



# ORGANIZATIONAL MODEL 231/2001

GENERAL PART OF THE ORGANIZATION, MANAGEMENT  
AND CONTROL MODEL PURSUANT TO ITALIAN LEGISLATIVE  
DECREE 231/2001

|             |                    |
|-------------|--------------------|
| Issued by   | GALDI S.R.L.       |
| Approved by | Board of Directors |
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# 1 INTRODUCTION

## 1.1 Definitions and abbreviations

### 1.1.1 Definitions

**Company**

GALDI S.R.L.

**Decree**

Italian Legislative Decree No. 231 of 8 June 2001, as amended

**Model**

this Organization, Management and Control Model

**Applicable persons**

persons required to adapt their conduct to the requirements of this Model. The applicable persons are:

- The Chairperson of the Board of Directors and the Directors, in the pursuit of corporate action in all resolutions adopted and, in any case, anyone performs who performs (including de facto) functions of representation, administration, middle management, top management or control of the Company, or of an organizational unit thereof, with financial and functional autonomy;
- all employees (i.e. all personnel employed under employment contracts, temporary employment contracts or collaboration contracts, including project contracts), including those with managerial status;
- anyone who, although not belonging to the Company, operates on behalf of or in the interests of the Company, within the limits of the existing relationship and risk profile pursuant to Italian Legislative Decree 231/2001 regarding the activities carried out;
- anyone who has onerous, or even free, relationships of any kind with the Company (such as, but not limited to, consultants, agents, suppliers and third parties in general), within the limits of the existing relationship and risk profile pursuant to Italian Legislative Decree 231/2001 regarding the activities carried out.

**Persons in top management positions**

persons who hold, even if only de facto, functions of representation, administration or control of the Company or of one of its organizational units, with financial and functional autonomy

**Subordinates**

people managed or supervised by persons in top management positions

**Offences - predicate**

the relevant criminal offences under Italian Legislative Decree No. 231 of 8 June 2001 as amended, from the commission of which the Company's responsibility derives

**Supervisory Body**

the body responsible for supervising the operation of and compliance with this Model, as well as for ensuring that it is updated

**Guidelines**

the code of conduct prepared by Confindustria

**Code of Ethics**

the set of values that inspire the Company's activities and the conduct of its employees, collaborators, consultants and business partners

**1.1.2 Acronyms and abbreviations for internal use**

|     |   |
|-----|---|
| CEO | Chief Executive Officer   |
| BoD | Board of Directors  |
| PPE | Personal Protective Equipment   |
| CP  | Company Physician   |
| MOD | This Organization, Management and Control Model   |
| PO  | Purchase Order or, broadly speaking, a written document or computer transaction exchanged with a supplier to express the Company's intention to purchase an item or service |
| SB  | Supervisory Body  |
| PA  | Public Administration   |
| CoB | Chairperson of the Board of Directors   |
| PR  | Purchase Request or, broadly speaking, a written document or computer transaction specifying a need/purchase within the Company   |
| WSR | Workers' Safety Representative  |
| HSO | Health and Safety Officer   |
| OHS | Occupational Health and Safety  |

**1.2 Italian Legislative Decree No. 231/2001 - summary of the legislation**

This decree introduced the principle of the administrative responsibility of organizations for certain offences – explicitly specified in the decree itself (Articles 24 – 26) – which, although committed by persons with roles of representation, administration or management within the organization or by persons subject to the management or supervision of the latter, can be considered directly attributable to the organization when “committed in its interest or to its advantage”.

This requirement is understood to be met where the perpetrator has acted with the intent to benefit the organization, and as a result of the offence, the organization has obtained an advantage, i.e. a favourable result. Conversely, the organization is not responsible if the crime was committed in the

exclusive interest or to the advantage of the perpetrator or a third party, or if the advantage did not materialize.

More precisely:

- interest is subjective in nature; it refers to the will of the natural person acting in the interest of the company, and can only be assessed at the time of the conduct. In fact, interest exists when the perpetrator has acted with the intent to benefit the organization, regardless of whether that goal was then actually achieved;
- advantage, on the other hand, is characterized as a complex of advantages, especially of a patrimonial nature, drawn from the offence, which can be assessed after the offence has been committed.

An organization found to be responsible for one of the criminal offences to which the decree applies may be subject to:

#### Pecuniary sanctions

These entail paying a sum of money commensurate with the seriousness of the offence, the organization's degree of responsibility, activities carried out to eliminate or mitigate the harmful consequences of the offence or to prevent the commission of further offences, and the organization's economic and asset situation.

#### Disqualification sanctions

These are applied in conjunction with pecuniary sanctions if of one of the criminal offences to which they expressly apply was committed.

The decree provides for the following prohibitory sanctions:

- i. disqualification from carrying out the business;
- ii. suspension or revocation of authorizations, licenses or concessions that served to commit the offence;
- iii. ban on contracting with the PA;
- iv. exclusion from concessions, financing, contributions or subsidies, and the possible revocation of those already granted;
- v. ban on advertising goods or services.

Normally, prohibitory sanctions are temporary, but can be imposed permanently in certain cases expressly set forth in the decree.

In addition, they can be imposed as a precautionary measure if there are serious evidence that the organization is responsible.

#### Confiscation

This is an autonomous and mandatory sanction. It is always established by final judgment and involves the State acquiring the price or profit from the offence.

#### Publication of the conviction

This can be ordered when a prohibitory sanction is imposed on the organization.

The Decree provides for exemption from liability and consequently from sanctions for organizations that:

- prior to the commission of the offence, have adopted and effectively implemented “organization and management models suitable for preventing offences of the kind that occurred”;
- have entrusted “a body of the organization with autonomous powers of initiative and control with the task of supervising the operation of and compliance with the models and ensuring that they are kept up to date”;
- “the persons committed the offence by fraudulently circumventing the organization and management models”;
- “there was no failure or insufficient supervision by the body” referred to in the previous paragraph.

## 1.3 Approval of the Model

In light of this provision,

**GALDI S.R.L.**

**Via Enrico Fermi, 43/b**

**31038 Paese (TV)**

has drafted this document to extract from the overall system of organizational regulations and internal control rules governing the conduct of company operations those that specifically guard against the risks of commission of the offences relevant to the Decree, and summarize them.

This Model was approved by the Board of Directors of GALDI S.R.L. by resolution on 11/12/2024.

Since this Model is an “act of issuance by the management body”, in accordance with the requirements of Article 6, 1(a) of the Decree, any subsequent amendments and additions to the Model are referred to the Company's BoD.

## 1.4 Corporate purpose

As a benefit company, GALDI S.R.L. intends to pursue one or more purposes of common benefit and to operate responsibly, sustainably and transparently, with respect to people, communities, territories and the environment, cultural and social assets and activities, organizations and associations, and other stakeholders.

The corporate purpose of the Company is:

- construction and marketing of packaging machines, as well as machines and systems, their parts, components and consumables intended for the food industry in general;
- construction and marketing of packaging machines, as well as machines and systems, their parts, components and consumables for industries producing non-food products, both liquid and powdered;
- technical support services on packaging machines for the food and non-food industries;

- training and consultancy on the products constructed and marketed, and more generally on products related to the aforementioned business sectors;
- training and provision of services to third parties in the areas of technology, innovation and environment;
- the business of hiring machinery and systems related to the aforementioned sectors;
- research, development, design, and manufacture of innovative, high-tech machines or parts of machines for food packaging;
- research, development, design, planning, manufacture, distribution, storage, and sale of innovative, high-tech containers and packaging for the food and non-food industries, including the necessary container/packaging closure systems;
- research and development in innovative food technology, including food processing and preparation systems;
- sales support activities, digital marketing, e-marketing, graphic services, design, and consultancy on marketing and communication;
- research, development, design, implementation and sale of innovative software, platforms and digital services, as well as the organization and provision of consultancy and training services related to them;
- research, development, design thinking, planning and implementation of services for the development of new business models related to food and non-food product packaging;
- organization and provision of consultancy and training services related to the aforementioned activities.

The Company may act as an agent or representative for the aforementioned assets.

In carrying out its activities, the Company pursues the specific purposes of common benefit described below:

- (i) constant focus on innovation and sustainability of processes to make products that are ethical, high-quality, safe and effective;
- (ii) concrete and transparent commitment to environmental protection;
- (iii) ensure the well-being of workers, their families and the community through the development of initiatives that promote growth of skills, awareness and adoption of healthy lifestyles and the principles of respect and diversity;
- (iv) promote the culture of good and beauty, including by ensuring support for cultural and social initiatives, and making the most of the local area.

The Company, on a non-prevalent and wholly occasional basis instrumental to achieving the corporate purpose, may engage in all commercial, industrial, financial, movable and real estate transactions, provide sureties, endorsements, mortgages and other guarantees, including in favour of third parties, as well as take on, solely for the purpose of stable investment and not for placement on the market, either directly or indirectly, shareholdings in other companies with purposes that are similar, akin or related to its own with the limitations set forth in Article 2361 of the Italian Civil Code.



## **1.5 Elements of the governance model and general organizational structure**

### **1.5.1 The Company's governance model**

GALDI S.R.L. is a limited liability company currently administered by a Board of Directors composed of six members, as resolved by the shareholders' meeting.

The Board of Directors has delegated its powers, with different divisions, to four of its members who also assume the title of Managing Directors.

The ordinary shareholders' meeting appointed a Single Auditor to whom it also entrusted the function of Accounting Auditor.

### **1.5.2 Decision-making processes and internal control system**

The Company has adopted the following general tools aimed at planning the formation and implementation of its decisions (including in relation to the offences to be prevented):

- the ethical principles that guide the Company;
- the system of proxies and powers of attorney given to the directors and various managers;
- the documentation and provisions inherent to the company's hierarchical-functional and organizational structure - named company organizational chart;
- the internal control system, and thus the structure of the company's procedures, regulations and policies;
- mandatory, adequate and differentiated training of all personnel;
- the sanction system set forth in the applicable collective bargaining agreement;
- company information system applications entrusted to manage and track company processes;
- the body of Italian, EU and international laws and regulations, when applicable;
- a specific procedure, which is an integral and substantive part of this Model, aimed at implementing Italian Legislative Decree No. 24 of 10 March 2023, on the protection of persons reporting breaches of European Union law and containing provisions regarding the protection of persons reporting breaches of Italian regulatory provisions (so-called "Whistleblowing").

The Company has adopted and certified the following with an accredited certification body:

- its Quality Management System according to ISO 9001:2015;
- its Occupational Health and Safety Management system according to ISO 45001:2018;
- its Environmental Management System according to ISO 14001:2015.

The Company also applied for and obtained the legality rating award (score of ★++).

### **1.5.3 Manual and computerized procedures**

The procedures prepared by the Company, both manual and computerized, constitute the rules to be followed within the relevant company processes.

Regarding computerized procedures in particular, the main company management processes are supported by high-quality computer applications. They are in themselves the “guide” to how certain transactions are carried out, and ensure a high level of standardization and compliance, as the processes managed by these applications are validated prior to the software release.

In this context, therefore, the Company ensures compliance with the following principles:

- encourage the involvement of multiple parties in order to appropriately segregate tasks by having complementary functions;
- take measures to ensure that every operation, transaction and action is verifiable, documented, consistent and congruent;
- prescribe the adoption of measures to document the checks on operations and/or actions carried out.

#### **1.5.4 Management control and financial flows**

The Company's management control system provides mechanisms for verifying the management of resources that must ensure, in addition to the verifiability and traceability of expenditure, the efficiency and cost-effectiveness of company activities, with the following goals:

- apply planning and budgeting to define in a clear, systematic and knowable manner the resources (monetary and non-monetary) available to individual company functions and the scope within which these resources can be used;
- detect any deviations from the predefined budget by periodically monitoring the actual situation, analyse the causes, and report the results of the assessments to the appropriate hierarchical levels for appropriate adjustments;
- periodically prepare future forecasts in which the initial planning defined in the budget is revised on the basis of deviations detected in the analysis of the budget vs. actual situation comparison.

#### **1.5.5 Internal Manager**

The Internal Manager is the person who, for each operation at risk of commission of an offence, must ensure the availability, updating and preservation of the documentation related to that operation, for possible verifications that may need to be carried out by the SB.

In addition, the Internal Manager:

- is the contact person and person responsible for the operation or set of operations in the activity areas at risk;
- may refer to the SB for questions, including interpretative ones, that may arise regarding the offence prevention goals of this Model;
- is aware of the duties to be performed and the obligations to be observed in carrying out activities at risk in his/her area of responsibility, and undertakes to inform and instruct his/her collaborators in this regard;
- is required to issue a specific handwritten statement in which he/she affirms, under his/her own direct responsibility, both that he/she is fully aware of the requirements to be fulfilled and the obligations to be observed when performing his/her activities, and that he/she has not

committed any of the offences set forth in Italian Legislative Decree No. 231/01 and subsequent updates and additions.

## 2 METHODOLOGY

### 2.1 Introduction

The process of preparing and formalizing the Model involves the activities described in the table below.

| Activity   | Description   |
|--|---|
| <b>Overall analysis</b>                          | The Company's governance and internal control system was clarified examining the articles of association, organization chart, powers of attorney, company performance reports, organizational provisions, procedures, quality management system, occupational health and safety management system, environmental management system, transactions and computer applications. |
| <b>Identification of sensitive activities</b>    | The activities in which the offences considered in the Decree may be committed were identified by analysing the aforementioned documentation and a series of interviews guided by questionnaires.   |
| <b>Analysis and assessment of offence risk</b>   | Once the sensitive activities and the related risks of commission of the offences were identified, a qualitative/quantitative assessment was made in light of the procedural practices and preventive measures implemented by the Company <sup>1</sup> .  |
| <b>Identification of improvement actions</b>     | Based on the existing situation and the related risk assessment as established above, appropriate and/or necessary improvement actions were identified to reduce the risks to an acceptable level <sup>2</sup> .  |
| <b>Drafting or updating of company documents</b> | Preventive measures (protocols) designed to prevent the commission of offences have been described for each sensitive activity.   |
| <b>Establishment of the SB</b>                   | The composition of the SB was defined when the Model was adopted.<br><br>The activities and requirements of the SB are described in the "Supervisory Body" Section of this Model.   |

<sup>1</sup> See § 2 for a summary description of the offence risk assessment method.

<sup>2</sup> The results of the at-risk activity analysis, risk mapping and risk assessment process are collected in documents kept at the Company.

| Activity                                     | Description  |
|--|--|
| <b>Introduction of a disciplinary system</b> | <p>An appropriate disciplinary system was adopted to sanction failure to comply with the measures outlined in the Model.</p> <p>The sanctions that can be imposed, the extent of the sanctions and the procedure for their application are described in the “Disciplinary System” section of this Model.</p> |

The Model does not aim to create an organization, management and control system to be adopted by the Company from scratch, but formalizes already existing safeguards, practices, procedures and controls. It is part of a broader and more organic system provided by the Company in accordance with the applicable legislative and regulatory framework and in line with company best practices in process management and Confindustria guidelines.

## 2.2 Assessment of offence risk

The methodology adopted for assessing the risk of commission of the offences considered by Italian Legislative Decree No. 231/2001 is based on a combination of the following main factors:

- **S = Severity**, meaning the quantification and impact in the Company of the consequences arising from commission of the offence. These consequences are related to the sanction system set forth in the Decree (pecuniary sanctions and prohibitory sanctions).
- **C = Criticality**, meaning an indicator of the extent and significance of the offence risk in the overall context in which the Company operates (organization, certifications held, human resources involved, management, target market, business indicators, etc.).
- **P = Probability** of the risk of the offence being committed. The probability that an offence may be committed is assessed by considering existing protocols and control activities. This makes it possible to assess the “net” risk, i.e. the probability that the offences may take place with respect to the internal and external environment in which the company operates. The approach applied in assessing the company's current situation (“As is analysis”) is based on identifying the optimal process (best practices and regulatory dictates where applicable) and assessing how far the “actual” process is from best practices. In principle, an optimal process is designed to reduce the probability of all offence risks associated with that process; consequently, the optimal process implements the protocols and controls reasonably necessary to counter the offences related to that process. The more or less extensive presence of controls determines the probability with which the offence risk may materialize. Probability is calculated as the ratio of the number of existing controls to the number of controls that would reasonably prevent the offence from being committed i.e. the number of controls provided in the optimal process.
- **D = Detectability** of the risk of offence, meaning the possibility of detecting it by means of the system of recording and processes traceability (paper or computer records, reporting,

management control, ability to reconstruct decisions, etc.) put in place by the Company to recognize any anomalies, deviations from standards or offences.

Analysing the above parameters allows the most critical processes to be identified through the Risk Priority Index (RPI) calculated from their product:

$$RPI = S \times C \times P \times D$$

Each parameter can have a value from 0.1 to 1.6, consequently the Risk Priority Index has been classified into five risk ranges, namely:

| RPI (Risk Priority Index)  |             |
|----------------------------|-------------|
| $0.0001 \leq RPI < 0.0016$ | Irrelevant  |
| $0.0016 \leq RPI < 0.0256$ | Tolerable   |
| $0.0256 \leq RPI < 0.4096$ | Moderate    |
| $0.4096 \leq RPI < 1.6384$ | Significant |
| $RPI \geq 1.6384$          | Intolerable |

## 3 INFORMATION AND TRAINING

### 3.1 Introduction

In order to effectively implement the MOD, the Company intends to ensure proper dissemination of its contents and principles within and outside its organization.

In particular, GALDI S.R.L. aims to extend disclosure of the contents and principles of the MOD not only to its Company Bodies and employees, but also to persons who, while not holding the formal title of employee, work to achieve the Company's goals by virtue of contractual relationships.

Communication and training are diversified, depending on the applicable persons to which it is addressed, but it is, in any case, based on the principles of completeness, clarity, accessibility and continuity to ensure that the various applicable persons are fully aware of the company provisions with which they are required to comply, and of the ethical standards that must inspire their conduct.

Communication and training activities are supervised by the Supervisory Body.

### 3.2 Personnel information and training

The Company promotes awareness of the MOD, the internal regulatory system and their updates among all employees, who are therefore required to know its contents, observe it and contribute to its application.

Information and training activities for personnel, are organized in different levels of detail due to the different degrees of personnel involvement in the at-risk offence areas, and in relation to their respective tasks and responsibilities.

The company function responsible for training personnel on the contents of the Decree and application of the Model provide evidence to the SB.

In this context, the communication and information actions include:

- making the MOD, Code of Ethics and the main documents that make up the Model available in the appropriate spaces next to company bulletin boards and/or, where provided, in a locally shared web folder;
- delivery of the Code of Ethics to all current personnel, via the portal through which each employee logs in with their personal profile to download the payslip;
- inclusion of the Code of Ethics on the Company website;
- update on changes made to the Model and Code of Ethics following regulatory and/or organizational/process changes relevant to the Decree.

The training course, on the other hand, has the following levels:

- directors and personnel representing the Company, top managers and department managers: initial training course; occasional update emails; timely training courses, usually “in the classroom”, following updates to the Model and Code of Ethics;
- other personnel: disclosure during recruitment; initial training course; occasional update emails; timely training courses following updates to the Model and Code of Ethics.

The following topics are developed and addressed during this training course:

- Italian Legislative Decree No. 231/2001;
- the MOD adopted by the Company;
- the ethical principles;
- the tasks of the SB;
- the information flows to the SB;
- reporting of offences, reporting channels (so-called Whistleblowing) and any other aspects of the discipline (e.g. safeguards, support measures, etc.);
- the disciplinary system;
- cases of interest (if any).

Attendance at the training sessions, as well as any *online* course, is mandatory. The Company verifies that all personnel take part in the training.

Traceability of attendance at training events is implemented by:

- requesting a signature of attendance in the form provided and, for e-learning activities, through a course attendance certificate with the names of those involved;
- indicating the topic of the training sessions;
- keeping the material used;
- filing any learning and assessment questionnaires.

Therefore, personnel are required to:

- a) gain awareness and knowledge of the principles and contents of the Model, the Code of Ethics and the documents that make up the Model;
- b) know the operating methods by which their activities must be carried out;
- c) actively contribute, in relation to their roles and responsibilities, to the effective application of the Model, and report any deficiencies found in it;
- d) take part in training courses.

### **3.3 Dissemination of the Model among consultants, suppliers, customers and partners**

The Company notifies its collaborators, consultants, suppliers, customers, partners and anyone else working on its behalf in various capacities, of the MOD and the rules of conduct adopted, and requires them to share its principles, contents and provisions.

Regarding external collaborators and/or partners with whom the Company enters into any form of partnership (for example but not limited to, supply, joint-venture, consortium, agency, distribution, etc.) there are specific contractual clauses aimed at sanctioning any conduct by said external collaborators and/or partners that conflicts with the rules of conduct indicated in this MOD and that would pose the risk of committing a predicate offence.

Refer to the “Management Protocols” chapter below to view these contractual clauses.



## 4 SUPERVISORY BODY

### 4.1 Purpose

This section defines the responsibilities and organizational structure of the Supervisory Body (SB), as well as the operating rules adopted for the purpose of:

- supervising application of the Model;
- assessing the adequacy of the Model;
- promoting updating of the Model.

### 4.2 Scope of application

This section applies to all activities that the Company's SB carries out in the performance of its functions.

### 4.3 Operating methods

#### 4.3.1 Appointment and composition of the SB

The SB is appointed by resolution of the Company Board of Directors (BoD), which establishes the number and composition of its members.

The Company BoD informs each party involved of his/her appointment as a member of the SB, and invites him/her to notify his/her acceptance of the position.

Upon appointment, the BoD establishes the remuneration due to the respective SB members. If not appointed by the BoD, the SB chooses a chairperson from among its members.

The Chairperson of the SB convenes the SB, sets its agenda, coordinates its work and regulates the conduct of its meetings.

#### 4.3.2 Requirements

The SB as a whole must:

- possess specific and qualified expertise in legal and/or administrative and/or tax fields, and/or regarding occupational safety, auditing, or management control;
- know the Company organization and the main company processes typical of the sector in which the Company operates;
- possess the requisites of reputation, professionalism and independence that enable it to effectively carry out the tasks entrusted to it;
- ensure continuity of action in carrying out its tasks;
- possess adequate and proven experience in applying the Decree.

The following cannot be appointed as a member of the SB, and, if appointed, shall be disqualified:

- the disqualified, the unqualified, the bankrupt;
- those who have been sentenced to a penalty that amounts to disqualification, including temporary disqualification, from public office and inability to hold company management positions;
- the spouse, relatives and relatives-in-law within the fourth degree of directors;
- those involved in operational activities or involved in management activities that may affect strategic and financial aspects of the Company;
- anyone, in general, who is, for any cause or reason, has a conflict of interest with the Company.

#### **4.3.3 Duration**

Unless otherwise stated by the BoD, the SB holds office for a period of three years from the date of appointment, and until the BoD meets, after the term of the SB has expired, to either reappoint or replace it.

Members of the SB cease to hold office due to expiry of the term, resignation, forfeiture, unforeseen incapacity, death, and revocation.

#### **4.3.4 Revocation and resignation of the SB**

Members of the SB may only be revoked for just cause by a resolution adopted by the BoD, after hearing the opinion of the Single Auditor.

The following constitute just cause for revocation:

- a serious breach of the proper duties of the SB;
- imposition of definitive sanctions against the Company under the Decree for offences committed during the period in which the same SB was in office with reasons related to its operation;
- opening of criminal proceedings against a member of the SB, with indictment for one of the predicate offences relevant to the Decree;
- loss of the requirements of reputation and professionalism;
- occurrence of a cause of ineligibility.
- A member of the SB who resigns from office must give written notice by registered mail with return receipt or by certified email to the BoD and the Single Auditor.

The resignation takes effect immediately if a majority of the members of the SB remain in office, otherwise from when it is reconstituted after the same SB has accepted the new members.

If a Company employee is appointed as a member of the SB, termination of employment in the Company shall simultaneously terminate his/her appointment as a member of the SB.

If one or more members of the SB leave office during the term of office, the Chairperson of the SB shall notify the BoD, which shall replace them with its own resolution. Members so appointed expire with those in office at the time of their appointment. If the Chairperson of the SB leaves office, the most senior member of the SB shall inform the BoD, which shall adopt appropriate resolutions. If the

sole member of the SB leaves office, the Chairperson of the BoD must convene the BoD to urgently arrange for his/her replacement.

## 4.4 Tasks of the SB

The SB:

- constantly monitors observance of the MOD by company bodies, employees, consultants and the persons to which the MOD applies in general;
- constantly monitors the efficiency and effectiveness of the adopted MOD with respect to preventing and impeding the commission of the offences relevant to the Decree;
- discretely verifies compliance with the methods and procedures set forth in the MOD by persons to which it applies, with specific reference to activities that expose the Company to the risk of commission of predicate offences by carrying out periodic checks (including surprise checks) on specific transactions or acts, the results of which are summarized in a special report sent to the company bodies as further specified below;
- collects the documentation and information acquired during the performance of the aforementioned verification activities, and keeps them in a special archive, which only members of the SB may consult;
- ascertains the update status of the MOD and informs the BoD of any changes, revisions and/or additions to the MOD that may be necessary as a result of:
  - significant breaches of the requirements of the organizational MOD;
  - significant changes in the internal structure of the Company and/or the manner in which business is conducted;
  - changes in the regulatory framework.
- oversees initiatives necessary for dissemination of knowledge and understanding of the MOD;
- ensures that relevant offices prepare the internal organizational documentation necessary for recording and tracking control activities and for verification that the MOD is functioning;
- periodically reports to the BoD as outlined below;
- manages the expected information flows to or from the SB described later in this MOD;
- reports to the BoD for appropriate action in the event of breaches of the MOD that may result in the Company incurring liability.

The activities carried out by the SB cannot be reviewed by any company body and/or office. The BoD is in any case called upon to supervise the adequacy of the SB's actions; indeed, the ultimate responsibility for the operation (and effectiveness) of the organizational MOD lies with the BoD.

To carry out its functions, the SB may use – under its own direct supervision and responsibility – all the Company's facilities as well as external consultants. To this end, the SB independently uses, without the need for any prior consent, the financial resources allocated to it by the BoD from year to year. In case of need and urgency, if the SB requires resources in addition to those planned in order to carry out its tasks, the SB shall submit a reasoned request to the BoD.

Without prejudice to the prohibition to communicate and/or disseminate the information and data acquired (unless request is made by police forces, judicial authorities or other public bodies for

purposes of defence or state security or for the prevention, detection or repression of crimes), the SB has free access to all the Company's offices – without the need for any prior consent – in order to obtain any information, data or document deemed necessary for the performance of the tasks set forth in the Decree.

The SB adopts a regulation of its activities by which it governs:

- the procedures for convening meetings of the SB;
- the relevant constitutive and deliberative quorums;
- the rules for taking minutes of meetings;
- how it organizes its supervisory and control activities.

## 4.5 Information flows to the SB

All employees and members of the Company bodies are required to inform the SB of any facts that constitute or may constitute a breach of the MOD or the procedures referred to therein.

In particular, the SB must be notified of:

- anomalies found in the application of protocols and procedures;
- the possible need to amend the aforementioned protocols and procedures;
- changes in company activities that result in the emergence of new risks;
- possible conflicts of interest;
- information about disciplinary proceedings with relevance to the MOD applied within the Company;
- requests for legal assistance made by employees against whom the competent authorities are proceeding for criminal offences relevant under the Decree;
- measures and information from judicial police bodies or any other authority from which it can be inferred that investigations are underway, including against unknown persons, for predicate offences;
- internal reports from which responsibility for the aforementioned offences emerges;
- information on reports of misconduct relevant under the Decree or breaches of the MOD received by the Company through the Whistleblowing system, which must be received immediately so that it can share any observations while carrying out its supervisory activities, and take part in the investigation or otherwise follow its progress;
- a periodic update on overall handling of reports, including non-231 reports, received by the Company through the Whistleblowing system in order to verify that the Whistleblowing system is functioning and assess the quality of the sorting, as well as to take action to correct any assessment errors or, in any case, with a view to constant improvement of the Organizational Model (where the tool is found to be dysfunctional);
- the set of data, information, reports and documents mentioned as information flows to the SB at the end of each Chapter of the Prevention and Management Protocols Section of this Model.

The Company adopts specific information channels to facilitate the flow of communications and information to the SB. Specifically, communications and information can be sent:

- to the email address **odv@galdi.it**;
- at the registered office of GALDI S.R.L., Via Enrico Fermi, 43/b, 31038 - Paese (TV), in a sealed envelope for the attention of the SB.

### **System for reporting conduct detrimental to the integrity of the Company**

Italian Legislative Decree No. 24 of 2023, implementation of Directive (EU) 2019/1937 (for simplicity, *whistleblowing* decree), amended the previous Italian regulation on whistleblowing, encapsulating the protection scheme in a single regulatory text. It applies to individuals in the public and private sectors who report specific misconduct that breaches European and Italian provisions based on grounds that are well-founded and detrimental to the public interest or the integrity of the organization, which they have learned about through their work.

In particular, pursuant to the new Article 6, Paragraph 2-bis of Italian Legislative Decree No. 231/2001, this Model sets forth a reporting system that serves to highlight misconduct by ensuring internal reporting channels, as well as a whistleblower protection scheme aimed at preventing retaliatory behaviour and sanctioning breaches of the applicable regulations.

Reported conduct may relate to offences relevant to Italian Legislative Decree 231/2001 (so-called predicate offences) or breaches of this MOD, including breaches of the Code of Ethics, as well as breaches of Italian and European Union regulatory provisions that harm the public interest, or the integrity of the public administration or private organization, as referred to in the applicable regulations.

By resolution of the BoD, the Company has adopted, a “Whistleblowing Management Procedure”, which is referred to herein, in order to regulate the channels, procedures and conditions for internal or external whistleblowing, as well as the operational instructions that the whistleblower must follow to submit them; the safeguards reserved for the whistleblower, as well as the liabilities that the whistleblower may incur in the event of false or unfounded whistleblowing; and the measures provided to protect whistleblowers and other parties involved in the whistleblowing.

The aforementioned procedure is displayed and made clearly visible in workplaces, and is also accessible to persons who, although not attending the workplaces, have a legal relationship with the Company by publishing it in a dedicated section of the website.

## **4.6 SB reporting activities**

The SB constantly updates the BoD.

More specifically, the SB reports to the BoD as follows:

- annually by means of a report summarizing the control and verification activities carried out and their results;
- annually, providing a plan of activities scheduled for the following year;

- whenever there is a need to update the MOD and/or the procedures referred to therein due to significant changes in the organizational structure and/or the production process and/or the applicable regulatory framework.

The SB is responsible for promptly informing the BoD of any relevant breach of the MOD, which may suggest the commission or attempted commission of offences that could result in application of the Decree. The SB also forwards a copy of this communication to the Single Auditor.

The BoD, the Shareholders' Meeting and the Single Auditor have the power to convene the SB at any time, inviting it to provide information regarding the status of the implementation of its activities. Minutes are taken of these meetings, kept by the SB and made available to the body involved from time to time.

## 5 CODE OF ETHICS

### 5.1 Purpose

This Code of Ethics is inspired by the main existing Italian and international regulations, guidelines and documents on Corporate Social Responsibility, Corporate Governance, human rights protection, safety and the environment, as established by International Institutions and Conventions.

The purpose of this document is to outline the rights, duties and responsibilities that GALDI S.R.L. assumes with the natural or legal persons who have relations with the company (hereinafter “stakeholders”).

It defines conduct criteria and guidelines for compliance with shared principles and prevention of ethical risk situations. The document describes GALDI S.R.L.'s commitment to its stakeholders and summarizes the goals and principles that the company pursues through the management of its industrial activity. This Code of Ethics applies to GALDI S.R.L. and the companies controlled by it.

This Code should be read and interpreted in conjunction with company policies, regulations, procedures, guidelines and organizational provisions. GALDI S.R.L. is committed to creating areas of collaboration to foster alignment of principles and goals with its stakeholders

### 5.2 Applicable persons

The Company undertakes to promote dissemination and knowledge of the Code of Ethics, and to comply with the conduct principles and criteria contained therein.

This commitment applies first and foremost to directors, managers, and employees, but also to customers, suppliers, consultants, outside contractors, and anyone else working in any capacity, directly or indirectly, in pursuit of the company's goals.

In order to make this Code of Ethics available to all stakeholders, GALDI S.R.L. is committed disseminating it, both internally and externally through its website, by posting it where it is accessible to all employees, and by distributing it in digital and paper form.

The Company undertakes to provide periodic training for employees on the purpose and content of the Code, especially during their employment, as well as to promote information and awareness-raising initiatives.

### 5.3 General principles

Commitment to company sustainability is based on three key mainstays, namely Environmental, Social and Governance, in addition to relations with the local community and other stakeholders.

GALDI S.R.L.'s approach to sustainability is inspired by international standards, such as the International Labour Organization (ILO) Standards; Sustainable Development Goals defined by the United Nations in the 2030 Agenda (SDGs) and the Universal Declaration of Human Rights.

With a desire to make an active, transversal, and profuse contribution to sustainability, the Company is also committed to designing and developing a series of voluntary actions that go beyond the prescribed requirements.

Compliance with the law, regulations, and the provisions of this document are a commitment made by all of GALDI S.R.L.'s collaborators.

### **5.3.1 Stakeholders' conduct**

Stakeholders undertake to abide by the objectives and principles of this document and its prescriptions as an integral part of their working relationship or collaboration, to uphold conduct inspired by high standards of fairness, honesty, confidentiality, and transparency, and contribute to strengthening the Company's image and reputation.

GALDI S.R.L. acts in accordance with the current laws in Italy, the European Union regulations and the current regulations in the other countries in which it may operate, as well as in accordance with professional ethics.

Pursuit of the Company's interests can never justify conduct contrary to the principles of legality, fairness, honesty and professionalism.

### **5.3.2 Human resources**

The Company considers Human Resources an essential asset and devotes the utmost attention to training them, making the most of them and recognizing their contribution. The Company applies existing legislation, and collective bargaining and company labour agreements.

To avoid any favouritism and ensure the Company has the best expertise, personnel recruitment and selection is carried out on the basis of objective criteria of competence and professionalism, while guaranteeing equal opportunities.

GALDI S.R.L. selects, employs and promotes personnel solely on the basis of the professionalism and aptitude required by the assigned job.

### **5.3.3 Integrity, ethics and transparency**

Integrity, transparency, honesty, fairness, loyalty and professionalism are the principles that must guide how the company's activities are conducted, in accordance with the rules set up to protect competition. It is also understood that lawful and honest conduct is the foundation for lasting success, built on the trust of customers, investors, collaborators and the local community in which the Company operates.

The ethical principles of equity, inclusion, respect and personal protection are an indispensable prerequisite for company continuity, and are inextricably linked to creation of shared value for all its stakeholders.

GALDI S.R.L. is also committed to maintaining a transparent and reliable Governance system aligned with Italian and international best practices, to combine economic and corporate value with the aim of satisfying the legitimate long-term expectations of anyone who comes into contact with the company.



#### **5.3.4 Respect for human rights**

GALDI S.R.L. promotes respect for human rights and the elimination of all forms of their violation.

The Company undertakes not to apply any form of discrimination against its stakeholders, such as discrimination on the basis of religion, disability, sexual orientation, race, nationality, gender and trade union membership.

GALDI S.R.L. guarantees its workforce freedom of association and the right to collective bargaining, while respecting the right of workers to join trade unions.

The Company undertakes not to use or encourage child labour, or forced and/or compulsory labour.

#### **5.3.5 Diversity and equal opportunities**

GALDI S.R.L. believes that respect for the personality and uniqueness of each collaborator is fundamental to the development of a work environment inspired by mutual trust and loyalty, in accordance with the current legal obligations in each context and activity area in which it operates.

The Company is committed to the principle that all people should have equal access to jobs, facilities, services and programmes, regardless of personal characteristics and conditions unrelated to performance, competence, knowledge or qualification.

#### **5.3.6 Conflict of interest and unfair competition**

A conflict of interest exists when a personal interest or activity interferes or could interfere with the job in GALDI S.R.L.

Every decision must not be influenced by private interests and/or relationships, and must be made in the interests of the Company. Therefore, any kind of illicit favour, or request for personal advantage of any kind for oneself or others is prohibited.

Directors, employees and collaborators may not use the office or any company space to pursue private and personal ends or benefits.

Directors, employees and collaborators may not exploit their positions to obtain benefits or advantages in internal and external relations, including those of a private nature.

Directors, employees and associates may not use information unavailable to the public or not made public, obtained even in confidence during their official duties, to make profit or promote private interests.

Directors, employees and collaborators may not obtain benefits of any kind that could or appear to influence their independence of judgment and impartiality; furthermore, they may not accept any gifts or other benefits for themselves or others from external parties who intend to enter into a relationship with the company, except gifts of modest value.

Business agreements should always be entered into or renewed on the basis of objective criteria and the business partner's reliability.

Fair competition is a fundamental prerequisite in creating company success through positive performance. GALDI S.R.L. intends to protect the value of fair competition by refraining from collusive and predatory behaviour, and abuse of position.

### **5.3.7 Fight against corruption**

No corruption is tolerated in any way. Therefore, corrupt practices, illicit favours, collusive behaviour, and solicitation, either directly and/or through third parties, of personal benefits for oneself or others are prohibited.

It is also prohibited to receive and disburse money, except for goods of modest value that constitute mere courtesy. Conduct contrary to this principle is prohibited and will be sanctioned regardless of whether it is carried out or attempted.

The principles must also be applied by agents, project collaborators, consultants, freelancers, and occasional service providers who have professional relationships with GALDI S.R.L. Contracts and work assignments must be carried out as consciously established by the parties.

### **5.3.8 Protection of the local area and community**

GALDI S.R.L. is committed to fostering relationships with local communities to enhance and protect the area in which it operates.

The Company may adhere to requests for contributions limited to proposals from declared non-profit organizations and associations with regular statutes and articles of incorporation that are of high cultural or beneficial value to the local community and citizens.

Sponsorship activities, which may relate to social, environmental, sports, entertainment and art topics, are intended only for events that guarantee quality and are in line with GALDI S.R.L.'s shared values.

### **5.3.9 Relationship with suppliers**

GALDI S.R.L.'s suppliers are regarded as valuable business partners and key contributors in achieving the company goals, including responsible development.

The principles and values set forth in the preceding paragraphs must be taken into account when managing business relationships. GALDI S.R.L. prefers to establish relationships with suppliers that share the principles described in this Code of Ethics and Conduct.

Suppliers are selected, and purchasing conditions are established on the basis of an objective assessment of the quality and price of the goods or service, as well as the guarantees offered.

### **5.3.10 Privacy protection**

GALDI S.R.L. believes that respect for workers' dignity must also be ensured through respect for privacy. To this end, it undertakes to ensure the confidentiality of the personal and sensitive data in its possession, in accordance with the new Regulation (EU) 2016/679.

### **5.3.11 Environmental protection**

GALDI S.R.L. is committed to protecting the health of its people, natural resources and the environment. The Company promotes sustainable and responsible business development with the aim of creating a positive impact on the local area. This commitment goes beyond legal compliance by encouraging the integration of environmental best practices into all business decisions. Production

processes are, as far as technologically possible, geared toward optimizing and reducing environmental impact.

Special attention is paid to solutions that save energy and water, monitor emissions, including greenhouse gases, and adopt proper waste disposal strategies to facilitate subsequent recycling. In addition, buildings and related solutions are also conceived with a view to sustainability, using materials with a better environmental impact.

GALDI S.R.L. therefore undertakes to:

- Comply with the current environmental legislation;
- Separate waste in accordance with the procedures and regulations in force;
- Minimize and properly manage water consumption;
- Reduce and optimize energy consumption as much as possible;
- Use energy from renewable sources;
- Pursue continuous improvement and, where technically feasible and economically viable, reduce any adverse impact on the community, stakeholders and the environment;
- Define measurable indicators to monitor its performance, with a view to environmental sustainability;
- Use and favour virtual meeting technologies wherever possible, and carefully assess all aspects of any travel, especially the environmental impact of travel;
- Prefer to purchase office supplies made of environmentally sustainable and certified materials (e.g. FSC);
- Prefer packaging derived from FSC-certified or related cellulose-based materials;
- Set goals to ensure continuous improvement in company performance and processes.

### **5.3.12 Eco-design**

In the study and development of solutions and services, GALDI S.R.L. undertakes to:

- Consider all aspects for improving the environmental impact of the product throughout its life cycle (manufacture, distribution, use, maintenance and possible disposal), using the best technologies available on the market.
- Identify critical issues, phases to be monitored and make more efficient through life-cycle analysis (LCA) and the use of globally recognized indicators, such as Carbon Footprint and Water Scarcity Footprint.
- Support research and development projects that help to conservatively manage resources, limit or eliminate the use of pollutants, prevent unnecessary machine downtime or maintenance, and extend the useful production life of products while reducing their TCO;
- Develop increasingly customized and optimized maintenance plans to ensure a highly personalized user experience, considering users' production needs while aiming for line efficiency.

### **5.3.13 Taxation**

The Company undertakes to fulfil all the tax obligations imposed on it by current regulations fully and transparently, and to cooperate with the tax authorities when required. Tax returns and tax payments are not only mandatory from a legal perspective, but also inescapable as part of the company's social responsibility.

Intra-Community VAT rules regarding the non-taxability of supplies made to taxable persons in other Member States and the application of the principle of taxation in the destination country are consistently applied.

Customs regulations concerning border fees (duties, customs taxes, etc.) are also consistently applied.

The persons to which this Code applies shall not in any way commit or conspire with others to commit criminal breaches of tax laws and criminal customs breaches.

## **5.4 Reporting breaches of the Code of Ethics**

Any applicable person may report, without delay, a situation of suspected breach of the provisions of this Code of Ethics, provided that the report is made in good faith and substantiated, or is based on well-founded reasons.

GALDI S.R.L. Provides a Whistleblowing portal on the company website so that internal and external Stakeholders can make reports. This serves to encourage reporting of conduct contrary to the Code of Ethics and the principles of fairness, correctness and probity, as well as breaches of Italian and European Union regulatory provisions that harm the public interest or the integrity of the public administration or a private organization, as referred to in the applicable regulations.

Whistleblowing will be handled promptly through the process defined in the procedure published on the company website.

The Company undertakes to keep the identity of the Whistleblower confidential, without prejudice to legal obligations and protection of the rights of GALDI S.R.L. or persons accused wrongly and/or in bad faith.

GALDI S.R.L. shall protect Whistleblowers acting in good faith and other persons deserving protection against any form of retaliation, discrimination and/or penalization, and GALDI S.R.L. shall act accordingly where such attitudes are found.

Likewise, the Company may retaliate under applicable regulations against anyone who knowingly makes false, unfounded or misleading reports

## **5.5 Sanctions**

The Company and, first and foremost, its directors and managers, are required to take an active part in ensuring that the commitments expressed in the Code of Ethics are applied.

Breaches of the Code of Ethics are subject to sanctions that are proportionate to the severity and scaled according to the type of relationship the applicable person concerned has with GALDI S.R.L.

The measures also include termination of the fiduciary relationship with the Company, with the contractual consequences provided for and permitted by current regulations.

Any sanctions against employees for breaches of the Code of Ethics will be taken in accordance with the applicable regulations.

For other collaborators, suppliers, and partners, the Company reserves the right to terminate the contract or to apply other contractual actions, under clauses specifically provided for the purpose.

The Directors assess the adequacy of this Code of Ethics in relation to changes in business or in the main applicable regulations.

## 6 DISCIPLINARY SYSTEM

### 6.1 Introduction

The Company has set up the sanction system described below.

It is responsible for strengthening effective application of the rules and provisions contained in the Code of Ethics, the Model and the protocols and procedures referred to therein.

The sanctions indicated therein are applied regardless of the outcome of any criminal proceedings, since the rules of conduct imposed by the Code of Ethics, the Model and the related protocols are applied by the Company in full autonomy and independently of the offences referred to in the Decree.

More specifically, failure to observe the rules and provisions contained in the Code of Ethics, the Model and the related protocols, in and of itself damages the existing fiduciary relationship with the Company and results in sanctions and disciplinary actions regardless of the possible initiation or outcome of a criminal trial.

Pursuant to Art. 7 of Italian Law No. 300 of 20 May 1970, the provisions contained in this Section are brought to the attention of workers by posting them where they are accessible to everyone and in any other ways deemed appropriate to make them known (for example but not limited to sending circulars or communications, presentation in training courses, etc.).

### 6.2 Definition of “breach” under this disciplinary system

Merely as a general and illustrative example, the following constitute a “breach” of the Code of Ethics, the Model and the protocols and procedures referred to therein:

- taking actions or adopting conduct that do not comply with the law and the provisions contained in the Model, the Code of Ethics and the related management protocols and procedures;
- failure to take the actions or adopt the conduct prescribed in the Model, the Code of Ethics and the related procedures.

### 6.3 Criteria for the application of disciplinary sanctions

In accordance with the principle of progressiveness and proportionality, sanctions are also applied in practice taking the following into account:

- the intentionality of the conduct, and the degree of negligence, recklessness or inexperience, also considering the predictability of the event;
- the worker's overall conduct with particular regard to the existence of previous disciplinary actions, to the extent permitted by law and current contracts;
- the worker's duties;
- the functional position and level of responsibility and autonomy of the persons involved in the acts that constitute the deficiency or wrongdoing;

- any other special circumstances (aggravating or mitigating) accompanying the disciplinary offence;
- complicity in the breach of multiple people in agreement with each other.

## 6.4 Sanctions

### 6.4.1 Sanctions against workers, employees and middle managers

A breach of the Code of Ethics, the Model or the protocols referred to therein constitutes a disciplinary offence and is sanctioned in accordance with the provisions of the law, and collective and company bargaining agreements, both with regard to the sanctions that can be imposed and the manner in which disciplinary power is exercised.

Disciplinary measures will be applied in accordance with the procedures, provisions and safeguards set forth in labour law and any company agreements on disciplinary measures. In particular, compliance with the following principles will be ensured:

- no disciplinary action may be taken against a worker without first notifying him/her of the charge and hearing his/her defence;
- disciplinary measures more serious than a verbal reprimand may not be applied until five days after written notification of the event that gave rise to it, with specific indication of the events constituting the offence;
- disciplinary sanctions cannot be taken into account in any way for the purpose of recidivism, two years after their application.

The Company, through the appropriate company function, sends the employee a written notice of dispute pursuant to Article 7 of the Workers' Statute, containing:

- a precise indication of the disputed conduct;
- the provisions of the Model that were breached;
- notice of the right to make any written deductions and/or justifications within five days of receiving the notice, as well as to request the intervention of the representative of the trade union association to which the employee belongs or mandates.

Following any counter-arguments by the person concerned, the competent corporate function, having consulted the CEO, takes action to apply the sanction and establish its extent.

The order imposing the sanction is communicated to the SB, which also verifies that the imposed sanction is actually applied.

The disciplinary measures that can be taken in the event of failure to comply with the Model are given in the table below.

| Sanction         | Disciplinary Offence Description   |
|------------------|--|
| Verbal reprimand | The employee commits a minor breach of the protocols or procedures referred to in this Model or, in carrying out activities in areas at risk, adopts conduct that is a minor breach of the prescriptions of this MOD, i.e. commits a |

| Sanction   | Disciplinary Offence Description   |
|--|--|
|  | minor failure to comply with the provisions brought to the Company's attention by service orders, procedures or other means.   |
| Written warning  | The employee breaches the protocols or procedures referred to in this MOD or, in carrying out activities in areas at risk, adopts conduct that breaches the prescriptions of this MOD, or fails to comply with the provisions brought to the Company's attention by service orders, procedures or other means.   |
| Fine not exceeding three hours of hourly pay               | The employee repeatedly breaches the protocols or procedures referred to in this MOD or, in carrying out activities in areas at risk, repeatedly adopts conduct that breaches the prescriptions of this MOD, i.e. fails to comply with the provisions brought to the Company's attention by service orders, procedures or other means.   |
| Suspension from work and pay up to a maximum of three days | The employee causes damage to the Company, or exposes the reputation or integrity of the Company's assets to danger as a result of breaching the procedures set forth in this Model or, in carrying out activities in areas at risk, adopts conduct that breaches the provisions of the Model, or performs acts contrary to the Company's interests, i.e. fails to comply with the provisions brought to the Company's attention by service orders, procedures or other means. |
| Dismissal with notice                                      | The employee performs malicious acts that do not comply with the prescriptions of the Model for the unequivocal purpose of committing an offence sanctioned by the Decree, such conduct being a breach of discipline and official duties so serious as to prevent the continuation of employment.  |
| Disciplinary dismissal without notice                      | The employee performs malicious acts that do not comply with the prescriptions of the MOD such as to lead the Company to materially apply the penalties provided for in the Decree.  |

In addition, any accrued economic incentives such as, but not limited to, performance bonuses, management by objective (MBO), etc. may not be recognized.



### 6.4.2 Sanctions against managers

If a manager breaches the Model, the sanctions provided for by law, the relevant individual contract and the applicable collective bargaining agreement will be applied. The revocation of powers of attorney conferred or, where possible, the assignment to another duty may also be ordered.

A manager who is found not to comply with this Model may be sanctioned for “failure to cooperate”.

Any accrued economic incentives such as, but not limited to, performance bonuses, management by objective (MBO), etc. may not be recognized.

The procedure for determining offences by managers is carried out in accordance with current regulatory provisions as well as applicable collective bargaining agreements.

The order imposing the sanction is communicated in writing to the person concerned. The SB is sent the order imposing the sanction for information, and verifies that it is applied.

### 6.4.3 Sanctions against Directors and Top Management in general

In the event of a breach of the Model by one or more of the Directors (and/or one or more of the Top Managers pursuant to the Decree), the BoD and the Single Auditor are informed and, in line with their respective powers, will take one of the following actions, considering the severity of the breach and in accordance with the powers provided for by law and/or the articles of association:

- statements in the minutes of the meetings;
- formal warning;
- revocation of appointment/mandate;
- request to convene or call a Shareholders' Meeting with an agenda that includes adoption of appropriate measures against the persons responsible for the breach, including the application of legal action aimed at recognizing the responsibility of the Company Director(s) and compensation for any damages suffered and to be suffered.

If the Model is breached by one or more Directors, such as to compromise the relationship of trust with them, or there are otherwise serious reasons related to protecting the interests and/or image of the Company, the Shareholders' Meeting may resolve on the possible revocation of the mandate.

#### **Coexistence of multiple relationships with the same person**

If a person in top management also holds the status of an employee and commits the breaches as a person in top management, the aforementioned protective measures may be applied, in any case without prejudice to the applicability of the various disciplinary actions that may be applied on the basis of the employment relationship with the Company and in accordance with the applicable legal procedures.

### 6.4.4 Sanctions against the Single Auditor

If the Model is breached by the Single Auditor, the BoD is informed, and will take the appropriate measures, including convening the Shareholders' Meeting to remove him/her from office.

#### **6.4.5 Sanctions against employees, agents, consultants, partners, opposite parties and other external persons**

If collaborators, agents, consultants, partners, opposite parties and other external persons transgress the provisions of the Model, procedures and the Code of Ethics, the Company may request termination of the contract by making use of the specific clauses inserted for this purpose.

The Company may also take action to obtain compensation for damages suffered.

Measures applicable under the regulations on the protection of persons reporting breaches of European Union and/or Italian law (so-called "Whistleblowing")

Pursuant to and for the purposes of the regulations on the protection of persons reporting breaches of EU and Italian law (so-called "Whistleblowing"), the above sanctions are also applied in the following cases using the aforementioned criteria of progressiveness:

- the commission of any retaliation – to be understood as conduct, act or omission, even if only attempted or threatened, carried out in response to the whistleblowing (of the complaint to the judicial or accounting authority, or public disclosure) – that causes or may cause, directly or indirectly, unfair harm to the whistleblower (or to the person who made the complaint or public disclosure) and/or to any other persons specifically identified by the regulation;
- failure to establish whistleblowing channels, failure to adopt whistleblowing procedures in accordance with the regulations, or even failure to carry out activities or verification and analysis regarding the reports received;
- taking actions or adopting conduct that hinder or attempt to hinder the whistleblowing;
- breach of the obligation of confidentiality;
- ascertaining the whistleblower's liability, including by judgment of first instance, for the offences of defamation or slander (or, in any case, for the same offences committed in connection with the complaint), or the whistleblower's civil liability in cases of wilful misconduct or gross negligence.