- Suspension;
- Dismissal.

Sanctions should be imposed in proportion to the seriousness of the infringements: in view of the extreme importance of the principles of transparency and traceability, as well as the importance of monitoring and control activities, the Company will tend to apply the measures with the greatest impact on those infringements which by their very nature infringe the very principles on which this Model is based. Likewise, by way of example, the management in total autonomy of a whole process that includes not only authorisation, but also accounting, by which a risk arises (or may arise) among the risks referred to in the special part of this Model, will lead, following the end of the disciplinary proceedings, to dismissal of the persons in the functions involved.

The type and extent of each of the sanctions must be applied taking into account:

- The intentionality of the behaviour or the degree of negligence, imprudence, or inexperience, also in relation to the predictability of the event;
- The employee's overall conduct, particularly with respect to the existence or otherwise of previous disciplinary measures, within the limits of the law;
- the employee's assigned tasks;
- the functional role and level of responsibility and autonomy of the people involved in the facts constituting the violation;
- any other particular circumstances relating to the disciplinary offence.

The Supervisory Board is also entrusted with the task of verifying and assessing the suitability of the disciplinary system in the light of Decree 231. In its periodic annual report, the Supervisory Board must also regularly indicate potential areas for improvement and development of this disciplinary system, especially in light of the developments in the relevant legislation.

1.37 Sanctions against management

By way of example and not exhaustively, the following constitute disciplinary offences in relation to the activities identified as at risk of commission of a crime:

- failure to comply with the principles contained in the Code of Ethics, or adopting behaviours that are non-compliant with the rules of the Code of Ethics;

Failure to comply with standards, rules, and procedures contained in the Model;

Missing, incomplete, or untrue documentation, or incorrect storage of documentation, needed to ensure the transparency and verifiability of the activity in accordance with the rules and procedures contained in the Model;

Infringement and circumvention of the control system through the removal, destruction, or alteration of the documentation provided by the above procedures;

Obstacle to checks and/or unwarranted impediment to access to information and documentation to those responsible for the checks, including the Supervisory Board.

- attempts to hinder reporting, or commission of acts intended to hinder reporting;
- breach of the confidentiality requirement;
- intentional failure to set up a whistleblowing channel;
- voluntary failure to adopt procedures for the making and management of reports, or voluntary adoption of such procedures which fail to conform to articles 4 and 5 of the whistleblowing decree;

- voluntary omission of investigation and analysis of reports received;
- improper use and intentional instrumental use of the report;
- abuse of the reporting tool through defamatory or libellous acts against the Person Concerned and/or the Company;

All forms of retaliation or discrimination implemented or attempted with an impact on working conditions as a result of the report are prohibited, defining discrimination as any unjustified disciplinary action, harassment in the workplace, and any other form of retaliation resulting in intolerable working conditions.

The Company shall impose the most appropriate disciplinary measures. Moreover, in the light of the deepest bond of trust that, by its very nature, binds the Company to management staff, as well as in view of the greater experience of the management, any violations of the provisions of the Model incurred by managers mainly involve expulsion, as these provisions are considered most appropriate.

1.38 Measures against Directors

Upon notification of a breach of the principles, provisions and rules referred to in this Model on the part of a member of the Board of Directors, the Supervisory Board is required to promptly inform the Board of Directors and the Board of Auditors, to permit the adoption of the most appropriate measures, including, for example, the calling of a Shareholders' Meeting.

In providing this information, the Supervisory Board must not only report on the details of the breach, but also indicate and suggest appropriate further investigations to be conducted, if the breach is ascertained, as well as the most appropriate measures to be adopted.

By way of example and without limitation, the following constitute breaches:

- failure to comply with the principles contained in the Code of Ethics, or adopting behaviours that are non-compliant with the rules of the Code of Ethics;
- failure to comply with the provisions of the Model;
- impeding controls and/or unwarranted hindering of access to information and documentation on the part of persons responsible for providing checks, including the Supervisory Board:
- improper use and intentional instrumental use of the report;
- abuse of the reporting tool through defamatory or libellous acts against the Person Concerned and/or the Company;
- attempts to hinder reporting, or commission of acts intended to hinder reporting;
- breach of the confidentiality requirement;

- intentional failure to set up a whistleblowing channel;
- voluntary failure to adopt procedures for the making and management of reports, or voluntary adoption of such procedures which fail to conform to articles 4 and 5 of the whistleblowing decree;
- any conduct, act or omission which occurs, or is merely attempted or threatened, prompted by reporting, notification of legal or accounting authorities, or public disclosure, and which directly or indirectly causes or may cause unjustified detriment to the reporting person or the person who made the report.

1.39 Measures against Auditors

Upon notification of a breach of the provisions and rules of the Model by the members of the Board of Auditors, the Supervisory Board is required to promptly inform the Board of Auditors and the Board of Directors, to permit the adoption of appropriate measures including, for example, the calling of a Shareholders' Meeting.

In providing information, the Supervisory Board shall not only report on the details regarding the breach, but also indicate and suggest appropriate further investigations to be conducted, if the breach is ascertained, as well as the most appropriate measures to be adopted (e.g. revocation of the auditor involved).

By way of example and without limitation, the following constitute breaches:

- failure to comply with the principles contained in the Code of Ethics, or adopting behaviours that are non-compliant with the rules of the Code of Ethics;
- failure to comply with the provisions of the Model;
- impeding controls and/or unwarranted hindering of access to information and documentation on the part of persons responsible for providing checks, including the Supervisory Board:
- attempts to hinder reporting, or commission of acts intended to hinder reporting;
- breach of the confidentiality requirement;
- voluntary omission of investigation and analysis of reports received;
- abuse of the reporting tool through defamatory or libellous acts against the Person Concerned and/or the Company;
- any conduct, act or omission which occurs, or is merely attempted or threatened, prompted by reporting, notification of legal or accounting authorities, or public disclosure, and which directly or indirectly causes or may cause unjustified detriment to the whistleblower or the person who made the report.

1.40 Measures against other recipients

Compliance by those who act in the name and on behalf of COECLERICI in any capacity, and by other recipients of the Code of Ethics and Conduct and the Model (the latter limited to the aspects applicable in each case) is ensured through

the provision of specific contractual clauses concerning sanctions applicable in the event of non-compliance with the Code of Ethics and Conduct and the Model.

Any breach, or possible commission by such persons of offences under Decree 231, will not only be sanctioned according to the contracts entered into with them, but also through the appropriate judicial actions to protect the Company. By way of example, these clauses will provide for the possibility of termination of the contract by COECLERICI, in particularly serious cases, or the application of penalties for minor breaches.

By way of example and without limitation, the following constitute breaches:

- failure to comply with the principles contained in the Code of Ethics, or adopting behaviours that are non-compliant with the rules of the Code of Ethics;
- failure to comply with the provisions of the Model;
- impeding controls and/or unwarranted hindering of access to information and documentation on the part of persons responsible for providing checks, including the Supervisory Board:
 - attempts to hinder reporting, or commission of acts intended to hinder reporting;
 - breach of the confidentiality requirement;
 - voluntary omission of investigation and analysis of reports received;
- abuse of the reporting tool through defamatory or libellous acts against the Person Concerned and/or the Company.

1.41 Additional measures

COECLERICI retains the right to avail itself of all other remedies permitted by law, including the possibility of claiming compensation for damages resulting from breaches of Decree 231 by all the subjects listed above.

Training and Information

1.42 Training of personnel

For the purposes of the effectiveness of this Model, COECLERICI Spa aims to ensure proper dissemination and knowledge of the rules of conduct contained therein among human resources already present in the company and new resources to be included, with different degrees of detail in relation to the different levels of involvement of the resources in the activities at risk.

The information and training system is supervised and supplemented by the activity carried out in this field by the Supervisory Board, in collaboration with the heads of the corporate functions or the area managers involved in implementing the Model in each case.

Initial notification

This Model is provided to all the Company's human resources at the time of its adoption by means of appropriate forms of communication. New employees are given a set of information, in which they are provided with the knowledge considered of primary importance.

Training

Training initiatives aimed at raising awareness of the legislation referred to in the Italian Legislative Decree 231/2001 are differentiated in content and modes of delivery depending on the qualifications of the recipients, the risk level of the area in which they operate, and whether or not they have powers of representation of the Company. In particular, COECLERICI Spa provides different levels of information and training through dissemination tools such as, for example, periodic targeted seminars, occasional updates by e-mail, and internal briefing notes.

Initial communication and periodic training provided to company personnel is documented by the Supervisory Board.

1.43 Information for external associates and other third parties

External associates and outsourced contracting parties who operate, in any capacity, on behalf or in the interest of COECLERICI Spa and who are involved in carrying out "sensitive" activities pursuant to the Decree, must be informed of the parts of the Model that concern them and of COECLERICI Spa's requirement that their behaviour comply with the provisions of Legislative Decree 231/2001.