

ORGANISATION, MANAGEMENT AND CONTROL MODEL

Legislative Decree No. 231 dated 8th June 2001

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DEFINITIONS

Sensitive activities	Activities carried out by SCAGLIA INDEVA S.p.A. in which there is a risk of commission of the offenses referred to in Legislative Decree no. 231 of June 8, 2001, or otherwise relevant to the prevention of the occurrence or commission of any of the offenses listed therein.
CCNL	National Collective Labour Agreement
Code of Ethics	Code of Ethics and Conduct adopted by SCAGLIA INDEVA S.p.A.
Employees	Persons having with SCAGLIA INDEVA S.p.A. a contract or relationship of employment or similar nature
Stakeholder - Interested party	Person or organization that can influence, be influenced or perceive itself as being influenced, by a decision or activity, in particular persons in a relationship of collaboration, partnership with SCAGLIA INDEVA S.p.A.
Legislative Decree 231/2001	Legislative Decree No. 231 of 8 June 2001
Organisational Model (MOGC)	Organisation, Management and Control Model adopted by SCAGLIA INDEVA S.p.A. pursuant to Legislative Decree 231/2001
Body Supervisory Board (O.d.V.)	Supervisory Board provided for in Article 6 of Legislative Decree 231/2001, with the task of supervising the adequacy, application and knowledge of the organisational model
Procedures	Procedures, policies, organisational provisions, service orders, internal regulations, measures and acts of SCAGLIA INDEVA S.p.A. implementing the principles contained in the Organisational Model
Risk	Effect of uncertainty in relation to objectives, concerning what might be different from what is expected. It may be positive, negative or both and may address, create or result in new opportunities and threats.
Risk management	Coordinated activities to guide and control an organisation with regard to risk
Source of risk	Element that alone or in combination has the potential to give rise to risk

Consequence	Outcome of an event that affects the objectives. A consequence may be certain or uncertain and may have positive or negative, direct or indirect effects on objectives. Any consequence may be amplified through cascading and cumulative effects.
Possibility, probability	Plausibility of a conceivable occurrence, whether defined, measured, objectively or subjectively determined, qualitatively or quantitatively, and described using generic or mathematical terms (likelihood);
Control	Measure that maintains and/or modifies risk. Controls include, but are not limited to, any processes, policies, arrangements, practices, or other conditions and/or actions that maintain and/or modify risk.
Risk Assessment	Summary of the specific assessment of the risk of commission of the offences referred to in Legislative Decree no. 231/2001 in the context of sensitive activities of SCAGLIA INDEVA S.p.A., containing a statement of the special part of the controls aimed at mitigating or eliminating the risk.

SCOPE OF APPLICATION AND REGULATORY PROFILES

1. ADMINISTRATIVE LIABILITY OF LEGAL PERSONS FOR OFFENCES

Legislative Decree no. 231 of 8 June 2001, containing the "*Rules on the administrative liability of legal persons, companies and associations, including those without legal personality*" (hereinafter also referred to as "Legislative Decree no. 231/2001") introduced direct administrative liability of collective entities in relation to certain offences committed in their interest or to their advantage by persons holding positions of representation, administration or management of the Company or its units. 231/2001) introduced the direct administrative liability of collective entities in relation to certain offences committed in their interest or to their advantage by persons who hold positions of representation, administration or management of the Company or of one of its organisational units with financial and functional autonomy, as well as by persons who exercise, even de facto, the management and control of the same (so-called "top management") and, finally, by persons subject to the management or supervision of one of the above-mentioned persons (so-called "subordinates").

This liability is independent of and concurrent with the criminal liability of the natural person who committed the offence.

Legislative Decree No. 231/2001 brought the national legislation on the liability of legal persons into line with certain international conventions to which Italy has acceded, namely:

- the Brussels Convention of 26 July 1995 on the protection of the European Communities' financial interests;

- the Brussels Convention of 26 May 1997 on the fight against corruption of officials of the European Community or officials of Member States;
- the OECD Convention of 17 December 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions.

The liability introduced by Legislative Decree no. 231/2001 aims to involve in the punishment of certain criminal offences the assets of entities that have gained an advantage from the commission of the offence, on the assumption that the commission of the offence was facilitated or made possible by the company's "organisational deficit", or found its origin in a criminal "functionalisation" of the entity.

Legislative Decree no. 231/2001 provides for the application of a pecuniary sanction, the amount of which is determined in a variable number and proportional to the seriousness of the offence and the size of the company. The additional afflictive measure of confiscation of the product or profit of the offence is also provided for.

Finally, in relation to certain specific offences, the decree provides for the imposition of disqualification sanctions, such as the suspension or revocation of licences and concessions, the prohibition to contract with the P.A., the prohibition to carry on business, the exclusion or revocation of loans and contributions, the prohibition to advertise goods and services. Disqualification sanctions may also be applied in advance as a precautionary measure.

The catalogue of predicate offences (Articles 24 et seq. of the aforementioned Legislative Decree) has been subject to several regulatory amendments.

Articles 6 and 7 provide for exemption from liability if the entity has adopted and effectively implemented before the commission of the offence 'models of organisation, management and control suitable to prevent the commission of the criminal offences' referred to above.

The system also provides for the establishment of a 'company internal control body' with the task of supervising the functioning, effectiveness and compliance of the models, as well as keeping them updated.

2. CASES AND TYPES OF PREDICATE OFFENCES

The catalogue of predicate offences at the date of adoption of this document includes the following criminal offences, grouped by legal goods and protected interests.

Offences in relations with the Public Administration and the Judicial Authorities (Articles 24, 25 and 25decies)

- Undue receipt of payments - Article 316ter of the Criminal Code
- Fraud to the detriment of the State or other public body - Article 640(2) of the Criminal Code
- Aggravated fraud to obtain public funds - Article 640bis of the Criminal Code
- Computer fraud to the detriment of the State or other public body - Article 640ter of the Criminal Code
- Extortion - Article 317 c.p.
- Corruption for the exercise of a function - Article 318 of the Criminal Code
- Corruption for an act contrary to official duties - Art. 319 c.p.
- Bribery in judicial proceedings - Article 319ter of the Criminal Code
- Undue induction to give or promise benefits - Article 319quater of the Criminal Code

- Corruption of a person in charge of a public service - Article 320 of the Criminal Code
- Incitement to corruption - Article 322 of the Criminal Code
- Embezzlement, extortion, undue induction to give or promise benefits, bribery and incitement to bribery of members of bodies of the European Communities and of officials of the European Communities and of foreign States - Article 322-bis of the Criminal Code
- Inducement not to make statements or to make false statements to the authorities judicial - Art. 377bis c.p.
- Trafficking in unlawful influence - Article 346a of the Criminal Code
- Fraud in public procurement - Article 356 of the Criminal Code
- Embezzlement to the detriment of the interests of the European Union - Article 314 of the Criminal Code
- Embezzlement by profiting from the error of others with damage to the interests of the European Union - Article 316 of the Criminal Code

Offences of counterfeiting money, public credit cards, revenue stamps and identification instruments or signs (Article 25a)

- Counterfeiting of money, spending and introduction into the State of counterfeit money in concert - Article 453 of the Criminal Code
- Alteration of money - Art. 454 c.p.
- Spending and introduction of counterfeit money into the State, without agreement - Article 455 of the Criminal Code
- Spending of counterfeit money received in good faith - Article 457 of the Criminal Code
- Counterfeiting of revenue stamps, introduction into the State, purchase, possession or putting into circulation of counterfeit revenue stamps - Article 459 of the Criminal Code
- Counterfeiting of watermarked paper used for the manufacture of public credit cards or revenue stamps - Article 460 of the criminal code
- Manufacture or possession of watermarks or instruments intended for the counterfeiting of money, revenue stamps or watermarked paper - Article 461 of the Criminal Code
- Use of counterfeit or altered revenue stamps - Article 464 of the Criminal Code
- Counterfeiting, alteration or use of distinctive signs of original works or products industrialists - Art. 473 c.p.
- Introducing into the State and trading in products with false signs - Article 474 of the Criminal Code

Crimes against industry and trade (Article 25a.1)

- Disturbing freedom of industry or commerce - Article 513 of the Criminal Code
- Unlawful competition with threats or violence - Article 513a of the Criminal Code
- Fraud against national industries - Article 514 c.p.
- Fraud in the exercise of trade - Art. 515 c.p.
- Sale of non-genuine foodstuffs as genuine - Art. 516 c.p.
- Sale of industrial products with misleading signs - Art. 517 c.p.
- Manufacture and trade of goods made by usurping industrial property rights - Art. 517ter of the Criminal Code
- Counterfeiting of geographical indications designations of origin for agri-food products – Art. 517quater c.p.

Computer crimes and unlawful processing of data (Article 24a)

- Unauthorised access to a computer or telecommunications system - Article 615ter of the Criminal Code
- Unauthorised possession and dissemination of access codes to computer or telematic systems - Article 615quater of the Criminal Code
- Dissemination of computer equipment, devices or programmes intended to damage or interrupt a computer or telecommunications system - Article 615quinquies of the Criminal Code
- Illegal interception, obstruction or interruption of computer or telematic communications - Article 617quater of the Criminal Code
- Installation of equipment designed to intercept, impede or interrupt computer or telematic communications - Article 617quinquies of the Criminal Code
- Damage to computer information, data and programmes - Article 635a of the criminal code
- Damage to computer information, data and programmes used by the State or another public body or in any case of public utility - Article 635ter of the Criminal Code
- Damage to computer or telecommunications systems - Article 635quater of the Criminal Code
- Damage to computer or telematic systems of public utility - Article 635quinquies of the

Criminal Code Organised crime offences (Article 24ter)

- Criminal association - Article 416 of the Criminal Code.
- Mafia-type association - Article 416a of the criminal code.
- Political-mafia electoral exchange - Article 416ter of the Criminal Code.
- Kidnapping for the purpose of robbery or extortion - Art. 630 penal code
- Association for the purpose of illegal trafficking in narcotic or psychotropic substances - Article 74 Presidential

Decree 309/1990

Corporate offences

(Article 25ter)

- False corporate communications - Articles 2621 and 2621bis of the Civil Code
- False corporate communications to the detriment of the company, shareholders or creditors - Article 2622 of the Civil Code
- Impediment to control - Article 2625 of the Civil Code
- Unlawful restitution of contributions - Article 2626 of the Civil Code
- Illegal distribution of profits and reserves - Article 2627 of the Civil Code
- Illegal transactions involving shares or quotas of the company or its parent company - Article 2628 of the Civil Code
- Transactions to the detriment of creditors - Article 2629 of the Civil Code
- Failure to disclose conflict of interest - Article 2629-bis of the Civil Code
- Fictitious capital formation - Article 2632 of the Civil Code
- Unlawful distribution of company assets by liquidators - Article 2633 of the Civil Code
- Unlawful influence on the shareholders' meeting - Article 2636 of the Civil Code
- Obstructing the exercise of the functions of public supervisory authorities - Article 2638 of the Civil Code
- Extension of subjective qualifications - Article 2639 of the Civil Code

Crimes for the purpose of terrorism or subversion of the democratic order (Article 25quater)

- Associations for the purpose of terrorism, including international terrorism or subversion of

law and order

democratic - Art. 270bis c.p.

- Assistance to associates - Article 270ter of the criminal code
- Enlistment for the purposes of terrorism, including international terrorism - Article 270quater of the criminal code.
- Organising transfers for terrorist purposes - Art. 270quater.1 Penal Code

- Training for activities with the purpose of terrorism, including international terrorism - Article 270quinquies of the penal code.
- Conduct for the purpose of terrorism - Article 270sexies of the Criminal Code
- Attacks for terrorist or subversive purposes - Article 280 of the Penal Code
- Terrorist acts with deadly or explosive devices - Article 280a of the Penal Code
- Kidnapping for the purpose of terrorism or subversion - Article 289a of the Criminal Code
- Incitement to commit any of the above-mentioned offences - Article 302 of the Criminal Code
- Political conspiracy by agreement - Article 304 C.C.
- Political conspiracy by association - Article 305 of the Criminal Code
- Armed gang: formation and participation - Art. 306 of the Penal Code
- Assisting participants in conspiracies or armed gangs - Article 307 of

the Criminal Code Crimes against the individual (Art. 25quater. 1 and Art.

25quinquies)

- Practices of mutilation of female genital organs - Art. 583-bis penal code
- Enslavement or maintenance in slavery or servitude - Article 600 of the Criminal Code
- Child prostitution - Art. 600bis c.p.
- Child pornography - Article 600ter of the criminal code.
- Possession of pornographic material - Art. 600quater c.p.
- Virtual pornography - Art. 600quater. 1 c.p.
- Tourism initiatives aimed at exploiting prostitution juvenile - Art . 600quinquies criminal code.
- Trafficking in persons - Art. 601 c.p.
- Purchase and sale of slaves - Art. 602 c.p.
- Illegal intermediation and exploitation of labour - Art. 603bis c.p.
- Solicitation of minors - Article 609undecies of the penal code.

Market abuse (Article 25sexies)

- Abuse of inside information - Art. 184 T.U.F. (Legislative Decree no. 58 of 24 February 1998)
- Market manipulation - Art. 185 T.U.F. (Legislative Decree no. 58 of 24

February 1998) Protection of health and safety in the workplace (Article 25septies)

- Manslaughter in violation of occupational safety regulations - Article 589 of the Criminal Code
- Unintentional bodily harm in violation of occupational safety regulations - Art. 590 c.p.

Receiving, laundering or using money, goods or benefits of unlawful origin (Article 25octies)

- Receiving stolen goods - Art. 648 c.p.
- Money laundering - Article 648bis of the Criminal Code
- Use of money, goods or benefits of unlawful origin - Article 648ter of the Criminal Code
- Self-laundering - Article 648ter. 1 of the criminal code

Copyright infringement offences (Article 25novies)

- L. 22 April 1941 n° 633, art. 171 - 172

Environmental offences (Article 25undecies)

- Environmental pollution - Art. 452bis c.p.
- Death or injury as a result of the crime of environmental pollution - Art. 452ter of the Penal Code
- Environmental disaster - Art. 452quater c.p.
- Culpable crimes against the environment - Art. 452quinquies c.p.
- Trafficking and abandonment of highly radioactive material - Art. 452sexies c.p.
- Obstruction of control - Article 452septies of the Criminal Code
- Failure to clean up - Art. 452terdecies c.p.
- Killing, destroying, capturing, taking or keeping specimens of protected wild animal or plant species - Article 727-bis of the criminal code
- Destruction or deterioration of habitats within a protected site - Art. 733-bis penal code.
- Art. 137 Legislative Decree no. 152 of 3 April 2006 - Criminal sanctions
- Art. 256 D.lgs. 3 April 2006, n. 152 - Unauthorised waste management activity
- Art. 258 D.lgs. 3 April 2006, n. 152 - Violation of the obligations of communication, keeping of compulsory registers and forms
- Art. 259 - Illegal traffic of waste
- Art. 260 - Activities organised for the illegal trafficking of waste
- Art. 279 D.lgs. 3 April 2006, n. 152 - Sanctions
- Law no. 150 of 7 February 1992, Art. 1, Art. 2, Art. 3a, Art. 6

Employment of illegally staying third-country nationals (Art. 25duodecies)

- Employment of third-country nationals whose stay is irregular - Art. 22 par. 12bis Legislative Decree 286/1998

Racism and xenophobia (Article 25terdecies)

- Propaganda and incitement to commit racial, ethnic and religious discrimination - Article 604a of the Criminal Code

Fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices (Article 25m)

- Fraud in sporting competitions - Art. 1 L. 13 dicembre 1989, n. 401
- Illegal gaming or betting - Article 4 L. 13 December 1989, n. 401. Tax offences (Article

25quinquiesdecies)

- Fraudulent declaration using invoices or other documents for non-existent transactions - Art. 2 D.lgs. 10 March 2000, n. 74.
- Fraudulent declaration by means of other devices - Article 3 of Legislative Decree 74 of 10 March 2000.
- Issuance of invoices or other documents for non-existent transactions - Article 8 of Legislative Decree 74 of 10 March 2000.
- Concealment or destruction of accounting documents - Article 10 of Legislative Decree 74 of 10 March 2000.
- Fraudulent non-payment of taxes - Article 11 of Legislative Decree 74 of 10 March 2000.

- Misrepresentation in the context of cross-border fraudulent schemes and in order to evade value added tax for a total amount of not less than EUR 10 million
- Art. 4 D.lgs. 10 March 2000, n. 74;
- Non-declaration in the context of cross-border fraudulent schemes and in order to evade value added tax for a total amount of not less than EUR 10 million
- Article 5 of Legislative Decree 74 of 10 March 2000;
- Undue compensation in the context of fraudulent cross-border schemes and for the purpose of evading value added tax for a total amount of not less than EUR 10 million
- Art. 10-quater D.lgs. 10 March 2000, n.

74. Offences of smuggling (Article 25sexiesdecies)

- Criminal association for the purpose of smuggling manufactured tobacco out of Italy - Art. 291 quater D.P.R. 23 January 1973, no. 43.

3. APPLICABLE SANCTIONS

In the event that the persons referred to in Article 5 of the decree, in a senior or subordinate position in the organisation of the body, commit one of the offences provided for in Articles 24 et seq. of the decree or those provided for in the special rules referred to above, the body may be subject to the sanctions identified in Article 9 and in particular:

- financial penalties;
- disqualifying sanctions;
- confiscation;
- publication of the judgment.

a) Financial penalties

The pecuniary sanctions are governed by Articles 10, 11 and 12 of the Decree and are applied in "quotas", no less than 100 and no more than 1000, with the amount of each quota ranging from a minimum of €258.23 to a maximum of €1,549.37.

The number of quotas is determined on the basis of the criteria set out in Article 11(1), while the amount of the quota is fixed on the basis of the economic and asset conditions of the entity, in order to ensure the effectiveness of the sanction.

The financial penalty shall be reduced if:

- the offender committed the offence primarily in his own interest or in the interest of third parties and the entity did not derive any or minimal benefit from it;
- the entity has adopted and implemented an organisational model capable of preventing offences of the type described above.
the one that occurred.

b) Disqualifying sanctions

Disqualifying sanctions shall apply when at least one of the following conditions is met:

- the entity has derived a significant profit from the offence and the commission of the offence was determined or facilitated by serious organisational deficiencies;

- in the event of repeated offences.

The prohibitory sanctions are set out in Article 9(2) and consist in particular of:

- disqualification from exercising the activity;
- the suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- a prohibition on contracting with the public administration, except in order to obtain the performance of a public service;
- exclusion from, and possible revocation of, benefits, financing, contributions or subsidies already granted;
- a ban on advertising goods and services.

The type and duration of prohibitory sanctions are determined taking into account the suitability of individual sanctions to prevent offences of the type committed. In any case, disqualification sanctions have a minimum duration of three months and a maximum duration of two years.

Disqualifying sanctions may be applied to the entity either as a result of the irrevocable decision or in the interlocutory proceedings if they exist:

- serious indications that the entity may be held liable for an offence administrative offence;
- specific and well-founded elements suggesting the existence of a concrete danger that offences of the same nature as the offence in question are committed.

c) Confiscation

The conviction always entails the confiscation of the price or profit of the offence, except for the part that can be returned to the injured party.

The rights acquired by third parties in good faith shall not be affected.

d) Publication of the judgment

The publication of the judgment is a contingent sanction and presupposes the application of a disqualifying sanction.

4. ADOPTION OF THE ORGANISATIONAL MODEL AS A SPECIFIC EXEMPTION FROM LIABILITY

Article 6 of the Decree provides a specific form of exemption from administrative liability if the offense was committed by persons in positions so-called "top management" (representation, administration or management of SCAGLIA INDEVA S.p.A. or one of its organizational units with financial and functional autonomy as well as persons who exercise, in fact, the management and control) and SCAGLIA INDEVA S.p.A. proves that

- a) the management body has adopted and effectively implemented, prior to the commission of the offence, an Organisation, Management and Control Model (hereinafter the "Model") capable of preventing the commission of the criminal offences in question;

- b) entrusted an internal body, the so-called Supervisory Board, with autonomous powers of initiative and control, with the task of supervising the operation of and effective compliance with the model in question, as well as ensuring that it is updated;
- c) the persons committed the offence by fraudulently circumventing the Model;
- d) there has been no omission or insufficient control by the Supervisory Board.

The Decree also provides that the Model must meet the following requirements:

- a) identify the risks, i.e. the activities within the scope of which offences may be committed;
- b) exclude that any person working within SCAGLIA INDEVA S.p.A. can justify their conduct by claiming ignorance of the rules and procedures and to avoid that the crime may be caused by the error - also due to negligence or inexperience - in the evaluation of the directives of the entity;
- c) introduce a disciplinary system capable of sanctioning failure to comply with the measures indicated in the model;
- d) identify ways of managing financial resources suitable to prevent the commission of such offences;
- e) provide for a system of preventive controls such that they cannot be circumvented unless intentionally;
- f) provide for information obligations vis-à-vis the Supervisory Board responsible for monitor the functioning of and compliance with the Model.

For offences committed by persons not in top management positions, Article 7 of the Decree provides that the entity is liable only if the commission of the offence was made possible by failure to comply with management or supervisory obligations. In any case, non-compliance with management or supervisory obligations is excluded if, before the offence was committed, the entity adopted and effectively implemented an organisation, management and control model capable of preventing offences of the kind committed.

THE INTERNAL STRUCTURE AND ORGANISATIONAL MODEL OF SCAGLIA INDEVA S.P.A.

The company's object is the design, production and marketing, assembly, installation, maintenance and rental of manipulators, lifting devices and products and systems for automation and industrial logistics and for handling in general, as well as the design, production and marketing, distribution, assembly, installation, maintenance and rental of collaborative and industrial robots, their accessories, robotic cells and systems.

1. THE CORPORATE GOVERNANCE SYSTEM OF SCAGLIA INDEVA S. P.A.

The SCAGLIA INDEVA S.p.A. *Corporate Governance* system is currently structured as follows:

- Members' meeting
The Assembly is competent to deliberate, in ordinary and extraordinary session, on matters reserved to it by law or by the Statute.
- Board of Directors

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the company, with the power to perform all acts deemed appropriate for the achievement of the corporate purpose, excluding only those reserved to the Shareholders' Meeting by law.

- Board of Auditors
- Supervisory Board

The Supervisory Board carries out the tasks of supervising the adequacy of the organisational model and the effectiveness of crime prevention in accordance with the provisions of the law and the procedures contained and referred to in the Organisational Model.

The internal organisation of SCAGLIA INDEVA S.p.A. is further detailed in the company organisation chart, which is an integral and substantial part of this organisational model.

2. OBJECTIVES OF THE ORGANISATIONAL MODEL

The objective of the Organisational Model adopted by SCAGLIA INDEVA S.p.A. is the creation of an integrated and organic system of principles, protocols, procedures and controls, aimed at preventing the commission of offences giving rise to the liability of the entity and exclude, in case of their occurrence, the liability under Legislative Decree no. 231/2001 and the resulting penalties.

Specifically, the Model pursues the

following objectives:

- Identify activities at potential risk of commission of predicate offences;
- Identify the rules governing these sensitive activities;
- Implement concrete measures to ensure operational efficiency and compliance with external and internal regulations;
- Ensuring transparency, traceability of information flows, communications and activities within the institution's processes;
- Ensuring the effective, timely and complete updating of the organisational model;
- Spreading a corporate culture of legality, based on the principles of *fair business*, knowledge of and compliance with rules and procedures, control and risk management.

3. THE RECIPIENTS OF THE ORGANISATIONAL MODEL

The Organisational Model of SCAGLIA INDEVA S.p.A. applies to the following subjects:

- those who perform, even de facto, functions of management, administration, direction or control within the institution or one of its autonomous organisational units;
- employees of SCAGLIA INDEVA S.p.A., even if exceptionally seconded abroad or in Italy to third parties to carry out the activities assigned to them;
- persons who collaborate with the entity by virtue of a para-subordinate employment relationship, such as project workers, temporary workers, interim workers, etc;

- professionals, collaborators and self-employed persons carrying out their activities within, on behalf of or in the interest of SCAGLIA INDEVA S.p.A.;
- those who, while not belonging to the organization of SCAGLIA INDEVA S.p.A., operate under mandate or on behalf of the same, such as lawyers, consultants, etc.;
- persons acting in the interest of SCAGLIA INDEVA S.p.A. because they are linked to it by contractual relationships, such as, for example, partners in joint ventures or members for the implementation or acquisition of specific scientific or business projects;
- the companies in which SCAGLIA INDEVA S.p.A. has a stake and/or which are in any case associated with it.

The Supervisory Board may be called upon to express an enhanced opinion as to the applicability of the organisational model with respect to a given subject or type of party, at the instigation of the entity's management or key officers and department heads.

The addressees of the Model are bound to comply fully with the provisions contained therein and in the specific implementation procedures.

SCAGLIA INDEVA S.p.A. has provided for the formalisation of this commitment towards all recipients through a specific contractual clause or disciplinary rule.

4. STRUCTURE OF THE ORGANISATIONAL MODEL ADOPTED BY SCAGLIA INDEVA S. P.A.

Integral parts of the Organisational Model, in addition to the principles indicated above, are:

- Risk Assessment - containing the map and analysis of the activities and processes "sensitive" to the risk of commission and occurrence of the predicate offences identified by Legislative Decree 231/2001, conducted according to the criteria outlined in this Organisational Model, a document subject to periodic revisions, amendments and additions, which identifies the degree of risk relating to each type of predicate offence;
- Supervisory Board, with the assignment of the tasks of monitoring the effective and correct functioning of the Organisational Model, as specified in this Organisational Model;
- Regulation of the Supervisory Board - containing specific rules on the procedures to be followed
intervention, action, initiative, confidentiality and reporting of the Supervisory Board;
- Procedure for the management of information flows to the Supervisory Board - containing details of the communications to be sent periodically to the Supervisory Board concerning the management of the entity, with particular reference to the areas of relations with the Public Administration, safety at work and environmental sustainability;
- Code of Ethics - containing general rules of conduct and fair business principles and prevention of offences specific to the actions of SCAGLIA INDEVA S.p.A.;
- Organisational Model - Special Part and Preventive Control System, which identifies the specific prevention procedures for each type of offence;
- Disciplinary System - containing an illustration of the cases of violation, the procedure for contestation, the sanctions in the event of transgression of the Organisational Model by the Interested Parties;

- awareness-raising, dissemination, training and information activities at all levels of the company (proportional to the level of responsibility) on the rules of conduct and the procedures established.

5. IDENTIFICATION OF KEY OFFICERS

The head of the organisational unit, process or internal function of SCAGLIA INDEVA S.p.A. involved in a sensitive activity is identified as the "Internal Manager" or "key-officer", by means of a special organisation chart disclosed to the entity's staff and, more generally, to the Interested Parties to whom the Organisational Model applies.

In particular situations, (e.g. complex projects, interventions, processes and productions), the Administrative Body or a Manager appointed by it may appoint a dedicated Internal Manager for operations considered relevant.

The Internal Manager, as defined above, must prepare, manage and keep the documentation for the O.d.V. checks, showing:

- an indication of the elements and circumstances relevant and pertinent to the sensitive activity (movements of money, appointment of consultants, setting up of companies, *joint ventures*, checks carried out on possible *Partners*, commitments and guarantees, etc.);
- an indication of the reasons for the management choices made.

In any case, the traceability of decisions taken must be safeguarded, in accordance with the system of internal delegations and proxies.

6. THE PREVENTIVE CONTROL SYSTEM

The Organisational Model adopted by SCAGLIA INDEVA S.p.A. consists of a preventive control system coordinated with other controls, procedures and corporate control functions and is ultimately composed as follows:

- ethical principles of fair business and prevention of the occurrence of predicate offences covered by Legislative Decree 231/2001;
- organisational system, company organisation chart and accountability policy;
- powers of authorisation and signature consistent with organisational and management responsibilities;
- manual or computerised operating procedures to regulate activities in areas at risk;
- management control system capable of providing timely warning of the existence and emergence of critical situations;
- system of information and training of personnel concerning the elements of the Organisational Model;
- disciplinary system suitable for sanctioning violations of the provisions of the Organisational Model and of the provisions referred to therein;
- presence of the Supervisory Board and information flows, in particular with regard to the reporting of unlawful or abnormal conduct or the occurrence of predicate offences.

Organisational System

The organizational system of SCAGLIA INDEVA S.p.A. includes the definition of roles, duties (job description) and responsibilities and is defined through the issuance of delegated functions and more generally organizational provisions by the Administrative Body.

This system is formalized, adopted, periodically updated and disseminated to all personnel working within the structure of SCAGLIA INDEVA S.p.A..

External relations are also based on this organisational structure and are carried out according to the following criteria:

- negotiation, conclusion, formalisation of contracts, deeds and in general obligations and duties in accordance with and within the limits of the organisational and authorisation system in force;
- predetermination of the contents and methods of implementation and delivery of the entity's activities and services;
- definition of fees, economic demands, discounting practices on the basis of roles and internal legitimacy, with the guarantee of economic congruity with respect to average market prices and in any case safeguarding the interest of the entity;
- provision of mechanisms to ensure internal traceability and transparency of the activities carried out, according to a principle of segregation of responsibilities and multi-level control.

Authorisation system

The authorisation system, which translates into an articulated and coherent system of delegation of functions and SCAGLIA INDEVA S.p.A. powers of attorney, is oriented towards the implementation of the *Grand-father principle* and complies with the following requirements:

- the delegations are specific, complete and inclusive of all management and intervention powers referable to the relevant responsibility and to an adequate position in the organisation chart, and are updated as a consequence of organisational changes, through the approval of a specific *Authorisation Policy*;
- each delegation of powers or power of attorney defines and describes in a specific and unambiguous manner the management powers of the delegate and, above all, the person to whom the delegate reports hierarchically or functionally;
- the management powers assigned with the proxies and their implementation are consistent with the institutional objectives and the principles contained in the Organisational Model and the Code of Ethics of SCAGLIA INDEVA S.p.A.
- the delegate has spending powers commensurate with the organisational and management responsibilities conferred on him;
- Powers of attorney may provide for the extension of the entity's powers of representation as well as the definition of numerical expenditure limits;
- may have dealings with the Public Administration or the Judicial Authority in the name and / or on behalf of SCAGLIA INDEVA S.p.A. only persons with a power of attorney or special power of attorney within the description of the relevant powers.

Decision-making process

The decision-making process within the activities, processes and functions sensitive to the risk of commission of the predicate offences is based on the following criteria:

- any decision concerning operations in one of these areas or sectors of the institution, as identified below, must be documented, transparent and traceable;
- the Administrative Body retains the power to control, replace, call back initiatives, decisions, actions taken by a person in charge of or delegated to a given function or activity, in particular as regards the use or allocation of the entity's economic and financial resources.

Management control and financial flows

In compliance with Article 6, letter c) of Legislative Decree 231/2001, which requires to identify ways of managing financial resources to prevent the commission of offences, SCAGLIA INDEVA S.p.A. has set up a system for the management and control of financial flows that is implemented in the various phases of the preparation of the budget and annual investment objectives, the analysis of periodic final balances and the preparation of forecast budgets.

The Administrative Body of SCAGLIA INDEVA S.p.A. or its delegate presides over this function, with the support of the administrative and accounting management function.

The system is, in particular, aimed at ensuring:

- transparency of information, plurality of stakeholders and decision-making;
- timely reporting and analysis of red flags and critical situations through an adequate and timely system of information flows and reporting.

The management of liquidity is inspired by criteria of asset preservation, with the related prohibition of risky financial transactions.

Information and communication programme

An adequate programme of periodic and systematic information and training for employees and collaborators involved in activities sensitive to the risk of commission of offences is provided for and guaranteed.

The programme includes the dissemination of operational mechanisms and organisational procedures relevant to the subject matter.

These activities integrate and complete the specific information and training on the content of Legislative Decree 231/2001 and the Organisational Model adopted by SCAGLIA INDEVA S.p.A..

Policies and procedures

SCAGLIA INDEVA S.p.A.'s policies and procedures are generally and cumulatively inspired by the following principles:

- accountability and clear formalisation of roles, tasks, timing of implementation of the regulated operational and control activities;
- segregation of roles and responsibilities;
- traceability and formalisation;
- evidence of the principles applied underlying operational activities and business decisions.

SCAGLIA INDEVA S.p.A. shall update and disseminate policies and procedures through the relevant functions.

General principles of conduct and Code of Ethics

The behavior of management or subordinates and more generally of the stakeholders involved in the organization of SCAGLIA INDEVA S.p.A. must comply with the rules of conduct set out in the Organizational Model and the Code of Ethics, aimed at preventing the occurrence of crimes under the Legislative Decree 231/2001 and subsequent additions.

With widespread reference to the Code of Ethics, there are, in particular, organisational and behavioural principles, general and imperative, for all company representatives, of any hierarchical level, role and function:

- the prohibition to engage in conduct or behaviour that would constitute, even if only in the abstract, the types of offences provided for by Legislative Decree no. 231/2001;
- the prohibition to engage in any conduct likely to give rise to a conflict of interest vis-à-vis the Public Administration;
- the prohibition to promise or grant money or other benefits, directly or indirectly, to public officials.

In addition, there are, again in a general way and across the entire company population, the prescriptions followed:

- Fees paid to consultants and *partners* must be in writing;
- Payments can be made in accordance with existing procedures, which provide for the use of cash only for small amounts and for purchases of an occasional and urgent nature, since all financial transactions must be made through credit institutions or financial intermediaries;
- The directors must comply with the principles of transparency when taking company decisions that have a direct impact on shareholders and third parties;

Compliance with these principles and with the more detailed provisions of the Code of Ethics is guaranteed by the Disciplinary System, an integral part of this Organisational Model.

PROCESSES AND FUNCTIONS OF SCAGLIA INDEVA S.P.A.

1. PROCESSES AND ACTIVITIES INVOLVED IN THE RISK OF OCCURRENCE OF THE OFFENCES REFERRED TO IN LEGISLATIVE DECREE 231/2001. LGS. 231/2001

SCAGLIA INDEVA S.p.A. has organised its activities according to specific functions defined in the Company Organigram, to which the different business processes refer, including within them one or more professional and working tasks.

More specifically, the company has identified the following processes sensitive to the risk of commission and occurrence of offences, with evidence of the individual activities involved:

Internal processes of SCAGLIA INDEVA S.P.A. and related sensitive activities

	Purchase process (purchasing and procurement)
Sensitive activities	Management of the procurement process for goods and services; Compliance management of raw materials, equipment and personal protective equipment; Management of consultancy and professional services.
	Environmental Management Process
Sensitive activities	Waste management, characterisation and disposal; Management of environmentally relevant suppliers; Maintenance management of production facilities and atmospheric emissions
	Finance and Accounting process
Sensitive activities	Management of financial resources; Management of direct and indirect taxation; Recognition, recording and representation of business and operating activities in accounting records, balance sheets, reports and other corporate documents Management of extraordinary transactions (acquisition or disposal of companies or business divisions, setting up of temporary groupings of companies and joint ventures, capital transactions); Application, management, monitoring of subsidised loans, contributions, tax exemptions and benefits, social security, etc., also through external consultants.
	Legal and Corporate process
Sensitive activities	Management of legal disputes, also through external professionals; Management of relations with shareholders; Managing relations with the Public Administration and the Judicial Authorities, including through external professionals.
	Technical and Operations Process (Design, Production, Warehouse, Maintenance, Assembly, Testing)

Sensitive activities	<p>Planning and development of orders received</p> <p>Design, industrialisation, time and methods, costs, research and development</p> <p>Planning of production departments and activities, mechanical processing</p> <p>Warehouse and transport management</p> <p>Maintenance+</p> <p>Testing and assembly</p>
	Budgeting & Sales process
Sensitive activities	<p>Technical-economic evaluation of calculations and costs, issuing of offers and commercial/service proposals</p> <p>Definition and application of product discounts</p> <p>Management of commercial and pre-contractual relations</p> <p>Management of information flows and non-conformities relating to quotation and commercial relations</p>
	Human Resources Process
Sensitive activities	<p>Personnel selection and research</p> <p>Management of relations with employees and labour relations</p> <p>Management of expense reports and company benefits (i.e. cars, mobile phones, credit cards, fuel cards).</p>
	Occupational Safety Process
Sensitive activities	<p>Identification of the applicable regulatory provisions to be complied with in order to meet technical and structural standards;</p> <p>Definition of resources, roles and responsibilities for the implementation of safe working procedures and instructions by workers;</p> <p>Risk assessment and preparation of the consequent prevention and protection measures;</p> <p>Identification and management of active and passive collective and/or individual protection measures to contain or eliminate risks;</p> <p>Emergency, fire and first aid management;</p> <p>Procedures and operating instructions for the control of specific risks;</p> <p>Health surveillance activities;</p> <p>Worker competence, information, training and awareness;</p> <p>Controls on purchases, acquisition of documentation and certifications required by law;</p> <p>Maintenance activities aimed at complying with applicable technical and health and safety standards;</p> <p>Communication, participation and consultation activities, management of regular safety meetings, consultation of workers' safety representatives;</p> <p>Management of documentation and recording systems to ensure traceability of activities.</p>
	Process Information Technology
	Management of policies, procedures and communication;

Sensitive activities	<p>Assessment of risks with regard to loss, theft and damage of data; IT security management and supervision; Logical access management; Network and hardware management; Business continuity management; Software management; Physical security management; Document management; Regulation of digital signature powers and delegations.</p>
	Quality, Assurance process
Sensitive activities	<p>Management of practices and relations with insurance companies Design, implementation, adaptation and improvement of the company's Management System Non-conformity management, corrective and improvement actions - back-office and After Sales service Monitoring of objectives and business processes</p>
	Governance and Chief Executive Office process
Sensitive activities	<p>Regulation of corporate powers and delegations General management, definition of corporate actions and strategies and coordination between corporate functions Legal representation of the company</p>

2. CERTIFICATION OF BUSINESS PROCESSES

SCAGLIA INDEVA S.p.A. has certified its internal company processes in accordance with the international standards UNI EN ISO 9001:2015 and UNI ISO 45001:2018, through the adoption of a Company Management System Manual for Quality and Safety. This system is aimed at disclosing the company's quality and worker safety policy, describing the organisational structure, responsibilities and general organisational and management provisions, managing the compliance of services with user expectations and regulatory requirements, facilitating the definition and achievement of performance improvement objectives for the organisation itself, and ensuring high health and safety standards within the working environment and processes.

In accordance with the above-mentioned quality standard, SCAGLIA INDEVA S.p.A. has provided for:

- The identification, understanding and analysis of the organisational context, external factors and needs and expectations of stakeholders;
- The definition of rules governing individual functional and operational processes;
- The definition of leadership functions, responsibilities and authorities, as well as the quality and safety policy;
- The planning of actions to address risks and opportunities in relation to the quality objectives defined within the company's management system;
- The definition and monitoring of resources to support the management of business processes;

- Planning of operational controls, information flows, process design and review;
- Performance assessment including internal audits and management review;
- The definition of a process improvement plan.

The quality management system, together with the procedures and detailed operating instructions connected to it, is referred to and incorporated in the Organisation, Management and Control Model adopted by SCAGLIA INDEVA S.p.A., of which it is a dynamic, integral and essential part.

GUIDELINES AND SIMPLIFIED PROCEDURES FOR THE ADOPTION OF ORGANISATION AND MANAGEMENT MODELS IN SMALL AND MEDIUM-SIZED ENTERPRISES

This model is inspired by the *"Guidelines for the construction of organisation, management and control models pursuant to Legislative Decree no. 231/2001"* issued by Confindustria, which can be summarised as follows:

- a) Identification of the areas of risk of occurrence of the events deduced as typical facts of the offences provided for by Legislative Decree no. 231/2001;
- b) Establishment of a control system, capable of preventing risks, in particular through the adoption of:
 - code of ethics and conduct;
 - organisational system;
 - procedures also accessible by computer;
 - system of delegations and powers of authorisation and signature;
 - control and management systems;
 - staff training and information.

The internal control system must also comply with the following principles:

- segregation of duties, according to the principle that no one can manage an entire process independently;
- documentation and traceability of control activities;
- autonomy, independence and professionalism of the control functions;
- continuity of action of the control functions;
- provision of an adequate system of sanctions for violations of the rules contained in the code of ethics and the procedures laid down in the Organisational Model.

The Organisational Model adopted by SCAGLIA INDEVA S.p.A., with regard to the special part of the prevention of offences related to the protection of health and safety at work (art. 25septies Legislative Decree 231/2001), is divided into procedures and models of operating instructions in accordance with the aforementioned Confindustria Guidelines.

ANALYSIS OF THE RISK OF COMMISSION OF PREDICATE OFFENCES

1. PRINCIPLES OF RISK ANALYSIS

SCAGLIA INDEVA S.p.A. has carried out an analysis of the risk of commission and occurrence of offences identified by Legislative Decree 231/2001, in accordance with the international standard UNI EN ISO 31000:2018, in particular including the following elements:

- Integration - risk management is an integral part of all activities of the SCAGLIA INDEVA S.p.A. organisation;
- Structured and comprehensive - the structured and comprehensive approach to risk management is aimed at achieving systematic, consistent and comparable analysis and management results;
- Customisation - the framework and the risk management process are customised and proportionate to the external and internal context of the organisation related to the institution's objectives;
- Inclusion - the appropriate and timely involvement of stakeholders allows their knowledge, views and perceptions to be taken into account, leading to greater awareness and evidence-based risk management;
- Dynamism - risks may emerge, change or disappear as the external and internal context changes. Risk management anticipates, detects, recognises and reacts to such changes and events in an appropriate and timely manner, with ongoing monitoring by the Supervisory Board and the entity's management;
- Actuality and accuracy of information - the inputs to the risk management operated by SCAGLIA INDEVA S.p.A. are based on historical and current information, as well as future expectations. Risk management explicitly takes into account any limitations and uncertainties associated with such information and expectations. The information collected shall be timely, clear and available to relevant stakeholders.
- Analysis of human and cultural factors - SCAGLIA INDEVA S.p.A. has examined human behaviour and culture that significantly influence all aspects of risk management at every level and at every stage of the entity's activities;
- Continuous improvement - risk management is continuously improved through learning and experience, with regular review by the entity's management and the Supervisory Board.

2. RISK ASSESSMENT

In addition to the risk analysis described above, SCAGLIA INDEVA S.p.A. has also carried out a risk analysis activity.

specific risk assessment according to the criteria listed below.

Generalities

Risk assessment is the overall process of identification, analysis and weighting of risk. The assessment of the risk of commission of predicate offences by or within the organization of SCAGLIA INDEVA S.p.A. is carried out in a systematic, iterative and collaborative manner, taking advantage of the knowledge and views of stakeholders. The best available information is used, supplemented by further investigation as necessary.

Risk identification

The purpose of risk identification is to find, recognize and describe the risks that could help or hinder the organization of SCAGLIA INDEVA S.p.A. in achieving its business objectives in a lawful manner, preventing the commission of crimes referred to in Legislative Decree no. 231/2001. Relevant, appropriate and updated information is important for the identification of risks.

In identifying the risk, SCAGLIA INDEVA S.p.A. considered the following factors and the mutual relationships between them:

- Tangible and intangible sources of risk;
- Causes and events;
- Threats and opportunities;
- Vulnerability and skills;
- Changes in the external and internal context;
- Emerging risk indicators;
- The nature and values of goods and resources;
- Consequences and their impact on objectives;
- Limits of knowledge and reliability of information;
- Time-related factors;
- Biases, assumptions and beliefs of the parties involved.

Risks are identified regardless of whether their sources are under the direct control of SCAGLIA INDEVA S.p.A. or not.

Context analysis

SCAGLIA INDEVA S.p.A. has carried out a specific analysis of the external context and, in particular:

- Social, cultural, political, legal, regulatory, financial, technological, economic and environmental factors at international, national, regional and local levels;
- The key factors and trends influencing the organisation's objectives;
- The relationships, perceptions, values, needs, and expectations of external stakeholders;
- Relationships and contractual commitments;
- The complexity of networks and dependencies.

SCAGLIA INDEVA S.p.A. also analysed the factors inherent to the internal context, including:

- Vision, mission and values of the organisation;
- *Governance*, organisational structure, roles and full responsibility;

- Strategy, objectives and policies;
- The culture of the organisation;
- Standards, guidelines and models adopted by the organisation;
- Capacities, understood in terms of resources and knowledge (e.g. capital, time, people, intellectual property, processes, methods and technologies);
- Data, information systems and information flows;
- Relations with internal stakeholders, taking into account their perceptions and values;
- Relationships and contractual commitments;
- Interdependencies and interconnections.

Risk analysis

The analysis of the risk of offences being committed is first and foremost aimed at understanding the nature of the risk and its characteristics, including the level of risk. Risk analysis involves an in-depth consideration of uncertainties, sources of risk, consequences, probabilities, events, scenarios, controls and their effectiveness. An event may have multiple causes and consequences and may affect multiple objectives.

The risk analysis is carried out by SCAGLIA INDEVA S.p.A. with detail and complexity, depending on the prevention of offences, considering the availability and reliability of information and available resources. The analysis techniques are cumulatively qualitative and quantitative.

In particular, the risk analysis considers factors such as:

- The possibility of events and consequences;
- The nature and extent of the consequences;
- Complexity and connectivity;
- Factors related to time and variability;
- The effectiveness of existing controls;
- Sensitivity and confidence levels.

Risk analysis can be influenced by any differences in opinions, biases, risk perceptions and judgements. Further possibilities for influence arise from the quality of the information used, the assumptions and exclusions made, any limitations of the techniques and how they are carried out. These influences are considered, documented and communicated to decision-makers.

The risk analysis provides input for risk weighting, for decisions on whether the risk should be treated and how, and on the most appropriate strategy and methods for treating the risk and preventing the predicate offences identified by Legislative Decree 231/2001. The results provide useful clarification for decision-making where choices are being made and the options relate to different types and levels of risk.

Risk weighting

The purpose of risk weighting is to support business decisions. Risk weighting involves comparing the results of risk analysis with established risk criteria to determine where further action is required. This can lead to a decision to:

- Do no more;
- Consider the various risk treatment options;
- Carry out further analysis to better understand the risk;
- Maintain current controls;
- Rethinking business objectives.

Decisions must take into account the wider context and the actual consequences for and perceived by external and internal stakeholders.

The final result of the risk weighting must be recorded, communicated and subsequently validated at appropriate levels of the organisation.

Risk treatment

Risk treatment involves an iterative process to:

- Formulate and select risk treatment options;
- Planning and implementing risk treatment;
- Evaluate the effectiveness of that treatment;
- Decide whether the residual risk is acceptable;
- If not acceptable, undertake further treatment.

Selection of risk treatment options

The choice of the most appropriate risk treatment options involves balancing the potential benefits, which would arise in relation to achieving the objectives against the costs, commitments or disadvantages of implementation.

Risk treatment options are not necessarily mutually exclusive nor are they appropriate for all circumstances. Risk treatment options may involve one or more of the following:

- Avoid the risk by deciding not to start or not to continue the activity that generates the risk;
- Taking or increasing risk in order to seize an opportunity;
- Remove the source of risk;
- Modify the probability;
- Modify the consequences;
- Sharing the risk, e.g. through contracts, taking out insurance;
- Consider the risk with an informed decision.

In choosing risk treatment options, the SCAGLIA INDEVA S.p.A. organisation considers the values, perceptions and potential involvement of stakeholders and the most appropriate methods of communication and consultation with them. Although equally effective, some risk treatments may be more accessible to some stakeholders than others.

Periodic monitoring and review of the risk of the predicate offences being committed is an integral part of the implementation of risk treatment to ensure that the different forms of treatment become and remain effective.

Risk treatment can also introduce new risks that need to be managed.

If there are no treatment options available or if treatment options do not sufficiently change the risk, the risk should be recorded and kept under constant review.

Decision-makers and other interested parties should be aware of the nature and extent of the risk remaining after risk treatment (residual risk). Residual risk should be documented and subject to monitoring, review and, where appropriate, further treatment.

Preparation and implementation of risk treatment plans

The purpose of risk treatment plans is to specify how the chosen treatment options will be implemented, so that the provisions are understood by those involved and progress against the plan can be monitored. The treatment plan should clearly identify the order in which the risk treatment is to be implemented.

Treatment plans must be integrated into the organisation's management plans and processes, in consultation with appropriate stakeholders.

The information provided in the treatment plan should include:

- The rationale for the choice of treatment options, including the expected benefits to be obtained;
- Who is accountable and responsible for approving and implementing the plan;
- The proposed actions;
- The resources required, including contingencies;
- Performance measures;
- Constraints;
- The necessary reporting and monitoring;
- When actions are expected to be undertaken and completed.

Monitoring and review

The purpose of monitoring and review carried out by SCAGLIA INDEVA S.p.A. in relation to the specific risks of commission of the offences referred to in Legislative Decree no. 231/2001 is to ensure and improve the quality and effectiveness of the design, implementation and results of the process.

Continuous monitoring and periodic review of the risk management process and its results are a planned part of the risk management process, with clearly defined responsibilities of the entity's management, with the help of the key officers or department heads and under the supervision of the Supervisory Board.

Monitoring and review must be carried out at all stages of the process.

Monitoring and review includes planning, collecting and analysing information, recording results and developing a response.

The results of monitoring and reviewing must be integrated into all performance management of the organisation, measurement and reporting activities.

The Supervisory Board, the Management of the Entity and the Key-Officers, in synergy and within the scope of their respective tasks, may identify new activities which must be included in the list of sensitive hypotheses, also in view of the evolution of the legislation, also ensuring that the appropriate operational measures are taken.

Recording and reporting

The risk management process and its final results are documented and reported through appropriate mechanisms and in particular in the *Risk Assessment*, containing the mapping and specific assessment of the risk of commission and occurrence of the individual criminal offences referred to in Legislative Decree 231/2001.

Recording and reporting of risk analysis and management are aimed at:

- Communicate risk management activities and results throughout the organisation;
- Providing information for decision-making;
- Improving risk management activities;
- Fostering interaction with stakeholders, including those with responsibilities and accountability for risk management activities.

Decisions concerning the creation, storage and handling of documented information shall take into account its use, the sensitivity of the information and the external and internal context.

Reporting is an integral part of the organisation's *governance*, enhancing the quality of dialogue with stakeholders and supporting senior management and supervisory bodies in meeting their responsibilities.

3. ANALYSIS OF THE RISK AND STRUCTURE OF THE PREVENTION SYSTEM WITH REFERENCE TO THE OFFENCES RELATED TO HEALTH AND SAFETY AT WORK (ARTICLES 25-SEPTIES OF LEGISLATIVE DECREE 231/01 AND 30 OF LEGISLATIVE DECREE 81/08)

Article 25-septies of Legislative Decree no. 231 of 8 June 2001 governs the liability of the Company for certain offences connected with the failure to comply with rules on the protection of health and safety in the workplace, providing, inter alia, for the application of disqualification penalties in addition to financial penalties. The underlying offences taken into account by the Decree are the following:

Manslaughter and grievous or very grievous bodily harm committed in breach of the rules accident prevention and protection of hygiene and health at work (Articles 589 and 590 of the Criminal Code)

These offences are committed in the event of death or serious or very serious personal injury to an employee as a result of a breach of occupational safety regulations.

SCAGLIA INDEVA S.p.A. has adopted an Organisational and Management Model pursuant to art. 30 of Legislative Decree 81/2008, which defines the methods for identifying, within the company's organisational structure, the responsibilities, procedures, processes and resources for the implementation of the company's prevention policy, in compliance with the health and safety regulations in force.

Without prejudice to compliance with the laws in force, this Model has been drawn up pursuant to Article 30 of Legislative Decree 81/2008:

- allows adaptation to the evolution of laws, regulations and standards of good practice;
- involves workers and their representatives in the implementation of what is envisaged by companies in terms of security.

The Model integrates and implements the complex system of supervision established by Legislative Decree 81/2008 and is applies to the company as a whole and to all its activities.

The recipients of the Model, in particular directors, managers, supervisors, employees and collaborators working under the direction and supervision of company personnel, are required to monitor the effective compliance with the procedures and the adoption of appropriate prevention and protection measures, promptly notifying the Employer and/or the Head of the Prevention and Protection Service of any exceptions and criticalities.

The company's organisational structure in terms of managing health and safety in the workplace provides for tasks and responsibilities defined and assigned in line with the overall organisational structure of the Company.

In this regard, SCAGLIA INDEVA S.p.A. has standardised and certified processes, procedures and work instructions in accordance with the international standard UNI ISO 45001:2018, with consequent application, within it, of the procedures and regulations provided for by the aforementioned System.

Thanks to this structure, the Company provides:

- issuing procedures/provisions to formally define security tasks and responsibilities;

- monitor accidents at work and regulate reporting to INAIL in accordance with the law;
- monitor occupational diseases and regulate the activity of communicating the relevant data to the National Register for Occupational Diseases set up in the INAIL database;
- adopt an internal procedure/arrangement for organising preventive and periodic health checks;
- adopt an internal procedure/arrangement for the management of first aid, emergency, evacuation and fire prevention;
- adopting procedures/provisions for the administrative management of occupational accident and disease files.

In the context of a clear definition of the specific functions relating to health and safety at work, the figures involved in the surveillance and implementation of the measures planned for safety purposes have been identified, conferring specific delegated powers, in accordance with the procedures and limits set out in Article 16 of Legislative Decree 81/2008.

In particular, the company's Prevention and Protection System (SPP) consists of:

- the Employer, identified by the Board of Directors as a figure with adequate organisational, decision-making and spending powers, who is responsible for coordinating all the actors and the related activities falling within the SPP;
- the Delegated Manager, identified by a specific deed of delegation issued by the employer, who is responsible for implementing some of the measures provided for the prevention and protection of workers' health and safety;
- the Prevention and Protection Service Manager (RSPP), appointed by the Employer after consultation with the Workers' Safety Representative (RLS), and identified as an internal person who is constantly in contact with and able to continuously monitor company operations;
- the Competent Doctor responsible for ensuring compliance with the provisions on safety at work;
- the Workers' Safety Representative (RLS), identified and designated by all employees in accordance with the national collective agreement for the sector;
- the Person in charge, as a figure identified by the Employer within each organisational unit who, by virtue of hierarchical and functional powers according to the nature of the task conferred on him/her, supervises the work activities of the resources assigned to him/her and ensures the implementation of the directives received, checking their correct implementation by the workers and exercising a functional power of initiative;
- emergency and first aid officers, identified and designated by the Employer (or Employer's delegate).

The overall and documented assessment of all the risks for the health and safety of workers present within the organisation is carried out by the Employer, in cooperation with the actors of the Prevention and Protection Service, and is formalised in the "*Risk assessment document*", as provided for by the relevant legislation in force, which is an integral part of the Organisational Model; this document, in addition to detailing the organisational structure in charge of preventing the offences in question, identifies and assesses the risks within the workplace related to the protection of hygiene and health in the workplace, also assessing the related potential hazards encountered.

Any accidents in the workplace are reported by the Environment and Safety Manager to the Employer, who in turn informs the Supervisory Board pursuant to Legislative Decree 231/01, in application of specific information flows predefined in a specific procedure, also for the purposes of proposals for updating the Model and subsequent *follow-up on any supplementary measures* adopted.

The Employer monitors the effectiveness and efficiency of the safety management system by periodic meetings, at least once a year, which are attended by, in addition to itself:

- The Head of the Risk Prevention and Protection Service;
- The Medical Officer;
- The Workers' Safety Representative; During

these meetings, the following are assessed:

- the '*Risk Assessment Document*';
- trends in occupational accidents and diseases and health surveillance;
- selection criteria, technical characteristics and effectiveness of protective equipment individual;
- information and training programmes for managers, supervisors and workers with a view to safety and health protection.

In accordance with Article 41 of Legislative Decree 81/08, the Competent Doctor organises health surveillance.

The Company constantly takes care of the level of training of employees on the subject of safety in the workplace, regularly planning information/training sessions aimed at all employees (including managers) on the subject of D. Lgs. 81/08, as well as periodically updating the training of first aid, fire fighting and RLS. Together with the prevention and safety measures (so-called static), SCAGLIA INDEVA S.p.A. constantly informs its workers about the risks of the work activity, training them on the appropriate measures to avoid the risks or reduce them to a minimum (implementing the necessary forms of subjective protection).

As regards the activities carried out by service providers under contract, the related management and coordination procedures are formalised in specific contractual clauses, which form an integral part of the contract, and which contain express references to the requirements of Article 26 of Legislative Decree 81/2008.

The effective implementation of the Organisational Model articulated pursuant to Article 30 of Legislative Decree 81/2008 lies in the application and verification of the specific and special procedures referred to in the *Risk Assessment Document* and the UNI ISO 45001 Management System. These rules are oriented towards the implementation of the following general principles:

It is the duty of the Society:

- ensuring compliance with the safety and health of workers in the workplace, assessing the choice of equipment in the workplace;
- check that all planned prevention and protection measures are implemented, ensuring constant monitoring of risk situations;
- updating the Risk Assessment Document in accordance with Article 17 of Legislative Decree no. 231/2001.
No. 81 of 2008 in relation to organisational and production changes relevant to the safety of workers, to any reports by the Competent Doctor or in the event of legislative changes;
- provide adequate and continuous information to employees on the specific risks of the company in general and of their specific tasks in particular, on the consequences of such risks and on the prevention and protection measures adopted;
- keep records of employee training activities in a special file.
archives;
- updating existing procedures and operating instructions aimed at formally defining tasks and responsibilities in the field of safety, also with reference to existing procedures for managing first aid, emergencies and evacuation and fire prevention procedures;
- ensure that all employees are adequately informed of the procedures laid down for emergencies and evacuation;
- ensure that managers, supervisors and all persons in charge of specific prevention and protection tasks receive specific training;
- ensure that all employees are always equipped with the personal protective equipment required by the nature of the activity carried out. A report must be drawn up on the handing over of PPE, which must be kept in a special file;
- ensure that workers undergo medical examinations and tests, according to the schedule of the Health Surveillance Programme currently in force, by the Competent Doctor;
- organise periodic meetings between the functions in charge, which may also be attended by the Supervisory Board, by convening the meetings and taking the relevant minutes;
- archive and store all documentation produced, including by electronic means or the execution of tasks carried out within the framework of the processes of

management of employee health and safety risks and related control activities.

All employees of the Company, as well as external collaborators, are obliged to:

- when carrying out their duties, comply with the provisions and instructions given by the employer, managers and supervisors;
- scrupulously comply with legal regulations and, above all, with internal operating instructions on safety at work;
- using correctly the machinery, equipment, tools, chemicals present in the company;
- use the personal protective equipment recommended or made compulsory because of the activity carried out, and made available to them by the Company;
- participate in training courses, when provided;
- undergo the health checks provided for them according to the deadlines laid down in the Health Surveillance Programme, by the Competent Doctor;
- report to the persons in charge of compliance with safety rules or, in any case, to the Supervisory Board, in relation to any potentially dangerous situation that occurs or is otherwise ascertained or deemed to have occurred.

SUPERVISORY BODY

1. ESTABLISHMENT OF THE SUPERVISORY BODY

SCAGLIA INDEVA S.p.A. has appointed a Supervisory Board responsible for the control and supervision of the adequacy, suitability, effective application and knowledge of the Organisational Model by the parties concerned and with reference to the company's business processes.

The Supervisory Board operates in full autonomy and independence with respect to the ownership and the

Corporate management, with continuity of action and relevance to the entity's processes.

The Body is made up of selected persons who meet the necessary requirements of integrity, professionalism and independence, as well as competence and experience in the matters in question.

At the time of appointment or renewal, the Management of SCAGLIA INDEVA S.p.A. determines its composition and the principles governing its duration, the appointment and replacement of individual members, its renewal, the annual *budget* allocation, possibly modifying the discipline contained in the Organisational Model.

Within these limits, the Supervisory Body has the power of self-determination with regard to its own organisation, regulation and operation through the drafting and adoption of a Supervisory Body Regulation, which is an integral part of the Organisational Model and is published therein.

In the exercise of its functions, the Body may make use of external consultants whom it may directly appoint to carry out professional interventions, providing for the balance of the remuneration, charging it to its budget for the financial year.

The Supervisory Board of SCAGLIA INDEVA S.p.A. is composed of a monocratic board with an external component.

2. TASKS AND POWERS OF THE SUPERVISORY BODY

The Supervisory Board is assigned the following tasks:

- supervise the periodic adaptation of the Organisational Model, in relation to changed company and/or regulatory conditions, or in relation to evidence that emerges in the context of the supervisory activities described above;
- supervise the adequacy of the assessment of the risk of committing the predicate offences contained in the Risk Assessment and propose to the Company Management any appropriate amendments, revisions or additions;
- implement the control procedures laid down in the Organisational Model in coordination with the organisation's management;
- carry out targeted periodic checks by means of spot checks on specific transactions or acts carried out, in particular, in the context of sensitive activities, reporting the results with appropriate communications to the competent corporate bodies;
- coordinate with the HR Manager of SCAGLIA INDEVA S.p.A. for staff training programmes, in particular with regard to the content of the Organisational Model and Legislative Decree 231/2001;
- promote initiatives to disseminate knowledge and understanding of the Organisational Model;
- coordinating with other corporate functions for monitoring sensitive activities;
- draw up half-yearly reports to the Company's Management on the supervisory activities carried out, the evidence that emerged and the reports received, while guaranteeing anonymity in accordance with Law 179/2017.

As part of its duties, SCAGLIA INDEVA S.p.A. guarantees the appointed Supervisory Board free access to all company documentation and constant information about the business activities at risk of commission of one of the crimes under Legislative Decree no. 231/2001.

3. INFORMATION FLOWS AND WHISTLEBLOWING

SCAGLIA INDEVA S.p.A., in compliance with the provisions of co. 2-bis of art. 6 Legislative Decree 231/2001, as amended by art. 2 L. 30 November 2017, no. 179, concerning *"Provisions for the protection of authors of reports of crimes or irregularities of which they have become aware as part of a public or private employment relationship"*, provided:

- a) a telematic channel (e-mail) and a frontal channel (registered letter with advice of receipt at the company's head office) which allow the persons indicated in Article 5(1)(a) and (b) of Legislative Decree 231/2001, i.e. senior and subordinate personnel, to submit, in order to protect the integrity of the

company, detailed reports of unlawful conduct, which is relevant and based on precise and consistent facts, or of violations of the organisation and management model in force, of which they have become aware by virtue of their functions; these channels guarantee the confidentiality of the identity of the reporting party in the activities of managing the report, and this subject is the subject of specific training activities provided periodically by the Supervisory Board;

- b) the adequacy of the telematic channel (e-mail) to guarantee, by computerised means, the confidentiality of the identity of the reporter, known only to the members of the Supervisory Board, who are under a specific obligation of secrecy;
- c) the prohibition of direct or indirect retaliatory or discriminatory acts against the whistleblower for reasons directly or indirectly linked to the report;
- d) specific disciplinary sanctions against those who violate whistleblower protection measures, as well as those who make reports that turn out to be unfounded with malicious intent or gross negligence.

In the course of the information and training activities provided within the framework of Legislative Decree no. 231/2001, express mention is made of the provision of Article 6, paragraph 2-ter of Legislative Decree no. 231/2001. In the course of the information and training activities provided within the framework of Legislative Decree no. 231/2001, express mention is made of the provision in Article 6, paragraph 2-ter of the aforementioned Legislative Decree, whereby the adoption of discriminatory measures against persons who make the reports referred to in paragraph 2-bis may be reported to the National Labour Inspectorate, for the measures falling within its competence, not only by the reporting party, but also by the trade union organisation indicated by the latter.

Similarly, notice is also given of the provisions of the subsequent paragraph 2-quater, according to which retaliatory or discriminatory dismissal of the whistleblower is null and void, as well as the change of duties pursuant to Article 2103 of the Civil Code, and any other retaliatory or discriminatory measure taken against the whistleblower. Similarly, it is the responsibility of the employer, in the event of disputes relating to the imposition of disciplinary sanctions, or to demotions, dismissals, transfers, or subjecting the whistleblower to other organisational measures having direct or indirect negative effects on working conditions, following the submission of the report, to demonstrate that such measures are based on reasons extraneous to the report itself.

In this regard, the obligation to inform rests on all personnel who come into possession of information relating to the commission of crimes within SCAGLIA INDEVA S.p.A. or conduct not in line with the rules adopted by the Company.

Reports to the Supervisory Body, relating to any violation or suspected violation of the Model, may be made in writing or verbally. In order to facilitate direct communication with the Supervisory Body, the Company has set up an e-mail address dedicated to this control body.

Information and reports relating to acts, facts or events relevant for the purposes of Legislative Decree no. 231/2001, including those of an unofficial nature coming from Employees, Consultants, *Partners*, where received by different corporate entities, are promptly forwarded to the Supervisory Board.

The O.d.V. will assess the reports received and any consequent measures, at its reasonable discretion and responsibility, possibly hearing the author of the report and/or the person responsible for the alleged violation and motivating any decision not to proceed with an internal investigation.

The company has then defined a specific detailed procedure governing the cases, methods and frequency of information flows to the Supervisory Board, which constitutes a special and integral part of this organisational model (Procedure for managing information flows to the Supervisory Board).

The information which must in any case be compulsorily and periodically addressed to the Supervisory Board includes

- decisions relating to the application for, disbursement and use of public funds;
- requests for legal assistance made by managers and/or employees against whom the Judicial Authority is proceeding for any of the offences referred to in Legislative Decree no. 231/2001;
- measures and/or information from judicial police bodies, or from any other authority, from which it can be inferred that investigations are being carried out, even against unknown persons, for the offences referred to in Legislative Decree no. 231/2001;
- information on the actual implementation, at all levels of the company, of the Organisational Model, with evidence of the disciplinary proceedings carried out and any sanctions imposed or measures taken to dismiss such proceedings with the relevant reasons;
- reports prepared by the heads of other corporate functions as part of their control activities and from which facts, acts, events or omissions may emerge that are critical with regard to compliance with the rules of Legislative Decree no. 231/2001;
- the system relating to the delegation of powers of SCAGLIA INDEVA S.p.A..

Periodically, the Supervisory Board shall propose, if necessary, to the administrative body any changes to the above list.

4. REGULATION OF THE SUPERVISORY BODY

Article 1 - PURPOSE AND SCOPE OF APPLICATION

1.1 A body with supervisory and control functions ("SB") has been set up with respect to the functioning, effectiveness and compliance of the organisation and management model (hereinafter also "the Model" or "MOGC") adopted by the company for the purpose of preventing offences from which administrative liability may arise, in application of the provisions of Legislative Decree no. 231 of 8 June 2001, containing "Rules governing the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law no. 29 September 2000". Legislative Decree no. 231 of 8 June 2001, containing the "*Rules on the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law no. 300 of 29 September 2000*" and subsequent amendments (hereinafter the "Decree").

1.2 These regulations have been drawn up by the company in order to govern the operation of the of the SB, identifying, in particular, the powers, tasks and responsibilities assigned to it.

1.3 In exercising its functions, the SB must be guided by the principles of autonomy and independence, professionalism and continuity of action.

1.4 In order to guarantee the principle of impartiality, the SB is placed in a top hierarchical position, reporting and answering directly and exclusively to the Administrative Body of the company.

Art. 2 - COMPOSITION, APPOINTMENT AND CAUSES OF INELIGIBILITY

2.1 The SB is a monocratic body appointed by the Administrative Body and made up of an external member in possession of specific requirements of autonomy, independence and honourableness, as well as having characteristics of professional suitability with respect to the function carried out.

2.2. Persons who have been convicted by a judgment, even if not final, or by a judgment of application of the penalty on request and even if with a conditionally suspended penalty cannot be elected, without prejudice to the effects of rehabilitation:

- 1) to imprisonment for a term of not less than one year for one of the offences referred to in Royal Decree 267 of 16 March 194211;
- 2) to imprisonment for a period of not less than one year for one of the offences provided for in the rules governing banking, financial, securities and insurance activities and in the rules governing markets and securities, payment instruments;
- 3) to imprisonment for a term of not less than one year for a crime against the public administration, against public faith, against property, against the public economy, for a crime relating to tax matters;
- 4) for any non-culpable offence to imprisonment for a term of not less than two years;
- 5) for one of the offences provided for in Title XI of Book V of the Civil Code;
- 6) for an offence which results and has resulted in a conviction to a punishment entailing disqualification, including temporary disqualification, from holding public office, or temporary disqualification from holding management offices in legal persons and companies;
- 7) for one or more offences among those exhaustively provided for by Legislative Decree 231/2001, even if sentenced to lesser penalties than those indicated in the previous points:
 - a. those against whom one of the preventive measures provided for by Article 10, paragraph 3, of Law no. 575 of 31 May 1965, as replaced by Article 3 of Law no. 5513 of 19 March 1990 and subsequent amendments, has been definitively applied;
 - b. those against whom ancillary administrative sanctions have been imposed provided for in Article 187-quater of Legislative Decree No. 58/1998.
- 8) The following persons may not be appointed as members of the Supervisory Board: disqualified persons and the incapacitated.

2.3 The members of the SB are not subject, in this capacity and within the scope of their duties, to any of the following
the hierarchical and disciplinary power of any body or department of the company.

2.4 The members of the SB may not hold management or executive positions (e.g. member of the Board of Directors with delegated powers).

2.5 The SB may decide to make use of the collaboration of qualified external professionals, if it deems it necessary to address specific issues.

2.6 The SB shall have at its disposal an allocation of adequate financial resources, proposed by the SB itself, which it may use for any requirement necessary for the proper performance of its functions.

Art. 3 - DURATION

3.1 The member of the SB remains in office for the duration of three years from the resolution of appointment. In order to ensure the continuity of the supervision, the member is obliged to exercise his functions under a regime of *extension* even after the expiry of the term of office until the reconstitution of the body itself by the Administrative Body of the company.

3.2 Where the member of the SB is identified in relation to the role held within other board bodies of the entity, the same will lapse if the respective role that justified its appointment as a member of the SB ceases.

3.3 The company's Administrative Body may dismiss the SB only for just cause (e.g. disloyalty, inefficiency, negligence, etc.), or in cases of supervening impossibility of performance, or when the requirements of independence, impartiality, autonomy and/or the requirements of honour are no longer met, or conflicts of interest with members of the board of directors and senior managers are revealed.

3.4 In the event of resignation, supervening incapacity, death, revocation or forfeiture of the member of the SB, the latter shall promptly notify the Management Body, which shall promptly arrange for his/her replacement.

Article 4 - REMUNERATION OF THE MEMBER OF THE SB

4.1 The function of member of the SB is remunerated to the extent established by a resolution adopted by the Administrative Body when appointing or renewing it.

4.2 The member of the SB is also entitled to the reimbursement of expenses incurred and documented for the performance of the tasks inherent to the function carried out.

Art. 5 - CONTROL INITIATIVE

5.1 The SB meets whenever deemed appropriate by its member and in any case according to a calendar of activities and an action plan communicated to the entity's Administrative Body. In particular, the Supervisory Body, possibly with the support of the Management or Key-Officers of the entity, or external consultants, undertakes specific audit activities in the following ways:

- Collegial meetings to assess risk issues involving the institution, as well as for the definition and approval of the annual surveillance plan;
- Specific interventions and audits in the event of a request made by the other control, management or administrative bodies of the Company or in the event of "red flags" and reports resulting from the information flow operating within the framework of the Organisational Model.

5.2 Minutes of each meeting shall be drawn up and signed by the Chairman and the member attending.

5.3. The representatives of the individual corporate functions ("key-officers") may attend the SB meetings, by decision of the body itself, in order to ensure a continuous adherence of the supervisory activity to corporate operations.

Article 6 - CONFIDENTIALITY

6.1 The minutes of the SB meetings, information, news and documentation collected in the course of the verification activities are kept in a specific archive, access to which is only allowed to the members of the SB. The same confidentiality treatment applies to the SB's data in computerised form.

6.2 This information is considered confidential; it may be made known to the Management of the company only on the specific initiative of the SB.

6.3 Access to this documentation will in any case be granted at the specific request of the authorities. Judicial or Administrative.

6.4 The member of the Supervisory Board is bound to secrecy with regard to news and information acquired in the performance of their duties.

6.5 The member of the Supervisory Board shall ensure the confidentiality of the information in his possession, with particular regard to the protection of the identity of persons who have made detailed reports of unlawful conduct, relevant under the Decree and based on precise and concordant facts, or of violations of the Organisational Model.

6.6 Any information in the possession of the members of the Supervisory Board must be treated in the following way

in accordance with current legislation on the protection of personal data.

6.7 Failure to comply with these obligations constitutes just cause for removal from the position of member of the Supervisory Board.

Art. 7 - DUTIES AND POWERS

7.1 The SB has independent powers of initiative and control as identified in the Organizational Model of SCAGLIA INDEVA S.p.A. in order to supervise the operation and compliance with the Model, but has no coercive powers or intervention to modify the corporate structure or sanctions against employees, agents, consultants, partners or corporate bodies, which remain reserved for the corporate bodies or business functions respectively competent.

7.2 The SB is endowed with all the powers necessary to perform the following tasks:

- monitor the adequacy, application and knowledge of the Model: that is, to ensure that the conduct implemented within the company corresponds to the Model of organization, management and control prepared, that it is appropriate to current legislation and the internal and external context of the organization SCAGLIA INDEVA SpA;
- verify the effectiveness of the Model and in particular of the risk analysis: i.e. verify that the model prepared is concretely suitable to prevent the occurrence of the offences referred to in the Decree;

- identify and propose to the company's management updates and amendments to the Model itself in relation to changing legislation or changing company conditions.

7.3 On a more operational level, the Supervisory Body is entrusted with the task of:

- periodically check the Risk Assessment containing the map and analysis of the areas at risk of offence in order to adapt it to changes in the activity and/or institutional structure. To this end, the SB must be notified by the *management* and by the persons in charge of control activities within the individual functions (e.g. RSPP or competent doctor in the matter regulated by Legislative Decree 81/08), of any situations that may expose the company to the risk of crime;
- periodically carry out checks aimed at ascertaining the provisions of the model, in particular verifying that the procedures and controls provided for within the model are implemented and documented in a compliant manner and that the ethical principles are complied with, also by making use of the competent internal company departments, or by using external professionals;
- verify the adequacy and effectiveness of the Model in preventing the offences referred to in the Decree;
- collecting, processing and storing all relevant information received on the effective compliance with the model;
- conduct internal investigations to ascertain alleged violations of the provisions of the Model brought to the attention of the SB by reports or which have emerged during the course of its supervisory activities;
- updating the list of information to be transmitted to the SB itself;
- promote training and communication initiatives on the model and prepare the necessary documentation;
- coordinating with specific company functions (including through meetings) to:
 - o an exchange of information;
 - o keeping the areas at risk of offence up to date and monitoring their evolution in relation to the various aspects concerning the implementation of the Model (definition of *standard* clauses, staff training, regulatory and organisational changes, etc.);
 - o ensure that the corrective actions necessary to make the model adequate and effective are taken in a timely manner.

7.4 If it emerges that the state of implementation of the Model is deficient, it is up to the SB to adopt all necessary corrective actions. Actions may consist of:

- urging the heads of individual functions to comply with the Model;
- indicate any changes to be made to the Model and to the specific procedures for preventing offences;
- report cases of "red flag" and failure to implement the Model to the Administrative Body of the company for the adoption of sanctions in accordance with the Disciplinary System.

Article 8 - REPORTING

8.1 The SB reports on the implementation of the Model and on the detection of any criticalities to it connected. The modalities and timing adopted are as follows:

- a) the SB submits to the Administrative Body an informative report on the activity carried out with every six months, by 30 June and 31 December each year respectively;
- b) At the same time as these reports, the SB informs the Administrative Body of its findings in relation to the purposes of updating and/or revising the Organisational Model;
- c) by 31.12 each year, the SB sends the Administrative Body a copy of the plan of activities for the following year.

8.2 In any case, the SB shall promptly report to the company's Management any violation of the Model that it has become aware of as a result of a report by employees or that it has directly ascertained.

8.3 The SB may be convened at any time by the company's Administrative Body or may itself submit a request to that effect, to report on the operation of the Model or on specific situations.

Art. 9 - INFORMATION FLOWS

9.1 The management bodies of the company must communicate to the SB all information in their possession.

related possession:

- the conclusions of inspections ordered by external supervisory bodies, by internal control functions or by internal committees which reveal any liability for the offences referred to in the Decree;
- the presence of anomalies or suspicious elements detected by the inspection functions;
- communications of disciplinary proceedings initiated (or dismissed) and of disciplinary measures adopted for facts that may have been committed in violation of the provisions contained in the Model;
- notification of the commencement of proceedings by the judicial police or other authority - also administrative - against the company or its legal representatives for offences that may have violated the provisions of the Decree;
- requests for legal assistance proposed by directors, managers or employees following proceedings opened for the commission of offences under the Decree;
- communications concerning changes in the organisational structure, the system of delegations and powers, including those relating to the granting of credit;
- the minutes of the meetings of the Board of Directors for those parts of them that appear to be relevant to the functions of the SB;
- changes in the areas of risk, the carrying out of operations at risk or in any case likely to alter the risk predetermined in the Model.

9.2. The bodies of the company shall also communicate to the SB the information indicated in the Procedure for the management of information flows, which is a special and integral part of the Organisational Model, in the manner and periodicity established therein.

ARTICLE 10 - REPORTS

10.1 Officials, employees, stakeholders and recipients of the Model are obliged to report in writing to the SB the presence of possible violations of the Model, or the commission of offenses under the Decree; to facilitate such communications, a "dedicated" e-mail box has been set up, access to which is restricted only to the SB. Reports may alternatively be addressed in a sealed envelope to the registered office of SCAGLIA INDEVA S.p.A. to the attention of the Supervisory Board, with the commitment of the staff responsible for the first reception to promptly forward the letter to the SB.

10.2 The SB undertakes to protect, in adherence to Law 179/2017 on *whistleblowing*, from any form of discrimination, retaliation, penalisation of persons who make such reports for conduct that has violated the Model, or in any case not in line with it. This protection will not be applied in the presence of reports made against persons, or the company, accused in bad faith or erroneously.

10.3 The SB assesses reports at its own discretion, requesting any information or news from the reporting person or from the heads of the relevant corporate functions. The SB shall give written reasons for the dismissal.

10.4 If it considers the report to be well-founded, the SB shall send a communication with a reasoned opinion to the Administrative Body of the Company so that it may promote, at its sole discretion, the initiation of disciplinary proceedings in accordance with the provisions of the Workers' Statute (L.300/1970) and the Disciplinary System. If the SB deems the report unfounded, it shall justify the dismissal in writing.

10.5 The company guarantees that the member of the SB cannot be subject to retaliation as a result of the tasks assigned; the same protection is assigned to the employees and officers of the company who collaborate with the SB.

Art. 11 - AMENDMENTS TO THE REGULATIONS

Any amendments to these regulations may only be made by means of resolutions validly adopted by the Administrative Body of the company, subject to the non-binding opinion of the SB in office.

DISCIPLINARY SYSTEM

The violation of the rules contained in the Organisational Model, as well as the procedures, policies, instructions and operating practices of SCAGLIA INDEVA S.p.A. and referred to therein, constitutes a breach of the primary obligations of the employment and collaboration relationship, contract or professional relationship, as well as a disciplinary offence, with all legal consequences.

This disciplinary system identifies different sanctions depending on the role played by the person, in addition to compensation for any damage (material or non-material) resulting from such non-compliance, which remains unaffected and referred to the reference regulatory framework.

The group of persons potentially subject to disciplinary measures must also include those indicated in Articles 2094 and 2095 of the Civil Code, such as "employees" and the Parties concerned and addressees of the application of the model for various reasons.

1. VIOLATIONS SANCTIONED

They constitute violations of the SCAGLIA INDEVA S.p.A. Organisational Model:

- conduct that constitutes one of the offences referred to in Legislative Decree 231/2001;
- conduct which, although it does not constitute one of the offences referred to in the aforementioned decree, is unequivocally directed towards their commission;
- violation or attempted violation of the provisions of the Organisational Model, procedures, operating instructions and practices referred to therein;
- uncooperative behaviour towards the Supervisory Board, consisting, by way of example and without limitation, of refusal to provide the information or documentation requested, failure to comply with the general and specific directives issued by the Supervisory Board in order to obtain the information deemed necessary for the performance of its duties, failure to participate without justification in the inspection visits scheduled by the Supervisory Board, failure to attend training meetings;
- violation of the obligations to provide information to the Supervisory Board;
- acts of retaliation or discrimination against anyone who has reported unlawful conduct, relevant for the purposes of Legislative Decree 231/2001, or of a violation of the Organisational Model, for reasons directly or indirectly linked to the report itself; in this case, the sanction of a fine or disciplinary suspension shall be applied, depending on the seriousness of the conduct, or the sanction of dismissal for just cause, if the act of retaliation consists in dismissing the reporting person; if the conduct is carried out by a director, one of the sanctions provided for that figure shall be applied, depending on the seriousness;
- breaches of confidentiality obligations concerning the identity of the whistleblower; in such cases, the sanction of disciplinary suspension shall normally be applied, unless the breach of confidentiality obligations has caused serious harm to the whistleblower, in which case dismissal shall be applied; where the conduct is committed by a director, one of the sanctions provided for in that case shall be applied, depending on the seriousness of the conduct;
- reports which prove to be unfounded, if made with malice or serious misconduct; in this case, the disciplinary sanctions provided for in the following paragraphs, determined according to the seriousness of the conduct, shall be applied.

2. CRITERIA FOR IMPOSING PENALTIES

The imposition of sanctions must be graduated according to the seriousness of the breach committed, which may take the form of a verbal reprimand for less serious and first-time offences, or dismissal for particularly serious and/or repeated conduct.

Sanctions will also be imposed in relation to:

- intentionality and, more generally, the subjective element underlying the conduct or the degree of negligence, imprudence or inexperience (taking into account, however, the foreseeability of the event);
- the extent of the damage, danger and/or consequences of the violation committed;
- the conduct of the employee in the past, with particular regard to the existence or otherwise of disciplinary precedents;
- the worker's role and duties;
- the time and manner of the breach;
- the circumstances in which the infringement took place;
- recidivism and repetition of the offence;
- desistance in cases of attempted infringement.

The application of disciplinary sanctions is the sole prerogative and responsibility of the Board. Administrator or his delegate of SCAGLIA INDEVA S.p.A.

The disciplinary system must be constantly monitored by the Supervisory Board in coordination with the Administrative Body or its delegate.

3. MEASURES AGAINST DIRECTORS AND THE SUPERVISORY BODY

In case of violation of the Model by a member of the Administrative Body, the SB will inform the Shareholders of SCAGLIA INDEVA S.p.A. that will take the appropriate measures consistent with the seriousness of the violation committed, in light of the criteria set out in this document and in accordance with the powers granted by law and / or the Statute (statements in the minutes of meetings, request for convocation or communication to the Administrative Body).

The disciplinary measures that may be imposed on a member of the Management Body, subject to a resolution of the Shareholders' Meeting to be adopted with the abstention of the person concerned if he/she is also a shareholder, are those provided for by the following sanctions:

- 1) written warning;
- 2) temporary suspension from office;
- 3) removal from office.

In particular, with reference to violations of the Model by a member of the Body Administrative, it is provided that:

- in case of non-serious violation of one or more procedural or behavioural rules provided for in the Model, the member incurs a written warning consisting of a reminder to comply with the Model, which is a necessary condition for maintaining the relationship of trust with SCAGLIA INDEVA S.p.A.;
- in the event of a serious breach of one or more procedural or behavioural rules laid down in the Model, the member incurs the measure of temporary suspension from office;
- in the event of a serious breach of one or more procedural or behavioural rules laid down in the Model such as to irreparably damage the relationship of trust, the member of the component shall be liable to be removed from office.

In addition, for the member of the Administrative Body, the violation of the obligation to manage or supervise the subordinates concerning the correct and effective application of the provisions of the Model shall also constitute a breach of the Model which is punishable.

If the Administrative Body is informed or becomes aware of violations of the Model by the Supervisory Board, it shall take the initiatives deemed most appropriate in line with the seriousness of the violation and in accordance with the powers provided for by law and/or the Articles of Association and the Regulation of the Supervisory Board.

4. MEASURES AGAINST MANAGERS

With regard to violations of the individual provisions of this Model by SCAGLIA INDEVA S.p.A. workers with the title of 'Manager', if any, these constitute a disciplinary offence.

Any type of violation of the behavioural rules contained in the Model authorises the Supervisory Board to request the Administrative Body to impose one of the sanctions listed below, determined on the basis of the seriousness of the violation committed in the light of the criteria set out in this document and the behaviour before (e.g. any previous violations committed) and after the fact (e.g. communication or self-disclosure to the Supervisory Board of the irregularity) by the author of the violation.

The disciplinary measures that may be imposed on 'Executives' - in compliance with the procedures laid down in Article 7(2) and (3) of Law no. 300 of 30 May 1970 (Workers' Statute) and without prejudice to any special rules that may apply - are those laid down in the following sanctions:

- written censorship;
- disciplinary suspension of up to ten days;
- justified dismissal with right to notice;
- dismissal for just cause.

In any case, the Administrative Body shall always keep the Supervisory Board informed of any sanctions imposed and/or violations ascertained.

In particular, with reference to violations of the Model committed by SCAGLIA INDEVA S.p.A. Managers, it is provided that

- in the event of a non-serious violation of one or more procedural or behavioural rules provided for in the Model, the manager shall be subject to written reprimand consisting of a reminder to comply with the Model, which is a necessary condition for maintaining the relationship of trust with SCAGLIA INDEVA S.p.A.;
- in the event of a minor but repeated breach of one or more procedural or behavioural rules laid down in the Model, the manager shall be subject to disciplinary suspension for up to ten days;
- in the event of a serious breach of one or more procedural or behavioural rules laid down in the Model such as to constitute a serious breach, or in the event of a repeat offence of any of the offences which provide for the measure of suspension beyond

twice within a period of two years, the manager is liable to be dismissed.
justified with the right to notice;

- where the violation of one or more procedural or behavioural rules laid down in the Model is so serious as to irreparably damage the relationship of trust, not allowing the continuation, even temporary, of the employment relationship, the manager shall be dismissed for just cause.

In addition, for SCAGLIA INDEVA S.p.A. workers having the status of 'Manager', it constitutes a serious offence to violation of the provisions of the Model:

- failure to comply with the obligation to direct or supervise employees with regard to the correct and effective application of the Model itself;
- failure to comply with the obligation to direct and supervise other workers who, although not linked to SCAGLIA INDEVA S.p.A. by a bond of subordination (it is, for example, self-employed workers, consultants, etc..), are still subject to the direction and supervision of the 'manager' pursuant to art. 5 paragraph 1 letter b) of Legislative Decree no. 231/2001, without prejudice to the qualification of the contract with these workers.

5. MEASURES AGAINST EMPLOYEES

Violation by employees of the individual rules of conduct referred to in this Organizational Model, as well as procedures, instructions, operating practices of SCAGLIA INDEVA S.p.A. and referred to therein constitutes a disciplinary offence under the CCNL.

In particular, for Employees (Clerks and Managers) the disciplinary measures that can be imposed, in accordance with the procedures laid down in Article 7 of Law May 20, 1970, n. 300 (Workers' Statute) and any special rules applicable, are those provided for by the disciplinary apparatus in the CCNL applied by SCAGLIA INDEVA S.p.A. and specifically:

- verbal reprimand;
- written reprimand;
- a fine not exceeding the amount of four hours' hourly pay;
- suspension from pay and service for a maximum of ten days;
- disciplinary dismissal for justified subjective reason (with notice);
- disciplinary dismissal for just cause (without notice). Without prejudice to all the provisions of the relevant CCNL, including:
 - the obligation - in relation to the application of any disciplinary measure - to first notify the employee of the charge and to hear the employee's defence;
 - the obligation - except in the case of a verbal warning - that the complaint be made in writing and that the measure not be imposed before five days have elapsed since receipt of the notice of charge (during which the employee may present his justifications);
 - the obligation to inform the employee in writing of the imposition of the measure, giving reasons.

In particular, with reference to violations of the Model committed by the worker, it is provided that:

- 1) an employee who violates the internal procedures laid down in this Model or adopts, in the performance of activities in areas at risk, a behaviour in violation of the provisions of the Model, shall receive a verbal reprimand;
- 2) the measure of a written reprimand shall be applied to any employee who commits a repeat offence of a violation which has led to a verbal warning in the preceding six months and, depending on the seriousness of the violation, to any employee who violates the internal procedures laid down in this Model or adopts, when carrying out activities in areas at risk, a behaviour in breach of the provisions of the Model itself or referred to in the Model;
- 3) Any worker who commits a repeat offence of one of the breaches referred to in point 1 above committed in the preceding six months shall be liable to a fine not exceeding four hours' pay per hour. If, however, the misconduct is more serious, also in relation to the duties performed, a fine may be imposed even in the case of the first misconduct.
- 4) An employee who commits a repeat offence of one of the offences punished by a fine in the previous six months shall be suspended from pay and service for a maximum of ten days. If, however, the misconduct is more serious, also in relation to the duties carried out, the suspension may also be adopted in the case of the first misconduct.
- 5) The same measure shall apply to any employee who violates the internal procedures laid down in this Model or adopts, in the performance of activities in areas at risk, any conduct that is detrimental to morals, hygiene or discipline, provided that the relevant acts are not punishable by a more serious penalty in relation to the extent or seriousness of the consequences or the habitual recidivism of the offence;
- 6) disciplinary dismissal for a justified subjective reason (with notice) shall be applied to any employee who commits a repeat offence of any of the offences giving rise to disciplinary suspension referred to in point 4) above, committed in the preceding six months;
- 7) incurs the measure of disciplinary dismissal for just cause (without notice) the employee who adopts a behavior inconsistent with the requirements of this Model and directed unequivocally to the commission of an offense under the Decree, as well as the employee who adopts a behavior clearly in violation of the requirements of this Model, such as to determine the concrete application against SCAGLIA INDEVA S.p.A. of measures provided for in Legislative Decree no. 231/2001.

Where there is no express prohibition in the relevant CCNL, in the event of a serious offence, the employee may be suspended from work as a precautionary measure with immediate effect, until such time as the sanction is imposed, or the decision not to proceed with the adoption of any sanction is communicated.

Without prejudice to compliance with Article 7 of Law No. 300/1970 and the relevant CCNL, no disciplinary measure may be adopted without first notifying the employee of the charges and hearing his defence.

Disciplinary measures must also be imposed no later than 30 days after receipt of the justifications and, in any case, no later than the end of the fifth day following the formal notice.

6. MEASURES AGAINST THIRD PARTIES INVOLVED IN SENSITIVE ACTIVITIES

Violation by a third party, collaborator, consultant, supplier, or otherwise interested party recipient of the application of the Organizational Model, the individual rules of conduct set out in this Organizational Model, as well as procedures, instructions, operating practices of SCAGLIA INDEVA S.p.A. and referred to therein constitutes an offense and breach of contract.

SCAGLIA INDEVA S.p.A. shall draw up, update and include in the agreements contractual relations with such persons of such specific clauses providing for the protection of SCAGLIA INDEVA S.p.A. and mechanisms for enforcing the Organisational Model such as, in a gradual manner, termination of the relationship, warning to fulfill, penalty clause.

The Administrative Body is exclusively responsible for the concrete application of the above-mentioned measure, after obtaining the opinion of the internal reference function.

INFORMATION AND TRAINING

Staff training is organised by the Administrative Body, with a focus, in general and prior to the technical aspects of the training itself, on the information and training required by Legislative Decree no. 231/2001, with the aim of illustrating the content of the Organisational Model and related documents made available to all interested parties in hard copy or digital format.

Participation in the aforementioned training activities by the identified persons shall be deemed mandatory: consequently, failure to participate shall be sanctioned pursuant to the Disciplinary System contained in the Model.

Training activities should cover the following topics:

- Legislative Decree 231/2001: the liability of the body alongside the liability of individuals, the prevention aims of the organisational model;
- the notion of an offence committed in the interest or to the advantage of the entity and reflection on the meaning of legality inherent in the company's choice to adopt an organisational model;
- the role of the code of ethics in the relationship between management and staff (policy on safety, respect and legality towards employees and in their mutual relations);
- the types of offence and the specific prevention measures identified by the Organisational Model;
- function of the Supervisory Board and methods of communication also in the light of Law 179/2017 on whistleblowing and guarantee of confidentiality.

The Supervisory Board carries out periodic training and information activities for personnel and verifies the actual knowledge of the requirements contained in the Organisational Model of SCAGLIA INDEVA S.p.A.