

CHIMEC S.p.A.

Organisation, Management and Control Model pursuant to Legislative Decree No. 231/ 2001



oilfield - process - fuel additives - water- decontamination

Via delle Ande, 19 - 00144 Rome, Italy

**DOCUMENT DESCRIBING THE ORGANISATION,
MANAGEMENT AND CONTROL MODEL
PURSUANT TO LEGISLATIVE DECREE No. 231/2001**

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DEFINITIONS

Areas with crime risk	Areas of activity considered potentially at risk in relation to the crimes referred to in Legislative Decree No. 231/2001.
Code of Ethics	The Code of Ethics adopted by CHIMEC S.p.A. includes the set of values and rules of conduct which will constantly guide the Company in the exercise of entrepreneurial activities.
NCLA	The Italian National Collective Labour Agreement for workers in the chemical and chemical-pharmaceutical industry and in the sector of chemical fibres and abrasives, lubricants and LPG.
Collaborators	Persons who work with the Company but are not salaried employees, or who work as sales representatives and provide other professional services but whose contracts are not of salaried employment but continuous or fixed-term, or persons who, by virtue of specific mandates and powers of attorney, represent the Company when dealing with third parties.
Board of Directors (also “BoD” or “Management Body”)	Board of Directors of CHIMEC S.p.A.
Consultants	Subjects with professional skills and qualifications who provide their intellectual work in favour or on behalf of CHIMEC S.p.A. on the basis of a mandate or other professional collaboration contract.
Decree (also “Legislative Decree No. 231/2001”)	Legislative Decree No. 231 (issued on 8 June 2001), containing the “ <i>Regulations regarding the administrative liability of legal entities, companies and associations even without legal personality, pursuant to art. 11 of Law No. 300 of 29 September 2000</i> ”, in the content in force.
Recipients	Subjects to whom the provisions of this Model apply.

CHIMEC S.p.A.

Organisation, Management and Control Model pursuant to Legislative Decree No. 231/ 2001

Salaried employees	Natural persons subject to the management or supervision of individuals who hold representation, administrative or management functions in the Company, i.e. all individuals who have a salaried employment contract, of any nature, with the Company, as well as outsourced workers with a continuous contract.
Entity/Entities	Legal persons, companies and associations, including those without legal personality, to which the legislation provided for by the Decree applies.
Public service providers/officers	People who <i>“provide a public service in any capacity”</i> , meaning a regulated activity governed as a public office, but characterised by the lack of powers typical of a public office (art. 358 of the Italian Criminal Code).
Confindustria Guidelines	Guidelines for the construction of Organisation, Management and Control Models pursuant to Legislative Decree No. 231/2001 issued by Confindustria (General Confederation of Italian Industry) on 3 November 2003 and updated to the current month.
Organisation, Management and Control Model (also “Model” or “MOG “or “MOG 231”)	Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001 and adopted by the Company in order to prevent the Crimes as referred to the aforesaid Decree.
Supervisory Body (also “ SB”)	Body of the Organisation with independent powers of initiative and control, responsible for the application and implementation of and compliance with the Model and its updates to report to the Board of Directors.
Public Administration (also “PA” or “Public Bodies”)	Public Administration, including the relevant officials and public service providers.
Public Servant	Anyone who <i>“holds a public legislative, judicial or administrative function”</i> (art. 357 of the Italian Criminal Code).
Offences or Predicate Offences	Types of offences referred to in the Legislative Decree. No. 231/2001 (as subsequently amended or supplemented).
CHIMEC S.p.A. (also “CHIMEC” or “the Company”)	CHIMEC S.p.A.

Senior Executives	Pursuant to art. 5, par. 1, sec. a) of the Decree, <i>persons serving as representatives, or holding administrative or senior executive positions within the entity or an organisational unit of same, financially and functionally independent, as well as persons actually exercising management and control of same.</i>
Subordinates	Pursuant to art. 5, paragraph 1 letter. b) of the Decree, <i>persons subject to the management or supervision of one of the subjects referred to in section a)</i> (i.e. Senior Executives).

INTRODUCTION

DOCUMENT OBJECTIVES

Legislative Decree No. 231 of 8 June 2001, *“Regulation regarding the administrative liability of legal persons, companies and associations even without legal personality, in accordance with art. 11 of Law No. 300 of 29 September 2000”* introduced into Italian law the administrative liability of Entities for certain types of crimes, if these were committed by individuals in senior positions and individuals subject to the management or supervision of others, in the interest of or to the advantage of the Entities themselves.

Legislative Decree No. 231/2001 identifies, for the purpose of exempting the entity from administrative liability, the company's ability to demonstrate that it has adopted and effectively implemented an Organisation, Management and Control Model suitable for preventing the Crimes defined in the Decree itself.

If one of the criminal offences defined in Legislative Decree No. 231/2001 is committed and the company cannot demonstrate that it has adopted and effectively implemented the Organisation, Management and Control Model, it is at risk of being the recipient of financial and disqualifying sanctions.

In relation to the previously described regulatory context, the Company, CHIMEC, has:

- adopted and implemented its own Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001;
- established a Supervisory Body pursuant to Legislative Decree No. 231/2001, responsible for supervising the proper functioning, application, compliance with and updating of the adopted Model.

This document illustrates the individual elements of the MOG 231 adopted by the Company and the methodological approach followed for the creation of its components.

DOCUMENT DESCRIPTION

The descriptive document of CHIMEC's MOG 231 consists of:

- **General Section**, which describes the corporate governance system, the definition process and the operating principles of the MOG and the mechanisms for its actual implementation.
- **Special Section**, one for each family of criminal offences, which includes:
 - the description of the various types of criminal offence;
 - the specific company activities that are deemed sensitive;
 - the behavioural principles to follow;
 - the control protocols implemented to protect sensitive activities;
 - the prepared systematic information flows.

GENERAL SECTION

1 LEGISLATIVE DECREE NO. 231/2001

1.1 SUBJECT OF THE DECREE

Legislative Decree No. 231 of 8 June 2001 (hereinafter, “Legislative Decree No. 231/2001” or “Decree”), implementing the delegation granted to the Government with art. 11 of Law No. 300 of 29 September 2000, sets out the rules governing *“liability of Entities for administrative offences resulting from a criminal offence”*. In particular, this regulation applies to entities with legal personality and to companies and associations with or without legal personality. Legislative Decree No. 231/2001 was prepared starting from some international and EU conventions ratified by Italy, which require the inclusion of some forms of liability of collective Entities for certain types of crime. According to the regulations introduced by the Decree, companies can be held “liable” for certain crimes that have been committed or attempted, in the company’s interest or to its advantage, by senior executives (subjects “in top management positions” or simply “top management”) and by people who are subject to the management or supervision of the above (known as “subordinates”) (art. 5, paragraph 1, of Legislative Decree No. 231/2001).

The administrative liability of companies is independent of the criminal liability of the natural person who committed the crime, and adds to it. This expansion of liability essentially aims to involve, in the punishment of certain offences, the assets of the companies and, ultimately, the economic interests of the shareholders. Before the Decree in question became effective, the above did not suffer direct consequences for crimes committed by senior executives and/or employees in the interest or to the advantage of the company.

Legislative Decree No. 231/2001 innovates the Italian legal system as both financial and disqualifying sanctions are now directly and independently applicable to companies in relation to crimes attributed to subjects functionally linked to the company pursuant to art. 5 of the Decree. The administrative liability of the company is, however, excluded if the company has, among other things, adopted and effectively implemented, before the offences are committed, Organisational, Management and Control Models suitable for preventing the crimes themselves. These Models can be adopted on the basis of codes of conduct (guidelines) developed by associations representing the companies, including the General Confederation of Italian Industry (Confindustria), and communicated to the Italian Ministry of Justice. The administrative liability of the company is, in any case, excluded if the Top Management and/or their subordinates have acted in their own exclusive interest or that of third parties.

1.2 TYPES OF CRIMINAL OFFENCE

According to Legislative Decree No. 231/2001, the Entity can be held responsible only for the criminal offences expressly referred to in articles 24 - 25 duodevices (art. 26 “Attempted crimes”) of Legislative Decree No. 231/2001, if committed in its interest or to its advantage by subjects fitting the description in art. 5, paragraph 1, of the Decree itself or in the case of specific legal provisions that refer to the Decree, as in the case of art. 10 of Law No. 146/2006. The types of criminal offence can be included, for ease of explanation, in the following categories:

- Crimes committed in relations with the Public Administration (articles 24 and 25, Legislative Decree No. 231/2001);
- IT-related felonies and unlawful processing of data (art. 24 bis, Legislative Decree No. 231/2001);
- Felonies committed by criminal organisations (art. 24 ter, Legislative Decree No. 231/2001);
- Forgery of money, money values having legal tender or revenue stamps and identification instruments or signs (art. 25 bis, Legislative Decree No. 231/2001);
- Felonies against industry and commerce (art. 25 bis 1, Legislative Decree No. 231/2001);
- Corporate crimes (art. 25 ter, Legislative Decree No. 231/2001);
- Crimes committed for purposes of terrorism or crimes designed to subvert democracy (art. 25 quater, Legislative Decree No. 231/2001);
- Female genital mutilation practices (art. 25 quater 1, Legislative Decree No. 231/2001);
- Felonies against the individual (art. 25 quinquies, Legislative Decree No. 231/2001);
- Market abuse (art. 25 sexies, Legislative Decree No. 231/2001);
- Manslaughter or serious bodily harm committed with breach of laws governing the safeguarding of workplace health and safety (art. 25 septies, Legislative Decree No. 231/2001);
- Handling stolen goods, laundering and use of money, assets or benefits whose origin is illegal (art. 25 octies, Legislative Decree No. 231/2001);
- Felonies regarding the infringement of copyright (art. 25 novies, Legislative Decree No. 231/2001);
- Instigation to not testify or to make false statements to the courts (art. 25 decies, Legislative Decree No. 231/2001);
- Environmental crimes (art. 25 undecies, Legislative Decree No. 231/2001);
- Employment of illegal third-country nationals (art. 25 duodecies, Legislative Decree No. 231/2001);
- Racism and Xenophobia (art. 25 terdecies, Legislative Decree No. 231/2001);
- Fraud in sporting competitions, abusive gambling or betting and gambling by means of prohibited devices (art. 25 quaterdecies, Legislative Decree No. 231/2001);
- Tax related crimes (art. 25 sexiesdecies, Legislative Decree No. 231/2001);
- Contraband (art. 25 sexiesdecies, Legislative Decree No. 231/2001);
- Crimes against cultural heritage (art. 25 sepriesdecies, Legislative Decree No. 231/2001);

- Laundering of cultural property and destruction and looting of cultural heritage and landscape sites (art. 25 duodevices, Legislative Decree No. 231/2001);
- Liability of Entities for administrative offences resulting from crime (Law No. 9 of 14 January 2013, art. 12);
- Transnational crimes (Law No. 146 of 16 March 2006, articles 3 and 10).

The categories listed above are destined to increase further, due to the legislative tendency to broaden the scope of operation of the Decree, also in compliance with international and EU obligations.

1.3 SANCTIONS

Articles 9 - 23 of Legislative Decree No. 231/2001 provide for the following sanctions against the company, as a consequence of committing or attempting to commit the crimes mentioned above:

- financial sanction (and precautionary seizure);
- disqualifying sanctions (also applicable as a precautionary measure) lasting no less than three months and no more than two years (with the clarification that, pursuant to art. 14, paragraph 1, Legislative Decree No. 231/2001, *“the disqualifying sanctions have as their object the specific activity to which the Organisation's offence refers”*). Sanctions of this type may consist in:
 - disqualification from business activity;
 - suspension or revocation of authorisations, licenses or permits functional to the commission of the offence;
 - disqualification from negotiating with the public administration, except to obtain the performance of a public service;
 - exclusion from benefits, financing, contributions or subsidies and the possible withdrawal of those already granted;
 - prohibition on advertising goods or services;
- publication of the sentence (if a disqualifying sanction is applied);
- confiscation (and precautionary seizure).

The company is always fined and the amount of the fine is determined by the criminal court through a system based on a number of “quotas” that is no less than one hundred and no more than one thousand. The amount of one quota ranges from no less than €258.22 (two hundred fifty-eight Euro and twenty-two eurocents) to a maximum amount of €1,549.37 (one thousand five hundred forty-nine Euro and thirty-seven eurocents).

When establishing the amount of the fine, the Judge decides:

- the number of quotas, taking into account the seriousness of the offence, the extent of the Entity's liability and the activity performed to eliminate or mitigate the consequences of the offence and in order to prevent further unlawful acts being committed;
- the amount of the quota is set on the basis of the Entity's economic and financial conditions in order to ensure the penalty is effective.

The disqualification sanctions are applied only in relation to the Crimes for which they are expressly provided for and if at least one of the following conditions is met:

- the company obtained a significant profit from the offence and the offence is committed by senior executives or by persons working under the instruction of line managers when, in this case, the commission of the offence was caused or facilitated by severe organisational shortcomings;
- in case of repeated unlawful acts.

The Judge decides on the type and duration of the disqualification sanction taking into account the individual sanctions' suitability to prevent offences of the type committed and, if necessary, can apply them jointly (art. 14, paragraph 1 and paragraph 3, Legislative Decree No. 231/2001). Disqualification from exercising the activity, from negotiating with the Public Administration and from advertising goods or services can - in the most serious cases - be final.

The company's activity may continue (in lieu of application of the penalty) and be run by a temporary receiver appointed by the Judge pursuant to and under the conditions set out in art. 15 of Legislative Decree No. 231/2001.

1.4 EXEMPTION FROM ADMINISTRATIVE LIABILITY

Legislative Decree No. 231/2001 provides forms of exemption from the Entity's administrative liability. In particular, article 6 of Legislative Decree No. 231/2001 establishes that, in the event of a crime committed by a Senior Executive, the Entity is not liable if it can demonstrate that:

- the Entity's Management Body adopted and efficiently enacted, prior to the act being committed, Organisational and Management Models which are capable of preventing offences of the type that occurred;
- the task of overseeing such operations, compliance with the Models and dealing with updating the Models has been delegated to a body within the Entity vested with powers to act on its own initiative and conduct monitoring activities;
- the person committed the offence by fraudulently circumventing the organisational and management models;
- there has been no omission or insufficient oversight by the appointed body (referred to in art. 6, first paragraph, section b) of the Decree).

Consequently, there is a presumption of responsibility on the part of the Entity due to the fact that the Senior Executives express and represent the policy and, therefore the will, of the Entity itself. This presumption can be shown to be unfounded if the Entity can prove the existence of the four conditions reported above. In this case, although the senior executive is personally liable, the Entity is not responsible pursuant to Legislative Decree No. 231/2001.

Legislative Decree No. 231/2001 attributes, with regard to the liability of Entities, an exonerating value to the Organisation, management and control models to the extent that these models are suitable for preventing the crimes referred to in Legislative Decree No. 231/2001 and, at the same time, are adopted and effectively implemented by the top management body.

Article 7 of Legislative Decree No. 231/2001 establishes the administrative liability of the Entity for the Crimes of subordinate subjects, if their commission was made possible by failure to comply with management and supervision obligations. Such non-compliance is in any case excluded if the Entity, before the commission of the crime, has adopted and effectively implemented an Organisation, Management and Control Model suitable for preventing Crimes of the type that occurred.

1.5 LAWS CONCERNING WHISTLEBLOWING

Legislative Decree No. 24/2023, implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, modified the provisions of art. 6, paragraph 2 bis¹ of Legislative Decree No. 231/2001 regarding Whistleblowing reports, expressly providing that the Model 231s provide for internal reporting channels, the prohibition of retaliation against the whistleblower and an *ad hoc* disciplinary system (adopted pursuant to paragraph 2, section e] of art. 6 of Legislative Decree No. 231/2001).

Specifically, Legislative Decree No. 24/2023 has provided for specific protection aimed at people who report violations of national or European Union regulatory provisions that harm the public interest or the integrity of the public administration or private Entity, violations they became aware while working in a public or private company.

The Organisation, Management and Control Models must comply with the provisions of Legislative Decree No. 24/2023 by providing internal reporting channels (pursuant to art. 4, par. 1) which guarantee, also through the use of encryption tools, the confidentiality of the identity of the reporting person, of the person involved and of persons mentioned in any way in the report, and also the confidentiality of the report's content and the related documentation.

The management of the reporting channel can be entrusted to a person or to a dedicated independent internal office, with staff specifically trained to manage the reporting channel, or to an external party, also independent and with specifically trained staff.

The reports (managed internally or externally to the Entity) must be delivered:

- in written form, including electronically;
- orally through telephone lines or voice messaging systems;
- at the request of the reporting person, through a direct meeting arranged within a reasonable time.

Pursuant to art. 6 of Legislative Decree No. 24/2023, the reporting person can make an external report if, at the time of its submission, one of the following conditions occurs:

- within their working context, the mandatory activation of the internal reporting channel is not foreseen or this, even if mandatory, is not active or, even if activated, does not comply with the provisions of article 4 of the aforementioned decree;
- the reporting person has already made an internal report pursuant to Article 4 and it has not been followed up;
- the reporting person has reasonable grounds to believe that, if they made an internal report, it would not be followed up effectively or that the same report could lead to the risk of retaliation;
- the reporting person has reasonable grounds to believe that the violation may constitute an imminent or obvious danger to the public interest.

¹ Paragraph introduced by Law No. 179 of 30 November 2017, regarding Whistleblowing, Italian Official Gazette (G.U.) issue no. 291 of 14 December 2017, in force from 29 December 2017

With regard to external reporting channels, the Italian National Anti-Corruption Authority (NACA, ANAC in Italian) has activated a specific reporting channel which guarantees, also through the use of encryption tools, the confidentiality of the identity of the reporting person, the person involved and the person(s) mentioned in the report, and also of the report's content and the related documentation. The same confidentiality is also guaranteed when the report is made through channels other than those indicated above or reaches personnel other than those responsible for processing the reports, to whom it is promptly transmitted in any case.

If the external report were to be presented to a subject other than the NACA, it must be transmitted to the Authority within seven days of its receipt, with the reporting person being promptly notified of the submission.

In order to protect the confidentiality of the reporting party, art. 12 of Legislative Decree No. 24/2023 establishes that: *"the identity of the reporting person and any other information from which such identity can be deduced, directly or indirectly, cannot be disclosed, without the express consent of the reporting person themselves, to people other than those competent to receive or to follow up on such reports, expressly authorised to process such data pursuant to articles 29 and 32, paragraph 4, of Regulation (EU) 2016/679 and article 2-quaterdecies of the Personal Data Protection Code, Legislative Decree No. 196 of 30 June 2003"*; the identity of the people involved and the people mentioned in the report must be protected until the conclusion of the proceedings initiated following report submission, in compliance with the same guarantees provided in favour of the reporting person. If the identity of the reporting person has been revealed, they must be notified of the fact in writing; the letter must specify the reasons for disclosure.

Protection measures apply when:

- at the time the report or complaint is made to the judicial or accounting authority or at the time of the public disclosure, the reporting person or complainant had reasonable grounds to believe that the information on the violations reported or publicly disclosed was true and fell within the objective scope set out in Article 1 of the aforementioned Legislative Decree;
- the reporting or public disclosure was carried out on the basis of the provisions of Chapter II of the same Legislative Decree.

The reporting Entities or persons (pursuant to art. 3, Legislative Decree No. 24/2023) , as further specified in the relevant paragraph of this Model, cannot suffer any type of retaliation as a result of the report they made and, should this happen, they are guaranteed the possibility of reporting any behaviour committed in the working context directly to the Italian National Anti-Corruption Authority which will immediately inform the Department of Public Function at the Presidency of the Council of Ministers and any guarantee or disciplinary bodies, if the reporting person works in the public sector, or to the Italian National Labour Inspectorate (INL in Italian), if the retaliation occurred in the private sector.

With reference to the prohibition of retaliation, art. 17 lists, by way of example, certain actions that can be considered methods of retaliation: *i)* dismissal, suspension or equivalent measures; *ii)* demotion or failure to promote; *iii)* change of functions, change of place of work, salary reduction, modification of working hours; *iv)* suspension of training or any restriction of access to it; *v)* negative merit notes or negative references; *vi)* the adoption of disciplinary measures or other sanctions, including financial ones; *vii)* coercion, intimidation, harassment or ostracism; *viii)* discrimination or otherwise unfavourable treatment; *ix)* failure to convert a fixed-term employment contract into a permanent employment contract, where the worker had a legitimate expectation of such conversion; *x)* failure to renew or early termination of a fixed-term employment contract; *xi)* damage, including to the person's reputation, in particular

on social media, or economic or financial prejudice, including loss of economic opportunities and loss of income; *xii*) improper listing on the basis of a formal or informal sectoral or industry agreement, which may result in the person being unable to find employment in the sector or industry in the future; *xiii*) the early termination or cancellation of the contract for the supply of goods or services; *xiv*) the cancellation of a licence or permit; *xv*) the request to undergo psychiatric or medical tests.

The provisions of the aforementioned Legislative Decree No. 24/2023, pursuant to art. 1, par. 2, do not apply:

- to disputes, claims or requests linked to a personal interest of the reporting person or of the person who has filed a complaint with the judicial or accounting authority, which relate exclusively to their individual work or public employment relations, or inherent to their work or public employment relations with hierarchically superior figures;
- to reports of violations that are already regulated on a mandatory basis by the European Union or national laws listed in part II of the annex to Legislative Decree No. 24/2023, or by the national laws which constitute the implementation of the European Union laws listed in part II of the annex to Directive (EU) 2019/1937, even if not listed in part II of the annex to Legislative Decree No. 24/2023;
- to reports of breaches relating to national security, as well as procurement relating to aspects of defence or national security, unless such aspects fall under relevant secondary legislation of the European Union.

The obligation to inform the employer of any suspicious behaviour is already part of an employee's broader duty of diligence and loyalty to their employer and, consequently, the correct fulfilment of the information obligation cannot give rise to the application of disciplinary measures, except in cases where the information is characterised by slanderous intent, fraud, gross negligence or given in bad faith. In order to guarantee the effectiveness of the Whistleblowing system, it is therefore necessary for the Entity to provide accurate information to all staff and individuals who collaborate with it on the procedures and regulations adopted by the company and on the activities at risk, but also to raise awareness and understanding of and to disseminate the knowledge of the objectives and the spirit with which reporting must be carried out.

With the aim of implementing the provisions regarding the employee's duty of loyalty and the Whistleblowing law, it is therefore necessary to include in the Organisation, Management and Control Model, a system for managing the reports of offences which can protect the identity of the whistleblower and the related right to confidentiality, and introducing specific provisions, within the disciplinary system, aimed at sanctioning any acts of retaliation and discriminatory behaviours against the whistleblower.

1.5.1. THE WHISTLEBLOWING PROCEDURE IMPLEMENTED BY CHIMEC

Pursuant to the applicable legislation and regulatory changes introduced by Legislative Decree no. 24/2023, implementing Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union law and of national legislation, CHIMEC has implemented a Whistleblowing Management System in compliance with the new regulatory requirements, as well as with the ANAC (National Anti-corruption Authority) and Confindustria (Association of Italian Industries) Guidelines.

The system provides for that the Whistleblowing Management is carried out through specific channels and a Committee identified as the recipient and manager of reports, comprising of CHIMEC Legal Affairs Assistance Office Manager and Human Resources Manager (hereinafter referred to as the “Whistleblowing Committee”), both specifically trained.

The process of receiving and managing Whistleblowing reports is governed by "CHIMEC Whistleblowing Procedure nr. 02/23" (hereinafter referred to as “Whistleblowing Policy”) approved by CHIMEC’s Board of Directors on October 31st, 2023 and published on the Company’s website, which is the reference as to roles, functions, responsibilities, operating procedures of forwarding and managing Whistleblowing reports and, in any case, for what is not expressly laid out in this Model.

Whistleblowing Policy, which is the integral part of the Model, is addressed to those who have the right to make a Whistleblowing report pursuant to Legislative Decree no. 24/2023 such as: employees, collaborators, shareholders, persons who exercise (even as a mere fact) supervisory or representative functions of CHIMEC and other third parties interacting with the Company (including suppliers, consultants, intermediaries, etc.) as well as trainees, workers under probation, applicants for employment relationships and former employees, who are entitled to make a Whistleblowing report, if in possession of information about violations, i.e. behaviours, acts or omissions affecting the public interest or the integrity of the Company (or alleged such) of:

1. alleged illegal conducts and behaviour as defined by the Decree or any breaches of the Model;
2. offences falling within the scope of European Union or national acts (as defined by Legislative Decree no. 24/2023) relating to the following areas:
 - a) public procurement;
 - b) financial services, products and markets and prevention of money laundering and terrorist financing;
 - c) product safety and compliance;
 - d) transport safety;
 - e) protection of the environment;
 - f) radiation protection and nuclear safety;
 - g) food and feed safety and animal health and welfare;
 - h) public health;
 - i) consumer protection;
 - j) protection of privacy and protection of personal data and security of networks and information systems;

3. acts or omissions affecting the financial interests of the European Union, as defined in the Whistleblowing Decree;
4. acts or omissions relating to the internal market, including breaches of the European Union's competition and State aid rules, and breaches of the internal market relating to acts that contravene corporate tax rules or mechanisms whose purpose is to obtain a tax advantage that frustrates the object or purpose of the applicable corporate tax legislation, as referred to in the Whistleblowing Decree;
5. acts or conducts which frustrate the object or purpose of the provisions of the acts of the Union in the areas referred to in paragraphs 2, 3 and 4 above.

Disputes, claims or requests relating to a personal interest of the Whistleblower which relate exclusively to its individual employment relationship or are inherent in its employment relationship with hierarchically superior persons cannot be reported not falling within the scope of the Legislative Decree n. 24/2023.

In particular, reports may be submitted to the Whistleblowing Committee through the following alternative channels:

- a specific online platform, accessible by all Whistleblowers/reporting persons (employees, third parties etc.) via CHIMEC website through the dedicated section: <https://whistleblowing.chimec.com/>, suitable to guarantee, by computer, the confidentiality of Whistleblower;
- as an alternative to electronic communication via the above-mentioned online computer platform, CHIMEC has set up the following specific communication channels:
 - Email to be sent to: comitatowhistleblowing@chimec.it;
 - Ordinary mail to be sent **exclusively** to:
CHIMEC S.p.A.
Via delle Andes 19
Rome, 00144

For the attention of the Whistleblowing Committee – STRICTLY CONFIDENTIAL

- oral form, alternatively via telephone lines, with voice messaging systems, also on the online platform, or face-to-face (on request).

In relation to the reports relating to the Model/Code of Ethics, the Whistleblowing Committee shall carry out the above activities in agreement and with the support of the SB. The interactions between the Whistleblowing Committee and the SB take place through joint meetings and the online platform, in compliance with the confidentiality requirements envisaged by Legislative Decree no. 24/2023.

The Whistleblowing Committee may request the support of internal functions or specialized external consultants, in compliance with the confidentiality requirements envisaged by Legislative Decree no. 24/2023.

The Whistleblowing Committee may also request clarifications and/or integrations from the person involved during the reporting management activities.

The reports (and related documentation) are kept through the online platform for the time strictly necessary to process them and anyhow no later than 5 (five) years upon the date of notification of the final outcome of the reporting management process.

1.5.2. NULLITY OF THE RETALIATORY AND DISCRIMINATORY MEASURES ADOPTED AGAINST THE WHISTLEBLOWER

The acts undertaken in violation of article 17 of Legislative Decree no. 24/23 (prohibition of retaliation) are void. Whistleblowers who have been dismissed as a result of the report or who have been the victims, more generally, of retaliatory acts, have the right to be reinstated in their jobs.

1.5.1 LOSS OF PROTECTIONS GUARANTEED BY LAW IN THE EVENT THE WHISTLEBLOWER IS ACTING IN BAD FAITH

The protections granted to Senior Executives positions, to staff working under the instruction of line managers, as well as to those who collaborate with the Entity cease if the Whistleblower is found guilty (even in first instance judgement) of the criminal offence of slander, defamation or other crimes concretely attributable to a false report. Likewise, protections in favour of the Whistleblower are not guaranteed in the event that a civil court rules the Whistleblower has filed reports in bad faith, resulting from wilful misconduct or gross negligence.

2 CHIMEC S.p.A.

CHIMEC S.p.A., established in 1971, is an Italian company specialised in the development and application of additives and innovative technologies for Oil & Gas, upstream and downstream, and other industrial sectors (Metal Working, Pharmaceutical, etc.).

The Company's main business lines are: Oilfield, Refining and Petrochemical Processes, Fuel Additives, Industrial Water Treatment and Decontamination of Industrial Plants.

The CHIMEC holding includes four wholly owned subsidiaries and two sub-subsidiaries. The parent company, CHIMEC S.p.A., is based in Rome, where Production, Research and Development and Marketing operate.

2.1 THE CORPORATE GOVERNANCE OF CHIMEC S.p.A.

The Company has a traditional top-down organisational structure.

The Board of Directors is invested with the broadest powers for the ordinary and extraordinary management of the Company and has the right to carry out all the actions it deems appropriate for the implementation and achievement of the corporate objectives, excluding only those that the law or statute strictly reserve to the Assembly.

The Chairperson of the Board of Directors is appointed within the Board of Directors.

The Chief Auditor is responsible for supervising compliance with the law and the statute, compliance with the principles of correct administration and for checking the Company's organisational structure, the internal control system and the administrative accounting system are adequate.

2.2 THE INTERNAL CONTROL SYSTEM

The Company's internal control system is a structured system of activities, procedures, behavioural rules and organisational structures designed to monitor the Company's main risks, in compliance with company strategies.

The Company has designed and implemented an internal control system, consistent with national and international best practices; the main components are described below.

It should be noted from the very beginning that the (general and specific) rules and behavioural principles set out in the Special Sections of this Model constitute an integral part of the Company's overall internal control system.

2.2.1 THE ORGANISATIONAL STRUCTURE

A clear, formalised, fit-for-purpose organisation communicated to staff is a key element of the internal control system. CHIMEC S.p.A., in defining its organisation, adopts criteria that allow:

- the clear definition of the responsibilities attributed to the staff and the dependence lines linking organisational positions;
- the existence of the opposition of functions and segregation of tasks or, alternatively, the existence of compensatory organisational and control measures;
- the correspondence between the activities actually carried out and what is required by the formalisation of the organisation.

The Company's management has defined the internal organisational structure most suitable to achieving its objectives.

In order to clarify the roles and responsibilities within the corporate decision-making process, CHIMEC S.p.A. has prepared:

- an organisational chart;
- a system of delegations and powers;
- a procedural system.

The organisational system is defined and communicated through the issue of organisational communications, the formalisation and dissemination of which are ensured by the competent functions, as well as organisational charts prepared and updated by the competent functions.

2.2.2 THE CODE OF ETHICS

The culture of shared responsibility and the integrity of the decisions and actions of employees, suppliers and, in general, third parties of CHIMEC S.p.A. are the basis of the Company's vision.

An essential element of integrity is compliance with the law and internal rules. The CHIMEC S.p.A. Code of Ethics consists in a set of rules of conduct and general principles that all internal and external subjects who directly or indirectly have relations with the Company must comply with.

The fundamental principles include:

- **compliance with the law** when executing activities;
- the correct **management of conflicts of interest** and the **fight against corruption**;
- the recognition of the value of **fair competition**;
- the management of **private and confidential information**;
- the **protection of the Company's assets and resources** (including company secrets and confidential information) from unlawful, unauthorised or irresponsible use;
- the **protection of CHIMEC S.p.A. intellectual property** against unauthorised use or improper disclosure;
- the protection and promotion of **human resources**;
- the presence of **safe working environments, free from discrimination and harassment** based on race, colour, religion, gender, age, sexual identity or orientation, language, religion, political opinions, disability, national or social origin or any other condition protected by law.

The Code of Ethics, therefore, represents the maximum expression of the guiding principles of the Company and also the inspiring principle and foundation of what is provided for and established in this Model.

The violation of the Code of Ethics entails the application of the sanctioning measures provided for by the disciplinary system of this Model.

2.2.3 THE PROCEDURAL SYSTEM

To manage company processes, the Company has prepared a procedural system consisting of policies, procedures, manuals and operating instructions aimed at governing the relevant processes and providing operational methods and control measures for the execution of company activities.

The Company operates using formalised internal procedures which have the following characteristics:

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- adequate dissemination within the company structures involved in the activities;
- regulation of the methods for the execution of activities;
- clear definition of the responsibilities for the activities, respecting the principle of separation between the person who initiates the decision-making process, the person who carries out and concludes it, and the person who controls it;
- traceability of deeds, operations and transactions through adequate documentary support, certifying the characteristics and motivations of the operation and identifying the subjects involved in the operation in various capacities;
- provision of specific control mechanisms (such as reconciliations, balancing, etc.) such as to guarantee the integrity and completeness of the data managed and the information exchanged within the organisation.

The entire procedural system is disseminated through specific internal communication channels and is available to all employees in specific sections of the company intranet.

2.2.4 INFORMATION TECHNOLOGY SYSTEMS

The Company has equipped itself with specific IT systems that guarantee the security, traceability and confidentiality of the data as well as a high level of protection of the information contained therein.

In order to mitigate any risks associated with the management of corporate IT systems, the Company has defined specific stringent rules and limitations such as, for example:

- structured login system;
- use of specific tools that can guarantee the identification of any unlawful operations carried out by third parties and the monitoring of networks and other company tools;
- use of specific Data Loss Prevention systems;
- continuous security scanner testing, in order to identify any vulnerabilities and implement the necessary corrective actions.

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2.2.7 RELATIONS WITH GROUP COMPANIES

CHIMEC S.p.A. receives and provides services from/to Group companies that may involve at-risk activities and operations referred to in the Special Sections of this Model.

Specifically, global commercial activities are followed by the subsidiaries CHIMEC GmbH (Germany), OOO KIMEK (Russia), CHIMEC Asia Pacific Pte Ltd (Singapore) and CHIMEC Gulf Fze (United Arab Emirates) and by two sub-subsidiaries, CHIMEC (Thailand) Company Limited and CHIMEC Angola LDA.

Services are provided in compliance with the provisions of the Code of Ethics and this Model and are governed by specific formalised agreements (known as “service contracts”), which are communicated to the Company's Supervisory Body.

3 ORGANISATION, MANAGEMENT AND CONTROL MODEL (MOG 231)

3.1 ADOPTION AND UPDATES OF THE CHIMEC S.P.A. ORGANISATIONAL MODEL

The Company adopted the first edition of its Organisation, Management and Control Model on 25 October 2016.

The current version of the Model was, however, adopted with a resolution of the Board of Directors dated 31 October 2023.

The modifications and additions to this Model are made by the Management Body, also following information from the Supervisory Body which deals with Model updating. The Company's Board of Directors takes decisions regarding the implementation of the Model, by evaluating and approving the actions necessary for the implementation of its constituent elements.

In the definition of the Model, in addition to the characteristics of the Company (organisational structure, corporate governance system, corporate context and areas of operation, etc.), the following were taken into account:

- the Guidelines issued by Confindustria, as updated over time;
- the evolution in legal theory and legal practice;
- best practices.

3.2 MODEL OPERATION

The Organisation, Management and Control Model is a structured and organised system of principles, internal rules, operational procedures and control activities for the purpose of diligent and transparent execution of the Company's activities, in order to prevent behaviour that could lead to the crimes and offences provided for by Legislative Decree No. 231/2001 and its subsequent amendments and additions.

In particular, pursuant to paragraph 2 of article 6 of Legislative Decree No. 231/01, the MOG 231 model must appropriately meet the need to:

- identify sensitive activities, i.e. the activities in which crimes can be committed, according to a risk assessment approach;
- recall and specify, where possible, at the level of the crime risks in question, the general behavioural principles of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, i.e. the specific control procedures implemented by the Company for the purpose of preventing crime risks, which the Recipients are required to follow for the correct application of this Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the officers' activity plan;
- identify ways to manage financial resources suitable for preventing the commission of crimes;

- introduce a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the Model.

In compliance with article 6 of Legislative Decree No. 231/2001 and the interpretative and application guidelines developed by the most representative trade associations (and, specifically, the ones provided by Confindustria), CHIMEC S.p.A. has defined the general principles, structure and components of its Organisation, Management and Control Model.

In consideration of the above, the Special Sections of the Model have the objective of directing the sensitive activities carried out by the Recipients (defined in the following paragraph) in order to prevent the Crimes referred to in Legislative Decree No. 231/2001.

Specifically, they aim to:

- illustrate the types of crime attributable to the crime families referred to in the Decree;
- identify sensitive activities, i.e. the activities that the Company carries out and that, according to a risk assessment approach, the crime risks illustrated in the previous point are deemed to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general behavioural principles of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, i.e. the specific control procedures implemented by the Company for the purpose of preventing the crime risks in question and that the Recipients are required to observe for the correct application of the Special Section of the Model (included below);
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

3.3 RECIPIENTS OF THE MODEL

The Recipients (hereinafter “Recipients”) of this Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001 of CHIMEC S.p.A. are the company’s Senior Executives and employees, who commit to complying with its contents.

By virtue of specific contractual clauses and limited to the execution of sensitive activities in which they may participate, external subjects (hereinafter, the “External Subjects”) may be required to comply with specific obligations needed for the internal control activities established in the Special Sections. These External Subjects are:

- Collaborators, Consultants and, in general, self-employed freelancers who operate within sensitive areas of activity on behalf or in the interests of the Company;
- suppliers and partners (also in the form of temporary associations of companies, as well as joint ventures) who operate significantly and/or continuously within the so-called sensitive areas of activity, on behalf or in the interests of the Company.

The External Parties thus defined must also include subjects that, although working for other Group companies, essentially operate in a significant and/or continuous manner within sensitive areas of activity on behalf or in the interests of the Company.

3.4 THE METHODOLOGICAL APPROACH

3.4.1 METHODOLOGY ADOPTED

An Organisation, Management and Control Model, adopted pursuant to Legislative Decree No. 231/2001, must be created and implemented in order to prevent, within reasonable limits, the commission of the Crimes listed in the Decree itself.

In this regard, the analysis of the organisational structure is of particular importance in order to:

- identify sensitive activities in which there could be opportunities that favour unlawful behaviour;
- describe the internal control system to protect the sensitive activities identified.

The identification and analysis of sensitive activities must be promoted every time organisational and regulatory changes occur.

This identification and analysis activity requires the direct involvement of the Senior Executives, i.e. the Directors, and, in general, of all those who, within the scope of their activities, have significant decision-making and management autonomy with regard to their Company.

For further details on the methodology adopted, please read the *“Methodology for evaluating sensitive activities pursuant to Legislative Decree No. 231/01”* document.

The document aims to set out the methodology and tools to support the phase of analysing the activities potentially at risk of crimes as defined in Legislative Decree No. 231/01.

3.5 THE SYSTEM OF DELEGATIONS AND POWERS

3.5.1 PRINCIPLES

The purpose of the system of delegations and powers is to:

- assign roles and responsibilities to each company sector;
- identify the natural persons who can operate in specific company activities;
- formalise the attribution of decision-making powers and their economic scope.

Among the inspiring principles of this system are a clear and organised assignment of tasks, in order to avoid power overlaps or vacuums, as well as the segregation of responsibilities and the opposition of interests, to prevent power concentrations, in compliance with the requirements of the Organisational Model envisaged by Legislative Decree No. 231/2001.

The system of delegations and powers must be consistent with the policies for assuming, evaluating and managing the most significant risks and with the established risk tolerance levels.

The Company undertakes to create, maintain and communicate an organisational system that formally and clearly defines the assignment of management, coordination and control responsibilities within the company, as well as the levels of hierarchical dependence and the description of each employee's tasks.

CHIMEC S.p.A. has already adopted an external power of attorney system consistent with the responsibilities assigned to each director or senior executive, with the indication of quantitative spending thresholds.

3.6 THE SANCTIONING SYSTEM

3.6.1 INTRODUCTION

The effective implementation of the Organisation, Management and Control Model cannot exclude the preparation of an adequate sanctioning system, which performs an essential function in the architecture of Legislative Decree No. 231/2001: it constitutes the safeguard for internal procedures (pursuant to art. 6, paragraph 2, section e] and art. 7, paragraph 4, sec. b] of Legislative Decree No. 231/2001).

Indeed, in order for the Organisation, Management and Control Model to effectively exempt the Company, it must provide, as indicated in art. 6, paragraph 2, mentioned above, *“a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the Model”* itself.

The requirements to which the sanctioning system must respond (as they are not explicitly mentioned in the Decree) can be deduced from existing legal theory and legal practice, which identifies them as:

- **Specificity and autonomy:** *specificity* is expressed in the preparation of the Company's internal sanctioning system, aimed at punishing any violation of Model 231, regardless of whether or not it results in a crime being committed; the requirement of *autonomy*, on the other hand, is expressed in the self-sufficiency of the internal disciplinary system's function in relation to external systems (e.g. criminal courts), i.e. the Company is called upon to sanction the violation regardless of the progress of the case in the criminal courts; this is in consideration of the type of violation relating to the protocols and procedures envisaged in the Model;
- **Compatibility:** the procedure for ascertaining and imposing the sanction, as well as the sanction itself, cannot be in conflict with the legal and contractual provisions that regulate the employment relations existing with the Company;
- **Suitability:** the system must be efficient and effective for the purpose of preventing crimes being committed;
- **Proportionality:** the applicable or applied sanction must be proportionate to the detected violation;
- **Preparation of a written document and suitable disclosure:** the sanctioning system must be drawn up in writing and the Recipients must be suitably informed and trained (therefore, simply publishing it in a place accessible to all is not considered sufficient).

It therefore appears clear that committing violations would compromise the bond of trust between the Parties, legitimising the application of disciplinary sanctions by the Company.

A substantial prerequisite of the Company's disciplinary power is the attribution of the violation to the worker (subordinate, senior executive or collaborator), and this regardless of the fact that said behaviour constitutes a violation from which criminal proceedings arise.

As mentioned previously, a fundamental requirement relating to sanctions is their proportionality in relation to the discovered violation. This proportionality must be assessed in accordance with two criteria:

- the seriousness of the violation;
- the type of employment relation established with the worker (salaried, continuous contract, managerial, etc.), taking into account the specific legislation existing on a legislative and contractual level.

3.6.2 DEFINITION AND LIMITS OF DISCIPLINARY RESPONSIBILITY

The Company, aware of the need to comply with the laws and provisions in force on the subject, ensures that the sanctions that can be imposed pursuant to this sanctioning system comply with the provisions of the relevant Italian Collective Labour Agreement. It also guarantees that, on a procedural level, art. 7 of Law No. 300 of 30 May 1970 (Workers' Statute) applies for the notification of the offence and for the imposition of the relevant sanction.

3.6.3 RECIPIENTS AND THEIR DUTIES

The Recipients of this disciplinary system are the Recipients of the MOG 231 model itself.

The Recipients have the obligation to align their conduct with the principles established in the Code of Ethics and with all the principles and measures for the organisation, management and control of the company activities defined in the MOG 231 model.

Any possible violation of the aforementioned principles, measures and procedures represents (if confirmed):

- in the case of Employees and Senior Managers, a breach of contract in relation to the obligations arising from the employment contract pursuant to Articles 2104 and 2106 of the Italian Civil Code;
- in the case of Senior Executives, failure to comply with the duties imposed on them by law and the Articles of Association pursuant to Article 2392 of the Italian Civil Code;
- in the case of External Parties, a breach of contract and legitimate cause for termination of the contract, without prejudice to compensation for damages.

The procedure for the imposition of the sanctions listed below therefore takes into account the particular features of the legal status of the person against whom proceedings are being taken.

In all cases, the Supervisory Body must be involved in the disciplinary action leading to disciplinary sanctions.

The Supervisory Body verifies that specific procedures are adopted so that all the above-mentioned subjects, from when relations with the Company begin, are fully informed of the existence and content of this sanctioning system.

3.6.4 GENERAL PRINCIPLES RELATING TO SANCTIONS

The sanctions imposed for infringements must, in any case, respect the principle of graduality and proportionality in relation to the seriousness of the committed violations.

Establishing the type and extent of the sanction imposed if violations are committed, including offences relevant pursuant to Legislative Decree No. 231/2001, must be based on respect and evaluation of the following:

- the intentionality of the behaviour leading to the violation;
- the negligence, imprudence and incompetence demonstrated by the offender when committing the violation, especially in reference to the actual possibility of predicting the event;
- the relevance and possible consequences of the violation or offence;
- the position held by the acting subject within the company organisation, especially in consideration of the responsibilities connected to their position;
- any aggravating and/or mitigating circumstances that may be detected in relation to the behaviour of the Recipient, including, by way of example, the imposition of disciplinary sanctions against the same person in the two years preceding the violation or offence;
- the participation of several Recipients, in agreement with each other, in committing the violation or offence.

The procedure for disciplinary action and the imposition of the sanction differ according to the category of the offending party.

3.6.5 PENALTIES APPLICABLE TO SALARIED EMPLOYEES

Employee behaviours in violation of the individual behavioural rules listed in this MOG 231 model are defined as disciplinary offences.

The sanctions that can be imposed on Employees are among the ones set out in the company disciplinary system and/or in the sanctioning system provided for by the National Collective Labour Agreement adopted by the company, in compliance with the procedures established by article 7 of the Workers' Statute and any applicable special regulations.

The Company's corporate disciplinary system is therefore made up of the relevant provisions of the Civil Code and the contractual provisions envisaged by the applied NCLA. In particular, the disciplinary system describes the behaviours sanctioned, depending on the relevance of the individual types of offence considered and the sanctions actually foreseen for committing the offences based on their seriousness.

In relation to the above, the MOG 231 model refers to the sanctions and categories of sanctionable facts provided for by the existing sanctioning system within the NCLA, in order to bring any MOG 231 model violations into the cases already provided for by the aforementioned provisions.

The Company believes that the sanctions provided for in the NCLA apply, in accordance with the methods indicated below and in consideration of the general principles and criteria identified in the previous point, in relation to the infringements defined above.

In particular, for employees, the application of the NCLA for workers in the chemical and chemical-pharmaceutical industry and in the sector of chemical fibres and abrasives, lubricants and LPG, provides for the following sanctions:

- a. Verbal warning;
- b. Written warning;
- c. Fine not exceeding four hours of hourly wages;
- d. Suspension from work and no pay for up to a maximum of eight days;
- e. Dismissal for misconduct pursuant to art. 40 of the NCLA.

- (a) verbal warning for minor misdemeanours, or (b) written warning, having a more specific warning character.

The verbal or written warning, in accordance with the NCLA, is applicable to the employee in the event of:

- first offence of limited seriousness;
- negligent violation of the information obligations towards the Supervisory Body provided for by the MOG 231 model;
- in general, minor failure to comply with the duties established by the internal procedures envisaged by the MOG 231 model or behaviour that does not comply with the requirements of the MOG 231 model itself when carrying out an activity in an at-risk area or with the instructions given by supervisors/managers.

(c) **fine not exceeding four hours of hourly wages.**

The fine (in an amount not exceeding the amount of four hours of normal pay), in accordance with the NCLA, is applicable to the Employee in the event of:

- ineffectiveness of the verbal or written warning, or in cases where the nature of the violation is such as to suggest the inadequacy of the warning;
- first more serious violation, also in relation to the duties performed;
- ineffectiveness of the verbal or written warning, or first more serious violation of the confidentiality obligations regarding the identity of whistleblowers provided for by Legislative Decree No. 24/2023 to protect the Employee or Collaborator who reports crimes, as well as carrying out minor acts of retaliation or discrimination against the author of the report;
- in general, (repeated or quite serious) non-compliance with the duties established by the internal procedures envisaged by the MOG 231 model or behaving in a way that does not comply with the provisions of the Model itself when carrying out an activity in an at-risk area, or with the instructions given by managers/supervisors, or with the provisions regarding the protection of the Employee or Collaborator who reports offences pursuant to Legislative Decree No. 24/2023.

(d) suspension from work and no pay for up to a maximum of eight days.

Suspension from pay and service (for a period not exceeding eight days of actual work), in accordance with the NCLA, is applicable to Employees in the event of:

- repeated offences;
- first more serious violation, also in relation to the duties performed;
- in general, failure to comply (repeatedly or quite seriously) with the duties established by the internal procedures envisaged by the MOG 231 model or behaving in a way that does not comply with the provisions of the Model itself in the execution of an activity in an at-risk area or with the instructions given by supervisors/managers.

(e) dismissal for misconduct pursuant to art. 40.

Disciplinary dismissal without notice applies in the event of behaviour that does not comply with the provisions of Organisational Model 231 and is unequivocally aimed at committing one of the crimes sanctioned by Legislative Decree No. 231/2001. It therefore leads to the disciplinary sanction of **dismissal** in compliance with the NCLA.

Specifically, the sanction applies in the event that an employee has, wilfully and negligently (in the latter case, only for Crimes relating to occupational health and safety), committed a violation so serious that it can be considered, even in a purely abstract way, a crime pursuant to the Legislative Decree No. 231/2001.

With regards to the investigation of the aforementioned violations, the disciplinary proceedings and the imposition of sanctions, the employer's powers remain unchanged, possibly conferred to specific subjects delegated for this purpose.

The Supervisory Body must be involved in the procedure for imposing sanctions for MOG 231 violations, in the sense that a disciplinary sanction for MOG 231 violations cannot be imposed without prior communication to the Supervisory Body.

This communication becomes superfluous when the application of the sanction is proposed by the Supervisory Body itself.

The Supervisory Body must also be notified of any disciplinary proceedings referred to in this paragraph that have been dismissed.

Workers will be given immediate and widespread information about the introduction of any new provision, with the reasons explained in a circular issued internally, which will contain a summary of the provision.

3.6.6 PENALTIES APPLICABLE TO SENIOR MANAGERS

A trust-based nature is the distinguishing feature of managerial relations. A Senior Manager's behaviour is reflected not only within the Company, but also externally, for example in relation to the company's image in the market and, in general, in relation to the various stakeholders.

Therefore, compliance by the Company's Senior Managers with the provisions of this MOG 231 model and the obligation to enforce it are considered an essential element of managerial employment relations, since this compliance sets an example and stimulates all the people who hierarchically depend on the Senior Managers.

The sanctions that can be imposed on Senior Managers can be found in the disciplinary system provided for in the NCLA for workers in the chemical and chemical-pharmaceutical industry and in the sector of chemical fibres and abrasives, lubricants and LPG. They are applicable in compliance with the procedures provided for in Article 7 of the Workers' Statute and any applicable special regulations.

Any violations committed by the Company's Senior Managers (to be understood not only as direct violations of the Organisation, Management and Control Model, but also of Legislative Decree No. 231/2001 and the laws and decrees connected to it), because of the particular relationship of trust existing between these managers and the Company and because of the lack of a disciplinary reference system, will be sanctioned with the disciplinary measures deemed most suitable on a case-by-case basis, in compliance with the general principles previously identified in the *"General principles relating to sanctions"* paragraph, compatibly with legal and contractual provisions, and in consideration of the fact that the aforementioned violations constitute, in any case, a failure to fulfil the obligations deriving from the employment relation.

The same disciplinary measures are envisaged in cases in which a Senior Manager expressly, or through failure to supervise, allows employees hierarchically subordinate to them to behave in ways that do not comply with the MOG 231 model and/or are in violation of the model, behaviours that can be classified as violations, i.e. behave in ways that violate the legislative decree that protects the employee or collaborator who reports illicit conduct relevant for the purposes of Legislative Decree No. 231/2001 or violations of the MOG 231 model of which they became aware due to the functions performed.

If the violations of the MOG 231 model, or of Legislative Decree No. 231/2001 and the laws and decrees connected to it, including Legislative Decree No. 24/2023 regarding Whistleblowing, by Senior Managers constitute a criminally relevant case, the Company reserves the right to apply (at its discretion) the following alternative provisional measures against the people responsible and pending criminal proceedings:

- precautionary suspension of the Senior Manager from work, with the right to full remuneration;
- assignment to a different position within the Company.

If the ruling of the criminal court confirms the Senior Manager has violated the MOG 231 model and the court convicts them of one of the Crimes provided for therein, the Senior Manager in question will be subject to the disciplinary measure reserved for more serious offences.

The sanction of dismissal for just cause applies in the case of violations which may lead to the application of precautionary sanctions provided for by Legislative Decree No. 231/2001 against the Company. Violations of this kind are concrete evidence of the lack of the trust element in the employment relations, which do not allow even the temporary continuation of the employment relationship itself, which finds its fundamental prerequisite in *intuitu personae*.

The Supervisory Body must be involved in the procedure for imposing sanctions on Senior Managers for the violation of the MOG 231 model, in the sense that no sanction for MOG 231 violations can be imposed on a Senior Manager without the prior involvement of the Supervisory Body.

This involvement is presumed when it is the Supervisory Body itself asking for the application of the sanction.

The Supervisory Body must also be notified of any disciplinary proceedings referred to in this paragraph that have been dismissed.

3.6.7 MEASURES AGAINST SENIOR EXECUTIVES (ART. 5, FIRST PARAGRAPH, SECT. A), LEGISLATIVE DECREE NO. 231/01)

The Company is very strict when judging MOG 231-related violations by people who represent the Company's top management and who present the Company's image to employees, shareholders, customers, creditors, the Supervisory Authorities and the public in general. The values of correctness and transparency must first of all be adopted, shared and respected by the people who guide company choices, so that they set an example and stimulate people who, at any level, work for the Company.

Violations of the principles and measures provided for by the MOG 231 model adopted by the Company, as well as any failure to comply with Legislative Decree No. 24/2023 regarding Whistleblowing (i.e. a violation of confidentiality obligations regarding the identity of the reporting subject or acts of retaliation

or discrimination against the whistleblower) committed by the members of the Board of Directors of the same Company must be promptly communicated from the Supervisory Body to the entire Board of Directors.

The responsibility of the directors towards the Company is, to all intents and purposes, regulated by art. 2392 of the Italian Civil Code.²

The Board of Directors is responsible for evaluating the violation and for taking the most appropriate measures against the director(s) who committed the violations. In this evaluation, the Board of Directors is assisted by the Supervisory Body and decides by an absolute majority of the people present, excluding the director or directors who committed the infringements.

The sanctions applicable to senior executives are the revocation of the delegations or removal from office and, in the event that the senior executive is linked to the Company by a salaried employment contract, dismissal.

The Board of Directors, pursuant to art. 2406 of the Italian Civil Code, may, in compliance with the applicable legal provisions, convene the Shareholders' Meeting if deemed necessary. Convening of the Shareholders' Meeting is mandatory for resolutions regarding possible removal from office or liability action against the directors (it is specified that the liability action against the directors has a compensatory nature and, therefore, it cannot be considered a sanction).

3.6.8 MEASURES AGAINST STATUTORY AUDITORS

In case of violation of the provisions and rules of conduct referred to in this Organisation, Management and Control Model, as well as any failure to comply with Legislative Decree No. 24/2023 regarding Whistleblowing (consisting in a violation of confidentiality obligations regarding the identity of the author of the report or in acts of retaliation or discrimination against the whistleblower, by one or more auditors³, the Supervisory Body must promptly inform the entire Board of Statutory Auditors and the Board of Directors, in the person of the Chairperson and the CEO, via a written report.

² Art. 2392 of the Italian Civil Code, **Responsibility towards the company**.

1. The directors must fulfil the duties imposed on them by law and the articles of association with the diligence required by the nature of the role and their specific skills. They are jointly and severally liable to the company for damages resulting from failure to comply with these duties, unless these are specific duties of the executive committee or functions specifically attributed to one or more directors.
2. In any case, the directors, without prejudice to the provisions of the third paragraph of art. 2381, are jointly and severally liable if, being aware of prejudicial facts, they did not do everything they could to prevent their occurrence or eliminate or mitigate their damaging consequences.
3. Responsibility for the acts or omissions of the senior executives does not extend to the ones who, being free from blame, have had their disagreement promptly noted in the book of meetings and resolutions of the Board, giving immediate written notice to the chairperson of the Board of Statutory Auditors.

³ Although auditors cannot be considered - in principle - subjects in a top management position, it is theoretically possible to consider their involvement, even indirect, in the commission of the Offences referred to in the Decree (possibly by aiding Subjects in top management positions).

The recipients of the Supervisory Body's information will be able to take, in accordance with the Articles of Association, the appropriate measures, including, for example, convening the shareholders' meeting, in order to adopt the most suitable measures required by law.

In the case of violations that are just cause for removal from office, the Board of Directors proposes to the Assembly the adoption of the relevant measures and provides for the further obligations established by law.

3.6.9 MEASURES AGAINST THE MEMBERS OF THE SUPERVISORY BODY

Violations of this Organisation, Management and Control Model, as well as any failure to comply with Legislative Decree No. 24/2023 on Whistleblowing (consisting in a violation of the confidentiality obligations regarding the identity of the author of the report or in acts of retaliation or discrimination against the whistleblower), committed by the members of the Supervisory Body must be promptly communicated, by the Sole Auditor or by the directors, to the Board of Directors.

These bodies, after notifying the violation and granting adequate defence tools, will adopt the appropriate measures such as, by way of example, removal from office.

3.6.10 MEASURES AGAINST EXTERNAL SUBJECTS

Any behaviour of any external party (collaborators, agents and representatives, consultants and, in general, self-employed freelancers, as well as suppliers and partners, also in the form of temporary associations of companies, as well as joint ventures) that is in contrast with the lines of conduct indicated by this MOG 231 model and such as to entail the risk of committing a crime provided for by Legislative Decree No. 231/2001, as well as any failure to comply with Whistleblowing procedures (violation of the confidentiality obligations regarding the identity of the author of the report or acts of retaliation or discrimination against the whistleblower), may result, in accordance with the provisions of the specific contractual clauses included in the letters of appointment or in the contracts, in the termination of the contract or the right to withdraw from the contract, without prejudice to any request for compensation if such behaviour causes damage to the Company, such as, including but not limited to, in the case of application to the Company (even on a precautionary basis) of the sanctions provided for by the Decree.

The Supervisory Body, in coordination with the CEO or other person delegated by them, verifies that specific procedures are adopted to transmit to external parties the principles and lines of conduct contained in this MOG 231 model and in the Code of Ethics. It also verifies that the external parties are informed of the consequences that may arise from their violation.

3.7 THE COMMUNICATION AND TRAINING PLAN

3.7.1 MODEL-RELATED COMMUNICATION AND TRAINING

The MOG 231 model (and the Code of Ethics) will be communicated to the Recipients in the ways indicated below:

- **internal staff** (Employees, new hires, etc.): the MOG 231 model (General Section and Special Sections) and the Code of Ethics will be published on the company intranet. All staff will, therefore, be informed regarding the publication (and/or updating) of the aforementioned documents with a specific communication, which will be sent to the company e-mail inbox;
- **external subjects** (suppliers, collaborators, consultants, etc.): the General Section of the MOG 231 model and the Code of Ethics will be published on the company website <http://www.chimec.com/it/modello-231-01/>.

The Supervisory Body will be responsible for verifying the quality of the training courses, the frequency of refresher classes as well as the actual participation of the staff in them.

The training courses must include: i) an introduction to the regulations and Confindustria Guidelines; ii) an in-depth study dedicated to the principles contained in the Code of Ethics and in the General Section of the MOG 231 model; iii) a description of the role of the SB; iv) a description of the sanctions system.

3.8 SUPERVISORY BODY

3.8.1 REGULATORY CONTEXT

Article 6, first paragraph, section b) establishes, with regard to the action of senior executives, that *“the task of overseeing the function and compliance with the models and seeing to the updating of same”* must be delegated to *“an organisation within the Entity vested with powers to act on its own initiative and conduct monitoring activities.”*

Although there is no express legislative reference in relation to the action of people *working under the instruction of line managers* for the purposes of the effective implementation of the Model, article 7, paragraph 4, section a) requires *periodic verification and possible modification of the same if significant violations of the provisions are discovered or if changes occur in the organisation or activity*. This activity is a typical

duty of the Supervisory Body.

The Supervisory Body is the corporate function responsible for supervising that the MOG 231 model is applied, in terms of control on ethical, organisational and management procedures.

3.8.2 PROCESS OF APPOINTMENT AND REMOVAL FROM OFFICE

The Supervisory Body is appointed by the Board of Directors, subject to resolution.

The appointment must explain the criteria adopted for the identification, structuring and characterisation of the body or of the function assigned to the role of Supervisory Body, as well as the reasons that led to making that choice and to appointing the individual members of the Supervisory Body.

In the monocratic composition, the Board of Directors appoints a member of the Supervisory Body. In any case, the member, at the time of appointment and for the entire period of validity of the office, must not be linked in any way, in any capacity, to the Company by any type of dependence or subordination relations, nor hold managerial positions within the Company.

The member of the Supervisory Body must personally meet the requirements of good repute and morality.

The following are causes of ineligibility:

- being the owner, directly or indirectly, of shareholdings of such a size as to allow the member to control or have significant influence over the Company;
- being a close family member of the Company's senior executives or of individuals who find themselves in the situations indicated in the previous points;
- being disqualified, incapacitated or bankrupt;
- being the subject of criminal proceedings for one of the crimes indicated in Legislative Decree No. 231/2001;
- having requested and consented to the determination of penalty on request of the parties pursuant to art. 444 of the Italian Criminal Procedure Code for one of the crimes listed in Legislative Decree No. 231/2001;
- having been convicted, with an unappealable sentence pursuant to art. 648 of the Italian Criminal Procedure Code:
 - for facts related to the performance of their duties;
 - for facts that significantly affect their professional morality;
 - for facts that lead to disqualification from holding public offices, management offices of companies and legal entities, from a profession or an art, as well as disqualification from negotiating with the Public Administration;
 - and, in any case, for having committed one of the crimes defined by Legislative Decree No. 231/2001;
- in any case, to protect the essential requirements of the Supervisory Body, from the moment the member is notified of the start of criminal action pursuant to articles 405 and 415 bis of the Italian Criminal Procedure Code and until a sentence of no further action is issued pursuant to art. 425 of the Italian Criminal Procedure Code, or if the case does proceed, until a sentence of acquittal is issued pursuant to articles 529 and 530 of the Italian Criminal Procedure Code; this cause of ineligibility applies exclusively to criminal proceedings for the facts referred to in the previous point.

The appointment must include compensation for the role, without prejudice to the case of the member's appointment to other bodies or functions for which supervision of the adequacy and concrete functioning of the internal control system is a predominant part of the job's duties, as the MOG 231 model is adopted - according to the most authoritative legal theory - as an integral part of the internal control system.

The member of the Supervisory Body ceases to hold the role following resignation, subsequent incapacity, death or removal from office.

The member of the Supervisory Body can be removed from office:

- in the event of repeated failure to fulfil duties, or unjustified inactivity;
- in the event of disqualifying sanctions being imposed on the Company due to the inactivity of the member;
- when MOG 231 violations have been committed by the parties who should comply with it and there is a failure to report such violations and in verifying the suitability and effective implementation of the Model in order to propose any changes;
- if any of the above causes of ineligibility arise after the appointment.

The removal is decided by the Board of Directors.

In the event of resignation, subsequent incapacity, death or removal from office of the member of the Supervisory Body, the Board of Directors will take the appropriate decisions without delay and will promptly appoint a new member.

3.8.3 ESSENTIAL REQUIREMENTS

In consideration of the specificity of the tasks it carries out, the provisions of Legislative Decree No. 231/2001 and the indications contained in the Guidelines issued by Confindustria, the internal body with autonomous powers of initiative and control was selected in such a way as to guarantee the requirements of autonomy, independence, professionalism and continuity of action for the Supervisory Body, which Legislative Decree No. 231/2001 itself requires for this function.

In particular, also taking into consideration the aforementioned Confindustria Guidelines, the aforementioned requirements can be qualified as set out below.

3.8.3.1 AUTONOMY

The Supervisory Body has decision-making autonomy.

The Body is independent of the Company, i.e. it is not involved in any way in operational activities, nor does it take part in management activities. Furthermore, the Body can carry out its role without direct or indirect conditioning by the supervised subjects. The activities implemented by the Supervisory Body cannot be reviewed by any other corporate body or structure.

The Body is also autonomous in the regulatory sense, i.e. it can determine its own behavioural and procedural rules within the powers and functions established by the Board of Directors.

3.8.3.2 INDEPENDENCE

The independence of the Supervisory Body is a necessary condition for not being subject to any bond of dependence towards the Company. Independence is achieved through correct and adequate hierarchical positioning.

3.8.3.3 PROFESSIONALISM

The Supervisory Body is professionally capable and reliable.

Therefore, as a whole, the technical-professional skills adequate for the functions the SB is called upon to perform must be guaranteed; the SB is expected to have the required legal skills and qualifications in the fields of accounting, business, organisational and occupational health and safety.

In particular, specific skills in inspection and consultancy activities must be guaranteed, such as, for example, skills relating to statistical sampling, risk analysis and assessment techniques, interview techniques and questionnaire processing skills, as well as methodologies for identifying fraud.

These characteristics, combined with independence, guarantee objective judgement.

3.8.3.4 CONTINUITY OF ACTION

In order to guarantee the effective and constant implementation of the MOG 231 model, the Supervisory Body operates continuously. The Supervisory Body, therefore, in the operational solutions adopted, guarantees a prevalent, although not necessarily exclusive, commitment, which is nevertheless suitable for carrying out its institutional tasks effectively and efficiently.

3.8.4 ORGANISATIONAL LOCATION

Article 6 of Legislative Decree No. 231/2001 requires that the Body be internal to the Company, collectively participating in the organisational chart. Only in this way can the Supervisory Body be informed of Company-related events and coordinate as necessary with the other corporate bodies. Likewise, only the inherence of the Supervisory Body can guarantee the necessary continuity of action.

The Supervisory Body is appointed by the Board of Directors. In order to further guarantee the independence requirement, the Supervisory Body has information obligations towards the Shareholders' Meeting.

Furthermore, constant information flows between the Supervisory Body and the Board of Directors are guaranteed - through inherence with the Company and by virtue of the organisational positioning.

3.8.5 COMPOSITION

By applying all the above-mentioned principles to the Company's corporate situation and in consideration of the specificity of the tasks carried out by the Supervisory Body, the Company intended to establish a Supervisory Body with a monocratic composition.

The Supervisory Body has the right to make use of its specific secretarial office, which is authorised to execute operational support activities, within the scope of its full decision-making autonomy. The performance by the secretarial office of operational activities in support of the Supervisory Body is regulated by a specific mandate or appointment.

The tasks that can be delegated externally are those relating to the performance of all activities of a technical nature, without prejudice to the obligation by the function (or other external person possibly used to support them) to report to the Supervisory Body of the Entity. It is evident that an assignment of this type of delegation does not reduce the responsibility of the Entity's Supervisory Body in relation to the supervisory function conferred to it by law.

The composition is recognised as adequate to guarantee that the Supervisory Body possesses the prescribed requirements of autonomy of intervention and continuity of action.

3.8.6 FUNCTIONS

The Supervisory Body carries out the tasks established by articles 6 and 7 of Legislative Decree No. 231/2001 and, specifically, its duties include:

- supervision and control activities;
- activities monitoring the implementation of the Code of Ethics;
- activities relating to the adaptation and updating of the MOG 231 model;
- reporting to corporate bodies.

3.8.6.1 SUPERVISION AND CONTROL ACTIVITIES

The primary function of the Supervisory Body is related to the continuous supervision of the functionality of the adopted Model 231.

The Supervisory Body must monitor:

- compliance of the Recipients with the provisions of the MOG 231 model in relation to the different types of Crimes defined in Legislative Decree No. 231/2001;
- the actual effectiveness of the MOG 231 model in relation to the company structure and its actual ability to prevent the Crimes referred to in Legislative Decree No. 231/2001.

In order to adequately perform this important function, the Supervisory Body must periodically check the individual areas assessed as sensitive, verifying the effective adoption and correct application of the protocols, the preparation and proper filing of the documentation provided for in the protocols themselves and the overall efficiency and functionality of the measures and precautions adopted in the MOG 231 model, in terms of preventing and blocking the commission of the Crimes identified in Legislative Decree No. 231/2001.

Specifically, the Supervisory Body is tasked with:

- verifying the effective adoption and correct application of the control protocols required by the MOG 231 model. It must be noted, however, that control activities are the primary responsibility of operational management and are considered an integral part of every company process, hence the importance of a staff-training process;
- carrying out, also through the operational support of the secretarial office, periodic targeted checks on certain operations or specific actions carried out, above all, in the context of sensitive activities, the results of which are summarised in a specific report whose content will be disclosed in communications to corporate bodies, as described below;
-

- collecting, processing and storing relevant information in order to comply with the MOG 231 model;
- monitoring the initiatives for raising awareness and understanding of the MOG 231 model.

3.8.6.2 ACTIVITIES MONITORING THE IMPLEMENTATION OF THE CODE OF ETHICS

The Supervisory Body monitors the application and compliance with the Code of Ethics adopted by the Company's Board of Directors on **25 October 2016**.

The Supervisory Body monitors the dissemination, understanding and implementation of the Code of Ethics.

The Supervisory Body proposes to the Board of Directors any needs to update the Code itself.

3.8.6.3 MOG 231 UPDATING ACTIVITIES

The Supervisory Body has the task of assessing if changes to the MOG 231 model are required, formulating an adequate proposal for the Board of Directors, should modifications become necessary as a result of:

- significant violations of the provisions of the adopted MOG 231 model;
- significant changes in the internal structure of the Company, or in the methods of execution of company activities;
- regulatory changes.

Specifically, the Supervisory Body is tasked with:

- conducting investigations into company activities for the purpose of updating the mapping of sensitive activities;
- coordinating with the manager appointed for this purpose for the organisation of training programmes for staff and collaborators;
- interpreting the relevant legislation regarding Predicate Offences, as well as any guidelines prepared, including updating existing ones, and verifying the adequacy of the internal control system in relation to the regulatory requirements or relating to the Confindustria Guidelines;
- checking if the MOG 231 model needs to be updated.

3.8.6.4 REPORTING TO CORPORATE BODIES

The Supervisory Body must constantly communicate with the Board of Directors.

The Supervisory Body reports to the Board of Directors:

- when necessary, if it is unable to reach unanimous decisions;
- when necessary, regarding the formulation of proposals for any updates and adjustments to the adopted MOG 231 model;
- immediately, regarding confirmed violations of the adopted MOG 231 model, in cases where such violations could lead to the onset of liability for the Company, so that appropriate measures are taken. In cases where it is necessary to adopt appropriate measures against the directors, the Supervisory Body is required to notify the Shareholders' Meeting;

- periodically, in relation to an information report, at least twice a year, regarding the verification and control activities carried out and their outcome, as well as in relation to any critical issues that have emerged in terms of behaviours or events that may have an effect on the adequacy or effectiveness of the MOG 231 model itself.

The Supervisory Body may be summoned at any time by the aforementioned body or may in turn submit a request to this effect, to report on how the MOG 231 model is working or specific situations.

3.8.6.5 INFORMATION FLOW MANAGEMENT

In order to facilitate control and supervisory activities, it is necessary that information flows towards the Supervisory Body are activated and guaranteed.

It is therefore necessary for the Supervisory Body to be constantly informed of what is happening in the Company and of every significant aspect.

The obligations of information to the Supervisory Body guarantee an orderly execution of the activities for the supervision and control on the effectiveness of the MOG 231 model and regard, on a periodic basis, the information, data and news specified in detail in the Special Sections, or further identified by the Supervisory Body and/or requested by it from the individual Company functions.

This information must be transmitted within the times and in the ways that are defined in detail in the Special Sections or that will be defined by the Supervisory Body (information flows).

The obligations of information to the Supervisory Body also concern, on an occasional basis, any other information, of any kind, relating to the implementation of the MOG 231 model in sensitive activity areas, as well as compliance with the provisions of Legislative Decree No. 231/2001, which may be useful for carrying out the tasks of the Supervisory Body. Mandatory information that must be provided includes:

- information relating to the effective implementation, at all company levels, of the MOG 231 model, with evidence of any sanctions imposed, or of the provisions for dismissal of sanctioning proceedings, with the related reasons;
- information on the emergence of new risks in the areas managed by the various managers;
- the reports or documents (if any) prepared by the various managers as part of their control activity, from which facts, acts or omissions with critical profiles may emerge in terms of compliance with the rules of Decree No. 231 or the requirements of the MOG 231 model;
- the anomalies, atypical situations observed or the findings (by the company functions) of the control activities enacted to implement the MOG 231 model;
- the provisions and/or news coming from judicial police bodies, or from any other public authority, from which it is clear that investigative activities have been carried out for the Offences referred to in Decree No. 231, also initiated against unknown persons;
- the internal reports which show responsibility for the alleged crimes;
- reports or requests for legal assistance forwarded to the Company by senior executives or staff working under the instruction of line managers in the event of legal proceedings being initiated against them for one of the Offences provided for by Legislative Decree No. 231/2001;

- reports by senior executives or staff working under the instruction of line managers of alleged cases of violations and failure to comply with specific behavioural rules, or of any suspicious behaviour with reference to the crimes covered by Legislative Decree No. 231/2001;
- reports from Collaborators, agents and representatives, Consultants and self-employed freelancers in general, from suppliers and partners (also in the form of temporary business associations, as well as joint ventures), and more generally, by all the subjects who, in any capacity, operate within the so-called sensitive areas of activity on behalf of or in the interests of the Company.

The Supervisory Body is under no obligation to promptly and systematically verify all the presented facts and events; it therefore has no obligation to act whenever there is a report, as the evaluation of specific cases in which it is appropriate to activate more detailed checks and interventions is left to the discretion and responsibility of the Supervisory Body itself.

With reference to the methods of transmission of reports by senior executives or staff working under the instruction of line managers, it must be stressed that the obligation to inform the employer of any behaviour that goes against the adopted MOG 231 model falls within the workers' broader duty of diligence and obligation of loyalty. Consequently, the correct fulfilment of the information obligation by the worker cannot give rise to the application of disciplinary sanctions. On the other hand, any improper information, both in terms of content and form, delivered with slanderous intent, will be subject to appropriate disciplinary sanctions.

Specifically, the following provisions apply:

- information and reports received from anyone, including those relating to any violation or suspected violation of the MOG 231 model, its general principles and the principles established in the Code of Ethics, must be provided/made in writing (including anonymously). The Supervisory Body acts in such a way as to guarantee the authors of the reports do not suffer retaliation, discrimination or penalisation (or any related consequences), ensuring that the reporters' identity is confidential, without prejudice to legal obligations and the protection of the rights of the Company or of persons accused erroneously and/or in bad faith;
- the information and reports must be sent by the interested party directly to the Supervisory Body;
- the Supervisory Body evaluates the reports received; all recipients of the information obligations are required to collaborate with the Body itself, in order to allow the collection of all further information deemed necessary for the correct and complete evaluation of the report.

The information flows and reports are stored by the Supervisory Body in a specific IT and/or paper database. The data and information stored in the database are made available to parties external to the Supervisory Body following authorisation by the Body itself, unless access is mandatory by law. The Supervisory Body defines, with a specific internal provision, the criteria and conditions for access to the database and for the storage and protection of data and information, in compliance with current legislation.

3.8.7 POWERS

The main powers of the Supervisory Body are:

- self-regulation and definition of internal operating procedures;
- supervision and control.

With reference to the powers of self-regulation and definition of internal operating procedures, the Supervisory Body has exclusive competence in relation to:

- the methods for recording its activities and decisions;
- the methods of communication and direct relations with each company structure, as well as the acquisition of information, data and documentation from the company structures;
- the methods of coordination with the Board of Directors and participation in the meetings of said bodies, on the initiative of the Body itself;
- the methods for organising its supervisory and control activities, as well as representing the results of the activities carried out.

With reference to supervision and control powers, the Supervisory Body:

- has free and unconditional access to all the Company's functions - without the need for any prior consent - in order to obtain any information or data deemed necessary for carrying out the tasks envisaged by Legislative Decree No. 231/2001;
- can freely dispose, without any interference, of its initial and period budget, in order to satisfy every need necessary for the correct execution of its tasks;
- may, if deemed necessary, avail itself - under its direct supervision and responsibility - of the assistance of all the Company's structures;
- in the same way, it can, in full decision-making autonomy and if specific skills are necessary and, in any case, to professionally fulfil its tasks, make use of the operational support of some operational units of the Company or even the collaboration of particular professionals from outside the Company, using for this purpose its budget for the period. In these cases, the subjects external to the Supervisory Body operate as mere technical-specialist support of a consultancy nature;
- may, having carried out the appropriate investigations and checks and heard the author of the violation, report the event according to the regulations provided for in the sanctioning system adopted pursuant to Legislative Decree No. 231/01, without prejudice to the fact that the process of formal accusation and imposition of the sanction is carried out by the employer.

3.8.8 BUDGET

In order to further strengthen the autonomy and independence requirements, the Supervisory Body is equipped with an adequate initial and period budget previously approved by the Board of Directors and proposed, in consideration of its needs, by the Supervisory Body itself.

The Supervisory Body will be able to use these economic resources completely independently, without prejudice to the need to report the use of the budget itself at least on an annual basis, as well as to justify the presentation of the budget for the following period, as part of the periodic information report to the Board of Directors.

SPECIAL SECTION – CRIMES AGAINST THE PUBLIC ADMINISTRATION PURSUANT TO ARTICLES 24 AND 25 OF LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION - CRIMES AGAINST THE PUBLIC ADMINISTRATION

This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the Crimes against the Public Administration referred to in Articles 24 and 25 of Legislative Decree No. 231/2001.

Specifically, it aims to:

- describe the criminal offences belonging to the family of Crimes against the Public Administration referred to in articles 24 and 25 of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 1 contains the section of the articles of the Italian Criminal Code relevant pursuant to articles 24 and 25 of Legislative Decree No. 231/2001, accompanied by a brief description of the Crimes.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 24 AND ART. 25 OF LEGISLATIVE DECREE NO. 231/2001

With reference to the risk of commission of the Crimes illustrated in the previous paragraph (referred to in articles 24 and 25 of Legislative Decree No. 231/2001) and deemed relevant following the risk assessment carried out internally, the Company considers “sensitive” the following activities which are carried out by the Recipients of this Special Section, also possibly in collaboration with External Parties:

Ref.	Organisational unit responsible for the sensitive activity	Sensitive activity	Explanatory description of how the crime could be committed
PA 1	Purchases	Definition of the budget (preliminary activity)	<p>The function manager could adjust the amount of their function's budget allocations in order to allocate extra budget resources to make payments:</p> <ul style="list-style-type: none"> - in favour of relatives or friends of the Public Servant; - for service-related invoices from suppliers indicated by the Public Servant, including for services unnecessary or never provided; - for sponsorships for organisations the Public Official has an interest in; - to people related in different ways to the Public Servant, as the price for their unlawful mediation with them. <p>These payments would be aimed at unlawfully obtaining advantages in official acts from the Public Servant.</p>
PA 2	Purchases	Management of the purchasing process (raw materials and packaging)	<p>In order to obtain advantages in relations with the Public Body, the Company could purchase exclusively from suppliers indicated by the Public Servant or from suppliers who exploit or have existing or asserted relations (e.g. friendship/kinship) with a Public Servant as the price for their unlawful mediation with the Public Servant him/herself, without selecting suppliers according to defined qualitative and economic standards and outside the competitive dynamics of the market.</p>
PA 3	Purchases	Management of the purchasing process (materials and services)	<p>In order to obtain advantages in relations with the Public Body, the Company could purchase exclusively from suppliers indicated by the Public Servant or from suppliers who exploit or have existing or asserted relations (e.g. friendship/kinship) with a Public Servant as the price for their unlawful mediation with the Public Servant him/herself, without selecting suppliers according to defined qualitative and economic standards and outside the competitive dynamics of the market.</p>
PA 4	Purchases	Selection and qualification of suppliers	<p>The Company may not carry out a selection of suppliers that guarantees obtaining a supply that meets defined qualitative and economic standards, but may directly contact the supplier indicated by the Public Servant instead. In order to obtain advantages in relations with the Public Body, the Company could enter contracts for the provision of services with suppliers indicated by the Public Servant or with suppliers who exploit or have existing or asserted relations (e.g. friendship/kinship) with a Public Servant as the price for the unlawful mediation with the Public Servant him/herself.</p>

PA 5	Administration & Finance	Management of relations with Public Servants (e.g. tax audits by the Financial Police, the Revenue Agency, etc.)	<p>During the inspection activity carried out by Public Servants, in order to avoid problems, the Company could abstractly evaluate the opportunity to bribe the Public Servant by offering:</p> <ul style="list-style-type: none"> - cash payments; - the use of company assets such as the company car, telephone contracts, travel, etc.; - the choice to use a supplier indicated by the Public Servant him/herself in the future; - gifts and donations; - the promise of hiring a relative or friend of the Public Servant; - payments for unnecessary or never-provided consultancy services made to subjects indicated by the Public Official.
PA 6	Administration & Finance	Management of payments	<p>The Company could proceed with payments:</p> <ul style="list-style-type: none"> - in favour of relatives or friends of the Public Servant; - for service-related invoices from suppliers indicated by the Public Servant, including for services unnecessary or never provided; - for sponsorships for organisations the Public Official has an interest in; <p>Such payments could be aimed at unlawfully obtaining advantages in official acts of the Public Servant.</p> <p>In order to have slush funds that can be used to commit bribery and corruption offences, it is possible to transfer financial resources with the aid of suppliers (overstated or false invoices), of employees or collaborators (reimbursement of overstated or false expenses) and of reporters or developers (overestimated or false performance).</p>

PA 7	Administration & Finance	Management of expense reimbursement	<p>The corporate financial resources to be used for acts of corruption of a Public Servant or for the unlawful mediation of people who exploit or have existing or asserted relations (e.g. friendship/kinship) with a Public Servant could be transferred to the employee or collaborator through expense reimbursements that are false or include amounts greater than those actually spent.</p> <p>The Company could also authorise the payment of reimbursement of expenses aimed at establishing slush funds that can be used to bribe Public Officials.</p> <p>By way of example, expense reimbursement can be falsified in the following ways:</p> <ul style="list-style-type: none"> - inclusion of an overestimated mileage when using a private car on business trips; - overcharging of expense items using false invoices (e.g. with the complicity of the hotelier or restaurateur); - creation of an expense reimbursement request for a false business trip; - inclusion of unjustified entertainment expenses; - inclusion of plane/train tickets not actually used.
PA 8	Legal	Selection and choice of law firms (out-of-court matters)	In order to unlawfully obtain advantages from the Public Body, the Company could assign the mandate to a law firm recommended by a Public Servant.
PA 9	Legal	Selection and choice of law firms (litigation)	In order to unlawfully obtain advantages from the Public Body, the Company could assign the mandate to a law firm recommended by a Public Servant.
PA 10	Human Resources	Definition of the budget (preliminary activity)	<p>The function manager could adjust the amount of their function's budget allocations in order to allocate extra budget resources to make payments:</p> <ul style="list-style-type: none"> - in favour of relatives or friends of the Public Servant; - for service-related invoices from suppliers indicated by the Public Servant, including for services unnecessary or never provided; - for sponsorships for organisations the Public Official has an interest in; - to people related in different ways to the Public Servant, as the price for their unlawful mediation with them. <p>These payments would be aimed at unlawfully obtaining advantages in official acts from the Public Servant.</p>

PA 11	Human Resources	Selection and hiring of staff	<p>The Company, in order to unlawfully obtain advantages from the Public Body, could promise to select and/or employ personnel recommended by the Public Servant (relatives or friends of the public official or public service provider).</p> <p>The Company could also promise to or hire personnel recommended by a private counterpart, who is in some way related to a Public Official, in exchange for unlawful mediation with the latter or to remunerate the Public Official in relation to the exercise of his/her duties.</p>
PA 12	Human Resources	Management of obligations regarding compulsory hiring (staff belonging to protected categories)	<p>The Company could abstractly alter the documentation to be provided to the Public Administration when hiring personnel belonging to protected or special categories in order to obtain undue tax relief and tax credits. The scam could occur as part of the obligations required by law regarding employment (e.g. communications to be forwarded upon hiring). The Company may also provide untrue information when preparing the annual information prospectus on mandatory hiring.</p>
PA 13	Human Resources	Evaluation of the employee's performance and assignment of financial reward(s)	<p>The company financial resources to be used for the corruption of a Public Official (relatives or friends of the public official or public service provider) could be transferred to the Senior Manager via the assignment of financial rewards, with amounts greater than those normally applied.</p> <p>The Company could subsequently arrange to have the amounts exceeding these levels reimbursed by the recipient of the financial reward, allocating them to the creation of slush funds that can be used to bribe Public Officials.</p> <p>The Company could promise or assign financial reward(s) to or increase the salary of an employee who is in some way related to a Public Official in exchange for the latter's mediation with the Public Servant or to remunerate them in relation to the exercise of their Directions.</p>
PA 14	Human Resources	Management of wages, contributions and tax obligations	<p>In order to pay lower amounts than due for contributions, the Company could alter the documentation to be provided to the Public Administration upon payment.</p> <p>The Company may also not pay employees' INPS and INAIL (Italian national insurance) contributions.</p>

PA 15	Human Resources	Management of relations with Public Servants (e.g. tax audits by the Financial Police, the Revenue Agency, etc.)	<p>During the inspection activity carried out by Public Servants, in order to avoid problems, the Company could abstractly evaluate the opportunity to bribe the Public Servant by offering:</p> <ul style="list-style-type: none"> - cash payments; - the use of company assets such as the company car, telephone contracts, travel, etc.; - the choice to use a supplier indicated by the Public Servant him/herself in the future; - gifts and donations; - the promise of hiring a relative or friend of the Public Servant; - payments for unnecessary or never-provided consultancy services made to subjects indicated by the Public Official.
PA 16	Human Resources	Management of expense reimbursement (ancillary activity)	<p>The corporate financial resources to be used for acts of corruption of a Public Servant or for the unlawful mediation of people who exploit or have existing or asserted relations (e.g. friendship/kinship) with a Public Servant could be transferred to the employee or collaborator through expense reimbursements that are false or include amounts greater than those actually spent.</p> <p>The Company could also authorise the payment of reimbursement of expenses aimed at establishing slush funds that can be used to bribe Public Officials. By way of example, expense reimbursement can be falsified in the following ways:</p> <ul style="list-style-type: none"> - inclusion of an overestimated mileage when using a private car on business trips; - overcharging of expense items using false invoices (e.g. with the complicity of the hotelier or restaurateur); - creation of an expense reimbursement request for a false business trip; - inclusion of unjustified entertainment expenses; - inclusion of plane/train tickets not actually used.
PA 17	Sales & Marketing	Management of export activities of dual-use products (civil and military)	<p>The Company, in order to obtain undue advantages or benefits, could bribe representatives of the Public Administration through other benefits, as compensation for prioritising a file relating to the Company, for example through the undue disbursement of sums of money in favour of staff directly or indirectly related to the aforementioned public representatives, aimed at facilitating the export process of goods and materials.</p>

PA 18	Sales & Marketing	Management of Technical Commercial Offers	The Company, in its own interest/advantage, through the anomalous management of the negotiation and stipulation/renewal phases of active contracts (possibly resulting in the commission of tax crimes), could create extra-accounting funds to be used to bribe Public Officials/Public service providers.
PA 19	Sales & Marketing	Management of gifts and concessions	<p>The Company, through gifts and concessions, could bribe a Public Servant in order to obtain advantages in the handling of any file for activities in which the Public Administration is the counterparty.</p> <p>Alternatively, the Company could give or promise gifts or concessions to anyone who has existing or alleged relations with a public official or public service provider, as the price for their unlawful mediation with them, or to remunerate them in relation to their duties or powers exercised in a manner that favours the Company.</p>
PA 20	Sales & Marketing	Strategic Project Management	In the management of strategic projects, the Company could adjust the amount of budget allocations of its function with the aim of allocating the extra budgetary resources to Public Officials / Public service providers in order to unlawfully obtain advantages in acts of office from the Public Servant.
PA 21	Sales & Marketing	Management of commercial negotiations	The Company, in its own interest/advantage, through the anomalous management of the negotiation and stipulation/renewal phases of active contracts (possibly resulting in the commission of tax crimes), could create extra-accounting funds to be used to bribe Public Officials/Public service providers.
PA 22	Technical	Management of customs compliance	The Company could give or promise money or other benefits to Customs Officers in order to obtain a favourable treatment (e.g. less attention in checks on products passing through customs).

The detailed logical associations between the sensitive activities and the predicate crimes, methodologically preparatory to the evaluation of the control protocols, are presented in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

4 CRIMES AGAINST THE PUBLIC ADMINISTRATION – GENERAL BEHAVIOURAL PRINCIPLES

This paragraph outlines the general rules of desired behaviour (Do's Area) or specific prohibitions (Don'ts Area) that the Recipients of this Special Section of the Model are required to follow, adjusting their conduct accordingly when engaging in the sensitive activities mentioned above. These principles recall the rules of the Code of Ethics (specifying which or, if necessary, integrating them) and insert them at the level of the crime risks of interest. By virtue of specific contractual agreements or unilateral declarations, the principles in question may also apply to External Parties involved in carrying out the identified sensitive activities.

4.1 DO'S AREA

All sensitive activities must be carried out in compliance with the legislative and regulatory provisions in force, the System of delegations and powers, the rules of the Code of Ethics, the general principles of behaviour set out in both the General Section and the Special Section of this Model, as well as the protocols (and further existing organisational procedures) established to protect against the identified crime risks.

The Company, aware of the importance that commitments towards the Public Administration and Public Institutions are undertaken in strict compliance with the legislative and regulatory provisions in force, in order to enhance and maintain its integrity and reputation, ensures that only the specifically appointed and authorised company functions carry out the sensitive activities; it also establishes the obligation to collect and store the documentation relating to any contact with the Public Administration.

The managers of the functions that carry out or participate in one or more sensitive activities must provide their collaborators with adequate instructions on the operational conduct to be adopted in the formal and informal contacts maintained with the various public entities, according to the specific nature of their area of activity, informing them of the relevant laws and making them aware of situations at risk of crime.

In relations with the Institutions and the Public Administration, the persons dealing with these relations are required to obey the law and to ensure maximum transparency, clarity and fairness in order to avoid false, ambiguous or misleading beliefs arising among the institutional subjects with whom they interact in various capacities.

The declarations made to the Institutions and the Public Administration must be truthful, complete and based on valid documents in order to guarantee their correct evaluation by the Institution and PA concerned.

In its purchasing processes, the Company aims to achieve the maximum competitive advantage; in this context, it undertakes to guarantee equal opportunities and fair and impartial treatment to every supplier, partner and consultant in general.

The selection of suppliers, partners and consultants and the determination of the purchasing conditions are, therefore, inspired by principles of objectivity, competence, cost-effectiveness, transparency and fairness, and are carried out using objective criteria such as quality, price and the ability to provide and guarantee goods or services of an adequate level.

Suppliers, partners and consultants in general must be chosen using transparent methods, without accepting undue pressure aimed at favouring one entity over another.

All consultants, partners and suppliers in general and anyone who has relations with the Company are committed to complying with the laws and regulations in force; no relations will be initiated or continued with anyone who does not intend to align themselves with this principle.

The fees paid to suppliers, partners or consultants are generally defined contractually and justified in relation to the type of task to be carried out and the reference market. Payments made in their favour are based on the contractual relation established with them and on the effective and full receipt of the agreed services.

Financial transactions are carried out by virtue of the signature powers provided by the powers of attorney and if the adequate payment authorisations have been provided to the various functions by the internal delegations.

4.2 DON'TS AREA

It is forbidden to cause actions, collaborate or behave in such a way as to integrate individually or collectively, directly or indirectly, the types of crime envisaged by articles 24 and 25 of Legislative Decree No. 231/2001. Violations of the principles, protocols and existing organisational procedures provided for or referred to in this Special Section are also prohibited.

It is also forbidden to engage in behaviours that violate the rules of the Code of Ethics, the general principles set out both in the General Section and in this Special Section and, in general, in the documentation adopted in the implementation of the reference principles set out in this Special Section.

It is forbidden to promise or offer to Public Officials, Public Service collaborators or, in general, to employees of the Public Administration or other Public Institutions money, goods or, more generally, benefits of various kinds as compensation for the performance of acts of their office in order to promote and favour personal interests or Company interests or to obtain the execution of acts contrary to the duties of their office.

In particular, in relations with Public Officials or Public Service Providers or with employees in general of the Public Administration or other Public Institutions, the Recipients may not:

- promise or offer them (or their relatives, in-laws or related parties) money, gifts, concessions or other benefits susceptible to economic evaluation;
- accept gifts, concessions or other benefits susceptible to economic evaluation;
- promise or grant them (or their relatives, in-laws or related parties) employment and/or commercial opportunities or any other kind of opportunity that may benefit them in a personal capacity;
- make unjustified entertainment expenses for purposes other than the mere promotion of the company image;
- favour, in purchasing processes, suppliers and sub-suppliers or partners or consultants in general indicated by them as a condition for the subsequent execution of activities relating to the performance of their duties;
- promise or provide them (or their relatives, in-laws or related parties), including through third-party companies, with jobs or services for their personal benefit.

With reference to subjects other than those indicated above, the Company allows the payment, previously authorised, of gifts and acts of commercial courtesy provided they are of modest value and, in any case, of such a nature that does not compromise the integrity and reputation of the parties and that cannot, under any circumstances, be interpreted by a third-party and impartial observer as aimed at obtaining advantages and favours in an improper manner.

It is also forbidden to accept gifts, goods or other benefits susceptible to economic evaluation, with the exception of gifts and acts of commercial courtesy of modest value, from subjects other than those indicated previously with whom relations are or may be maintained in connection with Company-related duties.

All the people who act in the name and on behalf of the Company due to their position in the Company must not provide or promise direct or indirect contributions to political parties, movements, committees or individual candidates, or to trade union organisations or their representatives, with the exception of what is provided for by the specific regulations in force for trade unions.

Donations of a charitable or cultural nature are considered limited to proposals coming from non-profit or cultural or social organisations and associations.

In general, any activity, even through a third party, aimed at influencing the independence of judgement or ensuring any advantage for the Company is prohibited.

Under no circumstances can the pursuit of the Company's interest or advantage justify dishonest conduct.

In particular, it is prohibited to:

- produce or distribute untrue or altered documents or data or omit required information in order to obtain contributions, grants, financing or other benefits of various kinds, provided by the State or other public bodies or by the European Community;
- allocate the disbursements received from the State, from other public bodies or from the European Community to purposes other than those for which they were obtained;
- access, in an unauthorised manner, the information systems used by the Public Administration or other Public Institutions, alter their function in any way or intervene in any unauthorised way on data, information or programmes to obtain and/or unduly modify information for the benefit of the Company or third parties;
- during civil, criminal or administrative proceedings, it is prohibited to undertake (directly or indirectly) any unlawful action that could favour or damage one of the parties involved.

5 CRIMES AGAINST THE PUBLIC ADMINISTRATION - PROTOCOLS TO PROTECT AGAINST CRIME RISKS

For the purposes of implementing the behavioural rules and prohibitions listed in the previous chapter, the protocols described below to protect against the crime risks identified above must be followed (articles 24 and 25 of Legislative Decree No. 231/2001).

The detailed logical associations between the protocols designed to protect against crime risks and the sensitive activities, methodologically useful for the evaluation of the control protocols, are described in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

The Recipients of this Special Section of the Model, in addition to complying with the existing legal provisions on the matter and the behavioural rules referred to in the Code of Ethics, must carry out the activities envisaged in the control protocols for which they are responsible and in the further documentation adopted for the implementation of the reference principles set out in this Special Section.

5.1 PROTOCOLS TO PROTECT AGAINST CRIME RISKS PURSUANT TO ARTICLES 24 AND 25 OF LEGISLATIVE DECREE NO. 231/2001

Definition of the budget (preliminary activity) - Purchases				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 1	The Purchasing Department, for the purchase of raw materials and packaging, prepares an annual budget (sales forecast) for the purpose of evaluating company performance, which it subsequently transmits to the General Management. The Department Managers, limited to the purchase of materials and services, define a budget that identifies the estimated cost of the purchases.	Budget	Purchasing Department Department Managers	Annually
2_PA 1	The budget prepared by the Purchasing Department for the purchase of raw materials and packaging is for internal use and is not coded into the system; therefore it is not subject to an approval process. However, in relation to the purchase of materials and services, the Department Managers who define their own budget submit it to the Board of Directors for an authorisation process.	Budget approved	BoD	Annually
3_PA 1	In light of the sales trend, the purchasing budget may change during the year. The Purchasing Department carries out a flagging activity and proposes a re-evaluation of the prepared budget to the Department Managers.	Updated budget	Purchasing Department	Per event
4_PA 1	Final authorisation from the Chairperson in the case of extra-budgetary purchases.	Approval by the Chairperson	Chairperson	Per event

Management of the purchasing process (raw materials and packaging) - Purchases				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 2	Suppliers are selected according to criteria of competence/professionalism, cost-effectiveness, fairness and transparency. The process for Supplier selection and the determination of the purchasing conditions for goods and services requires objective and impartial assessments, based on quality, price and guarantees provided, with the aim of obtaining a competitive advantage. The fees and sums of any kind paid to Suppliers and Consultants for supplies and professional services must be in line with market conditions and adequately documented. When selecting Suppliers, undue pressure, aimed at favouring one supplier over another and such as to undermine the credibility and trust that the market places in the Company (in terms of transparency and rigorous application of the Law and internal regulations) is neither admitted nor accepted.	Code of Ethics	BoD	Per event
2_PA 2	The Purchasing Department, on the basis of a list provided by the Production Planning Function indicating the flow of stocks and inventories of the raw material and/or packaging, identifies needs. In particular, there are three inputs the Purchasing Department uses to assess the need to proceed with the purchase, namely: - raw materials that are or will be out of stock; - raw materials that are or will be in stock; - evaluation on a forecast basis.	Raw material handling sheet Exchange of e-mails	Chairperson Manager of the applying Department Purchasing Department	Per event
3_PA 2	The Purchasing Department verifies whether the identified requirement can be satisfied by a supplier who has already been approved by the Company.	List of qualified suppliers	Purchasing Department	Per event
4_PA 2	The Purchasing Department proceeds with requesting multiple quotes from different suppliers. All requests are appropriately tracked.	Exchange of e-mails List of potential suppliers	Purchasing Department	Per event

5_PA 2	All offers received from suppliers are analysed in detail in order to identify the best offer based on technical-economic criteria.	Ranking of offers received from suppliers	Purchasing Department	Per event
6_PA 2	Following the receipt of offers from suppliers, commercial negotiations begin with the supplier who issued the most convenient offer in terms of quality/price ratio. Communications with suppliers are tracked and documented.	Exchange of e-mails	Purchasing Department	Per event
7_PA 2	Presence of an authorisation process for issuing the Purchase Order based on the determination of specific thresholds: • The General Management's approval is required for purchases below €200,000; • for purchases exceeding €200,000, the approval of both the General Management and the Chairperson is required.	Ad hoc authorisation	Chairperson General Management	Per event
8_PA 2	Once the supplier has been selected, the Purchasing Department prepares and issues the purchase order.	Purchase Order	Purchasing Department	Per event
9_PA 2	Once authorisation to proceed with issuing an order has been received, the order is entered into the Microsoft Dynamics AX management system.	Microsoft Dynamics AX management system	Purchasing Department	Per event
10_PA 2	The Purchasing Department verifies that the incoming raw materials and goods match the ones listed in the Purchase Orders.	Verification that items match	Purchasing Department	Per event

Management of the purchasing process (materials and services) - Purchases				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 3	Suppliers are selected according to criteria of competence/professionalism, cost-effectiveness, fairness and transparency. The process for Supplier selection and the determination of the purchasing conditions for goods and services requires objective and impartial assessments, based on quality, price and guarantees provided, with the aim of obtaining a competitive advantage. The fees and sums of any kind paid to Suppliers and Consultants for supplies and professional services must be in line with market conditions and adequately documented. When selecting Suppliers, undue pressure, aimed at favouring one supplier over another and such as to undermine the credibility and trust that the market places in the Company (in terms of transparency and rigorous application of the Law and internal regulations) is neither admitted nor accepted.	Code of Ethics	BoD	Per event
2_PA 3	The purchase requirement arises from a Purchase Request (PReq) prepared by the Requesting Department. PReqs are approved according to the following authorisation process: - PReqs below €5,000 are approved by the Department Manager; - PReqs exceeding €5,000 are approved by the Department Manager and the Chairperson.	Raw material handling sheet Exchange of e-mails	Chairperson Manager of the applying Department Purchasing Department	Per event
3_PA 3	The Purchasing Department verifies whether the identified requirement can be satisfied by a supplier who has already been approved by the Company.	List of qualified suppliers	Purchasing Department	Per event
4_PA 3	The Purchasing Department proceeds with requesting multiple quotes from different suppliers. All requests are appropriately tracked.	Exchange of e-mails List of potential suppliers	Purchasing Department	Per event
5_PA 3	All offers received from suppliers are analysed in detail in order to identify the best offer based on technical-economic criteria.	Ranking of offers received from suppliers	Purchasing Department	Per event

6_PA 3	Following the receipt of offers from suppliers, commercial negotiations begin with the supplier who issued the most convenient offer in terms of quality/price ratio. Communications with suppliers are tracked and documented.	Exchange of e-mails	Purchasing Department	Per event
7_PA 3	Presence of an authorisation process for issuing the Purchase Order based on the determination of specific thresholds: <ul style="list-style-type: none"> • The General Management's approval is required for purchases below €200,000; • for purchases exceeding €200,000, the approval of both the General Management and the Chairperson is required. 	Ad hoc authorisation	Chairperson General Management	Per event
8_PA 3	Once the supplier has been selected, the Purchasing Department prepares and issues the purchase order.	Purchase Order	Purchasing Department	Per event
9_PA 3	Once authorisation to proceed with issuing an order has been received, the order is entered into the Microsoft Dynamics AX management system.	Microsoft Dynamics AX management system	Purchasing Department	Per event
10_PA 3	The Purchasing Department verifies that the incoming raw materials and goods match the ones listed in the Purchase Orders.	Verification that items match	Purchasing Department	Per event

Selection and qualification of suppliers - Purchases				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 4	Suppliers are selected according to criteria of competence/professionalism, cost-effectiveness, fairness and transparency. The process for Supplier selection and the determination of the purchasing conditions for goods and services requires objective and impartial assessments, based on quality, price and guarantees provided, with the aim of obtaining a competitive advantage. The fees and sums of any kind paid to Suppliers and Consultants for supplies and professional services must be in line with market conditions and adequately documented. When selecting Suppliers, undue pressure, aimed at favouring one supplier over another and such as to undermine the credibility and trust that the market places in the Company (in terms of transparency and rigorous application of the Law and internal regulations) is neither admitted nor accepted.	Code of Ethics	BoD	Per event
2_PA 4	CHIMEC has prepared a purchasing procedure that it uses to define the process for the selection, qualification and evaluation of suppliers.	Procedure for the selection, qualification and evaluation of suppliers	Purchasing Department	Per event
3_PA 4	The approved suppliers who have supplied or who will supply the raw material are included in a specific list after technical and financial checks have been carried out by the Purchasing Department and the Administration & Finance Department.	List of approved suppliers	Purchasing Department Administration & Finance Department	Per event
4_PA 4	The Purchasing Department selects only approved suppliers for the purchase of raw materials and packaging which are coded into the System and, therefore, approved by the Technical Division.	List of approved suppliers	Purchasing Department	Per event

5_PA 4	The Requesting Department identifies the supplier and submits the name to the Purchasing Department, explaining why one supplier was selected rather than another and also attaching the preliminary checks carried out on the chosen supplier.	Exchange of e-mails	Requesting Department	Per event
6_PA 4	The Purchasing Department, with the support of the Administration & Finance Department and/or the Requesting Department, carries out an economic and technical-professional qualification/assessment activity on the suppliers to be involved, if necessary, in the purchasing process.	Supplier qualification sheet	Purchasing Department Administration & Finance Department	Per event
7_PA 4	The supplier is asked to provide a document certifying they have the qualifications established by the Company and meet compliance requirements.	Self-certification form	Purchasing Department	Per event
8_PA 4	The Human Resources Department carries out its due diligence activities on the individual supplier by using databases and/or specialised companies.	Due diligence process	Human Resources Department	Per event
9_PA 4	If the outcome of the evaluation process is positive, the Purchasing Department will include the supplier in the Application System and in the list of qualified suppliers.	List of qualified suppliers	Purchasing Department	Per event
10_PA 4	The Purchasing Department carries out an assessment of the supplier after the supply contract has been awarded, based on whether or not non-compliance occurred during the calendar year. The Purchasing Department, based on the actual quality of the service/product, delivery times, correctness of invoices and compliance with agreements, prepares a supplier ranking list.	Feedback to evaluated suppliers	Purchasing Department	Annually
11_PA 4	All documentation requested from suppliers is stored on paper and computer archives.	IT system Paper archive	Purchasing Department	Per event

12_PA 4	Raw materials and packaging cannot be purchased from suppliers that are not qualified and approved. However, as regards the supply of materials and services, procurement from suppliers that have not been qualified and approved is justified by the Requesting Department and adequately motivated and authorised by the General Management and/or the Chairperson.	Reason-substantiated authorisation	Chairperson General Management	Per event
13_PA 4	The non-fungibility of non-fungible suppliers is justified in writing.	Motivation set out in writing	Purchasing Department	Per event

Management of relationships with Public Servants (e.g. tax audits by the Financial Police, the Revenue Agency, etc.) - Administration & Finance				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 5	Employees and Collaborators are not allowed to give/offer and/or accept/receive gifts, freebies, concessions and/or any other benefit as part of the activities carried out for the Company if they are aimed at acquiring preferential treatment in the conduct of any activity that can be linked to the Company and if they give rise to even just the suspicion of acting in the interest and on behalf of the Company. An exception is made for gifts of modest value attributable to normal polite relations or commercial practices which cannot be considered improper influence.	Code of Ethics	BoD	Per event
2_PA 5	If an official/inspector appears at the entrance, the Reception staff inform the Manager of the Administration & Finance Department as the delegated person for relations with the public administration.	N.A.	Reception Manager of the Administration & Finance Department	Per event
3_PA 5	In the case of inspections and/or meetings with Public Servants, at least two CHIMEC S.p.A. employees are expected to assist. The tax advisor or, where necessary, specially designated external consultants also participate in the meetings with Public Servants.	Inspection report	Administration & Finance Department	Per event
4_PA 5	At the end of each inspection, a meeting is scheduled for the presentation of the inspection report, which is signed and then brought to the attention of the Chairperson.	Signed report	Chairperson Department subject to inspection	Per event

Payment Management - Administration & Finance				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 6	Payment orders are made only by subjects authorised to operate on behalf of the Company within the limits of their relative powers.	Signature Specimen	BoD	Per event
2_PA 6	The Company guarantees the division of activities/roles relating to corporate administrative management within the Administration & Finance Department and in order to prevent one person from holding all the responsibilities.	Organisational chart Job descriptions	Administration & Finance Department	Per event
3_PA 6	User profiling is provided on the Microsoft Dynamics AX management system, subject to pre-established authorisation levels which vary depending on the company function and the activity carried out. There is also evidence within the system of the last person who made a change. The profiling system is based on the assignment of user ID and password for authentication when logging into the management system.	Microsoft Dynamics AX management system profiling	IT Manager	Per event
4_PA 6	Purchases made through a till are rare and occasional.	N/A	Administration & Finance Department	Per event
5_PA 6	Except for small cash expenses, no payment can be made if the relevant invoice is not present and if this has not been verified by the relevant function, in relation to the supply to which it is associated.	"Payments to suppliers" Operational Instruction	Administration & Finance Department	Per event
6_PA 6	In order to monitor the deadlines relating to payments to suppliers, the Administration & Finance Department uses payment schedules.	Payment schedules	Administration & Finance Department	Per event
7_PA 6	All payments are made exclusively through bank transactions that are always traceable and, in rare cases, through N.T. bank cheques.	Banking transactions	Administration & Finance Department	Weekly or monthly

8_PA 6	The Administration & Finance Department checks the correctness, conformity and completeness of the invoices received against the purchase orders issued. Subsequently, the Administration & Finance Department carries out a further check before authorising payment.	Bank software	Administration & Finance Department	Weekly or monthly
9_PA 6	The Manager of the Administration & Finance Department can authorise payments up to €30,000; payments above €30,000 are authorised by the Chairperson.	Signature on payment slip	Chairperson Manager of the Administration & Finance Department	Weekly or monthly
10_PA 6	The Administration & Finance Department makes payments via home banking. Payment receipts are printed and stored together with the relevant authorisation.	Payment receipts for bank transfers	Administration & Finance Department	Weekly or monthly
11_PA 6	The Administration & Finance Department downloads the transaction records of all company accounts in order to carry out the necessary checks on the balance in the accounting sheet against the account statement issued by the bank. In any case, every processed payment flow, regardless of who authorised it to be sent to the bank, is subsequently viewed by the remaining functions involved.	Bank reconciliation statement Statement balance	Administration & Finance Department	Weekly or monthly

Expense reimbursement management - Administration & Finance				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 7	The Company has issued a Policy that defines the Guidelines that must be followed for the management of travel expenses (spending limits, car use policy, etc.)	Travel policy	Chairperson	Per event
2_PA 7	The business trip is authorised in advance by the travelling staff member's Department Manager via e-mail.	Communication via e-mail	Traveller's Department Manager	Per event
3_PA 7	Criteria for the assignment of the company credit card must be established. Specifically, the operational practice of CHIMEC S.p.A. provides that a credit card is assigned only to the Chairperson and the Company Cash Management Officer and is limited to online purchases of modest value.	N/A	Administration & Finance Department Human Resources Department	Per event
4_PA 7	Entertainment expenses with clients and/or potential clients are justified through an expense report.	Expense report	Administration & Finance Department	Per event
5_PA 7	The expenses actually incurred by the employee during the business trip are reimbursed after the travelling employee has provided specific documentation through a system designed for that purpose. Once the reference month has ended and the expenditure has been closed, the expenditure is subjected to authorisations at various levels and to an accounting control by the Administration & Finance Department. If the expense is considered justified, the Administration & Finance Department will proceed with the refund process; if the assessment outcome is negative, the employee will be asked to provide more supporting documentation.	Supporting documentation Expense report form	Administration & Finance Department	Per event
6_PA 7	The Administration & Finance Department verifies the expenses and, if there is supporting documentation recognised for tax purposes in accordance with current legislation, proceeds with the reimbursement.	Supporting documentation Expense report form	Administration & Finance Department	Per event

Selection and choice of law firms (out-of-court settlements) - Legal				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 8	The Company proceeds with the selection of law firms within the limits of the approved budget and after verifying their honesty, professionalism, integrity and reputation. After they have sent their quotes, the law firms are selected by the Legal Office jointly with the Chairperson, who ultimately grants the authorisation.	Contracts with Law Firms	Chairperson Legal office	Per event
2_PA 8	Before proceeding with the selection of law firms, the Company carries out checks on their reputation and good name.	N/A	Chairperson Legal office	Per event
3_PA 8	Following preliminary checks, the Legal Office identifies the law firm that has been selected for the management of out-of-court settlements.	N/A	Legal office	Per event
4_PA 8	Once the law firm has been identified, the Legal Office reports the selection made to the General Management and the Chairperson for approval and, possibly, to other interested departments.	Correspondence via e-mail	Chairperson General Management Legal office	Per event
5_PA 8	The strategy to be adopted in out-of-court settlements is shared between the Legal Office and the appointed law firm. The Chairperson's approval is also subsequently required.	Correspondence via e-mail	Chairperson Legal office	Per event
6_PA 8	The contracts with law firms contain specific clauses that require the firms to comply with the CHIMEC Code of Ethics and the principles established by Legislative Decree No. 231/2001.	Contract	Legal office	Per event
7_PA 8	All documentation relating to the services provided is archived in a specific folder.	Electronic archive	Legal office	Per event

Selection and choice of law firms (litigation) - Legal				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 9	The Company proceeds with the selection of law firms within the limits of the approved budget and after verifying their honesty, professionalism, integrity and reputation. After they have sent their quotes, the law firms are selected by the Legal Office jointly with the Chairperson's Office, which ultimately grants the authorisation.	Contracts with Law Firms	Chairperson Legal office	Per event
2_PA 9	Before proceeding with the selection of law firms, the Company carries out checks on their reputation and good name.	N/A	Chairperson Legal office	Per event
3_PA 9	Following preliminary checks, the Legal Office identifies the law firm that has been selected to manage disputes and litigation.	N/A	Legal office	Per event
4_PA 9	Once the law firm has been identified, the Legal Office reports the selection made to the General Management and the Chairperson for approval and, possibly, to other interested departments.	Correspondence via e-mail	Chairperson General Management Legal office	Per event
5_PA 9	The strategy to be adopted in court is shared between the Legal Office and the appointed law firm. The Chairperson's approval is also subsequently required.	Correspondence via e-mail	Chairperson Legal office	Per event
6_PA 9	The contracts with law firms contain specific clauses that require the firms to comply with the CHIMEC Code of Ethics and the principles established by Legislative Decree No. 231/2001.	Contract	Legal office	Per event
7_PA 9	All documentation relating to the services provided is archived in a specific folder.	Electronic archive	Legal office	Per event

Definition of the budget (preliminary activity) - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 10	The estimated cost for new hires is identified during an annual meeting with the Department Managers.	Compiled budget document	Human Resources Department	Annually
2_PA 10	The human resources budget for the hiring of new resources is formally approved by the Board of Directors as part of the approval of the overall budget for the year.	Budget approved with minutes of the Board of Directors	BoD	Annually
3_PA 10	All requests for extra-budgetary inclusion are shared and approved by the Chairperson on a case-by-case basis.	Exchange of e-mails	Chairperson	Per event

Staff selection and hiring - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 11	The Human Resources Department selects and hires new members of staff following the specific procedure adopted by the Company.	"Human Resources management" procedure	Chairperson Human Resources Department	Per event
2_PA 11	The estimated cost for new hires is identified during an annual meeting with the Department Managers.	Compiled budget document	Human Resources Department	Annually
3_PA 11	The Department Managers formally request new personnel by sending a communication to the Human Resources Department, in which they list the requirements and characteristics of the candidate(s) to be hired. The Human Resources Department therefore starts the search and selection process.	Requesting e-mail Request form	Managers of the Departments involved Human Resources Department	Per event
4_PA 11	As part of personnel search activities, the Company's Human Resources Department can use different recruitment channels, depending on the profile required: - temporary employment and outplacement agencies; - spontaneous applications; - schools and universities; - "work with us" section of the Company's website.	Contract with external company Publication of job advertisement Spontaneous applications	Human Resources Department	Per event
5_PA 11	The Human Resources Department screens the CVs received to short-list candidates and invite them to a first interview.	Received CV archive Short-list of potential candidates	Human Resources Department	Per event
6_PA 11	Following the first screening of the CVs, the short-listed candidates are invited to interviews. The first interview is with the Human Resources Department. This is followed by a second interview with the Function Managers and Sector Senior Managers and, finally, a third interview with the Chairperson. However, in the case of candidates applying for managerial and middle management positions, the Human Resources Department arranges for candidates to be interviewed directly by the interested departments and the Chairperson.	Standard selection evaluation form	Chairperson Human Resources Department Manager of the Department involved Sector Senior Managers	Per event

7_PA 11	The Company defines the assessment criteria to apply during the selection process before preparing the job description.	Set of soft/hard skills	Manager of the Department interested in hiring Collaborators of the Department involved	Per event
8_PA 11	Following the interviews, the Human Resources Department and the Managers of the Departments involved fill out a specific form formalising the outcome of the interviews held.	"Post interview" form	Managers of the Departments involved Human Resources Department	Per event
9_PA 11	Each candidate is required to self-certify they have no criminal convictions / pending charges.	Application form	Candidate	Per event
10_PA 11	Before finalising any appointments (signing of the contract and communication to the relevant institutions) the Human Resources Manager will formally inform the Chairman.	Communication e-mail	Chairperson Human Resources Manager	Per event
11_PA 11	In consideration of the assessments carried out following the interviews, the hiring of the new employee is approved by the Chairperson.	The Chairperson's Office authorises hiring the successful candidate	Chairperson	Per event
12_PA 11	At the conclusion of the selection activities and acquisition of the documentation necessary for this purpose, the contractual proposal is defined and submitted to the candidate for acceptance. The employment contract that governs the relations between the Company and the worker is signed by the Chairperson.	Signed employment contract	Chairperson Human Resources Department	Per event
13_PA 11	The Human Resources Department archives the CVs received from candidates, in compliance with the provisions of privacy legislation, e.g. Regulation (EU) No. 679/2016, Provisions of the Italian Privacy Guarantor.	Received CV archive Network folders	Human Resources Department	Per event
14_PA 11	The request to start the personnel selection procedure for any extra-budgetary resources received by the Human Resources Department must be approved by the Chairperson.	The Chairperson's Office authorises hiring the successful candidate	Chairperson Human Resources Department	Per event

Management of obligations regarding compulsory hiring (staff belonging to protected categories) - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 12	The Human Resources Department carries out a preliminary check on the company's legal obligations regarding the number of workers belonging to protected categories that CHIMEC S.p.A. is required to hire.	Reference regulatory sources	Human Resources Department	Annually
2_PA 12	The HRD is responsible for verifying compliance with the obligations regarding compulsory hiring according to current legislation.	N.A.	Human Resources Department	Per event
3_PA 12	As part of personnel search activities, the Company's Human Resources Department can use different recruitment channels, depending on the profile required: - temporary employment and outplacement agencies; - spontaneous applications; - schools and universities; - "work with us" section of the Company's website.	Contract with external company Publication of job advertisement Spontaneous applications	Human Resources Department	Per event
4_PA 12	The Human Resources Department reports the number of disabled workers employed by the Company.	Communication to the body responsible for receiving the report	Human Resources Department	Annually
5_PA 12	Based on the provisions of Law No. 68 of 12 March 1999, "Regulations for the right to work of people with disabilities", the Human Resources Department, if hiring at least one disabled worker is a legal requirement, prepares the documentation to be approved (via the signature of the Legal Representative) before submitting it to the Provincial Labour Office within the deadlines established by law.	Employment request submitted Completed and signed Selection Form	Human Resources Department	Per event

Evaluation of employee performance and payment of financial reward (if any) - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 13	In order to improve the efficiency of company processes, an incentive system is implemented through the definition of result objectives, both personal (aimed at improving some transversal skills) and professional, which the employee must achieve based on the role held in company. If the objectives are achieved, a bonus will be paid.	Reward system for employees	Human Resources Department	Per event
2_PA 13	The performance objectives are formalised in a document known as "Individual Incentive Plan", which includes both the personal and professional objectives identified by the Human Resources Department with the support of each Department Manager.	Individual Incentive Plan	Human Resources Department Department Managers	Annually
3_PA 13	The Manager of the relevant Department evaluates the employee through the Individual Incentive Plan, which includes the qualitative and quantitative evaluation of the employee in a single form. The Individual Incentive Plan is then sent to the Human Resources Department.	Individual Incentive Plan	Manager of the relevant Department Human Resources Department	Annually
4_PA 13	Following the evaluation of the assigned personal and professional objectives, if the Manager deems that the employee should receive a bonus, the Human Resources Department requests the authorisation for the payment of the financial reward.	Authorisation request	Human Resources Department Manager of the Department involved	Annually
5_PA 13	Based on the evaluation carried out, the Chairperson approves the financial reward and signs the necessary documentation.	Approval documentation	Chairperson	Annually

6_PA 13	<p>The Human Resources Department arranges an individual meeting with each resource in order to share the outcome of the evaluation and the possible payment of the financial reward.</p> <p>The Manager of the Department that the evaluated collaborator belongs to also participates in this meeting.</p> <p>Following this meeting, the employee signs the MBO/bonus payment letter.</p>	Letter of bonus payment	<p>Human Resources Department</p> <p>Manager of the Department involved</p>	Annually
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Management of wages, contributions and tax obligations - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 14	The Human Resources Department, working with the Labour Consultant, deals with the collection and processing of attendance data, prepares payslips and calculates the amount of (national insurance and tax) contributions due.	Contract signed with the consultant	Human Resources Department Labour Consultant	Per event
2_PA 14	All employees are equipped with a company badge that they use to clock in and out.	Management system	Employee of CHIMEC	Weekly or monthly
3_PA 14	The employee's presence and absence are recorded when they swipe their badge. The employee can also enter their work attendance/absences using an electronic platform. The data entered are received and checked by the Labour Consultant for the purpose of correctly preparing the payslips.	Management system	Labour Consultant	Weekly or monthly
4_PA 14	Once the documentation relating to employee attendance/absences has been closed, the payslips are processed and then sent to the Human Resources Department.	Management system	Human Resources Department Labour Consultant	Weekly or monthly
5_PA 14	The Human Resources Department carries out checks on payslips in order to detect any anomalies regarding the hours reported on the payslip and the taxable items on the monthly salary. Furthermore, once the payslips have been received, the Manager of the Staff Administration & Payroll Office of the Human Resources Department requests authorisation from the Chairperson before proceeding with the payment of employee salaries. The Administration & Finance Department carries out a congruity/reasonableness check on the correctness of the payslips.	N.A.	Chairperson Human Resources Department Administration & Finance Department	Weekly or monthly
6_PA 14	The Administration & Finance Department receives a summary statement of payroll processing and enters it into the accounting records.	Uploading the summary statement	Administration & Finance Department	Weekly or monthly

7_PA 14	Accounting of salaries and national insurance and tax withholding in accounting software.	Accounting statement Accounting software	Administration & Finance Department	Per event
8_PA 14	The Labour Consultant prepares the (Italian) F24 forms. The contributions are then sent and paid via the F24 form.	F24 forms F24 receipts	Labour Consultant	Infra-annual
9_PA 14	The Labour Consultant, based on the wages received and the contributions paid by each employee, prepares the CU (Italian certification on income) for each individual employee.	Certification on income	Labour Consultant	Annually

Management of relations with Public Servants (e.g. tax audits by the Financial Police, the Revenue Agency, etc.) - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 15	Employees and Collaborators are not allowed to give/offer and/or accept/receive gifts, freebies, concessions and/or any other benefit as part of the activities carried out for the Company if they are aimed at acquiring preferential treatment in the conduct of any activity that can be linked to the Company and if they give rise to even just the suspicion of acting in the interest and on behalf of the Company. An exception is made for gifts of modest value attributable to normal polite relations or commercial practices which cannot be considered improper influence.	Code of Ethics	BoD	Per event
2_PA 15	If an official/inspector appears at the entrance, the Reception staff inform the Manager of the Administration & Finance Department as the delegated person for relations with the public administration.	N.A.	Reception Manager of the Administration & Finance Department	Per event
3_PA 15	In the case of inspections and/or meetings with Public Servants, at least two CHIMEC S.p.A. employees are expected to assist. The tax advisor or, where necessary, specially designated external consultants also participate in the meetings with Public Servants.	Inspection report	Administration & Finance Department	Per event
4_PA 15	At the end of each inspection, a meeting is scheduled for the presentation of the inspection report, which is signed and then brought to the attention of the Chairperson.	Signed report	Chairperson Department subject to inspection	Per event
5_PA 15	When the inspection activities are finished, a final closing meeting is called. The following parties participate in this meeting, which ends with the preparation of minutes: - Inspection bodies involved; - Chairperson; - Department subject to inspection; - Collaborators involved. The minutes contain the subject and outcome of the inspection activities.	Minutes of the final meeting	Chairperson Department subject to inspection Collaborator(s) involved	Per event

Management of expense reimbursement (ancillary activity) - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 16	The Company has issued a Policy that defines the Guidelines that must be followed for the management of travel expenses (spending limits, car use policy, etc.)	Travel policy	Chairperson	Per event
2_PA 16	The business trip is authorised in advance by the travelling staff member's Department Manager via e-mail.	Communication via e-mail	Traveller's Department Manager	Per event
3_PA 16	Criteria for the assignment of the company credit card must be established. Specifically, the operational practice of CHIMEC S.p.A. provides that a credit card is assigned only to the Chairperson and the Company Cash Management Officer and is limited to online purchases of modest value.	N/A	Administration & Finance Department Human Resources Department	Per event
4_PA 16	Entertainment expenses with clients and/or potential clients are justified through an expense report.	Expense report	Administration & Finance Department	Per event
5_PA 16	The expenses actually incurred by the employee during the business trip are reimbursed after the travelling employee has provided specific documentation through a system designed for that purpose. Once the reference month has ended and the expenditure has been closed, the expenditure is subjected to authorisations at various levels and to an accounting control by the Administration & Finance Department. If the expense is considered justified, the Administration & Finance Department will proceed with the refund process; if the assessment outcome is negative, the employee will be asked to provide more supporting documentation.	Supporting documentation Expense report form	Administration & Finance Department	Per event
6_PA 16	The Administration & Finance Department verifies the expenses and, if there is supporting documentation recognised for tax purposes in accordance with current legislation, proceeds with the reimbursement.	Supporting documentation Expense report form	Administration & Finance Department	Per event

Management of export activities of dual-use products (civil and military) - Sales & Marketing				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 17	<p>In order to preventively identify the elements not in line with the current legislation on exports, which could hinder the completion of a given operation with a foreign country or make it impossible, the Company carries out three distinct orders of checks:</p> <ul style="list-style-type: none"> - objective, to ensure that there is no law prohibiting the export of the item(s) and that no authorisation is required for export; - subjective, oriented towards the recipient of the item(s) and to the risks of possible diversion, linked to the person who is the "end user of the item(s)"; - geographical, connected to the area that the item(s) must reach, which could be subject to special regulations. 	Export Control Regulations	Sales Department Manager	Per event
2_PA 17	Before carrying out any export operation, it is necessary to verify whether or not the products are included in one of the categories described in Annex I of Regulation (EU) No. 2021/821.	Regulation (EU) No. 2021/821	Sales Department	Per event
3_PA 17	Pursuant to art. 3 of Regulation (EU) no. 2021/821, the goods and technologies listed in Annex I to the regulation itself, as previously provided for by Regulation (EU) No. 388/2012 and, lastly, by Commission Delegated Regulation (EU) No. 1382/2014, can only be exported following authorisation from the competent authority of the Member State in which the exporter is established (for Italy, the UAMA – Unit for Authorisations of Military Materials).	Regulation (EU) No. 2021/821	Sales Department	Per event

4_PA 17	<p>Goods not included in Annex I of Regulation (EU) No. 2021/821 may also require prior approval by UAMA, if the following conditions apply:</p> <ul style="list-style-type: none"> - the exporter has been informed by the competent authorities of the Member State in which the exporter is established, or there is reason to suspect, that said products are or may be intended, in their entirety or in part, for use at any stage of the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of chemical, biological or nuclear weapons or other nuclear explosive devices, or to the development, production, maintenance or storage of missiles that can be used as carriers of such weapons; - the purchasing country or the country of destination is subject to an arms embargo imposed by a decision or common position adopted by the Council or by a decision of the Organisation for Security and Co-operation in Europe (OSCE) or to an embargo on armaments imposed by a binding resolution of the United Nations Security Council, and where the exporter has been informed by the authorities referred to in paragraph 1 that those products are or may be intended, in whole or in part, for military purposes; - the exporter has been informed by the authorities referred to in paragraph 1 that said products are or may be intended, in their entirety or in part, for use as parts or components of military products included in the list of national military goods which have been exported from the territory of the Member State concerned without authorisation or in breach of the authorisation required by the national law of that Member State. 	Regulation (EU) No. 2021/821	Sales Department	Per event
5_PA 17	In the case of exports not prohibited by Reg. (EU) No. 2021/821 or by other provisions of the Export Control Regulations, it is advisable to introduce, within the Offer, where contractually possible, a clause that makes the binding nature of the Offer conditional to the relevant goods or technical assistance not being subject to catch-all provisions.	Catch-all clause	<p>Sales Department</p> <p>Legal Department</p>	Per event

6_PA 17	<p>Whenever a given operation involves an export, an import, the provision of technical assistance services or an investment activity involving one of the countries subject to trade restrictions, it will be necessary to verify whether the aforementioned operation is permitted by the relevant legislation. Periodically, the Manager of the Sales Department verifies that the potential ordering party, the buyer, the recipient of the supply, the end user or other party involved in the commercial relation is not included in the "black list" attached to the Export Control Regulations; if they are blacklisted, no commercial relation can be established under any circumstances.</p>	Black list	Sales Department Manager	Annually
7_PA 17	<p>Having received an Offer Request or if a Customer (potential or otherwise) wishes to establish commercial relations, the Sales Manager must first begin a preliminary assessment of Export Control Regulation applicability. To do so, they must collect and transmit to the Legal Affairs Assistance Office Manager and to the Administration, Logistics Departments and Technical Division, the following information:</p> <ul style="list-style-type: none"> - Country of destination of the goods and any transit countries; - Information available on the site and on the type of plant in which the goods will be used; - Specific use of the goods covered by the Offer; - Full name of the potential Customer and of the person(s)/subject(s) that control(s) them directly or indirectly; - Full name of the subject/entity that will ultimately use the requested products (end user) and of the subject or subjects that control them directly or indirectly; - Full name of each agent, distributor or other intermediary who, regardless of the remunerative aspects, can favour or contribute to the implementation of the operation, and of the subject(s) that control(s) them directly or indirectly; - Full name of the banks or other financial intermediaries involved in the Offer or in the execution of the Order, if already known; - Name of the subsidiaries of the subjects 	Exchange of e-mails	Sales Department Manager	Per event

	<p>listed above, possibly involved in the Offer;</p> <ul style="list-style-type: none"> - Commercial and Financial Information on the potential Customer or of the subject/entity that controls them, agent/distributor/intermediary. 			
8_PA 17	<p>When the Offer includes the export to countries subject to restrictive measures or in any case the export of dual-use goods (civil and military), on the basis of the verification carried out according to the guidelines set out by the Company, as part of the Sales Planning process, the Sales Manager and the Offer Manager transmit to the Legal Affairs Assistance Office Manager and to the Administration, Logistics Departments and Technical Division, the analyses carried out by the competent departments with regard to:</p> <ul style="list-style-type: none"> - the technical specifications of the goods covered by the Offer; - the alleged intended use of the goods covered by the Offer Request, verifying if the Offer Request envisages uses for the goods that are prohibited by applicable legislation, for example the use of military applications or nuclear explosives; civil nuclear activities in facilities not covered by I.A.E.A. safeguards; the use of applications related to the production and/or development of other weapons of mass destruction and missiles that can be used to deliver such weapons. 	Exchange of e-mails	Sales Department Manager	Per event
9_PA 17	<p>Once an Offer Request has been received, checks must be carried out to check if the export:</p> <ul style="list-style-type: none"> - may be prohibited by the corresponding community regulatory act; - may be subject to authorisation; - may be subject to authorisation or become free to export through a modification of the technical characteristics which allows compliance with the Export Control Regulations (always ensuring compliance with the Customer's requests in terms of expected result). 	Pre-filled forms	<p>Sales Department Manager</p> <p>Competent Departments</p>	Per event

10_PA 17	If the offer presented does not comply with the regulatory provisions applicable to exports and the Sales Department deems it impossible or inappropriate to proceed with studying alternative solutions, the Sales Department will communicate this in writing to the Offer Manager, who will inform the potential Customer that the goods covered by the Offer cannot be exported due to Export Control Regulations.	Exchange of e-mails	Sales Department Manager Offer Manager Technical Division	Per event
11_PA 17	If the studies and investigations carried out by the Technical Division and authorised by the Manager of the Sales Department, regarding the potential Customer and the quotation received, suggest that the export of the goods in question is subject to authorisation, the Offer Manager, after consulting with the Sales Department, decides whether to proceed with its approval.	Exchange of e-mails	Sales Department Manager Offer Manager Technical Division	Per event
12_PA 17	If the authorisation of the Chairperson of the Board of Directors is deemed necessary, the Offer Manager must complete the relevant forms.	Pre-filled forms	Sales Department Manager Offer Manager Technical Division Logistics Department Administration Department Legal Affairs Assistance Office Manager	Per event
13_PA 17	Having received the forms completed by the Offer Manager, the Chairperson of the Board of Directors or a special attorney of the Company with the power to sign, in the name and on behalf of the Company, documents addressed to public administrations, authorises the request.	Offer Request approval document	Sales Department Offer Manager Chairman of the Board of Directors	Per event

Management of Technical Commercial Offers - Sales & Marketing				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 18	<p>The collaborators of the Sales Department, authorised to draw up the technical/commercial offers, must pay particular attention to:</p> <ul style="list-style-type: none"> - clearly and unambiguously describing the products and/or treatments offered; - checking the conformity of the technical offer with the defined technical parameters of the offer; - providing all the supporting documentation aimed at defining the official specification of the products offered, in particular Technical Bulletins and Safety Data Sheets, verifying they are up to date. In particular cases, the Safety Data Sheets can be sent directly to the customer by the CHIMEC Technical Service, within a few days of sending the technical-commercial quotation and with documentary evidence for the Department's commercial archive; - highlighting the need for plant confirmation to define performance and dosages; - highlighting the time limits and maximum quantities of goods to which discounted prices are applied; - listing and defining all commercial conditions as per the attached pro forma offers. <p>The competent Secretarial Office must verify that all the above conditions are satisfied.</p>	Technical-commercial quotation	<p>Sales Department</p> <p>Competent secretarial office</p>	Per event
2_PA 18	Offers above the threshold by AM/PM/DM are authorised by the Manager of the Sales Department. In case of need for amounts higher than the ones managed by the Manager of the Sales Department, the Chairperson's authorisation is required.	Request for authorisation for offers above the threshold	<p>Chairperson</p> <p>Head of the Sales Department</p>	Per event
3_PA 18	A copy of each technical-commercial quotation is archived in special files that refer to the Customer in question.	Computer archive	Sales Department	Annually

Management of gifts, freebies and concessions - Sales & Marketing				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 19	<p>Employees and Collaborators are not allowed to give/offer and/or accept/receive gifts, freebies, concessions and/or any other benefit as part of the activities carried out for the Company aimed at acquiring preferential treatment in the conduct of any activities that can be linked to the Company, which are such as to give rise to even just the suspicion of having acted in the interest and on behalf of the Company.</p> <p>An exception is made for gifts of modest value attributable to normal polite relations or commercial practices which do not give rise to any improper influence.</p>	Code of Ethics	BoD	Per event

Strategic Project Management - Sales & Marketing				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 20	The CHIMEC Board of Directors, where necessary, entrusts the Manager of the Strategic Projects Department with coordinating the implementation of certain projects deemed strategic for the Company.	N/A	BoD	Per event
2_PA 20	The Manager of the Strategic Projects Department verbally reports to the Board of Directors, during periodic meetings, on the progress of the strategic project independently or with the support of each Department involved in the project.	Verbal Reports	Strategic Projects Department Departments involved	Per event
3_PA 20	Annually, the Board of Directors sets a budget to be allocated to projects of strategic importance to the Company.	Budget	BoD	Annually
4_PA 20	If deviations from the budget initially shared with the Board of Directors for the specific project occur while executing project activities, the Manager of the Strategic Projects Department communicates, for approval purposes, this deviation to the Board of Directors during a special meeting, in which the needs, motivations and a study of the pros and cons of exceeding the budget are illustrated.	Verbal Reports	Strategic Projects Department Departments involved	Per event
5_PA 20	The allocation of extra-budgetary resources is subject to approval by the Board of Directors.	N/A	BoD	Per event

Management of commercial negotiations - Sales & Marketing				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 21	Employees and Collaborators are not allowed to give/offer and/or accept/receive gifts, freebies, concessions and/or any other benefit as part of the activities carried out for the Company aimed at acquiring preferential treatment in the conduct of any activity that can be linked to the Company, which are such as to give rise to even just the suspicion of having acted in the interest and on behalf of the Company. An exception is made for gifts of modest value attributable to normal polite relations or commercial practices which do not give rise to any improper influence.	Code of Ethics	BoD	Per event
2_PA 21	The Company defines the selling price of its products and/or services. All sellers, during negotiations, have a maximum quantity of goods to which they can apply discounted prices, in order to successfully reach an agreement.	Price list	Sales & Marketing Department	Per event
3_PA 21	Before signing the contract, the Sales & Marketing Department, with the support of the Legal Department and the Purchasing Department, verifies the acceptability of the contract's clauses.	N/A	Sales & Marketing Department Legal Department Purchasing Department	Per event
4_PA 21	The documentation relating to the customer's order is sent to the Administration & Finance Department, which carries out accounting controls. In case of delays, the Sales Department proceeds with sending a payment reminder in coordination with the Administration & Finance Department.	Order Order confirmation Exchange of e-mails Invoices Microsoft Dynamics AX system	Administration & Finance Department	Daily

5_PA 21	Every new customer is entered into the Customer Database within the Microsoft Dynamics AX management system following a request from the Sales Department, subject to authorisation by the Manager of the Administration & Finance Department. Inclusion in the Customer Database section begins following the successful completion of the due diligence process on the Customer.	Microsoft Dynamics AX system	Manager of the Administration & Finance Department	Weekly or monthly
6_PA 21	The entire commercial negotiation process guarantees full traceability, in the sense that the negotiations, even if by telephone, are followed e-mails where definitive commercial quotations are received from the suppliers.	E-mails with suppliers	Purchasing Department	Per event
7_PA 21	In the contracts stipulated between CHIMEC S.p.A. and any potential buyer there is an express termination clause that applies in the case of violation of the principles set out in the Code of Ethics and the Model 231 adopted and implemented by the Company.	General conditions of sale	Sales Department	Per event

Management of customs compliance - Technical				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PA 22	The Technical and Quality Control Department, in collaboration with the Supply Department, manages the customs compliance of the products. The Quality Control and Technical Department also provides support to both the Commercial Division and the Legal Department for issues relating to the marketing of products in countries subject to restrictions.	N/A	Manager of the Quality Control and Technical Department	Per event
2_PA 22	Employees and Collaborators are not allowed to give/offer and/or accept/receive gifts, freebies, concessions and/or any other benefit as part of the activities carried out for the Company if they are aimed at acquiring preferential treatment in the conduct of any activity that can be linked to the Company and if they give rise to even just the suspicion of acting in the interest and on behalf of the Company. An exception is made for gifts of modest value attributable to normal polite relations or commercial practices which cannot be considered improper influence.	Code of Ethics	BoD	Per event
3_PA 22	All communications with the Customs Agency are appropriately tracked and, in the case of oral communications, an exchange of e-mails always follows.	Exchange of e-mails	Quality Control and Technical Division	Per event

6 INFORMATION FLOWS TOWARDS THE SUPERVISORY BODY

In order to provide the Supervisory Body with the tools to carry out its monitoring activities and the timely verification of the effective execution of the controls envisaged by the Model and, in particular, by this Special Section, the information flows that must be guaranteed are described below.

The detailed logical associations between the information flows and the sensitive activities, methodologically useful for the evaluation of the flows themselves, are presented in detail in the documentation for easy consultation that is always available from the reference function.

The communication tool is mainly represented by an e-mail message to be sent, by the manager, to this address: odv@chimec.it, with the information flow to which the communication refers.

Definition of the budget (preliminary activity) - Purchases				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_PA 1	Reporting to the SB of operations carried out for extra-budget purchases relating to materials and services.	Communication e-mail	Purchasing Department	Per event
Selection and choice of law firms (out-of-court settlements) - Legal				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_PA 8	The Company sends the Supervisory Body the list of ongoing out-of-court matters.	E-mail communications	Legal office	Per event
Selection and choice of law firms (litigation) - Legal				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_PA 9	The Company transmits the list of open disputes to the Supervisory Body.	E-mail communications	Legal office	Per event
Definition of the budget (preliminary activity) - Human Resources				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_PA 10	Reporting to the Supervisory Body of extra-budgetary hirings.	Communication e-mail	Department involved	Per event
Staff selection and hiring - Human Resources				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_PA 11	Any extra-budgetary hires approved by the Chairperson are communicated to the SB.	Communication e-mail	Human Resources Department	Per event

Management of relations with Public Servants (e.g. tax audits by the Financial Police, the Revenue Agency, etc.) - Human Resources				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_PA 15	<p>The Department subject to inspection promptly informs the Supervisory Body of the start of the inspection activities.</p> <p>Once the inspection activities have been completed, the assessment report must be promptly sent to the SB.</p>	<p>Communication e-mail of inspection start</p> <p>Inspection conclusion e-mail with report attached</p>	Department subject to inspection	Per event
Management of gifts, freebies and concessions - Sales & Marketing				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_PA 19	The Development & Marketing Department promptly forwards the authorised free gift list to the Supervisory Body.	Communication e-mail with the authorised free gift list attached	Department of Development & Marketing	Per event

SPECIAL SECTION – IT-RELATED FELONIES AND UNLAWFUL PROCESSING OF DATA PURSUANT TO ART. 24 BIS OF LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION - IT-RELATED FELONIES AND UNLAWFUL DATA PROCESSING

The objective of the Special Section of the Model is to direct the sensitive activities carried out by the Recipients in order to prevent the IT-related felonies and offences related to the unlawful processing of data referred to in art. 24 bis of Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of crimes referred to in art. 24 bis of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 2 contains the section of the articles of the Italian Criminal Code relevant pursuant to art. 24 bis of Legislative Decree No. 231/2001, accompanied by a brief description of the Crimes.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 24 BIS OF LEGISLATIVE DECREE NO. 231/2001

Ref.	Organisational unit responsible for the sensitive activity	Sensitive activity	Explanatory description of how the crime could be committed
IT 1	Administration & Finance (IT Office)	Management of corporate information technology systems	<p>The Company could illegally enter an IT system, for example of a competing company, forcing its security systems, to block its activity or for espionage purposes.</p> <p>The Company could also disseminate or communicate codes to access the computer systems of a competing company to hackers or other competitors in order to cause damage.</p>
IT 2	Administration & Finance (IT Office)	Management of devices and computer programmes	<p>With the human/economic resources at its disposal, the Company could install programmes and obtain viruses to send to competing companies, or, again with the aim of damaging them, the Company could resort to e-mail bombing to destroy or render unusable the IT or telematic systems of the competing companies.</p>

The detailed logical associations between the sensitive activities and the predicate crimes, methodologically preparatory to the evaluation of the control protocols, are presented in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

4 IT-RELATED FELONIES AND UNLAWFUL DATA PROCESSING – GENERAL PRINCIPLES OF BEHAVIOUR

This paragraph outlines the general rules of desired behaviour (Do's Area) or specific prohibitions (Don'ts Area) that the Recipients of this Special Section of the Model are required to follow, adjusting their conduct accordingly when engaging in the sensitive activities mentioned above. These principles recall the rules of the Code of Ethics (specifying which or, if necessary, integrating them) and insert them at the level of the crime risks of interest. By virtue of specific contractual agreements or unilateral declarations, the principles in question may also apply to External Parties involved in carrying out the identified sensitive activities.

4.1 DO'S AREA

All sensitive activities must be carried out in compliance with the legislative and regulatory provisions in force, with the Company's principles of Corporate Governance, with the rules of the Code of Ethics, with the general principles of behaviour set out in both the General Section and the Special Section of this Model, as well as with the protocols (and further existing organisational procedures) established to protect against the identified crime risks.

Specifically, the Recipients of this Special Section must:

- follow and comply with the provisions of the company policies regarding the use and management of IT tools;
- access only authorised sites;
- allow access and use of the IT tools they have been assigned only to authorised parties.

4.2 DON'TS AREA

It is forbidden to contribute to or cause actions or to behave in a way that can integrate individually or collectively, directly or indirectly, the types of crime envisaged by article 24 bis of Legislative Decree No. 231/2001. Violations of the principles, protocols and existing organisational procedures provided for or referred to in this Special Section are also prohibited.

It is also forbidden behave in ways that violate the rules of the Code of Ethics, the general principles set out both in the General Section and in this Special Section and, in general, in the documentation adopted for the implementation of the reference principles set out in this Special Section.

Specifically, the recipients of this Special Section may not:

- break into other people's information systems and databases without having authorisation or licence;
- intercept or interrupt electronic communications;
- give their authentication credentials for the use of IT systems to unauthorised third parties;
- download programmes aimed at hacking activities;
- modify the settings of the IT tools available without authorisation from the relevant parties.

5 IT-RELATED FELONIES AND UNLAWFUL DATA PROCESSING - PROTOCOLS TO PROTECT AGAINST CRIME RISKS

For the purposes of applying the behavioural rules and prohibitions listed in the previous chapter, the protocols described below to protect against the crime risks identified above must be followed (article 24 bis of Legislative Decree No. 231/2001).

The detailed logical associations between the protocols designed to protect against crime risks and the sensitive activities, methodologically useful for the evaluation of the control protocols, are described in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

The Recipients of this Special Section of the Model, in addition to complying with the existing legal provisions on the matter and the behavioural rules referred to in the Code of Ethics, must carry out the activities envisaged in the control protocols for which they are responsible and in the further documentation adopted for the implementation of the reference principles set out in this Special Section.

5.1 PROTOCOLS TO PROTECT AGAINST CRIME RISKS PURSUANT TO ART. 24 BIS OF LEGISLATIVE DECREE NO. 231/2001

Management of corporate information technology systems - Administration & Finance (IT Office)				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_IT 1	Employees and collaborators are expected to look after, safeguard and protect, preventing fraudulent or improper use, the Company's assets they have received to carry out their duties. They are expected to use them in a manner that is exclusively for the execution of company activities or for the purposes authorised by the functions. Furthermore, it is not possible to carry out activities that are not strictly connected with official duties and/or that are in conflict with the interests of the Company during working hours and using work tools.	Code of Ethics	BoD	Per event
2_IT 1	CHIMEC has adopted an IT Regulation which has the purpose of governing the management and use of the Company's IT infrastructures and resources.	Company IT Regulation	BoD	Per event
3_IT 1	When the IT company assets are delivered to a new employee, that employee signs a declaration stating that they have read the Internal Regulations and the clauses contained therein.	Company IT Regulation Signature on the acknowledgment declaration	Human Resources Department	Per event
4_IT 1	The subjects who, by virtue of their activity, may become aware of access credentials, sign a clause for the non-disclosure of the information.	Signed non-disclosure clause	CHIMEC S.p.A. employee	Per event
5_IT 1	The Human Resources Department communicates, via e-mail, to the IT Manager the need to create a new user profile, specifying the grade and role of the employee associated with the profile and justifying the authorisation request.	Communication e-mail for creation of new user profile	Human Resources Department IT Manager	Per event
6_IT 1	Upon hiring, the Company carries out user profiling regarding the use of its company accounts. This profiling is subject to control by the Administration & Finance Department and to the authorisation to proceed by the Chairperson.	N/A	Chairperson Administration & Finance Department IT Manager	Per event

7_IT 1	Considering the identified qualifications, the IT Manager proceeds with the creation of the new user profile. The relevant credentials are communicated via e-mail.	Communication e-mail for creation of new user profile	IT Manager	Per event
8_IT 1	To ensure the access credentials of all accounts for the different types of access are secure, passwords must be changed periodically. These passwords must: - contain uppercase and lowercase letters, a number and a special character; - be at least 8 characters long.	Password change reminder	IT Manager	Per event
9_IT 1	The Company allocates company IT equipment (PCs, mobile phones, printers, faxes) to employees and collaborators, to be used for work activities and exclusively for purposes directly linked to company needs.	Company IT Regulation	IT Manager	Per event
10_IT 1	Upon commencing, new hires are given an induction on IT issues (such as company password management).	N/A	Administration & Finance Department	Per event
11_IT 1	The IT Office defines the functions enabling the identification and control on the users who are granted logic access to the resources controlled by the IT system. Using the Active Directory service, the system ascertains the declared identity and checks that the user is who they claim to be.	Active Directory	IT Manager	Daily
12_IT 1	The IT Office provides users with a software programme for managing requests for hardware and software assistance. In the event of malfunctions, the user logs into the application and enters a request for assistance, which is forwarded via e-mail to the IT technician in order to resolve the emergency.	Exchange of e-mails	IT Manager	Per event
13_IT 1	If employee's duties change, the IT Manager makes the appropriate changes to their user data and, with regards to access, the profile is adjusted.	Communication e-mail	Chairperson Manager of the Administration & Finance Department	Per event

14_IT 1	If an employee is leaving the company (as a result of resignation/dismissal/retirement), the Human Resources Manager will e-mail the IT Manager who will proceed with deleting the user profile of the leaving employee.	Communication e-mail	Human Resources Manager IT Manager	Per event
15_IT 1	The IT Manager confirms the deletion of the user to the Human Resources Department via e-mail.	E-mail confirming deletion	IT Manager	Per event
16_IT 1	In the event that an anomaly occurs (anomalous network traffic/virus) an automatic alert is sent to the IT Manager, who proceeds with analysing the logs to understand the origin of the alert and solve the problem.	Summary report on analysis results	IT Manager	Per event
17_IT 1	In case of anomalies, once checks have been carried out on the user, the user is blocked or eliminated as needed.	Summary report on analysis results	IT Manager	Annually
18_IT 1	The System Administrator compiles lists of people with access to the shared data and updates them when there are new hires, personnel transfers and resignations.	User database	IT Manager	Daily
19_IT 1	CHIMEC uses an external company for the security of corporate environments and for carrying out audits regarding the functionality of specific IT systems.	Reports	External provider	Infra-annual

Management of devices and IT programmes - Administration & Finance (IT Office)				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_IT 2	<p>Employees and collaborators are expected to look after, safeguard and protect, preventing fraudulent or improper use, the Company's assets they have received to carry out their duties. They are expected to use them in a manner that is exclusively for the execution of company activities or for the purposes authorised by the functions.</p> <p>Furthermore, it is not possible to carry out activities that are not strictly connected with official duties and/or that are in conflict with the interests of the Company during working hours and using work tools.</p>	Code of Ethics	BoD	Per event
2_IT 2	CHIMEC has adopted an IT Regulation which has the purpose of governing the management and use of the Company's IT infrastructures and resources.	Company IT Regulation	BoD	Per event
3_IT 2	When the IT company assets are delivered to a new employee, that employee signs a declaration stating that they have read the Internal Regulations and the clauses contained therein.	Company IT Regulation Signature on the acknowledgment declaration	Human Resources Department	Per event
4_IT 2	The use of programmes other than those officially installed by personnel authorised by the Company is not permitted. Users may not independently install or subscribe to licences, even if free of charge, for programmes coming from outside the Company without the express authorisation of the Administration & Finance Department.	Company IT Regulation	Administration & Finance Department	Per event
5_IT 2	CHIMEC S.p.A. employees do not have system administrator rights. Therefore, modifying the standard configurations of company PCs is not permitted/possible.	N.A.	Administration & Finance Department	Per event
6_IT 2	The Company uses IT tools that limit the traffic of users authorised to browse (web filtering) and allow them to access sites exclusively connected with the work activity carried out.	N.A.	Administration & Finance Department	Per event
7_IT 2	The Company adopts measures deemed appropriate to protect its electronic systems from any careless internet browsing by employees. Specifically, CHIMEC's IT system is protected by antivirus software, which is updated on an ongoing basis.	Antivirus software installed	Administration & Finance Department	Per event

6 INFORMATION FLOWS TOWARDS THE SUPERVISORY BODY

In order to provide the Supervisory Body with the tools to carry out its monitoring activities and the timely verification of the effective execution of the controls envisaged by the Model and, in particular, by this Special Section, the information flows that must be guaranteed are described below.

The detailed logical associations between the information flows and the sensitive activities, methodologically useful for the evaluation of the flows themselves, are presented in detail in the documentation for easy consultation that is always available from the reference function.

The communication tool is mainly represented by an e-mail message to be sent, by the manager, to this address: odv@chimec.it, with the information flow to which the communication refers.

Management of corporate information technology systems - Administration & Finance (IT Office)				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_IT 1	The IT Manager sends a communication via e-mail to the Supervisory Body every time a user account is changed or deleted.	Communication e-mail	IT Manager	Per event
2_IT 1	The IT Manager e-mails to the Supervisory Body the Report relating to the census of the enabled users and credentials of employees authorised to access the PA's telematic or IT systems.	Communication e-mail	IT Manager	Annually

SPECIAL SECTION – CONTRABAND PURSUANT TO ART. 25-SEXIESDECIES OF LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION – CONTRABAND

This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the crimes referred to in art. 25-sexiesdecies of Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of crimes referred to in art. 25-sexiesdecies of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the Company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the Supervisory Body must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 22 contains the section of the relevant cases pursuant to art. 25-sexiesdecies of Legislative Decree No. 231/2001, accompanied by a brief description of the Crimes.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 25-SEXIESDECIES OF LEGISLATIVE DECREE NO. 231/2001

With reference to the risk of commission of the Crimes illustrated in the previous paragraph (referred to in article 25 sexiesdecies of Legislative Decree No. 231/2001) and deemed relevant following the risk assessment carried out internally, the Company considers “sensitive” the following activities carried out by the Recipients of this Special Section, also (possibly) in collaboration with External Parties:

Ref.	Organisational unit responsible for the sensitive activity	Sensitive activity	Explanatory description of how the crime could be committed
CON 1	Purchases	Selection and qualification of suppliers	<p>The Company, in violation of the provisions, prohibitions and limitations established in customs-related matters, could:</p> <ul style="list-style-type: none"> a) introduce foreign goods over the land border; b) unload or store foreign goods in the area between the border and the nearest customs office; c) be found with foreign goods hidden on people or in luggage, packages or furnishings or in goods of other kinds or in any transport vehicle, to avoid customs inspection; d) remove goods from customs areas without paying the duties due or without having guaranteed payment, except as provided for in art. 90 of the Consolidated Customs Act; e) take national or nationalised goods subject to customs duties out of the customs territory, in the conditions set out in the previous sections; f) detain foreign goods, in the circumstances provided for in the second paragraph of art. 25 for the crime of contraband; g) transport foreign goods by ship without customs permission; h) transport foreign goods by air in the territory of the State without the necessary documentation; i) establish unauthorised stocks of foreign goods subject to customs duties or to an extent exceeding that permitted; l) give, in whole or in part, to foreign goods imported free of duty and with reduced duties a destination or use that was not the one the duty relief or reduction was granted for.
CON 2	Sales & Marketing	Management of export activities of dual-use products (civil and military)	<p>The Company, in violation of the provisions, prohibitions and limitations established in customs-related matters, could:</p> <ul style="list-style-type: none"> a) introduce foreign goods over the land border; b) unload or store foreign goods in the area between the border and the nearest customs office; c) be found with foreign goods hidden on people or in luggage, packages or furnishings or in goods of other kinds or in any transport vehicle, to avoid customs inspection; d) export goods from customs areas without paying the duties due or without having guaranteed payment, except as provided for in art. 90 of the Consolidated Customs Act;

			<p>e) take national or nationalised goods subject to customs duties out of the customs territory, in the conditions set out in the previous sections;</p> <p>f) detain foreign goods, in the circumstances provided for in the second paragraph of art. 25 for the crime of contraband;</p> <p>g) transport foreign goods by ship without customs permission;</p> <p>h) transport foreign goods by air in the territory of the State without the necessary documentation;</p> <p>i) establish unauthorised stocks of foreign goods subject to customs duties or to an extent exceeding that permitted;</p> <p>l) give, in whole or in part, to foreign goods imported free of duty and with reduced duties a destination or use that was not the one the duty relief or reduction was granted for.</p>
CON 3	Sales & Marketing	Development of new products as part of the management of export activities of dual-use products (civil and military)	<p>The Company, in violation of the provisions, prohibitions and limitations established in customs-related matters, could:</p> <p>a) introduce foreign goods over the land border;</p> <p>b) unload or store foreign goods in the area between the border and the nearest customs office;</p> <p>c) be found with foreign goods hidden on people or in luggage, packages or furnishings or in goods of other kinds or in any transport vehicle, to avoid customs inspection;</p> <p>d) export goods from customs areas without paying the duties due or without having guaranteed payment, except as provided for in art. 90 of the Consolidated Customs Act;</p> <p>e) take national or nationalised goods subject to customs duties out of the customs territory, in the conditions set out in the previous sections;</p> <p>f) detain foreign goods, in the circumstances provided for in the second paragraph of art. 25 for the crime of contraband;</p> <p>g) transport foreign goods by ship without customs permission;</p> <p>h) transport foreign goods by air in the territory of the State without the necessary documentation;</p> <p>i) establish unauthorised stocks of foreign goods subject to customs duties or to an extent exceeding that permitted;</p> <p>l) give, in whole or in part, to foreign goods imported free of duty and with reduced duties a destination or use that was not the one the duty relief or reduction was granted for.</p>

CON 4	S. Palomba Plant Management	Management of the S. Palomba+Papaped+Five Stars warehouse (warehouses managed by the Plant Management)	<p>The Company, in violation of the provisions, prohibitions and limitations established in customs-related matters, could:</p> <ul style="list-style-type: none"> a) introduce foreign goods over the land border; b) unload or store foreign goods in the area between the border and the nearest customs office; c) be found with foreign goods hidden on people or in luggage, packages or furnishings or in goods of other kinds or in any transport vehicle, to avoid customs inspection; d) remove goods from customs areas without paying the duties due or without having guaranteed payment, except as provided for in art. 90 of the Consolidated Customs Act; e) take national or nationalised goods subject to customs duties out of the customs territory, in the conditions set out in the previous sections; f) detain foreign goods, in the circumstances provided for in the second paragraph of art. 25 for the crime of contraband; g) transport foreign goods by ship without customs permission; h) transport foreign goods by air in the territory of the State without the necessary documentation; i) establish unauthorised stocks of foreign goods subject to customs duties or to an extent exceeding that permitted; l) give, in whole or in part, to foreign goods imported free of duty and with reduced duties a destination or use that was not the one the duty relief or reduction was granted for.
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The detailed logical associations between the sensitive activities and the predicate crimes, methodologically preparatory to the evaluation of the control protocols, are presented in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

4 CONTRABAND CRIMES – GENERAL PRINCIPLES OF BEHAVIOUR

This paragraph outlines the general rules of desired behaviour (Do's Area) or specific prohibitions (Don'ts Area) that the Recipients of this Special Section of the Model are required to follow, adjusting their conduct accordingly when engaging in the sensitive activities mentioned above. These principles recall the rules of the Code of Ethics (specifying which or, if necessary, integrating them) and insert them at the level of the crime risks of interest. By virtue of specific contractual agreements or unilateral declarations, the principles in question may also apply to External Parties involved in carrying out the identified sensitive activities.

4.1 DO'S AREA

All sensitive activities must be carried out in compliance with the legislative and regulatory provisions in force, with the Company's principles of Corporate Governance, with the rules of the Code of Ethics, with the general principles of behaviour set out in both the General Section and the Special Section of this Model, as well as with the protocols (and further existing organisational procedures) established to protect against the identified crime risks.

Specifically, the Recipients of this Special Section must:

- Deal with the management of customer and supplier records;
- Check the legal requirements of their shippers and transporters;
- Collaborate with professional experts in the sector;
- Comply with the current reference legislation on tax matters.

4.2 DON'TS AREA

It is forbidden to contribute to or cause actions or to behave in a way that can integrate individually or collectively, directly or indirectly, the types of crime envisaged by article 25 sexiesdecies. Violations of the principles, protocols and existing organisational procedures provided for or referred to in this Special Section are also prohibited.

It is also forbidden to engage in behaviours that violate the rules of the Code of Ethics, the general principles set out both in the General Section and in this Special Section and, in general, in the documentation adopted in the implementation of the reference principles set out in this Special Section.

5 CONTRABAND CRIMES - PROTOCOLS TO PROTECT AGAINST CRIME RISKS

For the purposes of implementing the behavioural rules and prohibitions listed in the previous chapter, the protocols described below, aimed at protecting against the crime risks identified above, must be followed (art. 25 sexiesdecies of Legislative Decree No. 231/2001).

The detailed logical associations between the protocols designed to protect against crime risks and the sensitive activities, methodologically useful for the evaluation of the control protocols, are described in detail in the relevant documentation, which is easy to consult and always available from the function responsible for the activity in question.

The Recipients of this Special Section of the Model, in addition to complying with the existing legal provisions on the matter and the behavioural rules referred to in the Code of Ethics, must carry out the activities envisaged in the control protocols for which they are responsible and in the further documentation adopted for the implementation of the reference principles set out in this Special Section.

5.1 PROTOCOLS TO PROTECT AGAINST CRIME RISKS PURSUANT TO ART. 25 SEXIESDECIES OF LEGISLATIVE DECREE NO. 231/2001

The detailed logical associations between the sensitive activities and the predicate crimes, methodologically preparatory to the evaluation of the control protocols, are presented in detail in the relevant documentation, which is easy to consult and always available from the function responsible for the activity in question.

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Selection and qualification of suppliers - Purchases				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_CON 1	Suppliers are selected according to criteria of competence/professionalism, cost-effectiveness, fairness and transparency. The process for Supplier selection and the determination of the purchasing conditions for goods and services requires objective and impartial assessments, based on quality, price and guarantees provided, with the aim of obtaining a competitive advantage. The fees and sums of any kind paid to Suppliers and Consultants for supplies and professional services must be in line with market conditions and adequately documented. When selecting Suppliers, undue pressure, aimed at favouring one supplier over another and such as to undermine the credibility and trust that the market places in the Company (in terms of transparency and rigorous application of the Law and internal regulations) is neither admitted nor accepted.	Code of Ethics	BoD	Per event
2_CON 1	CHIMEC has prepared a purchasing procedure that it uses to define the process for the selection, qualification and evaluation of suppliers.	Procedure for the selection, qualification and evaluation of suppliers	Purchasing Department	Per event
3_CON 1	The approved suppliers who have supplied or who will supply the raw material are included in a specific list after technical and financial checks have been carried out by the Purchasing Department and the Administration & Finance Department.	List of approved suppliers	Purchasing Department Administration & Finance Department	Per event

4_CON 1	The Purchasing Department selects only approved suppliers for the purchase of raw materials and packaging which are coded into the System and, therefore, approved by the Technical Division.	List of approved suppliers	Purchasing Department	Per event
5_CON 1	The Requesting Department identifies the supplier and submits the name to the Purchasing Department, explaining why one supplier was selected rather than another and also attaching the preliminary checks carried out on the chosen supplier.	Exchange of e-mails	Requesting Department	Per event
6_CON 1	The Purchasing Department, with the support of the Administration & Finance Department and/or the Requesting Department, carries out an economic and technical-professional qualification/assessment activity on the suppliers to be involved, if necessary, in the purchasing process.	Supplier qualification sheet	Purchasing Department Administration & Finance Department	Per event
7_CON 1	The supplier is asked to provide a document certifying they have the qualifications established by the Company and meet compliance requirements.	Self-certification form	Purchasing Department	Per event
8_CON 1	The Human Resources Department carries out its due diligence activities on the individual supplier by using databases and/or specialised companies.	Due diligence process	Human Resources Department	Per event
9_CON 1	If the outcome of the evaluation process is positive, the Purchasing Department will include the supplier in the Application System and in the list of qualified suppliers.	List of qualified suppliers	Purchasing Department	Per event
10_CON 1	The Purchasing Department carries out an assessment of the supplier after the supply contract has been awarded, based on whether or not non-compliance occurred during the calendar year. The Purchasing Department, based on the actual quality of the service/product, delivery times, correctness of invoices and compliance with agreements, prepares a supplier ranking list.	Feedback to evaluated suppliers	Purchasing Department	Annually
11_CON 1	All documentation requested from suppliers is stored on paper and computer archives.	IT system Paper archive	Purchasing Department	Per event

12_CON 1	Raw materials and packaging cannot be purchased from suppliers that are not qualified and approved. However, as regards the supply of materials and services, procurement from suppliers that have not been qualified and approved is justified by the Requesting Department and adequately motivated and authorised by the General Management and/or the Chairperson.	Reason-substantiated authorisation	Chairperson General Management	Per event
13_CON 1	The non-fungibility of non-fungible suppliers is justified in writing.	Motivation set out in writing	Purchasing Department	Per event

Management of export activities of dual-use products (civil and military) - Sales & Marketing				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_CON 2	<p>In order to preventively identify the elements not in line with the current legislation on exports, which could hinder the completion of a given operation with a foreign country or make it impossible, the Company carries out three distinct orders of checks</p> <ul style="list-style-type: none"> - objective, to ensure that there is no law prohibiting the export of the item(s) and that no authorisation is required for export; - subjective, oriented towards the recipient of the item(s) and to the risks of possible diversion, linked to the person who is the "end user of the item(s)"; - geographical, connected to the area that the item(s) must reach, which could be subject to special regulations. 	Export Control Regulations	Sales Department Manager	Per event
2_CON 2	Before carrying out any export operation, it is necessary to verify whether or not the products are included in one of the categories described in Annex I of Regulation (EU) No. 2021/821.	Regulation (EU) No. 2021/821	Sales Department	Per event
3_CON 2	Pursuant to art. 3 of Regulation (EU) No. 2021/821, the goods and technologies listed in Annex I to the regulation itself, as replaced, firstly, by Regulation (EU) no. 388/2012 and, lastly, by Commission Delegated Regulation (EU) No. 1382/2014, can only be exported following authorisation from the competent authority of the Member State in which the exporter is established (for Italy, the UAMA – Unit for Authorisations of Military Materials).	Regulation (EU) No. 2021/821	Sales Department	Per event

4_CON 2	<p>Goods not included in Annex I of Regulation (EU) No. 2021/821 may also require prior approval by UAMA, if the following conditions apply:</p> <ul style="list-style-type: none"> - the exporter has been informed by the competent authorities of the Member State in which the exporter is established, or there is reason to suspect, that said products are or may be intended, in their entirety or in part, for use at any stage of the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of chemical, biological or nuclear weapons or other nuclear explosive devices, or to the development, production, maintenance or storage of missiles that can be used as carriers of such weapons; - the purchasing country or the country of destination is subject to an arms embargo imposed by a decision or common position adopted by the Council or by a decision of the Organisation for Security and Co-operation in Europe (OSCE) or to an embargo on armaments imposed by a binding resolution of the United Nations Security Council, and where the exporter has been informed by the authorities referred to in paragraph 1 that those products are or may be intended, in whole or in part, for military purposes; - the exporter has been informed by the authorities referred to in paragraph 1 that said products are or may be intended, in their entirety or in part, for use as parts or components of military products included in the list of national military goods which have been exported from the territory of the Member State concerned without authorisation or in breach of the authorisation required by the national law of that Member State. 	Regulation (EU) No. 2021/821	Sales Department	Per event
5_CON 2	In the case of exports not prohibited by Reg. (EU) No. 2021/821 or by other provisions of the Export Control Regulations, it is advisable to introduce, within the Offer, where contractually possible, a clause that makes the binding nature of the Offer conditional to the relevant goods or technical assistance not being subject to catch-all provisions.	Catch-all clause	Sales Department Legal Department	Per event

6_CON 2	Whenever a given operation involves an export, an import, the provision of technical assistance services or an investment activity involving one of the countries subject to trade restrictions, it will be necessary to verify whether the aforementioned operation is permitted by the relevant legislation. Periodically, the Manager of the Sales Department verifies that the potential ordering party, the buyer, the recipient of the supply, the end user or other party involved in the commercial relation is not included in the "black list" attached to the Export Control Regulations; if they are blacklisted, no commercial relation can be established under any circumstances.	Black list	Sales Department Manager	Annually
7_CON 2	Having received an Offer Request or if a Customer (potential or otherwise) wishes to establish commercial relations, the Sales Manager must first begin a preliminary assessment of Export Control Regulation applicability. To do so, they must collect and transmit to the Legal Affairs Assistance Office Manager and to the Administration, Logistics Departments and Technical Division, the following information: - Country of destination of the goods and any transit countries; - Information available on the site and on the type of plant in which the goods will be used; - Specific use of the goods covered by the Offer; - Full name of the potential Customer and of the person(s)/subject(s) that control(s) them directly or indirectly; - Full name of the subject/entity that will ultimately use the requested products (end user) and of the subject or subjects that control them directly or indirectly; - Full name of each agent, distributor or other intermediary who, regardless of the remunerative aspects, can favour or contribute to the implementation of the operation, and of the subject(s) that control(s) them directly or indirectly; - Full name of the banks or other financial intermediaries involved in the Offer or in the execution of the Order, if already known; - Name of the subsidiaries of the subjects listed above, possibly involved in the Offer; - Commercial and Financial Information on the potential Customer or of the subject/entity that controls them, agent/distributor/intermediary.	Exchange of e-mails	Sales Department Manager	Per event

8_CON 2	<p>When the Offer includes the export to countries subject to restrictive measures or in any case the export of dual-use goods (civil and military), on the basis of the verification carried out according to the guidelines set out by the Company, as part of the Sales Planning process, the Sales Manager and the Offer Manager transmit to the Legal Affairs Assistance Office Manager and to the Administration, Logistics Departments and Technical Division, the analyses carried out by the competent departments with regard to:</p> <ul style="list-style-type: none"> - the technical specifications of the goods covered by the Offer; - the alleged intended use of the goods covered by the Offer Request, verifying if the Offer Request envisages uses for the goods that are prohibited by applicable legislation, for example the use of military applications or nuclear explosives; civil nuclear activities in facilities not covered by I.A.E.A. safeguards; the use of applications related to the production and/or development of other weapons of mass destruction and missiles that can be used to deliver such weapons. 	Exchange of e-mails	Sales Department Manager	Per event
9_CON 2	<p>Once an Offer Request has been received, checks must be carried out to check if the export:</p> <ul style="list-style-type: none"> - may be prohibited by the corresponding community regulatory act; - may be subject to authorisation; - may be subject to authorisation or become free to export through a modification of the technical characteristics which allows compliance with the Export Control Regulations (always ensuring compliance with the Customer's requests in terms of expected result). 	Pre-filled forms	<p>Sales Department Manager</p> <p>Competent Departments</p>	Per event
10_CON 2	<p>If the offer presented does not comply with the regulatory provisions applicable to exports and the Sales Department deems it impossible or inappropriate to proceed with studying alternative solutions, the Sales Department will communicate this in writing to the Offer Manager, who will inform the potential Customer that the goods covered by the Offer cannot be exported due to Export Control Regulations.</p>	Exchange of e-mails	<p>Sales Department Manager</p> <p>Offer Manager</p> <p>Technical Division</p>	Per event

11_CON 2	If the studies and investigations carried out by the Technical Division and authorised by the Manager of the Sales Department, regarding the potential Customer and the quotation received, suggest that the export of the goods in question is subject to authorisation, the Offer Manager, after consulting with the Sales Department, decides whether to proceed with its approval.	Exchange of e-mails	Sales Department Manager Offer Manager Technical Division	Per event
12_CON 2	If the authorisation of the Chairperson of the Board of Directors is deemed necessary, the Offer Manager must complete the relevant forms.	Pre-filled forms	Sales Department Manager Offer Manager Technical Division Logistics Department Administration Department Legal Affairs Assistance Office Manager	Per event
13_CON 2	Having received the forms completed by the Offer Manager, the Chairperson of the Board of Directors or a special attorney of the Company with the power to sign, in the name and on behalf of the Company, documents addressed to public administrations, authorises the request.	Offer Request approval document	Sales Department Offer Manager Chairman of the Board of Directors	Per event

Development of new products as part of the management of export activities of dual-use products (civil and military) - Sales & Marketing				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_CON 3	<p>Having received an Offer Request or if a Customer (potential or otherwise) wishes to establish commercial relations, the Sales Manager must first begin a preliminary assessment of Export Control Regulation applicability. To do so, they must collect and transmit to the Legal Affairs Assistance Office Manager and to the Administration, Logistics Departments and Technical Division, the following information:</p> <ul style="list-style-type: none"> - Country of destination of the goods and any transit countries; - Information available on the site and on the type of plant in which the goods will be used; - Specific use of the goods covered by the Offer; - Full name of the potential Customer and of the person(s)/subject(s) that control(s) them directly or indirectly; - Full name of the subject/entity that will ultimately use the requested products (end user) and of the subject or subjects that control them directly or indirectly; - Full name of each agent, distributor or other intermediary who, regardless of the remunerative aspects, can favour or contribute to the implementation of the operation, and of the subject(s) that control(s) them directly or indirectly; - Full name of the banks or other financial intermediaries involved in the Offer or in the execution of the Order, if already known; - Name of the subsidiaries of the subjects listed above, possibly involved in the Offer; - Commercial and Financial Information on the potential Customer or of the subject/entity that controls them, agent/distributor/intermediary. 	Exchange of e-mails	Sales Department Manager	Per event

2_CON 3	<p>The units of the Development & Marketing Department are required to carefully collect the following information:</p> <ul style="list-style-type: none"> • Country of destination of any new product and possible transit countries; • Information on the site and type of plant where the new product would be used; • Full name of the Customer and of the subject(s) that control(s) them, directly or indirectly; • Full name of the subject/entity who will ultimately use the requested products (end user) and of the subject or subjects that control them directly or indirectly; • Full name of each agent, distributor or other intermediary who, regardless of the remunerative aspects, may favour or contribute to the implementation of the operation, and of the subject(s) that control(s) them directly or indirectly; • Full name of the banks or other financial intermediaries involved in the operation, if already known; • Name of the subsidiaries of the subjects listed above, possibly involved in the operation; • Commercial and Financial Information on the potential Customer or of the subject/entity that controls them, agent/distributor/intermediary; • Technical specifications of the potential new product, with a description of the differences between the potential new product and that covered by any previous order; • Use to which the potential new product is intended, pursuant to what was declared by the Customer at the time of the request; • Identification data of the order to which the request for a new product is possibly associated and which can be used to verify if it has already been subject to exportability verification. 	N/A	Development & Marketing Department	Per event
3_CON 3	The Development & Marketing Department proceeds with entering the Customer and the country of destination of the product in the "New Product" form.	"New Product" form	Development & Marketing Department	Per event
4_CON 3	The Technical Division carries out an exportability assessment on the Product.	N/A	Technical Division	Per event

5_CON 3	Once the exportability assessment has been carried out, if the Product falls within the parameters as set out in Reg. (EC) No. 428/2009, the Technical Division will issue the approval of the new Product, otherwise the new Product will not be included in the system.	Approval act	Technical Division	Per event
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Management of the S. Palomba+Papaspè+Five Stars warehouse (warehouses managed by the Plant Management) - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_CON 4	The Company has adopted a procedure to govern the roles, tasks, responsibilities, operating methods and controls connected to warehouse management.	Procedure for warehouse management	Plant Management Unit Managers	Per event
2_CON 4	Access to the warehouse is permitted exclusively to staff of departments that are part of the Plant Management. In particular, the Company has two warehouses: - Warehouse 001 , for finished products and raw materials ready for sale; - Warehouse 048 , for what are known as "long-term products", which can be used by the Plant Management only if permitted by the Quality Control Department. The Papaspè and Five Stars external warehouses are managed exactly like Warehouse 001.	Warehouse management procedures	Plant Management Unit Managers	Daily
3_CON 4	When the goods are unloaded, a Logistics employee enters the incoming goods into the management system, after checking that the quantity and quality of the goods delivered match what is indicated in the transport document and in the purchase order.	Signature on the delivery note/invoice Goods entered into the system	Plant Management Unit Managers	Per event
4_CON 4	Goods entering and leaving the warehouse are recorded. In particular, there are (screen) pages on what is not there and, at the end of the year, this is reported to the General Management.	Warehouse management	Quality Control and Technical Division	Weekly or monthly
5_CON 4	The Company has adopted an inventory procedure which identifies and defines the methods for carrying out the accounting and physical inventory of the goods stored in the warehouse. The procedure uses specific IT tools in order to catalogue the goods in the management system.	Procedure for warehouse management / Inventory	Plant Management Unit Managers	Per event

6_CON 4	The items in the inventory are physically counted on an annual basis.	E-mail communication planning inventory activity	Man. of Production Man. of Administration	Annually
7_CON 4	The items in the inventory are physically counted on an annual basis by the production operators, the Administration staff, and also by the auditing company, PWC. The codes of the warehouse materials subject to inventory are extracted from the management system. The stocks are counted and/or weighed. These data are compared with the inventory data recorded in the accounting system. Any differences are analysed and, if confirmed, recorded in the system to align the accounting data with the physical data.	Inventory count file Adjusting entries entered into the accounting system	Man. of Logistics Man. of Production Admin. Man. Man. of Auditing	Annually
8_CON 4	At the end of the inventory process, the Production area prepares the inventory report, which provides evidence of the process carried out, as well as any differences that may have emerged and the executed corrective operations. The report is forwarded to the Administration area for information purposes.	Inventory report	Man. of Logistics Man. of Production Admin. Man. Man. of Auditing	Per event

6 INFORMATION FLOWS TOWARDS THE SUPERVISORY BODY

In order to provide the Supervisory Body with the tools to carry out its monitoring activities and the timely verification of the effective execution of the controls envisaged by the Model and, in particular, by this Special Section, the information flows that must be guaranteed are described below.

The detailed logical associations between the information flows and the sensitive activities, methodologically useful for the evaluation of the flows themselves, are presented in detail in the documentation for easy consultation that is always available from the reference function.

The communication tool is mainly represented by an e-mail message to be sent, by the manager, to this address: odv@chimec.it, with the information flow to which the communication refers.

Development of new products as part of the management of export activities of dual-use products (civil and military) - Sales & Marketing				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_CON 3	The Development & Marketing Department promptly forwards the list of new approved products to the Supervisory Body.	Communication e-mail with the list of new approved products attached	Department of Development & Marketing	Per event
Management of the S. Palomba+Papasped+Five Stars warehouse (warehouses managed by the Plant Management) - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_CON 4	At the end of the inventory, the Plant Management communicates the findings to the Supervisory Body.	Communication e-mail	Plant Management	Per event

SPECIAL SECTION – ENVIRONMENTAL CRIMES PURSUANT TO ART. 25 UNDECIES OF LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION - ENVIRONMENTAL CRIMES

This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the Crimes referred to in art. 25 undecies of Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of crimes referred to in art. 25 undecies of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 16 contains the section of the articles of the Italian Criminal Code and the special laws pursuant to art. 25 undecies of Legislative Decree No. 231/2001 accompanied by a brief description of the crime.

3 SENSITIVE ACTIVITIES PURSUANT TO ARTICLE 25 UNDECIES OF LEGISLATIVE DECREE NO. 231/2001

With reference to the risk of commission of the Crimes illustrated in the previous paragraph (referred to in art. 25 undecies of Legislative Decree No. 231/2001) and deemed relevant following the risk assessment carried out internally, the Company assesses as “sensitive” the following activities carried out through the Recipients of this Special Section, including in (possible) collaboration with External Parties:

Ref.	Organisational unit responsible for the sensitive activity	Sensitive activity	Explanatory description of how the crime could be committed
ENV 1	S. Palomba Plant Management	Definition of investments aimed at improving prevention in environmental matters	<p>The Company may not commit the economic resources necessary for ordinary activities with a view to preventing pollution events (e.g. maintenance, sampling, laboratory analysis).</p> <p>The Company may not define an investment plan for extraordinary interventions aimed at implementing best practices that are technically and economically sustainable for the company.</p>
ENV 1	S. Palomba Plant Management	Management of obligations and compliance with environmental regulations and authorisations	<p>The Company could carry out normal production activities in the absence of the Single Environmental Authorisation or with an expired (non-renewed) Authorisation.</p> <p>The Company may not comply with the provisions of the Single Environmental Authorisation.</p>
ENV 2	S. Palomba Plant Management	Waste management and transport	<p>The Company could carry out waste collection, recovery, disposal, trading and intermediation activities in the absence of the required authorisation, registration or communication.</p> <p>When managing waste, the Company could mix different types of waste without respecting the hazard classes.</p> <p>When managing waste, the Company could make use of unauthorised transporters (with no authorisation or in violation of the provisions established in the authorisation).</p> <p>Waste storage areas could be constructed in a way that does not prevent possible contamination of the soil and subsoil.</p>
ENV 3	S. Palomba Plant Management	Waste document management	<p>The Company could provide false information on the nature, composition and characteristics of the waste so that hazardous waste is identified as non-hazardous waste.</p> <p>The Company could provide, in agreement with the transporters, inaccurate or non-compliant forms or it could agree to waste being transported without forms.</p>
ENV 4	S. Palomba Plant Management	Management of pollution events	In order to complete production, the Company may not manage a pollution event occurring in the plant in an effective and timely manner.
ENV 5	S. Palomba Plant Management	Management of atmospheric emissions	Through emissions into the atmosphere attributable to the operation of its plant and its activities, the Company could exceed the emission limit values, as well as air quality limits established by current legislation, and negatively affect air quality.

The detailed logical associations between the sensitive activities and the predicate crimes, methodologically preparatory to the evaluation of the control protocols, are presented in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

4 THE ENVIRONMENTAL CRIMES REFERRED TO IN ART. 25 UNDECIES OF LEGISLATIVE DECREE NO. 231/2001 - GENERAL PRINCIPLES OF BEHAVIOUR

This paragraph indicates the general rules of desired behaviour (Do's Area) or specific prohibitions (Don'ts Area) that the Recipients of this Special Section of the Model must comply with, adjusting their behaviour accordingly when executing the sensitive activities noted above. These principles recall (specifying them or integrating them if necessary) the rules of the Code of Ethics and adapt them to the level of crime risks identified. By virtue of specific contractual agreements or unilateral declarations, the principles in question may also apply to External Parties involved in carrying out the identified sensitive activities.

4.1 DO'S AREA

All sensitive activities must be carried out in compliance with the legislative and regulatory provisions in force, with the Company's principles of Corporate Governance, with the rules of the Code of Ethics, with the general principles of behaviour set out in the General Section of this Model, as well as with the protocols (and further existing organisational procedures) established to protect against the identified crime risks.

In compliance with current legislation, the Company undertakes to ensure full collaboration with the competent authorities during inspections and any checks that are carried out in the production units.

The Recipients of this Special Section must:

- Ensure compliance with environmental laws and regulations;
- Apply the procedures established for the management of environmental incidents;
- Follow the established procedures regarding waste storage and management;
- Comply with, to the extent applicable, the provisions contained in the authorisation documents;
- Ensure that suppliers and all those who have contact with the Company follow the established environmental procedures;
- Demonstrate sensitivity towards the environmental aspects governed by Legislative Decree No. 152/2006 and subsequent amendments.

4.2 DON'TS AREA

It is forbidden to contribute to or cause actions or to behave in a way that, individually or collectively, can integrate, directly or indirectly, the predicate offences listed in article 25 undecies of Legislative Decree No. 231/2001. Violations of the principles, protocols and existing organisational procedures provided for or referred to in this Special Section are also prohibited.

In order to achieve the previously listed desired behaviours, the Company also expressly prohibits the Recipients of this Special Section from:

- Violating the legislative and regulatory provisions governing environmental matters;
- Assigning waste management duties to unauthorised parties;
- Concealing facts and events whose occurrence has an impact on environmental aspects.

5 ENVIRONMENTAL CRIMES - PROTOCOLS TO PROTECT AGAINST CRIME RISKS

For the purposes of applying the behavioural rules and prohibitions listed in the previous chapter, the protocols described below to protect against the crime risks identified above must be followed (article 25 undecies of Legislative Decree No. 231/2001).

The detailed logical associations between the protocols designed to protect against crime risks and the sensitive activities, methodologically useful for the evaluation of the control protocols, are described in detail in the relevant documentation, which is easy to consult and always available from the function responsible for the activity in question.

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The Recipients of this Special Section of the Model, in addition to complying with the existing legal provisions on the matter and the behavioural rules referred to in the Code of Ethics, must carry out the activities envisaged in the control protocols for which they are responsible and in the further documentation adopted for the implementation of the reference principles set out in this Special Section.

5.1 PROTOCOLS TO PROTECT AGAINST CRIME RISKS PURSUANT TO ART. 25 UNDECIES OF LEGISLATIVE DECREE NO. 231/2001

Definition of investments aimed at improving prevention in environmental matters - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_ENV 1	During the annual budget meetings, the STAB [plant-related] functions (Production, Technical Office, HSE) submit their own spending budget, which is integrated/modified during the discussion, and then submitted to the employer. These spending budgets include all the HSE-related activities to be carried out. Any needs during the year are assessed and subjected to the necessary approvals using the same methods.	Budget PReq (Purchase Request) for HSE matters	Plant Management	Infra-annual
2_ENV 1	In the event of an extraordinary intervention or expenses for emergency situations that require prompt action to protect the environment, the extent of the intervention is assessed and the purchase request is made.	Delegations of powers Intervention authorisation PReq (Purchase Request) for HSE matters	Plant Management	Per event
3_ENV 1	For capital expenditure and extraordinary maintenance, on a six-monthly basis, the Production & HSE Department sends the Office of the Chairperson a detailed report containing the accounts, requested by the Company, divided by cost centre and account line.	Report format provided by the Administration	Plant Management Office of the Chairperson	Weekly or monthly

Management of obligations and compliance with environmental regulations and authorisations - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_ENV 1	The Plant Management ensures compliance with the legal requirements by carrying out the checks required by the Authorisations and transmitting communications to the Authorities.	Test reports (emissions)	Plant Management	Annually
2_ENV 1	Monthly, the Plant Management monitors the mandatory obligations required by the legislative and regulatory provisions regarding environmental protection, evaluates their applicability and interest for the Company and then defines and communicates the necessary actions to the competent functions.	Monthly Technical-Scientific Report of Federchimica (Italian Federation of Chemical Industry) List of Laws (Recording for the whole group)	Plant Management	Weekly or monthly
3_ENV 1	Audits are periodically planned and carried out in each unit; the audit purpose is verifying compliance with the main environmental regulations in force and that they are correctly and fully applied. The audits can be carried out by internal staff (employees) or personnel external to CHIMEC, who are qualified through specific training courses or have the required documented experience.	Audit report	Plant Management	Infra-annual

Management and transport of waste - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_ENV 2	The Company has formalised a procedure to ensure that the generated waste is managed and disposed of in a way that protects the environment and meets the requirements of current regulations and the company's environmental policy. The same procedure also defines waste identification and disposal activities.	"Waste management" procedure	Plant Management PPSM Unit Managers	Per event
2_ENV 2	Workers attend planned training courses on waste management methods. This aspect is also explained during training.	Training programme Report on effectiveness of education/training	Plant Management PPSM Unit Managers	Per event
3_ENV 2	After checking that it is correctly labelled, the waste is placed inside identified areas with clear border marking.	Identification of the waste CER code	Supervisors	Per event
4_ENV 2	The Production Manager ensures that the packaging is placed in an area that is paved or covered in cement or tarmac, and that the packages containing liquid waste are placed in areas where spills can be collected.	"Waste management" procedure	Plant Management PPSM Unit Managers	Per event
5_ENV 2	The Production Manager and the PPS Manager verify the validity of the authorisations of the transporters and disposers. Transporters and disposers are required to communicate authorisation updates via e-mail.	Valid transporter and disposer authorisation	PPSM Unit Managers	Per event
6_ENV 2	The Company has entered into contracts with external companies for the transport and disposal of waste produced at the operating site.	Contracts with Ecosystem, Abruzzo Ecologia, Scutaro, Maider and others, available in the company management system	Employer Senior Managers	Per event

7_ENV 2	The Incoming and Outgoing Register is compiled in computer format.	Omicron Incoming/ Outgoing Register	PPSM Unit Managers	Per event
8_ENV 2	The waste-accompanying forms are filled out, verified and signed for each disposal operation. The IV copies of the forms are archived.	Archive of copy I and IV of the Italian WIF (FIR, Waste Identification Form)	PPSM Unit Managers	Per event

Management of waste documents - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_ENV 3	The Company has formalised a procedure to ensure that the generated waste is managed and disposed of in a way that protects the environment and meets the requirements of current regulations and the company's environmental policy. The same procedure also defines waste identification and disposal activities.	"Waste management" procedure	Plant Management PPSM Unit Managers	Per event
2_ENV 3	The data for the correct management of each type of generated waste are listed in a specific table. The list is kept updated by the management staff.	List of waste categories	PPSM Unit Managers	Infra-annual
3_ENV 3	The movement of waste is recorded in the appropriate "Incoming/Outgoing Register".	Omicron Incoming/Outgoing Register	PPSM Unit Managers	Per event
4_ENV 3	With reference to the disposal of hazardous and non-hazardous waste, the Company completes copy I of the WIF, showing the estimated weight of the waste at the time of departure, and sends this form to the disposer. The disposer sends copy IV of the WIF to the Company, indicating the exact weight of the waste upon arrival at its destination. The CHIMEC operator then compares and verifies the weight reported on copy IV of the WIF with the weight recorded and archived at the time of departure.	Archive of copy I and IV of the Italian WIF (FIR, Waste Identification Form)	PPSM Unit Managers	Per event
5_ENV 3	The Production Manager fills in the Environmental Declaration Form (Italian MUD form) annually via the Omicron information system and submits it telematically to the PPSM (electronic signature), who forwards it to the competent bodies.	EDF	Production Manager PPSM	Annually

Management of pollution events - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_ENV 4	The behavioural rules and actions to be taken, depending on individual roles, to manage emergency situations in the plant have been defined.	Emergency plan Emergency Management operational instruction Evacuation operational instruction	Plant Management PPSM Unit Managers	Per event
2_ENV 4	The employees in the emergency team have been informed, educated and trained in how to deal with environmental emergencies.	Emergency plan Emergency preparedness	Plant Management PPSM Unit Managers	Per event
3_ENV 4	The duly authorised third-party company carries out environmental surveys (i.e. measures the concentrations of environmental micropolluting chemicals in the air) using sampling probes placed on staff and in work environments.	Environmental measurements	Plant Management PPSM	Infra-annual
4_ENV 4	The Company identifies the working environments and systems to be monitored, the processes during which environmental measurements must be taken and for which chemicals the quantitative air concentration must be measured.	Certificates of Analysis	PPSM Company Physician WSR	Infra-annual
5_ENV 4	The third-party company forwards the results of the analytical controls (Analysis Certificates) to the PPSM, who checks their consistency with the legal limits in the monitored working environments. The results are examined by the Company Physician for the assessments within their competence.	Compliance report	PPSM Company Physician	Infra-annual
6_ENV 4	The Competent Physician annually inspects the places and workstations where the staff subject to the periodic check-ups work.	Survey report	Company Physician	Annually

Atmospheric emissions management - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_ENV 5	The behavioural rules and actions to be taken, depending on individual roles, to manage emergency situations in the plant have been defined.	Emergency plan Emergency Management operational instruction Evacuation operational instruction	Plant Management PPSM Unit Managers	Per event
2_ENV 5	The employees in the emergency team have been informed, educated and trained in how to deal with environmental emergencies.	Emergency plan Emergency preparedness	Plant Management PPSM Unit Managers	Per event
3_ENV 5	The duly authorised third-party company carries out environmental surveys (i.e. measures the concentrations of environmental micropolluting chemicals in the air) using sampling probes placed on staff and in work environments.	Environmental measurements	Plant Management PPSM	Infra-annual
4_ENV 5	The Company identifies the working environments and systems to be monitored, the processes during which environmental measurements must be taken and for which chemicals the quantitative air concentration must be measured.	Certificates of Analysis	PPSM Company Physician WSR	Infra-annual
5_ENV 5	The third-party company forwards the results of the analytical controls (Analysis Certificates) to the PPSM, who checks their consistency with the legal limits in the monitored working environments. The results are examined by the Company Physician for the assessments within their competence.	Compliance report	PPSM Company Physician	Infra-annual
6_ENV 5	The Company has the Single Environmental Authorisation (Italian AUA) that includes atmospheric emissions, and which specifies the characteristics to comply with for emissions (in terms of type and quantity of substances emitted).	SEA - Authorisation for emissions into the atmosphere	Plant Management PPSM	Per event

7_ENV 5	The Company periodically replaces the activated carbon filters for the capture of environmental pollutants.	Periodic replacement plan	Technical Office	Per event
8_ENV 5	The Technical Office and Production Department, each for the part they are responsible for, verify that atmospheric emission systems are functional and that all activities are always carried out following environmental protection laws.	Opening of maintenance tickets if necessary	Technical Office Production	Daily
9_ENV 5	The results of the environmental controls are collected and archived by the PPSM, who verifies compliance and reports the need for any adjustment measures.	Exchange of e-mails Computer and paper archive	PPSM	Infra-annual

6 INFORMATION FLOWS TOWARDS THE SUPERVISORY BODY

In order to provide the Supervisory Body with the tools to carry out its monitoring activities and the timely verification of the effective execution of the controls envisaged by the Model and, in particular, by this Special Section, the information flows that must be guaranteed are described below.

The detailed logical associations between the information flows and the sensitive activities, methodologically useful for the evaluation of the flows themselves, are presented in detail in the documentation for easy consultation that is always available from the reference function.

The communication tool is mainly represented by an e-mail message to be sent, by the manager, to this address: odv@chimec.it, with the information flow to which the communication refers.

Definition of investments aimed at improving prevention in environmental matters - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_ENV 1	The plan of improvement interventions (with the related cost estimates) is communicated to the Supervisory Body at the beginning of the year and whenever expenses are expected that differ substantially from what was budgeted.	Communication e-mail	Plant Management	Annually
2_ENV 1	The final balance of the expenses incurred during the year is sent to the Supervisory Body, with comments on the expenses that differ substantially from the estimated cost.	Communication e-mail	Plant Management	Annually
3_ENV 1	The Supervisory Body is notified of any extraordinary emergency expenditure not foreseen in the Investment Plan budgeted at the beginning of the year.	Communication e-mail	Plant Management	Per event

Management of obligations and compliance with environmental regulations and authorisations - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_ENV 1	The Plant Management informs the Supervisory Body of any legal non-conformities that emerge during checks by the competent Bodies on a quarterly basis; the SB is notified immediately of cases of particular relevance.	Communication e-mail	Plant Management	Infra-annual
Management and transport of waste - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_ENV 2	The Supervisory Body is informed whenever communications relating to waste management are received from the competent Entities.	Communication e-mail	Plant Management PPSM	Per event
Management of waste documents - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_ENV 3	The Supervisory Body is informed whenever communications relating to waste management are received from the competent Entities.	Communication e-mail	Plant Management PPSM	Per event
Management of pollution events - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_ENV 4	The Supervisory Body is informed of environmental emergencies and their management.	Communication e-mail	Plant Management PPSM	Per event
2_ENV 4	The Supervisory Body is informed whenever communications are received from the competent Entities and in the event of environmental emergencies.	Communication e-mail	Plant Management PPSM	Per event

Atmospheric emissions management - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_ENV 5	The Employer communicates to the SB the outcome of the periodic verification of emissions into the atmosphere.	Communication e-mail	Production & HSE Department	Annually
2_ENV 5	The Employer communicates to the SB any findings and sanctions imposed by the competent Authorities for exceeding the emission limits.	Communication e-mail	Production & HSE Department	Per event

SPECIAL SECTION – FELONIES AGAINST INDUSTRY AND COMMERCE PURSUANT TO ART. 25 BIS 1 OF LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION - FELONIES AGAINST INDUSTRY AND COMMERCE

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This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the crimes referred to in art. 25 bis-1 of Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of crimes referred to in art. 25 bis-1 of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 5 contains the section of the articles of the Italian Criminal Code relevant pursuant to art. 25 bis-1 of Legislative Decree No. 231/2001, accompanied by a brief description of the crime.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 25 BIS 1 OF LEGISLATIVE DECREE NO. 231/2001

With reference to the risk of commission of the Crimes illustrated in the previous paragraph (referred to in Article 25 bis 1 of Legislative Decree No. 231/2001) and deemed relevant following the risk assessment carried out internally, the Company considers “sensitive” the following activities carried out by the Recipients of this Special Section, also (possibly) in collaboration with External Parties:

Ref.	Organisational unit responsible for the sensitive activity	Sensitive activity	Explanatory description of how the crime could be committed
IC 1	Purchases	Management of Non-conformities (incoming goods)	In order to reduce product production costs, the Company, in agreement with the supplier or customer, may not implement or only partially implement quality controls on incoming goods. As a result, products are placed on the market with origin, quality or quantities that differ from the declared ones.

The detailed logical associations between the sensitive activities and the predicate crimes, methodologically preparatory to the evaluation of the control protocols, are presented in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

4 FELONIES AGAINST INDUSTRY AND COMMERCE – GENERAL PRINCIPLES OF BEHAVIOUR

This paragraph outlines the general rules of desired behaviour (Do's Area) or specific prohibitions (Don'ts Area) that the Recipients of this Special Section of the Model are required to follow, adjusting their conduct accordingly when engaging in the sensitive activities mentioned above. These principles recall the rules of the Code of Ethics (specifying which or, if necessary, integrating them) and insert them at the level of the crime risks of interest. By virtue of specific contractual agreements or unilateral declarations, the principles in question may also apply to External Parties involved in carrying out the identified sensitive activities.

4.1 DO'S AREA

All sensitive activities must be carried out in compliance with the legislative and regulatory provisions in force, with the Company's principles of Corporate Governance, with the rules of the Code of Ethics, with the general principles of behaviour set out in both the General Section and the Special Section of this Model, as well as with the protocols (and further existing organisational procedures) established to protect against the identified crime risks.

Specifically, the Recipients of this Special Section must:

- verify that their products are made without usurping or violating industrial property rights;
- comply with current legislation which guarantees free competition on the market.

4.2 DON'TS AREA

It is forbidden to contribute or cause actions or behave in such a way as to integrate individually or collectively, directly or indirectly, the types of crime envisaged by article 25 bis 1 of Legislative Decree No. 231/2001. Violations of the principles, protocols and existing organisational procedures provided for or referred to in this Special Section are also forbidden.

It is also forbidden behave in ways that violate the rules of the Code of Ethics, the general principles set out both in the General Section and in this Special Section and, in general, in the documentation adopted for the implementation of the reference principles set out in this Special Section.

Specifically, the recipients of this Special Section may not:

- obtain information from competitors by violating trade secrets;
- use other people's (intellectual) property rights to manufacture their products.

5 FELONIES AGAINST INDUSTRY AND COMMERCE - PROTOCOLS TO PROTECT AGAINST CRIME RISKS

For the purposes of applying the behavioural rules and prohibitions listed in the previous chapter, the protocols described below to protect against the crime risks identified above must be followed (article 25 bis 1 of Legislative Decree No. 231/2001).

The detailed logical associations between the protocols designed to protect against crime risks and the sensitive activities, methodologically useful for the evaluation of the control protocols, are described in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

The Recipients of this Special Section of the Model, in addition to complying with the existing legal provisions on the matter and the behavioural rules referred to in the Code of Ethics, must carry out the activities envisaged in the control protocols for which they are responsible and in the further documentation adopted for the implementation of the reference principles set out in this Special Section.

5.1 PROTOCOLS TO PROTECT AGAINST CRIME RISKS PURSUANT TO ART. 25 BIS 1 OF LEGISLATIVE DECREE NO. 231/2001

Management of Non-conformities (incoming goods) - Purchases				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_IC 1	The Company has adopted an internal procedure for managing non-conformities of materials and finished products.	Procedure for the management of non-conformities	Chairperson	Per event
2_IC 1	The Purchasing Department verifies that the incoming raw materials and goods match the ones listed in the Purchase Orders.	Verification that items match	Purchasing Department	Per event
3_IC 1	Once the goods have been received, the warehouse operators record the goods as accepted in the management system.	Entering the order into the system	Plant Management	Daily
4_IC 1	The Quality Manager verifies that the characteristics of the products and the quality requirements match.	(Quality Manual - Procurement)	Quality Manager	Per event
5_IC 1	Materials and products that are found to be non-conforming are blocked from entry by the person who detects the non-conformity or anomaly. Detected non-conformities are tracked and recorded.	Updated file containing the non-conformities found	Quality Manager	Per event
6_IC 1	Once the non-conformity has been found, the Quality Manager notifies the Purchasing Department Manager.	Non-conformity reporting	Quality Manager	Per event
7_IC 1	Where the anomaly is linked to the supplier, the supplier is notified. The supplier can trace the disputed product, because the Company makes available (via e-mail) all the information and data necessary to detect the anomaly.	Non-conformity communication Exchange of e-mails with the supplier	Quality Manager Purchasing Department	Per event
8_IC 1	The Purchasing Department manages relations with the supplier of the material affected by NC (non-conformity). Following the report, the Purchasing Department informs the supplier of the anomaly found and communicates it to the Administration & Finance Department in order to interrupt the payment. Any corrective actions to be carried out and remedial measures are agreed together with the supplier.	Exchange of e-mails	Purchasing Department	Per event

9_IC 1	With regards to non-conformities linked to raw materials, chemical/physical checks are carried out in addition to administrative checks.	NC Report	Purchasing Department Technical Department Administration & Finance Department	Per event
10_IC 1	Following the detection and management of non-conformities, the Quality Control Manager informs the Administration & Finance Department about the costs incurred and deriving from the NC, in order to rectify the amount to be invoiced.	NC Report	Administration & Finance Department	Per event

SPECIAL SECTION – CORPORATE CRIMES PURSUANT TO ART. 25 TER OF LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION - CORPORATE CRIMES

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This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the crimes referred to in art. 25 ter of Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of crimes referred to in art. 25 ter of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 6 contains the section of the articles of the Italian Criminal Code relevant pursuant to art. 25 ter of Legislative Decree No. 231/2001, accompanied by a brief description of the offence.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 25 TER OF LEGISLATIVE DECREE NO. 231/2001

With reference to the risk of commission of the Crimes illustrated in the previous paragraph (referred to in Article 25 ter of Legislative Decree No. 231/2001) and deemed relevant following the risk assessment carried out internally, the Company considers “sensitive” the following activities carried out by the Recipients of this Special Section, also (possibly) in collaboration with External Parties:

Ref.	Organisational unit responsible for the sensitive activity	Sensitive activity	Explanatory description of how the crime could be committed
CORP 1	Administration & Finance	Preparation of the financial statements, the explanatory notes and all other corporate communications required by law	Malicious modification of accounting results in order to: <ul style="list-style-type: none"> - generate a false representation of the equity, economic and financial situation through the inclusion of non-existent balance sheet items or values that differ from the real ones; - generate hidden reserves or “slush” funds; - disapply the criteria imposed by law and the generally accepted accounting principles, overestimating or underestimating balance sheet items; - determine a mismatch between the related assessment criteria and the assessments made in the financial statements.
CORP 2	Administration & Finance	Management of communication flows towards the Board of Statutory Auditors	The Company could engage in “obstructive” behaviour aimed at preventing or making it more difficult for the Board of Statutory Auditors to carry out checks, through actions (unavailability for appointments, delay or failure to deliver requested documentation, being unavailable to provide the documentation, etc.) or omissions (of information, data, documents, etc.). The Company could also engage in incorrect and non-transparent behaviour in relation to a specific request from the Board of Auditors regarding the company's compliance with a specific regulation.
CORP 3	Administration & Finance	General accounting management	The Company could alter the accounting documents, expose material facts that are not true, even if they are subject to evaluation, or omit information on the economic, equity or financial situation of the company which must be communicated by law, in order to mislead financing banking institutions or other types of creditors.
CORP 4	Administration & Finance	Management of trade payables (payable invoices)	The Company could alter the accounting documents, expose material facts that are not true or omit information which must be communicated by law on the economic, patrimonial or financial situation of the company, in order to mislead the financing banking institutions or other types of creditors.

CORP 5	Administration & Finance	Management of trade receivables (receivable invoices)	The Company could alter the accounting documents, expose material facts that are not true or omit information which must be communicated by law on the economic, patrimonial or financial situation of the company, in order to mislead the financing banking institutions or other types of creditors.
CORP 6	S. Palomba Plant Management	Management of the S. Palomba+Papasped+Five Stars warehouse (warehouses managed by the Plant Management)	The Company, in order to achieve an unfair profit, following the recording of untrue incoming/outgoing goods, or the improper management of inventories and warehouse adjustments, could represent such untruthful information in the financial statements, in reports or other corporate communications required by law, directed at the Partner or the public, in a manner effectively suitable for misleading others.

**4 SENSITIVE ACTIVITIES PURSUANT TO ART. 25 TER PARAGRAPH 1,
SECTION S-BIS OF LEGISLATIVE DECREE NO. 231/2001**

Ref.	Organisational unit responsible for the sensitive activity	Sensitive activity	Explanatory description of how the crime could be committed
COR 1	Technical & R&D	Patent management	The Company could give or promise money or other benefits to appointed third parties in order to falsely certify the originality of the invention during the registration of trademarks, patents and utility inventions.
COR 2	Administration & Finance	Management of relationships with banks and financing requests	The Company could promise money or other benefits to the senior executives of banking institutions in order to: a) obtain a loan that would otherwise not have been granted by the bank; b) obtain a loan with better conditions than those normally applied by the bank. The hidden reserves of monetary liquidity necessary for bribing people could be created through: technical and professional consultancy services that (greatly) exceed their market value; false invoicing; overbilling; creation of non-existent costs.
COR 3	Human Resources	Selection and hiring of staff	With a view to obtaining undue advantages, the Company could promise to hire and/or agree to hire recommended personnel (for example, people recommended by suppliers or by the management staff of the auditing firm).
COR 4	Sales & Marketing	Management of Technical Commercial Offers	During the management of commercial offers, the Company could give, promise or offer its potential customers money, goods or other benefits with the aim of concluding the contract or concluding it under conditions more economically advantageous to the Company.
COR 5	Sales & Marketing	Partnership management	The Company could give or promise money or other benefits to its business partners in order to obtain undue advantages.

COR 6	Sales & Marketing	Management of commercial negotiations	During commercial negotiations, the Company could give, promise or offer its potential customers money, goods or other benefits with the aim of concluding the contract or concluding it under conditions more economically advantageous to the Company.
COR 7	Technical	Management of quality controls on incoming and outgoing goods	The Company, in agreement with the client company, in order to reduce costs, does not carry out or partially carries out quality controls on incoming and outgoing goods. As a result, products are placed on the market with origin, quality or quantities that differ from the declared ones.
COR 8	S. Palomba Plant Management	Management of the S. Palomba+Papasped+Five Stars warehouse (warehouses managed by the Plant Management)	The Company, in order to obtain undue advantages or benefits, for example through the false recording of incoming/outgoing goods or through the improper execution of warehouse inventories, could create extra-accounting funds to be allocated to bribe relevant subjects of other private corporate structures.
COR 9	Purchases	Management of commercial negotiations	The Company may give or promise money or other benefits to its suppliers in order to conclude contracts relating to the purchase of raw materials at non-competitive prices (below market prices).
COR 10	Administration & Finance	Management of relations with the Auditing Company	<p>The Company could give, promise, offer money or other benefits to the partner or other person belonging to the auditing firm so that they fail to disclose falsehoods about the equity, economic and financial situation of the company.</p> <p>The Company could also induce the partner of the auditing firm to make false declarations in their report attached to the financial statements.</p> <p>Hidden reserves of monetary liquidity to be used for bribery could be created through, for example: technical and professional consultancy services that (largely) exceed their market value; false invoicing; overbilling; creation of non-existent costs.</p>
COR 11	Sales & Marketing	Management of gifts and concessions	Through gifts, benefits and donations, the Company could bribe the counterparty's representative (e.g. contact person for the supplier or customer) in order to obtain advantages when conducting negotiations or better conditions than those normally applied.

The detailed logical associations between the sensitive activities and the predicate crimes, methodologically preparatory to the evaluation of the control protocols, are presented in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

5 CORPORATE CRIMES – GENERAL PRINCIPLES OF BEHAVIOUR

This paragraph indicates the general rules of desired behaviour (Do's Area) or specific prohibitions (Don'ts Area) that the Recipients of this Special Section of the Model must comply with, adjusting their behaviour accordingly when carrying out the sensitive activities noted above. These principles recall (specifying them or integrating them if necessary) the rules of the Code of Ethics and apply them to the level of crime risks identified. By virtue of specific contractual agreements or unilateral declarations, the principles in question may also apply to External Parties involved in carrying out the identified sensitive activities.

5.1 DO'S AREA

All sensitive activities must be carried out in compliance with the legislative and regulatory provisions in force, with the reference accounting principles, with the Company's principles of Corporate Governance, with the rules of the Code of Ethics, with the general principles of behaviour set out in both the General Section and the Special Section of this Model, as well as with the protocols (and further existing organisational procedures) established to protect against the identified crime risks.

The Recipients of this Special Section must:

- behave in a correct, transparent and collaborative manner, in compliance with the law and company procedures, in all activities aimed at preparing the financial statements and other corporate communications, in order to provide shareholders and third parties with truthful and correct information on the Company's economic, equity and financial situation;
- follow all the rules established by law to protect the integrity and effectiveness of the share capital, in order not to damage the guarantees of creditors and third parties in general;
- ensure the Company and the corporate bodies are working correctly, guaranteeing and facilitating every form of control over corporate management required by law, as well as the free and correct formation of the shareholders' will;
- carry out all communications required by law and regulations to the supervisory authorities promptly, correctly and in good faith, without hindering the supervisory functions performed by the authorities; during (any) inspections, the inspected organisational functions and organisational bodies shall provide maximum collaboration in carrying out the checks, promptly making available all the documents that the appointed officers deem necessary to acquire;
- with reference to the Directors only, inform the other directors and the Board of Statutory Auditors of any interest that they have, on their own behalf or on behalf of third parties, in a specific transaction of the company, specifying its nature, terms, origin and scope.

5.2 DON'TS AREA

It is forbidden to carry out, collaborate or behave in such a way as to integrate, taken individually or collectively, directly or indirectly, the types of crime envisaged by article 25 ter of Legislative Decree No. 231/2001. Violations of the principles, protocols and existing organisational procedures provided for or referred to in this Special Section are also forbidden.

In order to achieve the above-mentioned desired behaviours, the Company also expressly prohibits the Recipients of this Special Section from:

- representing or transmitting for processing and representation in financial statements, reports and prospectuses or other corporate communications, false or incomplete data or, in any case, data that are not real on the economic, equity and financial situation of CHIMEC;
- omit data and information required by law on the economic, equity and financial situation of CHIMEC;
- illustrate the data and information in such a way as to provide a presentation that does not correspond to the actual judgement given on the equity, economic and financial situation of CHIMEC and on the evolution of its activity;
- return contributions to the shareholders or release them from the obligation to make them, except in cases of legitimate reduction of the share capital;
- distribute profits or advances on profits not actually achieved or allocated by law to reserves;
- purchase or subscribe to shares of the Company or parent company outside the cases provided for by law, with damage to the integrity of the share capital;
- carry out reductions in share capital, mergers or splits, in violation of the legal provisions protecting creditors, damaging them;
- proceed with the formation or fictitious increase of the share capital, assigning shares for a value lower than their nominal value when increasing the share capital;
- engage in behaviour that materially impedes, through the concealment of documents or the use of other fraudulent means, or that in any case hinders, the performance of control and auditing activities by the Board of Statutory Auditors, the auditing firm and the Shareholders;
- determine or influence the adoption of the resolutions of the meeting, carrying out simulated or fraudulent acts aimed at altering the correct procedure for the meeting's decision-making;
- fail to provide, with due completeness, accuracy and timeliness, all the periodic reports required by the laws and applicable regulations to the supervisory authorities to which the company activity is subject, and also failing to submit the data and documents required by law and/or specifically requested by the aforementioned authorities;
- include untrue facts in the aforementioned communications and submissions, or hide significant facts relating to the economic, equity or financial conditions of the Company;
- engage in any behaviour that hinders the supervisory functions, including during inspection by the public supervisory authorities (explicit opposition, specious refusals or even obstructive behaviour or lack of collaboration, such as delays in communications or in making documents available);

- publish or disseminate false news, or carry out simulated transactions or execute other fraudulent or misleading actions in the half-yearly reports or financial statements or press releases in relation to events that may have an impact on the value of the Company;
- assist or provide support to the Liquidators in the distribution of the company's assets among the shareholders before paying the company's creditors or setting aside the sums necessary to satisfy creditors.

6 CORPORATE CRIMES - PROTOCOLS TO PROTECT AGAINST CRIME RISKS

For the purposes of implementing the behavioural rules and prohibitions listed in the previous chapter, the protocols described below to protect against the crime risks identified above must be followed (article 25 ter of Legislative Decree No. 231/2001).

The detailed logical associations between the protocols designed to protect against crime risks and the sensitive activities, methodologically useful for the evaluation of the control protocols, are described in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

The Recipients of this Special Section of the Model, in addition to complying with the existing legal provisions on the matter and the behavioural rules referred to in the Code of Ethics, must carry out the activities envisaged in the control protocols for which they are responsible and in the further documentation adopted for the implementation of the reference principles set out in this Special Section.

6.1 PROTOCOLS TO PROTECT AGAINST CRIME RISKS PURSUANT TO ART. 25 TER OF LEGISLATIVE DECREE NO. 231/2001

Preparation of the financial statements, the explanatory notes and all other corporate communications required by law - Administration & Finance				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_CORP 1	<p>The Company is aware of the importance of transparency, accuracy, completeness and authorisation of basic information for accounting records and works to maintain a reliable administrative-accounting system, in order to prepare and publish economic, equity and financial data that is accurate and complete, so it can provide a clear, truthful and correct representation of management-related facts.</p> <p>Furthermore, the Company works to establish and use suitable tools to identify, prevent and manage, to the extent possible, risks of a financial and operational nature, as well as fraud against the Company or third parties.</p> <p>Employees undertake to ensure that accounting records and the related documents are always based on precise and verifiable information, and reflect the nature of the operation to which they refer, in compliance with applicable laws, accounting principles and company procedures; finally, they undertake to keep on file adequate documentation supporting the executed activity.</p>	Code of Ethics	BoD	Per event
2_CORP 1	The Administration & Finance Department prepares a budget draft.	Budget draft	Administration & Finance Department	Annually
3_CORP 1	The annual report of the Auditing Firm is attached to the financial statements and presented at the Shareholders' meeting.	Annual report	External Auditing Firm	Annually
4_CORP 1	Once the draft financial statement has been defined, the Board of Directors approves the statement for the same financial year accompanied by the relevant reports.	Budget document approved	BoD	Annually

Management of communication flows towards the Board of Statutory Auditors - Administration & Finance				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_CORP 2	The Board of Directors verifies the processing status of the requests made by the Board of Auditors and addressed to the Administration and ensures that there are no delays or impediments to execution.	List of requests with fulfilment date	BoD	Per event
2_CORP 2	Requests for information from the Board of Statutory Auditors which remain unanswered are reported during the periodic meetings which are held every ninety days, pursuant to art. 2404 of the Italian Civil Code. If there continues to be no response, the Board of Directors will remind the relevant subjects to respond.	Request e-mail	BoD Board of Statutory Auditors	Per event
3_CORP 2	The Board of Statutory Auditors, pursuant to art. 2404 of the Italian Civil Code, prepares the minutes relating to operational meetings, which are signed by the attendees.	Meeting minutes	Board of Statutory Auditors	Per event
4_CORP 2	Upon completion of the auditing activity conducted by the Board of Statutory Auditors, this Board draws up the Report on the financial statements pursuant to art. 2429 of the Italian Civil Code, in which it expresses an opinion on the correctness and truthfulness of the financial statements.	Report of the Board of Statutory Auditors	Board of Statutory Auditors	Per event

Management of general accounting - Administration & Finance				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_CORP 3	<p>The Company is aware of the importance of transparency, accuracy, completeness and authorisation of basic information for accounting records and works to maintain a reliable administrative-accounting system, in order to prepare and publish economic, equity and financial data that is accurate and complete, so it can provide a clear, truthful and correct representation of management-related facts.</p> <p>Furthermore, the Company works to establish and use suitable tools to identify, prevent and manage, to the extent possible, risks of a financial and operational nature, as well as fraud against the Company or third parties.</p> <p>Employees undertake to ensure that accounting records and the related documents are always based on precise and verifiable information, and reflect the nature of the operation to which they refer, in compliance with applicable laws, accounting principles and company procedures; finally, they undertake to keep on file adequate documentation supporting the executed activity.</p>	Code of Ethics	BoD	Per event
2_CORP 3	The Administration & Finance Department ensures and monitors compliance with the obligations deriving from the current legislation that governs accounting.	N/A	Administration & Finance Department	Per event
3_CORP 3	The Company guarantees the division of activities/roles relating to corporate administrative management within the Administration & Finance Department, in order to avoid concentrating responsibilities in the same person.	<p>Organisational chart</p> <p>Job descriptions</p>	Administration & Finance Department	Per event

4_CORP 3	User profiling is provided on the Microsoft Dynamics AX management system, subject to pre-established authorisation levels, which vary depending on the position in the company and the activities carried out. There is also evidence within the system of the last person who made a change. The profiling system is based on the assignment of user ID and password for authentication when logging into the management system.	Microsoft Dynamics AX management system profiling	IT Manager	Per event
5_CORP 3	All accounting records are supported by adequate documentation, archived in both paper and electronic format.	Supporting documentation	Administration & Finance Department	Per event
6_CORP 3	The Administration & Finance Department deals with preparing and filing the Mandatory Accounting Books in accordance with the law.	Archiving of updated accounting books	Administration & Finance Department	Infra-annual
7_CORP 3	Invoices and the related documents are recorded and archived in paper and electronic format (digital storage).	Paper invoice archive Electronic invoicing system	Administration & Finance Department	Weekly or monthly
8_CORP 3	In order to monitor the deadlines relating to payments to suppliers, the Administration & Finance Department uses payment schedules.	Payment schedules	Administration & Finance Department	Per event
9_CORP 3	The Administration & Finance Department periodically controls the company's financial situation and checks the executed operations.	Management system Home banking	Administration & Finance Department	Weekly or monthly
10_CORP 3	The Administration & Finance Department consults internally, if necessary, to verify that the accounting documentation and records are correct. An audit is also carried out by the auditing company.	Exchange of communications	Administration & Finance Auditing Firm	Infra-annual

11_CORP 3	The Auditing Firm randomly verifies that accounts are kept correctly by the Company, also to check the Company is complying with tax and national insurance obligations.	Audit report attached to the financial statements	Auditing Firm	Annually
12_CORP 3	The Administration & Finance Department downloads the transaction records of all company accounts in order to carry out the necessary checks on the balance in the accounting sheet against the account statement issued by the bank. In any case, every processed payment flow, regardless of who authorised it to be sent to the bank, is subsequently viewed by the remaining functions involved.	Bank reconciliation statement Statement balance	Administration & Finance Department	Weekly or monthly

Management of trade payables (payable invoices) - Administration & Finance				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_CORP 4	<p>The Company is aware of the importance of transparency, accuracy, completeness and authorisation of basic information for accounting records and works to maintain a reliable administrative-accounting system, in order to prepare and publish economic, equity and financial data that is accurate and complete, so it can provide a clear, truthful and correct representation of management-related facts.</p> <p>Furthermore, the Company works to establish and use suitable tools to identify, prevent and manage, to the extent possible, risks of a financial and operational nature, as well as fraud against the Company or third parties.</p> <p>Employees undertake to ensure that accounting records and the related documents are always based on precise and verifiable information, and reflect the nature of the operation to which they refer, in compliance with applicable laws, accounting principles and company procedures; finally, they undertake to keep on file adequate documentation supporting the executed activity.</p>	Code of Ethics	BoD	Per event
2_CORP 4	The Company has adopted a procedure that regulates and describes the methods of managing the purchasing cycle.	Purchasing cycle procedure	Chairperson	Per event
3_CORP 4	The Company guarantees the division of activities/roles relating to corporate administrative management within the Administration & Finance Department, in order to avoid concentrating responsibilities in the same person.	<p>Organisational chart</p> <p>Job descriptions</p>	Administration & Finance Department	Per event

4_CORP 4	User profiling is provided on the Microsoft Dynamics AX management system, subject to pre-established authorisation levels, which vary depending on the position in the company and the activities carried out. There is also evidence within the system of the last person who made a change. The profiling system is based on the assignment of user ID and password for authentication when logging into the management system.	Microsoft Dynamics AX management system profiling	IT Manager	Per event
5_CORP 4	The entering, editing and deletion of information relating to supplier data are monitored by preliminary checks of a financial, reputational and anti-corruption nature (through the analysis of the supplier's documentation and/or due diligence activities).	Supplier data	Administration & Finance Department	Per event
6_CORP 4	Once authorisation to proceed with issuing an order has been received, the order is entered into the Microsoft Dynamics AX management system.	Microsoft Dynamics AX management system	Purchasing Department	Per event
7_CORP 4	The Administration & Finance Department verifies that the items in the incoming goods received note, the purchase order and the invoice match before recording the goods in the system.	Purchase Order Goods received note Invoice Management system	Administration & Finance Department	Daily
8_CORP 4	Invoices connected to Purchase Orders are recorded in the system only if the data on the delivery note, the order and the invoice match. Therefore, if there are discrepancies, invoice payment cannot be authorised.	Communication e-mail	Administration & Finance Department	Per event
9_CORP 4	Once the availability of funds to proceed with the operation has been verified, the Administration & Finance Department prepares the payment slips.	Payment slips	Administration & Finance Department	Weekly or monthly

10_CORP 4	The Manager of the Administration & Finance Department can authorise payments up to €30,000; payments above €30,000 are authorised by the Chairperson.	Signature on payment slip	Chairperson Manager of the Administration & Finance Department	Weekly or monthly
11_CORP 4	The Administration & Finance Department makes payments via home banking. Payment receipts are printed and stored together with the relevant authorisation.	Payment receipts for bank transfers	Administration & Finance Department	Weekly or monthly
12_CORP 4	The Administration & Finance Department downloads the transaction records of all company accounts in order to carry out the necessary checks on the balance in the accounting sheet against the account statement issued by the bank. In any case, every processed payment flow, regardless of who authorised it to be sent to the bank, is subsequently viewed by the remaining functions involved.	Bank reconciliation statement Statement balance	Administration & Finance Department	Weekly or monthly
13_CORP 4	Invoices and the related documents are recorded and archived in paper and electronic format (digital storage).	Paper invoice archive Electronic invoicing system	Administration & Finance Department	Weekly or monthly

Management of trade receivables (receivable invoices) - Administration & Finance				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_CORP 5	<p>The Company is aware of the importance of transparency, accuracy, completeness and authorisation of basic information for accounting records and works to maintain a reliable administrative-accounting system, in order to prepare and publish economic, equity and financial data that is accurate and complete, so it can provide a clear, truthful and correct representation of management-related facts.</p> <p>Furthermore, the Company works to establish and use suitable tools to identify, prevent and manage, to the extent possible, risks of a financial and operational nature, as well as fraud against the Company or third parties.</p> <p>Employees undertake to ensure that accounting records and the related documents are always based on precise and verifiable information, and reflect the nature of the operation to which they refer, in compliance with applicable laws, accounting principles and company procedures; finally, they undertake to keep on file adequate documentation supporting the executed activity.</p>	Code of Ethics	BoD	Per event
2_CORP 5	The Company has adopted a procedure that regulates and describes the methods for the management of accounts receivable.	Accounts receivable procedure	Chairperson	Per event
3_CORP 5	The Company guarantees the division of activities/roles relating to corporate administrative management within the Administration & Finance Department, in order to avoid concentrating responsibilities in the same person.	Organisational chart Job descriptions	Administration & Finance Department	Per event

4_CORP 5	User profiling is provided on the Microsoft Dynamics AX management system, subject to pre-established authorisation levels, which vary depending on the position in the company and the activities carried out. There is also evidence within the system of the last person who made a change. The profiling system is based on the assignment of user ID and password for authentication when logging into the management system.	Microsoft Dynamics AX management system profiling	IT Manager	Per event
5_CORP 5	The entering, editing and deletion of information relating to customer data are monitored by preliminary checks of a financial, reputational and anti-corruption nature (through the analysis of the customer's documentation and/or due diligence activities).	Customer data	Administration & Finance Department	Per event
6_CORP 5	Trade receivables are managed with the help of a management system (Microsoft Dynamics AX).	Microsoft Dynamics AX management system	Administration & Finance Department	Daily
7_CORP 5	In order to monitor the accounting deadlines to be met, including, for example, overdue and unpaid receivable invoices, the Administration & Finance Department uses payment schedules.	Payment schedule	Administration & Finance Department	Per event
8_CORP 5	All sales orders are uploaded to the management system by the Administration & Finance Department employees.	Purchase order in the management system	Administration & Finance Department Sales Department	Per event
9_CORP 5	Before issuing an invoice, the Administration & Finance Department carries out a daily check to verify the warehouse information matches the information in the charge note.	Invoice Goods received note	Administration & Finance Department	Daily

10_CORP 5	The system, after carrying out the necessary checks, automatically generates the invoice relating to the order entered by the Administration & Finance Department, which includes it in the accounts.	Execution of system operations	Administration & Finance Department	Daily
11_CORP 5	The Administration & Finance Department downloads the transaction records of all company accounts in order to carry out the necessary checks on the balance in the accounting sheet against the account statement issued by the bank.	Bank reconciliation statement Statement balance	Administration & Finance Department	Weekly or monthly
12_CORP 5	Invoices and the related documents are recorded and archived in paper and electronic format (digital storage).	Paper invoice archive Electronic invoicing system	Administration & Finance Department	Weekly or monthly

Management of the S. Palomba+Papaspè+Five Stars warehouse (warehouses managed by the Plant Management) - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_CORP 6	The Company has adopted a procedure to govern the roles, tasks, responsibilities, operating methods and controls connected to warehouse management.	Procedure for warehouse management	Plant Management Unit Managers	Per event
2_CORP 6	Access to the warehouse is permitted exclusively to staff of departments that are part of the Plant Management. In particular, the Company has two warehouses: - Warehouse 001 , for finished products and raw materials ready for sale; - Warehouse 048 , for what are known as "long-term products", which can be used by the Plant Management only if permitted by the Quality Control Department. The Papaspè and Five Stars external warehouses are managed exactly like Warehouse 001.	Warehouse management procedures	Plant Management Unit Managers	Daily
3_CORP 6	When the goods are unloaded, a Logistics employee enters the incoming goods into the management system, after checking that the quantity and quality of the goods delivered match what is indicated in the transport document and in the purchase order.	Signature on the delivery note/invoice Goods entered into the system	Plant Management Unit Managers	Per event
4_CORP 6	Goods entering and leaving the warehouse are recorded. In particular, there are (screen) pages on what is not there and, at the end of the year, this is reported to the General Management.	Warehouse management	Quality Control and Technical Division	Weekly or monthly
5_CORP 6	The Company has adopted an inventory procedure which identifies and defines the methods for carrying out the accounting and physical inventory of the goods stored in the warehouse. The procedure uses specific IT tools in order to catalogue the goods in the management system.	Procedure for warehouse management / Inventory	Plant Management Unit Managers	Per event

6_CORP 6	The items in the inventory are physically counted on an annual basis.	E-mail communication planning inventory activity	Man. of Production Man. of Administration	Annually
7_CORP 6	The items in the inventory are physically counted on an annual basis by the production operators, the Administration staff, and also by the auditing company, PWC. The codes of the warehouse materials subject to inventory are extracted from the management system. The stocks are counted and/or weighed. These data are compared with the inventory data recorded in the accounting system. Any differences are analysed and, if confirmed, recorded in the system to align the accounting data with the physical data.	Inventory count file Adjusting entries entered into the accounting system	Man. of Logistics Man. of Production Admin. Man. Man. of Auditing	Annually
8_CORP 6	At the end of the inventory process, the Production area prepares the inventory report, which provides evidence of the process carried out, as well as any differences that may have emerged and the executed corrective operations. The report is forwarded to the Administration area for information purposes.	Inventory report	Man. of Logistics Man. of Production Admin. Man. Man. of Auditing	Per event

7 INFORMATION FLOWS TOWARDS THE SUPERVISORY BODY

In order to provide the Supervisory Body with the tools to carry out its monitoring activities and the timely verification of the effective execution of the controls envisaged by the Model and, in particular, by this Special Section, the information flows that must be guaranteed are described below.

The detailed logical associations between the information flows and the sensitive activities, methodologically useful for the evaluation of the flows themselves, are presented in detail in the documentation for easy consultation that is always available from the reference function.

The communication tool is mainly represented by an e-mail message to be sent, by the manager, to this address: odv@chimec.it, with the information flow to which the communication refers.

Preparation of the financial statements, the explanatory notes and all other corporate communications required by law - Administration & Finance				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_CORP 1	The SB must be informed, by e-mail, of any findings that emerge following the Auditing Firm's audit activity.	Communication e-mail	Administration & Finance Department	Per event
Management of the S. Palomba+Papasped+Five Stars warehouse (warehouses managed by the Plant Management) - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_CORP 6	At the end of the inventory, the Plant Management communicates the findings to the Supervisory Body.	Communication e-mail	Plant Management	Per event

8 CRIME OF CORRUPTION AMONG PRIVATE PARTIES – GENERAL PRINCIPLES OF BEHAVIOUR

This paragraph indicates the general rules of desired behaviour (Do's Area) or specific prohibitions (Don'ts Area) that the Recipients of this Special Section of the Model must comply with, adjusting their behaviour accordingly when carrying out the sensitive activities noted above. These principles recall (specifying them or integrating them if necessary) the rules of the Code of Ethics and apply them to the level of crime risks identified. By virtue of specific contractual agreements or unilateral declarations, the principles in question may also apply to External Parties involved in carrying out the identified sensitive activities.

8.1 DO'S AREA

The Recipients of this Special Section must:

- behave in a correct, transparent and collaborative manner, in compliance with the law and company procedures, in all commercial activities;
- try to achieve, in their purchase-related processes, the maximum competitive advantage; in this sense, the Recipients are committed to guaranteeing every supplier, partner and consultant in general has equal opportunities and fair and impartial treatment;
- ensure that the selection of suppliers, partners and consultants and the determination of purchasing conditions is, therefore, inspired by the principles of objectivity, competence, cost-effectiveness, transparency and fairness, and are carried out on the basis of objective criteria such as quality, price and the ability to provide and guarantee goods or services of an adequate level.

8.2 DON'TS AREA

It is forbidden to contribute to or cause actions or behave in such a way as to integrate, taken individually or collectively, directly or indirectly, the types of crime envisaged by article 25 ter, paragraph 1, section s-bis of Legislative Decree No. 231/2001. Violations of the principles, protocols and existing organisational procedures provided for or referred to in this Special Section are also forbidden.

In order to achieve the above-mentioned desired behaviours, the Company also expressly prohibits the Recipients of this Special Section from:

- asking the trading counterparty for an additional advantage to conclude the negotiation, to stipulate a purchase contract or perform services with a particular company, only in exchange of a promise of private financial advantage;
- promising or offering to the private individual (or their relatives, in-laws or related parties) money, gifts or freebies or other benefits that can be valued;
- promising or granting to the private individual (or their relatives, in-laws or related parties) employment opportunities and/or commercial opportunities or any other kind of opportunity that may benefit them personally;
- making unjustified entertainment expenses for purposes other than the mere promotion of the company image;
- promising or providing them (or their relatives, in-laws or related parties), including through third-party companies, with jobs or services for their personal benefit.

9 CRIME OF CORRUPTION AMONG PRIVATE PARTIES - PROTOCOLS TO PROTECT AGAINST CRIME RISKS

For the purposes of applying the behavioural rules and prohibitions listed in the previous paragraph, the protocols described below to protect against the crime risks identified above must be followed (article 25-ter paragraph 1, section s-bis of Legislative Decree No.231/2001).

The detailed logical associations between the protocols designed to protect against crime risks and the sensitive activities, methodologically useful for the evaluation of the control protocols, are presented in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

The Recipients of this Special Section of the Model, in addition to complying with the existing legal provisions on the matter and the behavioural rules referred to in the Code of Ethics, must execute the activities listed in the Control protocols for which they are responsible and in the further documentation adopted for the implementation of the reference principles set out in this Special Section.

9.1 PROTOCOLS TO PROTECT AGAINST CRIME RISKS PURSUANT TO ART. 25 TER PARAGRAPH 1, SECTION S-BIS OF LEGISLATIVE DECREE NO. 231/2001

Patent management - R&D				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_COR 1	The Manager of the R&D Department prepares the necessary technical documentation with the competent structures for checks related to the submission of patent applications.	Technical documentation	Manager of R&D Department	Per event
2_COR 1	The Manager of the R&D Department, with the support of the Technical Division, the Legal Department and an external consultant, verifies and certifies the originality and novelty of the patent before the registration request is started.	N/A	Manager of R&D Department Technical Division Legal Department External consultancy company	Per event
3_COR 1	Before proceeding with the patent registration request, approval from the General Management and/or the Chairperson is required, depending on the signing powers.	Exchange of e-mails	Chairperson General Management	Per event
4_COR 1	The R&D Department, with the support of the Sales & Marketing Department, identifies the countries in which to present the patent.	Exchange of e-mails	R&D Department Sales & Marketing Department	Per event
5_COR 1	The R&D Department, with the support of the Legal Department and the external consultant, carries out research (also through specific online search engines) on the distinctive and original characteristics of the patent.	N/A	R&D Department Legal Department External consultancy company	Per event

Management of relations with banks and financing requests - Administration & Finance				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_COR 2	<p>Employees and Collaborators are not allowed to give/offer and/or accept/receive gifts, freebies, concessions and/or any other benefit as part of the activities carried out for the Company aimed at acquiring preferential treatment in the conduct of any activities that can be linked to the Company, which are such as to give rise to even just the suspicion of having acted in the interest and on behalf of the Company.</p> <p>An exception is made for gifts of modest value attributable to normal polite relations or commercial practices which do not give rise to any improper influence.</p>	Code of Ethics	BoD	Per event
2_COR 2	<p>Employees have the obligation to protect CHIMEC's reputation against accusations of unlawful behaviour.</p> <p>Employees must therefore be careful when offering or accepting gifts or recreational activities, ensuring that business decisions are made with integrity, comply with applicable laws and are in the best interests of the Company.</p>	Company procedure	BoD	Per event
3_COR 2	Meetings are called on a regular basis to discuss the investment budget.	E-mail for arranging the meeting	<p>Office of the Chairperson</p> <p>Manager of the Administration & Finance Department</p>	Weekly or monthly
4_COR 2	Once the financial interventions to be carried out have been defined, the Manager of the Administration & Finance Department (if necessary) contacts the banking institutions in order to receive financing quotes.	E-mail relating to the investment request	Manager of the Administration & Finance Department	Per event
5_COR 2	A copy of all the documentation signed and delivered to the various banking institutions is regularly kept both in the preliminary phase and in the formalisation phase of the financing operations.	Copy of the documentation relating to financing operations	Manager of the Administration & Finance Department	Weekly or monthly

6_COR 2	The Chairperson signs the documentation to be delivered to the bank to start the preliminary enquiries aimed at obtaining the loan.	Photocopy of the delivered signed documents	Chairperson	Weekly or monthly
7_COR 2	The Chairperson is to be involved in medium/long-term financing operations.	Correspondence with banks Communication e-mail with report relating to the update on the progress of the negotiations	Chairperson	Per event
8_COR 2	When negotiations with the Banking Institutions have been concluded, the financing contract is formalised by the Chairperson's signature.	Financing contract	Chairperson	Per event

Staff selection and hiring - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_COR 3	The Human Resources Department selects and hires new members of staff following the specific procedure adopted by the Company.	"Human Resources management" procedure	Chairperson Human Resources Department	Per event
2_COR 3	The estimated cost for new hires is identified during an annual meeting with the Department Managers.	Compiled budget document	Human Resources Department	Annually
3_COR 3	The Department Managers formally request new personnel by sending a communication to the Human Resources Department, in which they list the requirements and characteristics of the candidate(s) to be hired. The Human Resources Department therefore starts the search and selection process.	Requesting e-mail Request form	Managers of the Departments involved Human Resources Department	Per event
4_COR 3	As part of personnel search activities, the Company's Human Resources Department can use different recruitment channels, depending on the profile required: - temporary employment and outplacement agencies; - spontaneous applications; - schools and universities; - "work with us" section of the Company's website.	Contract with external company Publication of job advertisement Spontaneous applications	Human Resources Department	Per event
5_COR 3	The Human Resources Department screens the CVs received to short-list candidates and invite them to a first interview.	Received CV archive Short-list of potential candidates	Human Resources Department	Per event
6_COR 3	Following the first screening of the CVs, the short-listed candidates are invited to interviews. The first interview is with the Human Resources Department. This is followed by a second interview with the Function Managers and Sector Senior Managers and, finally, a third interview with the Chairperson. However, in the case of candidates applying for managerial and middle management positions, the Human Resources Department arranges for candidates to be interviewed directly by the interested departments and the Chairperson.	Standard selection evaluation form	Chairperson Human Resources Department Manager of the Department involved Sector Senior Managers	Per event

7_COR 3	The Company defines the assessment criteria to apply during the selection process before preparing the job description.	Set of soft/hard skills	Manager of the Department interested in hiring Collaborators of the Department involved	Per event
8_COR 3	Following the interviews, the Human Resources Department and the Managers of the Departments involved fill out a specific form formalising the outcome of the interviews held.	"Post interview" form	Managers of the Departments involved Human Resources Department	Per event
9_COR 3	Each candidate is required to self-certify they have no criminal convictions / pending charges.	Application form	Candidate	Per event
10_COR 3	Before finalising any appointments (signing of the contract and communication to the relevant institutions) the Human Resources Manager will formally inform the Chairman.	Communication e-mail	Chairperson Human Resources Manager	Per event
11_COR 3	In consideration of the assessments carried out following the interviews, the hiring of the new employee is approved by the Chairperson.	The Chairperson's Office authorises hiring the successful candidate	Chairperson	Per event
12_COR 3	At the conclusion of the selection activities and acquisition of the documentation necessary for this purpose, the contractual proposal is defined and submitted to the candidate for acceptance. The employment contract that governs the relations between the Company and the worker is signed by the Chairperson.	Signed employment contract	Chairperson Human Resources Department	Per event
13_COR 3	The Human Resources Department archives the CVs received from candidates, in compliance with the provisions of privacy legislation, e.g. Regulation (EU) No. 679/2016, Provisions of the Italian Privacy Guarantor.	Received CV archive Network folders	Human Resources Department	Per event
14_COR 3	The request to start the personnel selection procedure for any extra-budgetary resources received by the Human Resources Department must be approved by the Chairperson.	The Chairperson's Office authorises hiring the successful candidate	Chairperson Human Resources Department	Per event

Management of Technical Commercial Offers - Sales & Marketing				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_COR 4	<p>The collaborators of the Sales Department, authorised to draw up the technical/commercial offers, must pay particular attention to:</p> <ul style="list-style-type: none"> - clearly and unambiguously describing the products and/or treatments offered; - checking the conformity of the technical offer with the defined technical parameters of the offer; - providing all the supporting documentation aimed at defining the official specification of the products offered, in particular Technical Bulletins and Safety Data Sheets, verifying they are up to date. In particular cases, the Safety Data Sheets can be sent directly to the customer by the CHIMEC Technical Service, within a few days of sending the technical-commercial quotation and with documentary evidence for the Department's commercial archive; - highlighting the need for plant confirmation to define performance and dosages; - highlighting the time limits and maximum quantities of goods to which discounted prices are applied; - listing and defining all commercial conditions as per the attached pro forma offers. <p>The competent Secretarial Office must verify that all the above conditions are satisfied.</p>	Technical-commercial quotation	Sales Department Competent secretarial office	Per event
2_COR 4	Offers above the threshold by AM/PM/DM are authorised by the Manager of the Sales Department. If the Head of the Sales Department requires higher amounts, the Chairperson's authorisation is required.	Request for authorisation for offers above the threshold	Chairperson Head of the Sales Department	Per event
3_COR 4	A copy of each technical-commercial quotation is archived in special files that refer to the Customer in question.	Computer archive	Sales Department	Annually

Partnership Management - Sales & Marketing				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_COR 5	The Sales Department or other Interested Department submits a request to activate the partnership with the potential entity to the Head of the Sales Department/ Head of Function.	Exchange of e-mails	Sales Department Department involved	Per event
2_COR 5	Based on the information provided by the Sales Department, the Administration & Finance Department carries out a series of checks (due diligence) aimed at ascertaining the actual status of the potential partner and that the potential partner's claims are true, checking their balance sheet, their tax and financial position, the possible presence of offences and/or crimes and/or convictions against the relevant subjects, through the use of specific specialised databases.	Due diligence process	Administration & Finance Department Sales Department	Per event

3_COR 5	<p>Once the due diligence checks have been successfully passed, the Head of the Sales Department or Head of Function submits to the General Manager a request for authorisation to draw up the contract, providing the following information:</p> <ul style="list-style-type: none"> - motivations / details on the type of collaboration; - expected turnover and EBITDA during the collaboration; - presentation and references of the interlocutor and related details (if legal person: company name, legal representative name, Chamber of Commerce registration, VAT number, address, telephone number, fax number, e-mail; if a natural person: name, surname, place and date of birth, address of residence and domicile, tax code, telephone and fax numbers, e-mail address); - declaration certifying the absence of situations of interest, co-interest, conflict of interest with CHIMEC S.p.A. involving the interlocutor; - confirmation of any approvals and authorisations (regarding distribution in the countries where registrations and authorisations for the storage of chemical products are required); - risk/benefit analysis; - financial analysis of the external interlocutor; - analysis and verification of the economic adequacy of the collaboration proposal and any reasons for any deviations from the reference remuneration; - an explanation about why to proceed with awarding a contract directly, without comparison with similar offers. 	Exchange of e-mails	<p>Head of the Sales Department</p> <p>Head of Function</p>	Per event
4_COR 5	<p>Having received the necessary documentation to support the request to draw up the partnership contract, the General Manager will provide their authorisation for the continuation of the activities.</p>	Exchange of e-mails	General Manager	Per event

5_COR 5	Once authorisation has been obtained from the General Manager, the Head of the Sales Department or Head of Function sends to the Legal Department, together with the documentation relating to the completed due diligence process, the request for processing the legal aspects and the preparation of the draft contract. Any discrepancies or critical issues highlighted during the negotiation phase are brought to the attention of the Chairperson and the General Manager.	Exchange of e-mails	Chairperson Head of the Sales Department Head of Function Legal Department General Manager	Per event
6_COR 5	After the preliminary checks have been carried out by the Legal Department regarding the i) need for the requested service; ii) technical competence of the candidate or corporate purpose; iii) pertinence of the requested service with the specific activity of the Company, the contract is submitted to the Chairperson for signature.	Partnership contract	Chairperson	Per event

Management of commercial negotiations - Sales & Marketing				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_COR 6	Employees and Collaborators are not allowed to give/offer and/or accept/receive gifts, freebies, concessions and/or any other benefit as part of the activities carried out for the Company aimed at acquiring preferential treatment in the conduct of any activity that can be linked to the Company, which are such as to give rise to even just the suspicion of having acted in the interest and on behalf of the Company. An exception is made for gifts of modest value attributable to normal polite relations or commercial practices which do not give rise to any improper influence.	Code of Ethics	BoD	Per event
2_COR 6	The Company has an internal procedure that establishes the criteria for employee conduct in relation to corporate gifts. Specifically, employees must be careful when offering or accepting gifts or recreational activities, ensuring that business decisions are made with integrity, comply with applicable laws and are in the best interests of the Company.	Company procedure	BoD	Per event
3_COR 6	The Company defines the selling price of its products and/or services. All sellers, during negotiations, have a maximum quantity of goods to which they can apply discounted prices, in order to successfully reach an agreement.	Price list	Sales & Marketing Department	Per event
4_COR 6	Before signing the contract, the Sales & Marketing Department, with the support of the Legal Department and the Purchasing Department, verifies the acceptability of the contract's clauses.	N/A	Sales & Marketing Department Legal Department Purchasing Department	Per event

5_COR 6	The documentation relating to the customer's order is sent to the Administration & Finance Department, which carries out accounting controls. In case of delays, the Sales Department proceeds with sending a payment reminder in coordination with the Administration & Finance Department.	Order Order confirmation Exchange of e-mails Invoices Microsoft Dynamics AX system	Administration & Finance Department	Daily
6_COR 6	Every new customer is entered into the Customer Database within the Microsoft Dynamics AX management system following a request from the Sales Department, subject to authorisation by the Manager of the Administration & Finance Department. Inclusion in the Customer Database section is subject to a due diligence process applied to the Customer.	Microsoft Dynamics AX system	Manager of the Administration & Finance Department	Weekly or monthly
7_COR 6	The entire commercial negotiation process guarantees full traceability, in the sense that the negotiations, even if by telephone, are followed e-mails where definitive commercial quotations are received from the suppliers.	E-mails with suppliers	Purchasing Department	Per event
8_COR 6	In the contracts stipulated between CHIMEC S.p.A. and any potential buyer there is an express termination clause that applies in the case of violation of the principles set out in the Code of Ethics and the Model 231 adopted and implemented by the Company.	General conditions of sale	Sales Department	Per event

Management of quality control on incoming and outgoing goods - Technical				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_COR 7	The Quality Control and Technical Division carries out quality checks on the goods and, if it identifies an out-of-spec parameter in the raw material, it informs the Production, Supply and Purchasing Departments and the goods are discarded, where possible. Alternatively, the Quality Control and Technical Division checks whether the flaw in the goods is manageable. Similarly, quality controls are carried out on finished products, starting from the manufacturing phase. Only when the above-mentioned checks are complete is the product put on sale.	Management	Quality Control and Technical Division	Per event
2_COR 7	The Quality Control and Technical Division stores raw materials and finished products in an area reserved for quality controls.	Management	Quality Control and Technical Division	Per event
3_COR 7	In the event of customer complaints on the finished products, the Manager of the Quality Control and Technical Division deals with cases of non-conformity by carrying out the relevant checks (jointly with the Production Department and the Purchasing Department) and verifies the existence of non-conformities (if any) in the production or in the quality of the goods.	Exchange of e-mails	Manager of Quality Control and Technical Division	Per event

Management of the S. Palomba+Papaspè+Five Stars warehouse (warehouses managed by the Plant Management) - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_COR 8	The Company has adopted a procedure to govern the roles, tasks, responsibilities, operating methods and controls connected to warehouse management.	Procedure for warehouse management	Plant Management Unit Managers	Per event
2_COR 8	Access to the warehouse is permitted exclusively to staff of departments that are part of the Plant Management. In particular, the Company has two warehouses: - Warehouse 001 , for finished products and raw materials ready for sale; - Warehouse 048 , for what are known as "long-term products", which can be used by the Plant Management only if permitted by the Quality Control Department. The Papaspè and Five Stars external warehouses are managed exactly like Warehouse 001.	Warehouse management procedures	Plant Management Unit Managers	Daily
3_COR 8	When the goods are unloaded, a Logistics employee enters the incoming goods into the management system, after checking that the quantity and quality of the goods delivered match what is indicated in the transport document and in the purchase order.	Signature on the delivery note/invoice Goods entered into the system	Plant Management Unit Managers	Per event
4_COR 8	Goods entering and leaving the warehouse are recorded. In particular, there are (screen) pages on what is not there and, at the end of the year, this is reported to the General Management.	Warehouse management	Quality Control and Technical Division	Weekly or monthly

5_COR 8	The Company has adopted an inventory procedure which identifies and defines the methods for carrying out the accounting and physical inventory of the goods stored in the warehouse. The procedure uses specific IT tools in order to catalogue the goods in the management system.	Procedure for warehouse management / Inventory	Plant Management Unit Managers	Per event
6_COR 8	The items in the inventory are physically counted on an annual basis.	E-mail communication planning inventory activity	Man. of Production Man. of Administraion	Annually
7_COR 8	The items in the inventory are physically counted on an annual basis by the production operators, the Administration staff, and also by the auditing company, PWC. The codes of the warehouse materials subject to inventory are extracted from the management system. The stocks are counted and/or weighed. These data are compared with the inventory data recorded in the accounting system. Any differences are analysed and, if confirmed, recorded in the system to align the accounting data with the physical data.	Inventory count file Adjusting entries entered into the accounting system	Man. of Logistics Man. of Production Admin. Man. Man. of Auditing	Annually
8_COR 8	At the end of the inventory process, the Production area prepares the inventory report, which provides evidence of the process carried out, as well as any differences that may have emerged and the executed corrective operations. The report is forwarded to the Administration area for information purposes.	Inventory report	Man. of Logistics Man. of Production Admin. Man. Man. of Auditing	Per event

Management of commercial negotiations - Purchases				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_COR 9	<p>Employees and Collaborators are not allowed to give/offer and/or accept/ receive gifts, freebies, concessions and/or any other benefit as part of the activities carried out for the Company aimed at acquiring preferential treatment in the conduct of any activities that can be linked to the Company, which are such as to give rise to even just the suspicion of having acted in the interest and on behalf of the Company.</p> <p>An exception is made for gifts of modest value attributable to normal polite relations or commercial practices which do not give rise to any improper influence.</p>	Code of Ethics	BoD	Per event
2_COR 9	<p>Employees have the obligation to protect CHIMEC's reputation against accusations of unlawful behaviour. Employees must therefore be careful when offering or accepting gifts or recreational activities, ensuring that business decisions are made with integrity, comply with applicable laws and are in the best interests of the Company.</p>	Company procedure	BoD	Per event
3_COR 9	<p>Following the receipt of offers from suppliers, commercial negotiations begin with the supplier who issued the most convenient offer in terms of quality/price ratio. Communications with suppliers are tracked and documented.</p>	Exchange of e-mails	Purchasing Department	Per event

Management of relationships with the Auditing Firm - Administration & Finance				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_COR 10	Employees and Collaborators are not allowed to give/offer and/or accept/receive gifts, freebies, concessions and/or any other benefit as part of the activities carried out for the Company aimed at acquiring preferential treatment in the conduct of any activities that can be linked to the Company, which are such as to give rise to even just the suspicion of having acted in the interest and on behalf of the Company. An exception is made for gifts of modest value attributable to normal polite relations or commercial practices which do not give rise to any improper influence.	Code of Ethics	BoD	Per event
2_COR 10	Employees have the obligation to protect CHIMEC's reputation against accusations of unlawful behaviour. Employees must therefore be careful when offering or accepting gifts or recreational activities, ensuring that business decisions are made with integrity, comply with applicable laws and are in the best interests of the Company.	Company procedure	BoD	Per event
3_COR 10	Meetings with the Auditing Firm are always collegial in nature.	E-mail with meeting summary	Administration & Finance Department	Per event
4_COR 10	The meetings held with the Auditing Firm are traced, including the topics discussed.	E-mail with meeting summary	Manager of the Administration & Finance Department	Per event

5_COR 10	The Manager of the Administrative Department is always updated on control activities and verifies the processing status of the requests made by the auditing firm, as they are copied on all communications.	List of requests Exchange of communications via e-mail	Manager of the Administration & Finance Department	Per event
6_COR 10	When the auditing firm has completed its audit activity, it prepares the so-called "Auditing firm's report", in which it expresses an opinion on the correctness and truthfulness of the financial statements.	Annual report	Auditing Firm	Annually

Management of gifts, freebies and concessions - Sales & Marketing				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_COR 11	<p>Employees and Collaborators are not allowed to give/offer and/or accept/receive gifts, freebies, concessions and/or any other benefit as part of the activities carried out for the Company aimed at acquiring preferential treatment in the conduct of any activities that can be linked to the Company, which are such as to give rise to even just the suspicion of having acted in the interest and on behalf of the Company.</p> <p>An exception is made for gifts of modest value attributable to normal polite relations or commercial practices which do not give rise to any improper influence.</p>	Code of Ethics	BoD	Per event

10 INFORMATION FLOWS TOWARDS THE SUPERVISORY BODY

In order to provide the Supervisory Body with the tools to carry out its monitoring activities and the timely verification of the effective execution of the controls envisaged by the Model and, in particular, by this Special Section, the information flows that must be guaranteed are described below.

The detailed logical associations between the information flows and the sensitive activities, methodologically useful for the evaluation of the flows themselves, are presented in detail in the documentation for easy consultation that is always available from the reference function.

The communication tool is mainly represented by an e-mail message to be sent, by the manager, to this address: odv@chimec.it, with the information flow to which the communication refers.

Management of relations with banks and financing requests - Administration & Finance				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_COR 2	Any requests for financing from banks are communicated to the SB.	Communication e-mail	Administration & Finance Department	Per event
Staff selection and hiring - Human Resources				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_COR 3	Any extra-budgetary hires approved by the Chairperson are communicated to the SB.	Communication e-mail	Human Resources Department	Per event
Management of quality control on incoming and outgoing goods - Technical				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_COR 7	The Supervisory Body is informed in the event of non-conforming products being recalled.	Non-conformities	Quality Control and Technical Division	Per event
Management of the S. Palomba+Papasped+Five Stars warehouse (warehouses managed by the Plant Management) - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_COR 8	At the end of the inventory, the Plant Management communicates the findings to the Supervisory Body.	Communication e-mail	Plant Management	Per event
Management of relationships with the Auditing Firm - Administration & Finance				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_COR 10	The SB must be informed of gifts and/or acts of commercial courtesy towards the consultants of the auditing firm who work for the Company.	Communication e-mail	Administration & Finance Department	Per event

Management of gifts, freebies and concessions - Sales & Marketing				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_COR 11	The Development & Marketing Department promptly forwards the authorised free gift list to the Supervisory Body.	Communication e-mail with the authorised free gift list attached	Department of Development & Marketing	Per event

SPECIAL SECTION – CRIMES WITH THE PURPOSE OF TERRORISM OR SUBVERSION OF THE DEMOCRATIC ORDER PURSUANT TO ART. 25 QUATER OF LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION - CRIMES WITH THE AIM OF TERRORISM OR SUBVERSION OF THE DEMOCRATIC ORDER

This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the crimes referred to in art. 25 quater of Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of crimes referred to in art. 25 quater of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 7 contains the section of the articles of the Italian Criminal Code relevant pursuant to art. 25 quater of Legislative Decree No. 231/2001, accompanied by a brief description of the offence.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 25 QUATER OF LEGISLATIVE DECREE NO. 231/2001

With reference to the risk of commission of the Crimes illustrated in the previous paragraph (referred to in Article 25 quater of Legislative Decree No. 231/2001) and deemed relevant following the risk assessment carried out internally, the Company considers “sensitive” the following activities carried out by the Recipients of this Special Section, also (possibly) in collaboration with External Parties:

Ref.	Organisational unit responsible for the sensitive activity	Sensitive activity	Explanatory description of how the crime could be committed
TER 1	Purchases	Selection and qualification of suppliers	The Company enters into contracts for the supply of raw materials and services with certain suppliers linked to associations with terrorist purposes. Consequently, suppliers are not selected in a way that guarantees obtaining supplies that meet defined qualitative and economic standards. Through false or inflated invoices, the Company transfers economic resources to fund terrorist activities.
TER 2	Sales & Marketing	Management of export activities of dual-use products (civil and military)	The Company, when exporting materials and goods, could illegally finance or economically support terrorist organisations, in order to obtain undue payments to finance its activities.
TER 3	Sales & Marketing	Partnership management	The Company could theoretically reach commercial agreements with companies linked to associations with terrorist purposes by not selecting potential partners according to the defined qualitative and economic standards.

The detailed logical associations between the sensitive activities and the predicate crimes, methodologically preparatory to the evaluation of the control protocols, are presented in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

4 CRIMES WITH THE AIM OF TERRORISM OR SUBVERSION OF THE DEMOCRATIC ORDER - GENERAL PRINCIPLES OF BEHAVIOUR

This paragraph outlines the general rules of desired behaviour (Do's Area) or specific prohibitions (Don'ts Area) that the Recipients of this Special Section of the Model are required to follow, adjusting their conduct accordingly when engaging in the sensitive activities mentioned above. These principles recall the rules of the Code of Ethics (specifying which or, if necessary, integrating them) and insert them at the level of the crime risks of interest. By virtue of specific contractual agreements or unilateral declarations, the principles in question may also apply to External Parties involved in carrying out the identified sensitive activities.

4.1 DO'S AREA

All sensitive activities must be carried out in compliance with the legislative and regulatory provisions in force, with the Company's principles of Corporate Governance, with the rules of the Code of Ethics, with the general principles of behaviour set out in both the General Section and the Special Section of this Model, as well as with the protocols (and further existing organisational procedures) established to protect against the identified crime risks.

Specifically, the Recipients of this Special Section must:

- process all requests from public security authorities promptly, correctly and in good faith;
- in general, behave in a correct and helpful manner when dealing with public security authorities, in any situation;
- ensure that the beneficiaries of donations and sponsorships are only humanitarian and social bodies and/or associations.

4.2 DON'TS AREA

It is forbidden to contribute to, collaborate or behave in such a way as to integrate individually or collectively, directly or indirectly, the types of crime envisaged by article 25 quater of Legislative Decree No. 231/2001. Violations of the principles, protocols and existing organisational procedures provided for or referred to in this Special Section are also prohibited.

It is also forbidden behave in ways that violate the rules of the Code of Ethics, the general principles set out both in the General Section and in this Special Section and, in general, in the documentation adopted for the implementation of the reference principles set out in this Special Section.

Specifically, the recipients of this Special Section may not:

- use (including occasionally) the Company or one of its organisational units or the physical spaces of the Company itself for the purpose of allowing or facilitating the commission of the Crimes referred to in this Special Section (25 quater of Legislative Decree No. 231/2001);
- carry out any donation and sponsorship operation, either directly or through a third party, in favour of subjects - natural persons or legal entities - whose names are contained in the anti-terrorism lists or are resident/have their registered office in countries defined at risk of the Crimes referred to in this Special Section (25 quater of Legislative Decree No. 231/2001).

5 CRIMES WITH THE AIM OF TERRORISM OR SUBVERSION OF THE DEMOCRATIC ORDER - PROTOCOLS TO PROTECT AGAINST CRIME RISKS

For the purposes of applying the behavioural rules and prohibitions listed in the previous chapter, the protocols described below to protect against the crime risks identified above must be followed (article 25 quater of Legislative Decree No. 231/2001).

The detailed logical associations between the protocols designed to protect against crime risks and the sensitive activities, methodologically useful for the evaluation of the control protocols, are described in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

The Recipients of this Special Section of the Model, in addition to complying with the existing legal provisions on the matter and the behavioural rules referred to in the Code of Ethics, must carry out the activities envisaged in the control protocols for which they are responsible and in the further documentation adopted for the implementation of the reference principles set out in this Special Section.

5.1 PROTOCOLS TO PROTECT AGAINST CRIME RISKS PURSUANT TO ART. 25 QUATER OF LEGISLATIVE DECREE NO. 231/2001

Selection and qualification of suppliers - Purchases				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TER 1	A clause is included in the supply contract which implies the supplier is compliant with both the Organisation, Management and Control Model and the Code of Ethics of the Company.	General conditions of purchase of products and services	Purchasing Department	Per event
2_TER 1	If the supplier is included in the black list (a list containing suppliers who have committed serious non-conformities in the last calendar year) they will not be awarded a supply contract and will be removed from the vendor list.	N.A.	Purchasing Department	Per event

Management of export activities of dual-use products (civil and military) - Sales & Marketing				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TER 2	<p>In order to preventively identify the elements not in line with the current legislation on exports, which could hinder the completion of a given operation with a foreign country or make it impossible, the Company carries out three distinct orders of checks:</p> <ul style="list-style-type: none"> - objective, to ensure that there is no law prohibiting the export of the item(s) and that no authorisation is required for export; - subjective, oriented towards the recipient of the item(s) and to the risks of possible diversion, linked to the person who is the "end user of the item(s)"; - geographical, connected to the area that the item(s) must reach, which could be subject to special regulations. 	Export Control Regulations	Sales Department Manager	Per event
2_TER 2	Before carrying out any export operation, products must be checked to see if they could possibly belong to one of the categories described in Annex I of Regulation (EU) No. 2021/821.	Regulation (EU) No. 2021/821	Sales Department	Per event
3_TER 2	Pursuant to art. 3 of Regulation (EU) no. 2021/821, the goods and technologies listed in Annex I to the regulation itself, as replaced, firstly, by Regulation (EU) no. 388/2012 and, lastly, by Commission Delegated Regulation (EU) no. 1382/2014, can only be exported following authorisation from the competent authority of the Member State in which the exporter is established (for Italy, the UAMA – Unit for Authorisations of Military Materials).	Regulation (EU) No. 2021/821	Sales Department	Per event

4_TER 2	<p>Goods not included in Annex I of Regulation (EU) No. 2021/821 may also require prior approval by UAMA, if the following conditions apply:</p> <ul style="list-style-type: none"> - the exporter has been informed by the competent authorities of the Member State in which the exporter is established, or there is reason to suspect, that said products are or may be intended, in their entirety or in part, for use at any stage of the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of chemical, biological or nuclear weapons or other nuclear explosive devices, or to the development, production, maintenance or storage of missiles that can be used as carriers of such weapons; - the purchasing country or the country of destination is subject to an arms embargo imposed by a decision or common position adopted by the Council or by a decision of the Organisation for Security and Co-operation in Europe (OSCE) or to an embargo on armaments imposed by a binding resolution of the United Nations Security Council, and where the exporter has been informed by the authorities referred to in paragraph 1 that those products are or may be intended, in whole or in part, for military purposes; - the exporter has been informed by the authorities referred to in paragraph 1 that said products are or may be intended, in their entirety or in part, for use as parts or components of military products included in the list of national military goods which have been exported from the territory of the Member State concerned without authorisation or in breach of the authorisation required by the national law of that Member State. 	Regulation (EU) No. 2021/821	Sales Department	Per event
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5_TER 2	<p>Whenever a given operation involves an export, an import, the provision of technical assistance services or an investment activity involving one of the countries subject to trade restrictions, it will be necessary to verify whether the aforementioned operation is permitted by the relevant legislation.</p> <p>Periodically, the Manager of the Sales Department verifies that the potential ordering party, the buyer, the recipient of the supply, the end user or other party involved in the commercial relation is not included in the "black list" attached to the Export Control Regulations; if they are blacklisted, no commercial relation can be established under any circumstances.</p>	Black list	Sales Department Manager	Annually
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Partnership Management - Sales & Marketing				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TER 3	The Sales Department or other Interested Department submits a request to activate the partnership with the potential entity to the Head of the Sales Department/Head of Function.	Exchange of e-mails	Sales Department Department involved	Per event
2_TER 3	Based on the information provided by the Sales Department, the Administration & Finance Department carries out a series of checks (due diligence) aimed at ascertaining the actual status of the potential partner and that the potential partner's claims are true, checking their balance sheet, their tax and financial position, the possible presence of offences and/or crimes and/or convictions against the relevant subjects, through the use of specific specialised databases.	Due diligence process	Administration & Finance Department Sales Department	Per event

3_TER 3	<p>Once the due diligence checks have been successfully passed, the Head of the Sales Department or Head of Function submits to the General Manager a request for authorisation to draw up the contract, providing the following information:</p> <ul style="list-style-type: none"> - motivations / details on the type of collaboration; - expected turnover and EBITDA during the collaboration; - presentation and references of the interlocutor and related details (if legal person: company name, legal representative name, Chamber of Commerce registration, VAT number, address, telephone number, fax number, e-mail; if a natural person: name, surname, place and date of birth, address of residence and domicile, tax code, telephone and fax numbers, e-mail address); - declaration certifying the absence of situations of interest, co-interest, conflict of interest with CHIMEC S.p.A. involving the interlocutor; - confirmation of any approvals and authorisations (regarding distribution in the countries where registrations and authorisations for the storage of chemical products are required); - risk/benefit analysis; - financial analysis of the external interlocutor; - analysis and verification of the economic adequacy of the collaboration proposal and any reasons for any deviations from the reference remuneration; - an explanation about why to proceed with awarding a contract directly, without comparison with similar offers. 	Exchange of e-mails	<p>Head of the Sales Department</p> <p>Head of Function</p>	Per event
4_TER 3	Having received the necessary documentation to support the request to draw up the partnership contract, the General Manager will provide their authorisation for the continuation of the activities.	Exchange of e-mails	General Manager	Per event

5_TER 3	<p>Once authorisation has been obtained from the General Manager, the Head of the Sales Department or Head of Function sends to the Legal Department, together with the documentation relating to the completed due diligence process, the request for processing the legal aspects and the preparation of the draft contract.</p> <p>Any discrepancies or critical issues highlighted during the negotiation phase are brought to the attention of the Chairperson and the General Manager.</p>	Exchange of e-mails	<p>Chairperson</p> <p>Head of the Sales Department</p> <p>Head of Function</p> <p>Legal Department</p> <p>General Manager</p>	Per event
6_TER 3	<p>After the preliminary checks have been carried out by the Legal Department regarding the i) need for the requested service; ii) technical competence of the candidate or corporate purpose; iii) pertinence of the requested service with the specific activity of the Company, the contract is submitted to the Chairperson of the Board of Directors for signature.</p>	Partnership contract	Chairperson of the Board of Directors	Per event

SPECIAL SECTION – TAX RELATED CRIMES PURSUANT TO ART. 25-QUINQUIESDECIES OF LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION – TAX CRIMES

This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the crimes referred to in art. 25-quinquiesdecies of Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of crimes referred to in art. 25-quinquiesdecies of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the Supervisory Body must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 21 contains the section of the relevant cases pursuant to art. 25-quinquiesdecies of Legislative Decree No. 231/2001, accompanied by a brief description of the Crimes.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 25-QUINQUIESDECIES OF LEGISLATIVE DECREE NO. 231/2001

With reference to the risk of commission of the Crimes illustrated in the previous paragraph (referred to in Article 25-quinquiesdecies of Legislative Decree No. 231/2001) and deemed relevant following the risk assessment carried out internally, the Company considers “sensitive” the following activities carried out by the Recipients of this Special Section, also (possibly) in collaboration with External Parties:

Ref.	Organisational unit responsible for the sensitive activity	Sensitive activity	Explanatory description of how the crime could be committed
TAX 1	Purchases	Management of the purchasing process (raw materials and packaging)	<p>The manager of the department involved could contribute to producing documentation (e.g. invoices, tax receipts, transport documents, contracts, etc.) connected to the payment for the purchase of an asset that was never made - with the aim of making it fiscally documented - in order to evade taxes.</p> <p>The Company could also produce tax documentation for costs higher than those actually incurred, with subsequent payment of the difference through non-documentable channels, in order to reduce the amount of the transaction and achieve tax savings.</p> <p>Finally, the crime could be committed if non-existent payable elements are indicated in one of the annual tax returns relating to income or value added taxes or if one of the returns relating to income or value added taxes is not presented, in order to evade said taxes.</p>
TAX 2	Purchases	Management of the purchasing process (materials and services)	<p>The manager of the department involved could contribute to producing documentation (e.g. invoices, tax receipts, transport documents, contracts, etc.) connected to the payment for the purchase of an asset that was never made - with the aim of making it fiscally documented - in order to evade taxes.</p> <p>The Company could also produce tax documentation for costs higher than those actually incurred, with subsequent payment of the difference through non-documentable channels, in order to reduce the amount of the transaction and achieve tax savings.</p> <p>Finally, the crime could be committed if non-existent payable elements are indicated in one of the annual tax returns relating to income or value added taxes or if one of the returns relating to income or value added taxes is not presented, in order to evade said taxes.</p>

TAX 3	Administration & Finance	General accounting management	<p>In order to evade income or value added taxes, the Company could include in the tax returns forms false payables, false credits and withholdings or receivables for an amount lower than the actual one, through:</p> <ul style="list-style-type: none"> • the recording or possession of invoices or various documents as proof for an operation that never occurred, or an operation that was only partially carried out; • carrying out objectively or subjectively simulated operations; • using false documents or other fraudulent means. <p>The Company, in order to allow third parties to evade income or value added taxes, in exchange for an economic or other advantage, could issue or release invoices or other documents relating to non-existent operations (services to the counterparty that were never provided) or hide or destroy in whole or in part the accounting records or documents whose storage is mandatory, so that it is impossible to reconstruct income or turnover for the purpose of calculating taxes.</p> <p>The crime could also occur if:</p> <ul style="list-style-type: none"> - non-existent payables are indicated in one of the annual returns for income or value added taxes; - one of the return forms relating to income or value added taxes is not presented in order to evade said taxes; - the sums due are not paid (e.g. payments to be made using the Italian F24 form) but are considered offset by using non-existent or non-due tax credits.
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TAX 4	Administration & Finance	Management of trade payables (payable invoices)	<p>In order to evade income or value added taxes, the Company could include false payables in its tax returns, for an amount lower than the actual one, through:</p> <ul style="list-style-type: none"> • the recording or possession of invoices or various documents as proof for an operation that never occurred, or an operation that was only partially carried out; • carrying out objectively or subjectively simulated operations; • using false documents or other fraudulent means. <p>The Company, in order to evade income or value added taxes, or to allow third parties to do so in exchange for an unlawful economic or other type of benefit, could hide or destroy all or part of the accounting records or documents which must be stored by law, so that it is impossible to reconstruct income or turnover for the purpose of calculating taxes.</p> <p>The crime could also occur if:</p> <ul style="list-style-type: none"> - non-existent payables are indicated in one of the annual returns for income or value added taxes; - one of the return forms relating to income or value added taxes is not presented in order to evade said taxes; - the sums due are not paid (e.g. payments to be made using the Italian F24 form) but are considered offset by using non-existent or non-due tax credits.
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TAX 5	Administration & Finance	Management of trade receivables (receivable invoices)	<p>In order to evade income or value added taxes, the Company could include, in its tax returns, amounts of credits or receivables lower than the actual amounts, through:</p> <ul style="list-style-type: none"> • the recording or possession of invoices or various documents as proof for an operation that never occurred, or an operation that was only partially carried out; • carrying out objectively or subjectively simulated operations; • using false documents or other fraudulent means. <p>The Company, in order to allow third parties to evade income or value added taxes, in exchange for an economic or other type of benefit, could issue or release invoices or other documents relating to non-existent operations (services to the counterparty that were never provided).</p> <p>The crime could also occur if:</p> <ul style="list-style-type: none"> - non-existent payables are indicated in one of the annual returns for income or value added taxes; - one of the return forms relating to income or value added taxes is not presented in order to evade said taxes; - the sums due are not paid (e.g. payments to be made using the Italian F24 form) but are considered offset by using non-existent or non-due tax credits.
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TAX 6	Administration & Finance	Management of expense reimbursement	<p>The Company, in response to requests for reimbursement for expense reports linked to operations never or only partially carried out, or in which different amounts were involved, could produce documentation linked to the payment aimed at making it fiscally documented (e.g. invoices, receipts and taxes, fuel cards, etc.), in order to be able to register fictitious payables and evade income taxes.</p> <p>The Company may also use documentation other than invoices, documents that are artificial or certifying disbursements for expense reports and travel expenses not incurred, provided that they are recorded in the mandatory accounting records or held for the purpose of proof to present to the financial administration, in order to obtain a tax advantage.</p> <p>The Company could issue invoices or documents for non-existent operations (i.e. any evidentiary document for tax purposes such as, for example, fuel cards, etc.) in order to allow others to evade income or value added taxes, e.g. paid workers' refunds expenses / fuel cards / other methods resulting in tax savings).</p> <p>Finally, the crime could be committed if non-existent payable elements are indicated in one of the annual tax returns relating to income or value added taxes or if one of the returns relating to income or value added taxes is not presented, in order to evade said taxes.</p>
TAX 7	Legal	Selection and choice of law firms (out-of-court matters)	<p>The Company, in order to evade taxes on income or added value, could enter into the accounts (or hold for the purpose of proof to present to the Financial Administration) and use, in its tax returns, false payables deriving from invoices or other documents (with similar probative importance for tax regulations purposes) issued by external legal professionals in relation to: (i) operations that were never carried out (known as "objectively non-existent operations"); (ii) operations that indicate fees or VAT in excess of the actual amount (known as "over-invoicing"); (iii) operations that actually took place, but between parties that are not the ones shown on the invoice (known as "subjectively non-existent invoices").</p> <p>The Company, in order to (i) evade income or value added taxes or (ii) allow third parties to evade them, may hide or destroy, in whole or in part, the accounting records or documents which must be stored by law (e.g. letters of appointment for the services of external legal professionals and/or invoices payable), so that it is impossible to reconstruct the income or business volume.</p>

TAX 8	Legal	Selection and choice of law firms (litigation)	<p>The Company, in order to evade taxes on income or added value, could enter into the accounts (or hold for the purpose of proof to present to the Financial Administration) and use, in its tax returns, false payables deriving from invoices or other documents (with similar probative importance for tax regulations purposes) issued by external legal professionals in relation to: (i) operations that were never carried out (known as “objectively non-existent operations”); (ii) operations that indicate fees or VAT in excess of the actual amount (known as “over-invoicing”); (iii) operations that actually took place, but between parties that are not the ones shown on the invoice (known as “subjectively non-existent invoices”).</p> <p>The Company, in order to (i) evade income or value added taxes or (ii) allow third parties to evade them, may hide or destroy, in whole or in part, the accounting records or documents which must be stored by law (e.g. letters of appointment for the services of external legal professionals and/or invoices payable), so that it is impossible to reconstruct the income or business volume.</p>
TAX 9	Human Resources	Selection and hiring of staff	<p>The Company could use fictitious documentation relating to the hiring process (e.g. apprenticeship contracts, etc.), provided that such documentation is recorded in the mandatory accounting records or is held for the purpose of proof to be presented to the financial administration, in order to obtain tax advantages.</p> <p>The crime could also occur if:</p> <ul style="list-style-type: none"> - non-existent payables are indicated in one of the annual returns for income or value added taxes; - one of the return forms relating to income or value added taxes is not presented in order to evade said taxes; - the sums due are not paid (e.g. payments to be made using the Italian F24 form) but are considered offset by using non-existent or non-due tax credits.

TAX 10	Human Resources	Management of obligations regarding compulsory hiring (staff belonging to protected categories)	<p>The Company could use fictitious documentation relating to the hiring process (e.g. fictitious contract relating to hiring protected categories), provided that such documentation is recorded in the mandatory accounting records or is held for the purpose of proof to be presented to the financial administration, in order to obtain a tax advantage.</p> <p>The crime could also occur if:</p> <ul style="list-style-type: none"> - non-existent payables are indicated in one of the annual returns for income or value added taxes; - one of the return forms relating to income or value added taxes is not presented in order to evade said taxes; - the sums due are not paid (e.g. payments to be made using the Italian F24 form) but are considered offset by using non-existent or non-due tax credits.
TAX 11	Human Resources	Evaluation of the employee's performance and assignment of financial reward(s)	<p>The Company could produce documentation aimed at making operations documentable for tax purposes even if these operations were never or only partially carried out and pertain to the process of evaluating personnel performance (e.g. assignment of bonuses, rewards, etc.), provided that the documentation is recorded in the mandatory accounting records or held for the purpose of proof to be presented to the financial administration, in order to obtain undue tax advantages.</p> <p>The crime could also occur if non-existent payables are indicated in one of the annual tax returns for income or value added taxes.</p>
TAX 12	Human Resources	Management of wages, contributions and tax obligations	<p>The Company could use altered documentation or documentation certifying disbursements connected to non-existent employment contracts or overtime hours not actually paid, in order to obtain a tax advantage related to income taxes, provided that such documentation is recorded in the mandatory accounting records or is held for the purpose of proof to be presented to the financial administration.</p> <p>The Company could pay an actual salary lower than the certified one, paying the remaining part through other means or by indicating amounts higher than the real ones (known as "false payslip"), in order to obtain undue tax savings.</p> <p>The Company could also hide or destroy documentation (e.g. invoices, receipts for occasional work, etc.) relating to work performed by workers and that must be stored by law, thus making it impossible to reconstruct the costs relating to said figures, allowing savings on income taxes.</p> <p>Finally, the crime could be committed if non-existent payable elements are indicated in one of the annual tax returns relating to income or value added taxes or if one of the returns relating to income or value added taxes is not presented, in order to evade said taxes.</p>

TAX 13	Human Resources	Management of expense reimbursement (ancillary activity)	<p>The Company, in response to requests for reimbursement for expense reports linked to operations never or only partially carried out, or in which different amounts were involved, could produce documentation linked to the payment aimed at making it fiscally documented (e.g. invoices, receipts and taxes, fuel cards, etc.), in order to be able to register fictitious payables and evade income taxes.</p> <p>The Company may also use documentation other than invoices, documents that are artificial or certifying disbursements for expense reports and travel expenses not incurred, provided that they are recorded in the mandatory accounting records or held for the purpose of proof to present to the financial administration, in order to obtain a tax advantage.</p> <p>The Company could issue invoices or documents for non-existent operations (i.e. any evidentiary document for tax purposes such as, for example, fuel cards, etc.) in order to allow others to evade income or value added taxes, e.g. paid workers' refunds expenses / fuel cards / other methods resulting in tax savings).</p> <p>Finally, the crime could be committed if non-existent payable elements are indicated in one of the annual tax returns relating to income or value added taxes or if one of the returns relating to income or value added taxes is not presented, in order to evade said taxes.</p>
TAX 14	Sales & Marketing	Management of gifts and concessions	<p>The Company, when dealing with gifts, freebies or donations never or only partially paid, could produce documentation linked to the payment aimed at making it fiscally documented (e.g. invoices etc.), in order to be able to record fictitious payable elements and evade income taxes.</p> <p>The management of gifts, freebies and donations could represent an opportunity to include in the tax returns disbursements not incurred or incurred for different amounts in order to evade taxes (through the production of altered supporting documentation or altered payment documents relating to goods intended as a gift).</p> <p>The Company may also issue documents for non-existent transactions in order to allow others to evade income or value added taxes, for example by using the gift instead of the monetary transaction, so that the other party may avoid paying VAT taxes.</p>

TAX 15	S. Palomba Plant Management	Management of the S. Palomba+Papaspè+Five Stars warehouse (warehouses managed by the Plant Management)	<p>The Company, in order to evade income or value added taxes, could enter into the accounts and use fictitious payables in its tax returns, deriving from invoices or other documents (having similar probative importance for tax regulations purposes) issued by third parties in relation to: (i) operations that were never carried out; (ii) operations that indicate fees or VAT in excess of the actual amount; (iii) operations that actually took place, but between parties that are not the ones shown on the invoice.</p> <p>The Company, except in cases of fraudulent statements through the use of invoices or other documents for non-existent transactions, in order to evade income or value added taxes, could indicate, in one of the forms relating to said taxes, receivable amounts that are lower than the actual ones or fictitious payables, carrying out objectively or subjectively simulated operations or making use of false documents or other fraudulent means that can hinder the investigation and mislead the Financial administration.</p> <p>The Company, in order to (i) evade income or value added taxes or (ii) allow third parties to evade them, may hide or destroy all or part of the accounting records or documents which must be stored by law, so that it is impossible to reconstruct the income or business volume.</p> <p>The Company, in order to avoid paying income or value added taxes or interest or administrative sanctions relating to said taxes (for a total amount exceeding €50,000) and with the aim of making ineffective – in whole or in part - a possible enforced collection procedure by the Financial Administration, could fictitiously sell or carry out other fraudulent actions on its own assets or the assets of others, subtracting all or part of the asset guarantees from the enforced collection of the tax debt (for example, through fictitious operations on warehouse stocks).</p>
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The detailed logical associations between the sensitive activities and the predicate crimes, methodologically preparatory to the evaluation of the control protocols, are presented in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

4 TAX RELATED CRIMES – GENERAL PRINCIPLES OF BEHAVIOUR

This paragraph outlines the general rules of desired behaviour (Do's Area) or specific prohibitions (Don'ts Area) that the Recipients of this Special Section of the Model are required to follow, adjusting their conduct accordingly when engaging in the sensitive activities mentioned above. These principles recall the rules of the Code of Ethics (specifying which or, if necessary, integrating them) and insert them at the level of the crime risks of interest. By virtue of specific contractual agreements or unilateral declarations, the principles in question may also apply to External Parties involved in carrying out the identified sensitive activities.

4.1 DO'S AREA

All sensitive activities must be carried out in compliance with the legislative and regulatory provisions in force, with the Company's principles of Corporate Governance, with the rules of the Code of Ethics, with the general principles of behaviour set out in both the General Section and the Special Section of this Model, as well as with the protocols (and further existing organisational procedures) established to protect against the identified crime risks.

Specifically, the Recipients of this Special Section must:

- verify that the existing invoices and the services performed by the Company and/or its suppliers match;
- immediately notify the Authorities and/or Area Managers if they detect invoices or other accounting documents which do not correspond to one or more specific operations;
- carefully file invoices and other documents whose storage is mandatory for the purposes of tax returns and/or value added tax.

4.2 DON'TS AREA

It is forbidden to contribute, collaborate or behave in such a way as to integrate individually or collectively, directly or indirectly, the types of crime envisaged by article 25-quinquiesdecies of Legislative Decree No. 231/2001. Violations of the principles, protocols and existing organisational procedures provided for or referred to in this Special Section are also forbidden.

It is also forbidden to engage in behaviours that violate the rules of the Code of Ethics, the general principles set out both in the General Section and in this Special Section and, in general, in the documentation adopted in the implementation of the reference principles set out in this Special Section.

Specifically, the recipients of this Special Section may not:

- falsify the data relating to tax returns by inserting fictitious payables to reduce the taxable income;
- issue or use, for the purposes of tax returns or value added tax, invoices or other documents that do not correspond to specific operations;
- make unavailable to the verification bodies the documents which must be stored by law for the purposes of income tax returns or value added tax;

- alter or falsify the Company's financial position.

5 TAX RELATED CRIMES - PROTOCOLS TO PROTECT AGAINST CRIME RISKS

For the purposes of applying the behavioural rules and prohibitions listed in the previous chapter, the protocols described below to protect against the crime risks identified above must be followed (article 25-quinquiesdecies of Legislative Decree No. 231/2001).

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The detailed logical associations between the protocols designed to protect against crime risks and the sensitive activities, methodologically useful for the evaluation of the control protocols, are described in detail in the relevant documentation, which is easy to consult and always available from the relevant function [please specify in which function the documents are filed].

The Recipients of this Special Section of the Model, in addition to complying with the existing legal provisions on the matter and the behavioural rules referred to in the Code of Ethics, must carry out the activities envisaged in the control protocols for which they are responsible and in the further documentation adopted for the implementation of the reference principles set out in this Special Section.

5.1 PROTOCOLS TO PROTECT AGAINST CRIME RISKS PURSUANT TO ART. 25-QUINQUESDECIES OF LEGISLATIVE DECREE NO. 231/2001

Management of the purchasing process (raw materials and packaging) - Purchases				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TAX 1	Suppliers are selected according to criteria of competence/professionalism, cost-effectiveness, fairness and transparency. The process for Supplier selection and the determination of the purchasing conditions for goods and services requires objective and impartial assessments, based on quality, price and guarantees provided, with the aim of obtaining a competitive advantage. The fees and sums of any kind paid to Suppliers and Consultants for supplies and professional services must be in line with market conditions and adequately documented. When selecting Suppliers, undue pressure, aimed at favouring one supplier over another and such as to undermine the credibility and trust that the market places in the Company (in terms of transparency and rigorous application of the Law and internal regulations) is neither admitted nor accepted.	Code of Ethics	BoD	Per event
2_TAX 1	The Purchasing Department, on the basis of a list provided by the Production Planning Function indicating the flow of stocks and inventories of the raw material and/or packaging, identifies needs. In particular, there are three inputs the Purchasing Department uses to assess the need to proceed with the purchase, namely: - raw materials that are or will be out of stock; - raw materials that are or will be in stock; - evaluation on a forecast basis.	Raw material handling sheet Exchange of e-mails	Chairperson Manager of the applying Department Purchasing Department	Per event
3_TAX 1	The Purchasing Department verifies whether the identified requirement can be satisfied by a supplier who has already been approved by the Company.	List of qualified suppliers	Purchasing Department	Per event

4_TAX 1	The Purchasing Department proceeds with requesting multiple quotes from different suppliers. All requests are appropriately tracked.	Exchange of e-mails List of potential suppliers	Purchasing Department	Per event
5_TAX 1	All offers received from suppliers are analysed in detail in order to identify the best offer based on technical-economic criteria.	Ranking of offers received from suppliers	Purchasing Department	Per event
6_TAX 1	Following the receipt of offers from suppliers, commercial negotiations begin with the supplier who issued the most convenient offer in terms of quality/price ratio. Communications with suppliers are tracked and documented.	Exchange of e-mails	Purchasing Department	Per event
7_TAX 1	Presence of an authorisation process for issuing the Purchase Order based on the determination of specific thresholds: • The General Management's approval is required for purchases below €200,000; • for purchases exceeding €200,000, the approval of both the General Management and the Chairperson is required.	<i>Ad hoc</i> authorisation	Chairperson General Management	Per event
8_TAX 1	Once the supplier has been selected, the Purchasing Department prepares and issues the purchase order.	Purchase Order	Purchasing Department	Per event
9_TAX 1	Once the order confirmation from the supplier has been received, the supplier is entered into the Microsoft Dynamics AX management system.	Microsoft Dynamics AX management system	Purchasing Department	Per event
10_TAX 1	The Purchasing Department verifies that the incoming raw materials and goods match the ones listed in the Purchase Orders.	Verification that items match	Purchasing Department	Per event

Management of the purchasing process (materials and services) - Purchases				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TAX 2	Suppliers are selected according to criteria of competence/professionalism, cost-effectiveness, fairness and transparency. The process for Supplier selection and the determination of the purchasing conditions for goods and services requires objective and impartial assessments, based on quality, price and guarantees provided, with the aim of obtaining a competitive advantage. The fees and sums of any kind paid to Suppliers and Consultants for supplies and professional services must be in line with market conditions and adequately documented. When selecting Suppliers, undue pressure, aimed at favouring one supplier over another and such as to undermine the credibility and trust that the market places in the Company (in terms of transparency and rigorous application of the Law and internal regulations) is neither admitted nor accepted.	Code of Ethics	BoD	Per event
2_TAX 2	The purchase requirement arises from a Purchase Request (PReq) prepared by the Requesting Department. PReqs are approved according to the following authorisation process: - PReqs below €5,000 are approved by the Department Manager; - PReqs exceeding €5,000 are approved by the Department Manager and the Chairperson.	Raw material handling sheet Exchange of e-mails	Chairperson Manager of the applying Department Purchasing Department	Per event
3_TAX 2	The Purchasing Department verifies whether the identified requirement can be satisfied by a supplier who has already been approved by the Company.	List of qualified suppliers	Purchasing Department	Per event
4_TAX 2	The Purchasing Department proceeds with requesting multiple quotes from different suppliers. All requests are appropriately tracked.	Exchange of e-mails List of potential suppliers	Purchasing Department	Per event
5_TAX 2	All offers received from suppliers are analysed in detail in order to identify the best offer based on technical-economic criteria.	Ranking of offers received from suppliers	Purchasing Department	Per event

6_TAX 2	Following the receipt of offers from suppliers, commercial negotiations begin with the supplier who issued the most convenient offer in terms of quality/price ratio. Communications with suppliers are tracked and documented.	Exchange of e-mails	Purchasing Department	Per event
7_TAX 2	Presence of an authorisation process for issuing the Purchase Order based on the determination of specific thresholds: <ul style="list-style-type: none"> • The General Management's approval is required for purchases below €200,000; • for purchases exceeding €200,000, the approval of both the General Management and the Chairperson is required. 	<i>Ad hoc</i> authorisation	Chairperson General Management	Per event
8_TAX 2	Once the supplier has been selected, the Purchasing Department prepares and issues the purchase order.	Purchase Order	Purchasing Department	Per event
9_TAX 2	Once the order confirmation from the supplier has been received, the supplier is entered into the Microsoft Dynamics AX management system.	Microsoft Dynamics AX management system	Purchasing Department	Per event
10_TAX 2	The Purchasing Department verifies that the incoming raw materials and goods match the ones listed in the Purchase Orders.	Verification that items match	Purchasing Department	Per event

Management of general accounting - Administration & Finance				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TAX 3	<p>The Company is aware of the importance of transparency, accuracy, completeness and authorisation of basic information for accounting records and works to maintain a reliable administrative-accounting system, in order to prepare and publish economic, equity and financial data that is accurate and complete, so it can provide a clear, truthful and correct representation of management-related facts.</p> <p>Furthermore, the Company works to establish and use suitable tools to identify, prevent and manage, to the extent possible, risks of a financial and operational nature, as well as fraud against the Company or third parties.</p> <p>Employees undertake to ensure that accounting records and the related documents are always based on precise and verifiable information, and reflect the nature of the operation to which they refer, in compliance with applicable laws, accounting principles and company procedures; finally, they undertake to keep on file adequate documentation supporting the executed activity.</p>	Code of Ethics	BoD	Per event
2_TAX 3	The Administration & Finance Department ensures and monitors compliance with the obligations deriving from the current legislation that governs accounting.	N/A	Administration & Finance Department	Per event
3_TAX 3	The Company guarantees the division of activities/roles relating to corporate administrative management within the Administration & Finance Department, in order to avoid concentrating responsibilities in the same person.	Organisational chart Job descriptions	Administration & Finance Department	Per event
4_TAX 3	User profiling is provided on the Microsoft Dynamics AX management system, subject to pre-established authorisation levels, which vary depending on the position in the company and the activities carried out. There is also evidence within the system of the last person who made a change. The profiling system is based on the assignment of user ID and password for authentication when logging into the management system.	Microsoft Dynamics AX management system profiling	IT Manager	Per event

5_TAX 3	All accounting records are supported by adequate documentation, archived in both paper and electronic format.	Supporting documentation	Administration & Finance Department	Per event
6_TAX 3	The Administration & Finance Department deals with preparing and filing the Mandatory Accounting Books in accordance with the law.	Archiving of updated accounting books	Administration & Finance Department	Infra-annual
7_TAX 3	Invoices and the related documents are recorded and archived in paper and electronic format (digital storage).	Paper invoice archive Electronic invoicing system	Administration & Finance Department	Weekly or monthly
8_TAX 3	In order to monitor the deadlines relating to payments to suppliers, the Administration & Finance Department uses payment schedules.	Payment schedules	Administration & Finance Department	Per event
9_TAX 3	The Administration & Finance Department periodically controls the company's financial situation and checks the executed operations.	Management system Home banking	Administration & Finance Department	Weekly or monthly
10_TAX 3	The Administration & Finance Department consults internally, if necessary, to verify that the accounting documentation and records are correct. An audit is also carried out by the auditing company.	Exchange of communications	Administration & Finance Auditing Firm	Infra-annual
11_TAX 3	The Auditing Firm randomly verifies that accounts are kept correctly by the Company, also to check the Company is complying with tax and national insurance obligations.	Audit report attached to the financial statements	Auditing Firm	Annually
12_TAX 3	The Administration & Finance Department downloads the transaction records of all company accounts in order to carry out the necessary checks on the balance in the accounting sheet against the account statement issued by the bank. In any case, every processed payment flow, regardless of who authorised it to be sent to the bank, is subsequently viewed by the remaining functions involved.	Bank reconciliation statement Statement balance	Administration & Finance Department	Weekly or monthly

Management of trade payables (payable invoices) - Administration & Finance				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TAX 4	<p>The Company is aware of the importance of transparency, accuracy, completeness and authorisation of basic information for accounting records and works to maintain a reliable administrative-accounting system, in order to prepare and publish economic, equity and financial data that is accurate and complete, so it can provide a clear, truthful and correct representation of management-related facts.</p> <p>Furthermore, the Company works to establish and use suitable tools to identify, prevent and manage, to the extent possible, risks of a financial and operational nature, as well as fraud against the Company or third parties.</p> <p>Employees undertake to ensure that accounting records and the related documents are always based on precise and verifiable information, and reflect the nature of the operation to which they refer, in compliance with applicable laws, accounting principles and company procedures; finally, they undertake to keep on file adequate documentation supporting the executed activity.</p>	Code of Ethics	BoD	Per event
2_TAX 4	The Company has adopted a procedure that regulates and describes the methods of managing the purchasing cycle.	Purchasing cycle procedure	Chairperson	Per event
3_TAX 4	The Company guarantees the division of activities/roles relating to corporate administrative management within the Administration & Finance Department, in order to avoid concentrating responsibilities in the same person.	Organisational chart Job descriptions	Administration & Finance Department	Per event
4_TAX 4	User profiling is provided on the Microsoft Dynamics AX management system, subject to pre-established authorisation levels, which vary depending on the position in the company and the activities carried out. There is also evidence within the system of the last person who made a change. The profiling system is based on the assignment of user ID and password for authentication when logging into the management system.	Microsoft Dynamics AX management system profiling	IT Manager	Per event

5_TAX 4	The entering, editing and deletion of information relating to supplier data are monitored by preliminary checks of a financial, reputational and anti-corruption nature (through the analysis of the supplier's documentation and/or due diligence activities).	Supplier data	Administration & Finance Department	Per event
6_TAX 4	Once authorisation to proceed with issuing an order has been received, the order is entered into the Microsoft Dynamics AX management system.	Microsoft Dynamics AX management system	Purchasing Department	Per event
7_TAX 4	The Administration & Finance Department verifies that the items in the incoming goods received note, the purchase order and the invoice match before recording the goods in the system.	Purchase Order Goods received note Invoice Management system	Administration & Finance Department	Daily
8_TAX 4	Invoices connected to Purchase Orders are recorded in the system only if the data on the delivery note, the order and the invoice match. Therefore, if there are discrepancies, invoice payment cannot be authorised.	Communication e-mail	Administration & Finance Department	Per event
9_TAX 4	Once the availability of funds to proceed with the operation has been verified, the Administration & Finance Department prepares the payment slips.	Payment slips	Administration & Finance Department	Weekly or monthly
10_TAX 4	The Manager of the Administration & Finance Department can authorise payments up to €30,000; payments above €30,000 are authorised by the Chairperson.	Signature on payment slip	Chairperson Manager of the Administration & Finance Department	Weekly or monthly
11_TAX 4	The Administration & Finance Department makes payments via home banking. Payment receipts are printed and stored together with the relevant authorisation.	Payment receipts for bank transfers	Administration & Finance Department	Weekly or monthly

12_TAX 4	The Administration & Finance Department downloads the transaction records of all company accounts in order to carry out the necessary checks on the balance in the accounting sheet against the account statement issued by the bank. In any case, every processed payment flow, regardless of who authorised it to be sent to the bank, is subsequently viewed by the remaining functions involved.	Bank reconciliation statement Statement balance	Administration & Finance Department	Weekly or monthly
13_TAX 4	Invoices and the related documents are recorded and archived in paper and electronic format (digital storage).	Paper invoice archive Electronic invoicing system	Administration & Finance Department	Weekly or monthly

Management of trade receivables (receivable invoices) - Administration & Finance				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TAX 5	<p>The Company is aware of the importance of transparency, accuracy, completeness and authorisation of basic information for accounting records and works to maintain a reliable administrative-accounting system, in order to prepare and publish economic, equity and financial data that is accurate and complete, so it can provide a clear, truthful and correct representation of management-related facts.</p> <p>Furthermore, the Company works to establish and use suitable tools to identify, prevent and manage, to the extent possible, risks of a financial and operational nature, as well as fraud against the Company or third parties.</p> <p>Employees undertake to ensure that accounting records and the related documents are always based on precise and verifiable information, and reflect the nature of the operation to which they refer, in compliance with applicable laws, accounting principles and company procedures; finally, they undertake to keep on file adequate documentation supporting the executed activity.</p>	Code of Ethics	BoD	Per event
2_TAX 5	The Company has adopted a procedure that regulates and describes the methods for the management of accounts receivable.	Accounts receivable procedure	Chairperson	Per event
3_TAX 5	The Company guarantees the division of activities/ roles relating to corporate administrative management within the Administration & Finance Department, in order to avoid concentrating responsibilities in the same person.	Organisational chart Job descriptions	Administration & Finance Department	Per event
4_TAX 5	User profiling is provided on the Microsoft Dynamics AX management system, subject to pre-established authorisation levels, which vary depending on the position in the company and the activities carried out. There is also evidence within the system of the last person who made a change. The profiling system is based on the assignment of user ID and password for authentication when logging into the management system.	Microsoft Dynamics AX management system profiling	IT Manager	Per event

5_TAX 5	The entering, editing and deletion of information relating to customer data are monitored by preliminary checks of a financial, reputational and anti-corruption nature (through the analysis of the customer's documentation and/or due diligence activities).	Customer data	Administration & Finance Department	Per event
6_TAX 5	Trade receivables are managed with the help of a management system (Microsoft Dynamics AX).	Microsoft Dynamics AX management system	Administration & Finance Department	Daily
7_TAX 5	In order to monitor the accounting deadlines to be met, including, for example, overdue and unpaid receivable invoices, the Administration & Finance Department uses payment schedules.	Payment schedule	Administration & Finance Department	Per event
8_TAX 5	All sales orders are uploaded to the management system by the Administration & Finance Department employees.	Purchase order in the management system	Administration & Finance Department Sales Department	Per event
9_TAX 5	Before issuing an invoice, the Administration & Finance Department carries out a daily check to verify the warehouse information matches the information in the charge note.	Invoice Goods received note	Administration & Finance Department	Daily
10_TAX 5	The system, after carrying out the necessary checks, automatically generates the invoice relating to the order entered by the Administration & Finance Department, which includes it in the accounts.	Execution of system operations	Administration & Finance Department	Daily
11_TAX 5	The Administration & Finance Department downloads the transaction records of all company accounts in order to carry out the necessary checks on the balance in the accounting sheet against the account statement issued by the bank.	Bank reconciliation statement Statement balance	Administration & Finance Department	Weekly or monthly
12_TAX 5	Invoices and the related documents are recorded and archived in paper and electronic format (digital storage).	Paper invoice archive Electronic invoicing system	Administration & Finance Department	Weekly or monthly

Expense reimbursement management - Administration & Finance				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TAX 6	The Company has issued a Policy that defines the Guidelines that must be followed for the management of travel expenses (spending limits, car use policy, etc.)	Travel policy	Chairperson	Per event
2_TAX 6	The business trip is authorised in advance by the travelling staff member's Department Manager via e-mail.	Communication via e-mail	Traveller's Department Manager	Per event
3_TAX 6	Criteria for the assignment of the company credit card must be established. Specifically, the operational practice of CHIMEC S.p.A. provides that a credit card is assigned only to the Chairperson and the Company Cash Management Officer and is limited to online purchases of modest value.	N/A	Administration & Finance Department Human Resources Department	Per event
4_TAX 6	Entertainment expenses with clients and/or potential clients are justified through an expense report.	Expense report	Administration & Finance Department	Per event
5_TAX 6	The expenses actually incurred by the employee during the business trip are reimbursed after the travelling employee has provided specific documentation through a system designed for that purpose. Once the reference month has ended and the expenditure has been closed, the expenditure is subjected to authorisations at various levels and to an accounting control by the Administration & Finance Department. If the expense is considered justified, the Administration & Finance Department will proceed with the refund process; if the assessment outcome is negative, the employee will be asked to provide more supporting documentation.	Supporting documentation Expense report form	Administration & Finance Department	Per event
6_TAX 6	The Administration & Finance Department verifies the expenses and, if there is supporting documentation recognised for tax purposes in accordance with current legislation, proceeds with the reimbursement.	Supporting documentation Expense report form	Administration & Finance Department	Per event

Selection and choice of law firms (out-of-court settlements) - Legal				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TAX 7	The Company proceeds with the selection of law firms within the limits of the approved budget and after verifying their honesty, professionalism, integration and reputation. After they have sent their quotes, the law firms are selected by the Legal Office jointly with the Chairperson's Office, which ultimately grants the authorisation.	Contracts with Law Firms	Chairperson Legal office	Per event
2_TAX 7	Before proceeding with the selection of law firms, the Company carries out checks on their reputation and good name.	N/A	Chairperson Legal office	Per event
3_TAX 7	Following preliminary checks, the Legal Office identifies the law firm that has been selected for the management of out-of-court settlements.	N/A	Legal office	Per event
4_TAX 7	Once the law firm has been identified, the Legal Office reports the selection made to the General Management and the Chairperson for approval and, possibly, to other interested departments.	Correspondence via e-mail	Chairperson General Management Legal office	Per event
5_TAX 7	The strategy to be adopted in out-of-court settlements is shared between the Legal Office and the appointed law firm. The Chairperson's approval is also subsequently required.	Correspondence via e-mail	Chairperson Legal office	Per event
6_TAX 7	The contracts with law firms contain specific clauses that require the firms to comply with the CHIMEC Code of Ethics and the principles established by Legislative Decree No. 231/2001.	Contract	Legal office	Per event
7_TAX 7	All documentation relating to the services provided is archived in a specific folder.	Electronic archive	Legal office	Per event

Selection and choice of law firms (litigation) - Legal				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TAX 8	The Company proceeds with the selection of law firms within the limits of the approved budget and after verifying their honesty, professionalism, integration and reputation. After they have sent their quotes, the law firms are selected by the Legal Office jointly with the Chairperson's Office, which ultimately grants the authorisation.	Contracts with Law Firms	Chairperson Legal office	Per event
2_TAX 8	Before proceeding with the selection of law firms, the Company carries out checks on their reputation and good name.	N/A	Chairperson Legal office	Per event
3_TAX 8	Following preliminary checks, the Legal Office identifies the law firm that has been selected to manage disputes and litigation.	N/A	Legal office	Per event
4_TAX 8	Once the law firm has been identified, the Legal Office reports the selection made to the General Management and the Chairperson for approval and, possibly, to other interested departments.	Correspondence via e-mail	Chairperson General Management Legal office	Per event
5_TAX 8	The strategy to be adopted in court is shared between the Legal Office and the appointed law firm. The Chairperson's approval is also subsequently required.	Correspondence via e-mail	Chairperson Legal office	Per event
6_TAX 8	The contracts with law firms contain specific clauses that require the firms to comply with the CHIMEC Code of Ethics and the principles established by Legislative Decree No. 231/2001.	Contract	Legal office	Per event
7_TAX 8	All documentation relating to the services provided is archived in a specific folder.	Electronic archive	Legal office	Per event

Staff selection and hiring - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TAX 9	The Human Resources Department selects and hires new members of staff following the specific procedure adopted by the Company.	"Human Resources management" procedure	Chairperson Human Resources Department	Per event
2_TAX 9	The estimated cost for new hires is identified during an annual meeting with the Department Managers.	Compiled budget document	Human Resources Department	Annually
3_TAX 9	The Department Managers formally request new personnel by sending a communication to the Human Resources Department, in which they list the requirements and characteristics of the candidate(s) to be hired. The Human Resources Department therefore starts the search and selection process.	Requesting e-mail Request form	Managers of the Departments involved Human Resources Department	Per event
4_TAX 9	As part of personnel search activities, the Company's Human Resources Department can use different recruitment channels, depending on the profile required: - temporary employment and outplacement agencies; - spontaneous applications; - schools and universities; - "work with us" section of the Company's website.	Contract with external company Publication of job advertisement Spontaneous applications	Human Resources Department	Per event
5_TAX 9	The Human Resources Department screens the CVs received to short-list candidates and invite them to a first interview.	Received CV archive Short-list of potential candidates	Human Resources Department	Per event
6_TAX 9	Following the first screening of the CVs, the short-listed candidates are invited to interviews. The first interview is with the Human Resources Department. This is followed by a second interview with the Function Managers and Sector Senior Managers and, finally, a third interview with the Chairperson. However, in the case of candidates applying for managerial and middle management positions, the Human Resources Department arranges for candidates to be interviewed directly by the interested departments and the Chairperson.	Standard selection evaluation form	Chairperson Human Resources Department Manager of the Department involved Sector Senior Managers	Per event

7_TAX 9	The Company defines the assessment criteria to apply during the selection process before preparing the job description.	Set of soft/hard skills	Manager of the Department interested in hiring Collaborators of the Department involved	Per event
8_TAX 9	Following the interviews, the Human Resources Department and the Managers of the Departments involved fill out a specific form formalising the outcome of the interviews held.	"Post interview" form	Managers of the Departments involved Human Resources Department	Per event
9_TAX 9	Each candidate is required to self-certify they have no criminal convictions / pending charges.	Application form	Candidate	Per event
10_TAX 9	Before finalising any appointments (signing of the contract and communication to the relevant institutions) the Human Resources Manager will formally inform the Chairman.	Communication e-mail	Chairperson Human Resources Manager	Per event
11_TAX 9	In consideration of the assessments carried out following the interviews, the hiring of the new employee is approved by the Chairperson.	The Chairperson's Office authorises hiring the successful candidate	Chairperson	Per event
12_TAX 9	At the conclusion of the selection activities and acquisition of the documentation necessary for this purpose, the contractual proposal is defined and submitted to the candidate for acceptance. The employment contract that governs the relations between the Company and the worker is signed by the Chairperson.	Signed employment contract	Chairperson Human Resources Department	Per event
13_TAX 9	The Human Resources Department archives the CVs received from candidates, in compliance with the provisions of privacy legislation, e.g. Regulation (EU) No. 679/2016, Provisions of the Italian Privacy Guarantor.	Received CV archive Network folders	Human Resources Department	Per event
14_TAX 9	The request to start the personnel selection procedure for any extra-budgetary resources received by the Human Resources Department must be approved by the Chairperson.	The Chairperson's Office authorises hiring the successful candidate	Chairperson Human Resources Department	Per event

Management of obligations regarding compulsory hiring (staff belonging to protected categories) - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TAX 10	The Human Resources Department carries out a preliminary check on the company's legal obligations regarding the number of workers belonging to protected categories that CHIMEC S.p.A. is required to hire.	Reference regulatory sources	Human Resources Department	Annually
2_TAX 10	The HRD is responsible for verifying compliance with the obligations regarding compulsory hiring according to current legislation.	N.A.	Human Resources Department	Per event
3_TAX 10	As part of personnel search activities, the Company's Human Resources Department can use different recruitment channels, depending on the profile required: - temporary employment and outplacement agencies; - spontaneous applications; - schools and universities; - "work with us" section of the Company's website.	Contract with external company Publication of job advertisement Spontaneous applications	Human Resources Department	Per event
4_TAX 10	The Human Resources Department reports the number of disabled workers employed by the Company.	Communication to the body responsible for receiving the report	Human Resources Department	Annually
5_TAX 10	Based on the provisions of Law No. 68 of 12 March 1999, "Regulations for the right to work of people with disabilities", the Human Resources Department, if hiring at least one disabled worker is a legal requirement, prepares the documentation to be approved (via the signature of the Legal Representative) before submitting it to the Provincial Labour Office within the deadlines established by law.	Request for hiring presented Completed and signed Selection Form	Human Resources Department	Per event

Evaluation of employee performance and payment of financial reward (if any) - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TAX 11	In order to improve the efficiency of company processes, an incentive system is implemented through the definition of result objectives, both professional and personal (aimed at improving some transversal skills), which the employee must achieve based on the role held in company. If the objectives are achieved, a bonus will be paid.	Reward system for employees	Human Resources Department	Per event
2_TAX 11	The performance objectives are formalised in a document known as "Individual Incentive Plan", which includes both the personal and professional objectives identified by the Human Resources Department with the support of each Department Manager.	Individual Incentive Plan	Human Resources Department Department Managers	Annually
3_TAX 11	The Manager of the relevant Department evaluates the employee through the Individual Incentive Plan, which includes the qualitative and quantitative evaluation of the employee in a single form. The Individual Incentive Plan is then sent to the Human Resources Department.	Individual Incentive Plan	Manager of the relevant Department Human Resources Department	Annually
4_TAX 11	Following the evaluation of the assigned personal and professional objectives, if the Manager deems that the employee should receive a bonus, the Human Resources Department requests the authorisation for the payment of the financial reward.	Authorisation request	Human Resources Department Manager of the Department involved	Annually
5_TAX 11	Based on the evaluation carried out, the Chairperson approves the financial reward and signs the necessary documentation.	Approval documentation	Chairperson	Annually
6_TAX 11	The Human Resources Department arranges an individual meeting with each resource in order to share the outcome of the evaluation and the possible payment of the financial reward. This meeting includes the Manager of the Department that the evaluated collaborator belongs to. Following this meeting, the employee signs the MBO/bonus payment letter.	Letter of bonus payment	Human Resources Department Manager of the Department involved	Annually

Management of wages, contributions and tax obligations - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TAX 12	The Human Resources Department, working with the Labour Consultant, deals with the collection and processing of attendance data, prepares payslips and calculates the amount of (national insurance and tax) contributions due.	Contract signed with the consultant	Human Resources Department Labour Consultant	Per event
2_TAX 12	All employees are equipped with a company badge that they use to clock in and out.	Management system	Employee of CHIMEC	Weekly or monthly
3_TAX 12	The employee's presence and absence are recorded when they swipe their badge. The employee can also enter their work attendance/absences using an electronic platform. The data entered are received and checked by the Labour Consultant for the purpose of correctly preparing the payslips.	Management system	Labour Consultant	Weekly or monthly
4_TAX 12	Once the documentation relating to employee attendance/absences has been closed, the payslips are processed and then sent to the Human Resources Department.	Management system	Human Resources Department Labour Consultant	Weekly or monthly
5_TAX 12	The Human Resources Department carries out checks on payslips in order to detect any anomalies regarding the hours reported on the payslip and the taxable items on the monthly salary. Furthermore, once the payslips have been received, the Manager of the Staff Administration & Payroll Office of the Human Resources Department requests authorisation from the Chairperson before proceeding with the payment of employee salaries. The Administration & Finance Department carries out a congruity/reasonableness check on the correctness of the payslips.	N.A.	Chairperson Human Resources Department Administration & Finance Department	Weekly or monthly
6_TAX 12	The Administration & Finance Department receives a summary statement of payroll processing and enters it into the accounting records.	Uploading the summary statement	Administration & Finance Department	Weekly or monthly
7_TAX 12	Accounting of salaries and national insurance and tax withholding in accounting software.	Accounting statement Accounting software	Administration & Finance Department	Per event

8_TAX 12	The Labour Consultant prepares the (Italian) F24 forms. The contributions are then sent and paid via the F24 form.	F24 forms F24 receipts	Labour Consultant	Infra-annual
9_TAX 12	The Labour Consultant, based on the wages received and the contributions paid by each employee, prepares the CU (Italian certification on income) for each individual employee.	Certification on income	Labour Consultant	Annually

Management of expense reimbursement (ancillary activity) - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TAX 13	The Company has issued a Policy that defines the Guidelines that must be followed for the management of travel expenses (spending limits, car use policy, etc.)	Travel policy	Chairperson	Per event
2_TAX 13	The business trip is authorised in advance by the travelling staff member's Department Manager via e-mail.	Communication via e-mail	Traveller's Department Manager	Per event
3_TAX 13	Criteria for the assignment of the company credit card must be established. Specifically, the operational practice of CHIMEC S.p.A. provides that a credit card is assigned only to the Chairperson and the Company Cash Management Officer and is limited to online purchases of modest value.	N/A	Administration & Finance Department Human Resources Department	Per event
4_TAX 13	Entertainment expenses with clients and/or potential clients are justified through an expense report.	Expense report	Administration & Finance Department	Per event
5_TAX 13	The expenses actually incurred by the employee during the business trip are reimbursed after the travelling employee has provided specific documentation through a system designed for that purpose. Once the reference month has ended and the expenditure has been closed, the expenditure is subjected to authorisations at various levels and to an accounting control by the Administration & Finance Department. If the expense is considered justified, the Administration & Finance Department will proceed with the refund process; if the assessment outcome is negative, the employee will be asked to provide more supporting documentation.	Supporting documentation Expense report form	Administration & Finance Department	Per event
6_TAX 13	The Administration & Finance Department verifies the expenses and, if there is supporting documentation recognised for tax purposes in accordance with current legislation, proceeds with the reimbursement.	Supporting documentation Expense report form	Administration & Finance Department	Per event

Management of gifts, freebies and concessions - Sales & Marketing				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TAX 14	<p>Employees and Collaborators are not allowed to give/offer and/or accept/receive gifts, freebies, concessions and/or any other benefit as part of the activities carried out for the Company aimed at acquiring preferential treatment in the conduct of any activities that can be linked to the Company, which are such as to give rise to even just the suspicion of having acted in the interest and on behalf of the Company.</p> <p>An exception is made for gifts of modest value attributable to normal polite relations or commercial practices which do not give rise to any improper influence.</p>	Code of Ethics	BoD	Per event

Management of the S. Palomba+Papasped+Five Stars warehouse (warehouses managed by the Plant Management) - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_TAX 15	The Company has adopted a procedure to govern the roles, tasks, responsibilities, operating methods and controls connected to warehouse management.	Procedure for warehouse management	Plant Management Unit Managers	Per event
2_TAX 15	Access to the warehouse is permitted exclusively to staff of departments that are part of the Plant Management. In particular, the Company has two warehouses: - Warehouse 001 , for finished products and raw materials ready for sale; - Warehouse 048 , for what are known as "long-term products", which can be used by the Plant Management only if permitted by the Quality Control Department. The Papasped and Five Stars external warehouses are managed exactly like Warehouse 001.	Warehouse management procedures	Plant Management Unit Managers	Daily
3_TAX 15	When the goods are unloaded, a Logistics employee enters the incoming goods into the management system, after checking that the quantity and quality of the goods delivered match what is indicated in the transport document and in the purchase order.	Signature on the delivery note/invoice Goods entered into the system	Plant Management Unit Managers	Per event
4_TAX 15	Goods entering and leaving the warehouse are recorded. In particular, there are (screen) pages on what is not there and, at the end of the year, this is reported to the General Management.	Warehouse management	Quality Control and Technical Division	Weekly or monthly
5_TAX 15	The Company has adopted an inventory procedure which identifies and defines the methods for carrying out the accounting and physical inventory of the goods stored in the warehouse. The procedure uses specific IT tools in order to catalogue the goods in the management system.	Procedure for warehouse management / Inventory	Plant Management Unit Managers	Per event

6_TAX 15	The items in the inventory are physically counted on an annual basis.	E-mail communication planning inventory activity	Man. of Production Man. of Administration	Annually
7_TAX 15	The items in the inventory are physically counted on an annual basis by the production operators, the Administration staff, and also by the auditing company, PWC. The codes of the warehouse materials subject to inventory are extracted from the management system. The stocks are counted and/or weighed. These data are compared with the inventory data recorded in the accounting system. Any differences are analysed and, if confirmed, recorded in the system to align the accounting data with the physical data.	Inventory count file Adjusting entries entered into the accounting system	Man. of Logistics Man. of Production Admin. Man. Man. of Auditing	Annually
8_TAX 15	At the end of the inventory process, the Production area prepares the inventory report, which provides evidence of the process carried out, as well as any differences that may have emerged and the executed corrective operations. The report is forwarded to the Administration area for information purposes.	Inventory report	Man. of Logistics Man. of Production Admin. Man. Man. of Auditing	Per event

6 INFORMATION FLOWS TOWARDS THE SUPERVISORY BODY

In order to provide the Supervisory Body with the tools to carry out its monitoring activities and the timely verification of the effective execution of the controls envisaged by the Model and, in particular, by this Special Section, the information flows that must be guaranteed are described below.

The detailed logical associations between the information flows and the sensitive activities, methodologically useful for the evaluation of the flows themselves, are presented in detail in the documentation for easy consultation that is always available from the reference function.

The communication tool is mainly represented by an e-mail message to be sent, by the manager, to this address: odv@chimec.it, with the information flow to which the communication refers.

Selection and choice of law firms (out-of-court settlements) - Legal				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_TAX 7	The Company sends the Supervisory Body the list of ongoing out-of-court matters.	E-mail communications	Legal office	Per event
Selection and choice of law firms (litigation) - Legal				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_TAX 8	The Company transmits the list of open disputes to the Supervisory Body.	E-mail communications	Legal office	Per event
Staff selection and hiring - Human Resources				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_TAX 9	Any extra-budgetary hires approved by the Chairperson are communicated to the SB.	Communication e-mail	Human Resources Department	Per event
Management of gifts, freebies and concessions - Sales & Marketing				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_TAX 14	The Development & Marketing Department promptly forwards the authorised free gift list to the Supervisory Body.	Communication e-mail with the authorised free gift list attached	Department of Development & Marketing	Per event
Management of the S. Palomba+Papasped+Five Stars warehouse (warehouses managed by the Plant Management) - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_TAX 15	At the end of the inventory, the Plant Management communicates the findings to the Supervisory Body.	Communication e-mail	Plant Management	Per event

SPECIAL SECTION – CRIMES RELATING TO NON-CASH PAYMENT INSTRUMENTS AND FRAUDULENT TRANSFER OF ASSETS PURSUANT TO ART. 25 OCTIES1 OF LEGISLATIVE DECREE NO. 231/2001

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1 PURPOSE OF THE SPECIAL SECTION - CRIMES RELATING TO NON-CASH PAYMENT INSTRUMENTS

This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the crimes referred to in art. 25 octies 1 of the Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of crimes referred to in art. 25 octies1 of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 13 contains the section of the articles of the Italian Criminal Code relevant pursuant to art. 25 octies1 of Legislative Decree No. 231/2001, accompanied by a brief description of the crime.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 25 OCTIES 1 OF LEGISLATIVE DECREE NO. 231/2001

With reference to the risk of commission of the Crimes illustrated in the previous paragraph (referred to in article 25 octies1 of Legislative Decree No. 231/2001) and deemed relevant following the risk assessment carried out internally, the Company considers “sensitive” the following activities carried out by the Recipients of this Special Section, also (possibly) in collaboration with External Parties:

Ref.	Organisational unit responsible for the sensitive activity	Sensitive activity	Explanatory description of how the crime could be committed
PAY 1	Administration & Finance	Management of expense reimbursement	The Company, in the context of the management of company payment cards (entertainment expenses) and therefore of card payments, could falsify or alter and, subsequently, use credit/debit cards in order to gain undue profit (specifically, cost savings).
PAY 2	Administration & Finance	Management of payments	The Company, as part of the management of supplier payments, could falsify or alter non-cash payment instruments that it may have or could have in order to gain undue profit (specifically, cost savings). Please note that a “non-cash payment instrument” is (i) a device, (ii) an object or (iii) a protected record, intangible or tangible, or a combination thereof, other than legal tender money which, alone or together with a procedure or series of procedures, allows the owner or user to transfer money or monetary value, including through digital exchange methods (e.g. home banking, checks, cryptocurrencies, etc.).
PAY 3	Human Resources	Management of expense reimbursement (ancillary activity)	The Company, in the context of the management of company payment cards and therefore of card payments, could falsify or alter and, subsequently, use credit/debit cards in order to gain undue profit (specifically, cost savings).

The detailed logical associations between the sensitive activities and the predicate crimes, methodologically preparatory to the evaluation of the control protocols, are included and described in detail in the relevant documentation, which is easy to consult and always available from the function responsible for the activity in question.

4 CRIMES RELATING TO NON-CASH PAYMENT INSTRUMENTS REFERRED TO IN ART. 25 OCTIES 1 OF LEGISLATIVE DECREE NO. 231/2001 - GENERAL PRINCIPLES OF BEHAVIOUR

Listed in this chapter are the general rules of desired behaviour (Do's Area) or specific prohibitions (Don'ts Area) that the Recipients of this Special Section of the Model must comply with, adjusting their behaviour accordingly when carrying out the sensitive activities noted above. These principles recall (specifying them or integrating them if necessary) the rules of the Code of Ethics and apply them to the level of crime risks considered. By virtue of specific contractual agreements or unilateral declarations, the principles in question may also apply to External Parties involved in carrying out the identified sensitive activities.

4.1 DO'S AREA

All sensitive activities must be carried out in compliance with the laws in force, with the Company's principles of Corporate Governance, with the rules of the Code of Ethics, with the general principles of behaviour set out in the General Section of this Model, as well as with the protocols (and further existing organisational procedures) established to manage the identified crime risks.

Specifically, the Recipients of this Special Section must:

- Use credit or payment cards (which allow cash withdrawals or the purchase of goods or the provision of services) in line with current legislation;
- sell goods or services only to customers who can use legitimate credit or payment cards and in line with current legislation;
- comply with the relevant legislation in force.

4.2 DON'TS AREA

It is forbidden to cause actions or to behave in such a way as to integrate, taken individually or collectively, directly or indirectly, the types of crime envisaged by article 25 octies1 of Legislative Decree No. 231/2001. Violations of the principles, protocols and existing organisational procedures provided for or referred to in this Special Section are also prohibited.

It is also forbidden to engage in behaviours that violate the rules of the Code of Ethics, the general principles set out both in the General Section and in this Special Section and, in general, in the documentation adopted in the implementation of the reference principles set out in this Special Section.

Specifically, the recipients of this Special Section may not:

- behave in an improper manner that leads to a risk of unlawful use of credit or payment cards or any other similar document that enables the withdrawal of cash or the purchase of goods or the provision of services;
- risk, through improper use of the same, altering in any way the functioning of an IT system (with consequent possible transfer of money, monetary value or virtual currency), intervening without rights on the data, information or programmes contained therein.

5 CRIMES RELATING TO NON-CASH PAYMENT INSTRUMENTS AND FRAUDULENT TRANSFER OF VALUES - PROTOCOLS TO PROTECT AGAINST CRIME RISKS

For the purposes of applying the behavioural rules and prohibitions listed in the previous chapter, the protocols described below to protect against the crime risks identified above must be followed (article 25 octies¹ of Legislative Decree No. 231/2001).

The detailed logical associations between the protocols designed to protect against crime risks and the sensitive activities, methodologically useful for the evaluation of the control protocols, are described in detail in the relevant documentation, which is easy to consult and always available from the function responsible for the activity in question.

The Recipients of this Special Section of the Model, in addition to complying with the existing legal provisions on the matter and the behavioural rules referred to in the Code of Ethics, must carry out the activities envisaged in the control protocols for which they are responsible and in the further documentation adopted for the implementation of the reference principles set out in this Special Section.

5.1 PROTOCOLS TO PROTECT AGAINST CRIME RISKS PURSUANT TO ART. 25 OCTIES 1 OF LEGISLATIVE DECREE NO. 231/2001

Expense reimbursement management - Administration & Finance				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_PAY 1	The Company has issued a Policy that defines the Guidelines that must be followed for the management of travel expenses (spending limits, car use policy, etc.)	Travel policy	Chairperson	Per event
2_PAY 1	The business trip is authorised in advance by the travelling staff member's Department Manager via e-mail.	Communication via e-mail	Traveller's Department Manager	Per event
3_PAY 1	Criteria for the assignment of the company credit card must be established. Specifically, the operational practice of CHIMEC S.p.A. provides that a credit card is assigned only to the Chairperson and the Company Cash Management Officer and is limited to online purchases of modest value.	N/A	Administration & Finance Department Human Resources Department	Per event
4_PAY 1	Entertainment expenses with clients and/or potential clients are justified through an expense report.	Expense report	Administration & Finance Department	Per event
5_PAY 1	The expenses actually incurred by the employee during the business trip are reimbursed after the travelling employee has provided specific documentation through a system designed for that purpose. Once the reference month has ended and the expenditure has been closed, the expenditure is subjected to authorisations at various levels and to an accounting control by the Administration & Finance Department. If the expense is considered justified, the Administration & Finance Department will proceed with the refund process; if the assessment outcome is negative, the employee will be asked to provide more supporting documentation.	Supporting documentation Expense report form	Administration & Finance Department	Per event
6_PAY 1	The Administration & Finance Department verifies the expenses and, if there is supporting documentation recognised for tax purposes in accordance with current legislation, proceeds with the reimbursement.	Supporting documentation Expense report form	Administration & Finance Department	Per event

Payment Management – Administration & Finance				
1_PAY 2	Payment orders are made only by subjects authorised to operate on behalf of the Company within the limits of their relative powers.	Signature Specimen	BoD	Per event
2_PAY 2	The Company guarantees the division of activities/roles relating to corporate administrative management within the Administration & Finance Department and in order to prevent one person from holding all the responsibilities.	Organisational chart Job descriptions	Administration & Finance Department	Per event
3_PAY 2	User profiling is provided on the Microsoft Dynamics AX management system, subject to pre-established authorisation levels, which vary depending on the position in the company and the activities carried out. There is also evidence within the system of the last person who made a change. The profiling system is based on the assignment of user ID and password for authentication when logging into the management system.	Microsoft Dynamics AX management system profiling	IT Manager	Per event
4_PAY 2	Purchases made through a till are rare and occasional.	N/A	Administration & Finance Department	Per event
5_PAY 2	Except for small cash expenses, no payment can be made if the relevant invoice is not present and if this has not been verified by the relevant function, in relation to the supply to which it is associated.	“Payments to suppliers” Operational Instruction	Administration & Finance Department	Per event
6_PAY 2	In order to monitor the deadlines relating to payments to suppliers, the Administration & Finance Department uses payment schedules.	Payment schedules	Administration & Finance Department	Per event
7_PAY 2	All payments are made exclusively through bank transactions that are always traceable and, in rare cases, through N.T. bank cheques.	Banking transactions	Administration & Finance Department	Weekly or monthly

8_ PAY 2	The Administration & Finance Department checks the correctness, conformity and completeness of the invoices received against the purchase orders issued. Subsequently, the Administration & Finance Department carries out a further check before authorising payment.	Bank software	Administration & Finance Department	Weekly or monthly
9_ PAY 2	The Manager of the Administration & Finance Department can authorise payments up to €30,000; payments above €30,000 are authorised by the Chairperson.	Signature on payment slip	Chairperson Manager of the Administration & Finance Department	Weekly or monthly
10_ PAY 2	The Administration & Finance Department makes payments via home banking. Payment receipts are printed and stored together with the relevant authorisation.	Payment receipts for bank transfers	Administration & Finance Department	Weekly or monthly
11_ PAY 2	The Administration & Finance Department downloads the transaction records of all company accounts in order to carry out the necessary checks on the balance in the accounting sheet against the account statement issued by the bank. In any case, every processed payment flow, regardless of who authorised it to be sent to the bank, is subsequently viewed by the remaining functions involved.	Bank reconciliation statement Statement balance	Administration & Finance Department	Weekly or monthly

Management of expense reimbursement (ancillary activity) – Human Resources				
1_ PAY 3	The Company has issued a Policy that defines the Guidelines that must be followed for the management of travel expenses (spending limits, car use policy, etc.)	Travel policy	Chairperson	Per event
2_ PAY 3	The business trip is authorised in advance by the travelling staff member's Department Manager via e-mail.	Communication via e-mail	Traveller's Department Manager	Per event
3_ PAY 3	Criteria for the assignment of the company credit card must be established. Specifically, the operational practice of CHIMEC S.p.A. provides that a credit card is assigned only to the Chairperson and the Company Cash Management Officer and is limited to online purchases of modest value.	N/A	Administration & Finance Department Human Resources Department	Per event
4_ PAY 3	Entertainment expenses with clients and/or potential clients are justified through an expense report.	Expense report	Administration & Finance Department	Per event
5_ PAY 3	The expenses actually incurred by the employee during the business trip are reimbursed after the travelling employee has provided specific documentation through a system designed for that purpose. Once the reference month has ended and the expenditure has been closed, the expenditure is subjected to authorisations at various levels and to an accounting control by the Administration & Finance Department. If the expense is considered justified, the Administration & Finance Department will proceed with the refund process; if the assessment outcome is negative, the employee will be asked to provide more supporting documentation.	Supporting documentation Expense report form	Administration & Finance Department	Per event
6_ PAY 3	The Administration & Finance Department verifies the expenses and, if there is supporting documentation recognised for tax purposes in accordance with current legislation, proceeds with the reimbursement.	Supporting documentation Expense report form	Administration & Finance Department	Per event

SPECIAL SECTION – CRIMES AGAINST THE INDIVIDUAL PURSUANT TO ART. 25 QUINQUIES OF LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION - CRIMES AGAINST THE INDIVIDUAL

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This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the crimes referred to in art. 25 quinquies of Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of crimes referred to in art. 25 quinquies of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 9 contains the section of the articles of the Italian Criminal Code relevant pursuant to art. 25 quinquies of Legislative Decree No. 231/2001, accompanied by a brief description of the crime.

3 SENSITIVE ACTIVITIES PURSUANT TO ARTICLE 25 QUINQUIES OF LEGISLATIVE DECREE NO. 231/2001

With reference to the risk of commission of the Crimes illustrated in the previous paragraph (referred to in Article 25 quinquies of Legislative Decree No. 231/2001) and deemed relevant following the risk assessment carried out internally, the Company considers “sensitive” the following activities carried out by the Recipients of this Special Section, also (possibly) in collaboration with External Parties:

Ref.	Organisational unit responsible for the sensitive activity	Sensitive activity	Explanatory description of how the crime could be committed
IND 1	Purchases	Selection and qualification of suppliers	The human resources of the Company’s suppliers may be working in conditions that do not comply with the current labour legislation.
IND 2	Human Resources	Selection and hiring of staff	The Company may be relying on the labour of people working in conditions that do not comply with the national and international regulations in force regarding salaried employment.

The detailed logical associations between the sensitive activities and the predicate crimes, methodologically preparatory to the evaluation of the control protocols, are presented in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

4 CRIMES AGAINST THE INDIVIDUAL REFERRED TO IN ART. 25 QUINQUIES OF LEGISLATIVE DECREE NO. 231/2001 - GENERAL PRINCIPLES OF BEHAVIOUR

This paragraph lists the general rules of desired behaviour (Do’s Area) or specific prohibitions (Don’ts Area) that the Recipients of this Special Section of the Model must comply with, adjusting their behaviour accordingly when executing the sensitive activities identified. These principles recall (specifying them or integrating them if necessary) the rules of the Code of Ethics and apply them to the relevant crime risks. By virtue of specific contractual agreements or unilateral declarations, the principles in question may also apply to External Parties involved in carrying out the identified sensitive activities.

4.1 DO’S AREA

All sensitive activities must be carried out in compliance with the legislative and regulatory provisions, with the principles of Corporate Governance, with the rules of the Code of Ethics, with the general principles of behaviour set out in the General Section of this Model, as well as with the protocols (and further existing organisational procedures) established to monitor the identified crime risks.

In compliance with current legislation, the Company undertakes to ensure full collaboration with the competent authorities in the prevention, fight against and elimination of criminal activities that damage children and, in particular, in the fight against sexual exploitation, pornography and sex tourism involving minors, implemented through the use of the electronic networks or in other ways.

The Recipients of this Special Section must:

- ensure that the working conditions of the suppliers' workers comply with current legislation on national insurance matters, also through verification of the suppliers' DURC (Italian tax compliance certificate) and other certifications (in particular SA 8000);
- process all requests from public security authorities promptly, correctly and in good faith;
- in general, behave correct and helpfully with public security authorities in any situation.

4.2 DON'TS AREA

It is forbidden to carry out, collaborate or behave in such a way as to integrate, individually or collectively, directly or indirectly, the types of crime envisaged by article 25 quinquies of Legislative Decree No. 231/2001. Violations of the principles, protocols and existing organisational procedures provided for or referred to in this Special Section are also forbidden.

In order to achieve the desired behaviours listed above, the Company also expressly prohibits the Recipients of the Special Section from:

- using (including occasionally) the Company or one of its organisational units or the physical spaces of the Company itself for the purpose of allowing or facilitating the commission of the Crimes referred to in this Special Section;
- providing collaboration or support, even indirectly, to the dishonest or potentially unlawful conduct of traders and, in particular, collaborating in cases where there is reasonable doubt that these traders' behaviour may include the Crimes referred to in this Special Section.

5 CRIMES AGAINST THE INDIVIDUAL - PROTOCOLS TO PROTECT AGAINST CRIME RISKS

For the purposes of applying the behavioural rules and prohibitions listed in the previous chapter, the protocols described below to protect against the crime risks identified above must be followed (article 25 quinquies of Legislative Decree No. 231/2001).

The detailed logical associations between the protocols designed to protect against crime risks and the sensitive activities, methodologically useful for the evaluation of the control protocols, are described in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

The Recipients of this Special Section of the Model, in addition to complying with the existing legal provisions on the matter and the behavioural rules referred to in the Code of Ethics, must carry out the activities envisaged in the control protocols for which they are responsible and in the further documentation adopted for the implementation of the reference principles set out in this Special Section.

5.1 PROTOCOLS TO PROTECT AGAINST CRIME RISKS PURSUANT TO ART. 25 QUINQUIES OF LEGISLATIVE DECREE NO. 231/2001

Selection and qualification of suppliers - Purchases				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_IND 1	The Purchasing Department, with the support of the Administration & Finance Department and/or the Requesting Department, carries out an economic and technical-professional qualification/assessment activity on the suppliers to be involved, if necessary, in the purchasing process.	Supplier qualification sheet	Purchasing Department Administration & Finance Department	Per event
2_IND 1	The supplier is asked to provide a document certifying they have the qualifications established by the Company and meet compliance requirements.	Self-certification form	Purchasing Department	Per event
3_IND 1	The Human Resources Department carries out its due diligence activities on the individual supplier by using databases and/or specialised companies.	Due diligence process	Human Resources Department	Per event
4_IND 1	A clause is included in the supply contract which implies the supplier is compliant with both the Organisation, Management and Control Model and the Code of Ethics of the Company.	General conditions of purchase of products and services	Purchasing Department	Per event

Staff selection and hiring - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_IND 2	<p>The adopted Code of Ethics declares that the Company refuses to make use of illegal labour and child labour and asks its external collaborators (partners, customers, suppliers, consultants, etc.) to make a specific commitment to complying with the legislation in force on the matter and to actively fighting the use of the above-mentioned kinds of labour.</p> <p>All employees are given equal opportunities and treatment.</p>	Code of Ethics	BoD	Per event
2_IND 2	<p>The employment relation is contractualised in compliance with the relevant legislation and national collective labour agreements (salaries, working hours, rest periods, weekly rest, mandatory leave, holidays, etc.).</p>	Relevant Collective Labour Agreement	BoD	Per event

SPECIAL SECTION – MARKET ABUSE ADMINISTRATIVE CRIMES AND OFFENCES PURSUANT TO ART. 25 SEXIES OF LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION - ADMINISTRATIVE CRIMES AND OFFENCES OF MARKET ABUSE

This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the crimes referred to in art. 25 sexies of Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of crimes referred to in art. 25 sexies of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 10 contains the section of the articles of the Italian Criminal Code relevant pursuant to art. 25 sexies of Legislative Decree No. 231/2001, accompanied by a brief description of the crime.

3 SENSITIVE ACTIVITIES EX ART. 25 SEXIES OF LEGISLATIVE DECREE NO. 231/2001

Following its risk assessment, the Company believes that there are no sensitive activities relevant pursuant to Legislative Decree no. 231/01 relating to this type of Crime.

However, the Company undertakes, if changes occur in the business, in the organisational structure and/or in its operations, to verify the possible emergence of activities where there is a risk Crimes of the type in question may be committed and, consequently, to prepare the necessary preventive measures.

SPECIAL SECTION – MANSLAUGHTER OR SERIOUS OR VERY SERIOUS BODILY HARM COMMITTED WITH BREACH OF THE RULES ON OCCUPATIONAL HEALTH AND SAFETY PURSUANT TO ART. 25 SEPTIES OF LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION - MANSLAUGHTER OR SERIOUS OR VERY SERIOUS BODILY HARM COMMITTED WITH BREACH OF THE RULES ON OCCUPATIONAL HEALTH AND SAFETY

This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the crimes referred to in art. 25 septies of Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of crimes referred to in art. 25 septies of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 11 contains the section of the articles of the Italian Criminal Code relevant pursuant to art. 25 septies of Legislative Decree No. 231/2001, accompanied by a brief description of the crime.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 25 SEPTIES OF LEGISLATIVE DECREE NO. 231/2001

With reference to the risk of commission of the Crimes illustrated in the previous paragraph (referred to in article 25 septies of Legislative Decree No. 231/2001) and deemed relevant following the risk assessment carried out internally, the Company considers “sensitive” the following activities carried out by the Recipients of this Special Section, also (possibly) in collaboration with External Parties:

Ref.	Organisational unit responsible for the sensitive activity	Sensitive activity	Explanatory description of how the crime could be committed
OSH 1	S. Palomba Plant Management	Identification of key health and safety roles	Failure to organise or the poor organisation of the roles, responsibilities, tasks and powers of the figures connected to occupational health and safety can lead to no or poor compliance with accident prevention regulations as a result of the incomplete segregation of duties and attribution of responsibilities.
OSH 2	General Management	Definition of expenses / investments aimed at improving prevention in workers' health and safety	Failure to invest in health and safety can lead to possible accidents which occur, for example, as a result of inadequate prevention and protection measures and/or deficiencies in information or analysis or in personal protective equipment.
OSH 3	S. Palomba Plant Management	Hazard identification, risk assessment and definition, implementation of prevention and protection measures	Failure to assess or incorrect assessment of the risks associated with the execution of work activities can lead to a lack of procedures, instructions, protective devices, behavioural rules, training and information and any relevant preventive action, which could in turn lead to injuries or accidents occurring. Failure to implement one or more prevention measures may lead to workers being injured.
OSH 4	S. Palomba Plant Management	Health surveillance	The lack of or partial health surveillance can lead to the non-recognition of a risk to the worker's health and/or to workers being assigned tasks unsuitable for them and to failure to identify requirements, which can consequently be linked to accidents or occupational disease. Failure to involve the Company Physician in the risk assessment phases can lead to an underestimation of health risks, i.e. risks to workers' health.
OSH 5	S. Palomba Plant Management / General Management	Procurement and management of personal protective equipment (PPE)	For cost-containment purposes or due to incompetence, the Company purchases cheap PPE with technical characteristics that make it unsuitable to protecting workers from accidents at work; alternatively, the PPE may not be effectively identified, distributed, looked after, stored and disposed of.

OSH 6	S. Palomba Plant Management / General Management	Procurement and management of collective protection devices (CPD)	For cost-containment purposes or due to incompetence, the Company purchases cheap CPD with technical characteristics that make it unsuitable to protecting workers from accidents at work; alternatively, the CPD may not be effectively identified, distributed, looked after, stored and disposed of.
OSH 7	S. Palomba Plant Management / General Management	Provision of training and organisation of meetings that help with communication and information	The lack of information and/or training (where training is required) when a worker commences their work activities/transfers/changes job or the introduction of new work equipment and the failure to communicate between the parties involved in the execution of the activities, can lead to incorrect behaviour that negatively affects the health and safety of workers.
OSH 8	S. Palomba Plant Management	Procurement and contracting to third parties	Failure to verify the technical and professional qualifications of contracting companies and/or suppliers of goods and services may result in activities being assigned to unqualified companies. The lack of or insufficient exchange of information and assessment of interferential risks can lead to the non-management of some risk factors, with accidents occurring as a result.
OSH 9	S. Palomba Plant Management / General Management	Emergency management	Failure to define emergency management procedures could lead, among other things, to critical issues for occupational safety and health.

OSH 10	S. Palomba Plant Management	Analysis of accidents, near-misses and risky behaviour	Failure to analyse accidents can lead to the repetition of accidental events because the causes (technical, structural, procedural, behavioural) have not been identified and addressed.
OSH 11	S. Palomba Plant Management	Maintenance of facilities, systems, machinery and equipment	Failure to maintain or poor maintenance of facilities, systems, machinery and equipment may lead to an accident.
OSH 12	S. Palomba Plant Management / General Management	Management of non-conformities	Failure to maintain or poor management of non-conformities in facilities, systems, machinery and equipment may lead to an accident.

The detailed logical associations between the sensitive activities and the predicate crimes, methodologically preparatory to the evaluation of the control protocols, are explained in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

4 CRIMES RELATING TO OCCUPATIONAL SAFETY REFERRED TO IN ART. 25 SEPTIES OF LEGISLATIVE DECREE NO. 231/2001 - GENERAL PRINCIPLES OF BEHAVIOUR

This chapter outlines the general rules of desired behaviour (Do's Area) or specific prohibitions (Don'ts Area) that the Recipients of this Special Section of the Model must follow, adjusting their behaviour to comply with them when executing the sensitive activities noted above. By virtue of specific contractual agreements or unilateral declarations, the principles in question may also apply to External Parties involved in carrying out the identified sensitive activities.

4.1 DO'S AREA

All sensitive activities must be carried out in compliance with the legislative and regulatory provisions in force, with the Company's principles of Corporate Governance, with the general principles of behaviour set out in the General Section of this Model, as well as with the protocols (and further existing organisational procedures) established to monitor the identified crime risks.

In compliance with current legislation, the Company undertakes to ensure full collaboration with the competent authorities during inspections and any checks that are carried out in the production units.

The Recipients of this Special Section must:

- ensure compliance with occupational health and safety regulations;
- themselves comply with the procedures contained in the Risk Assessment Document (Italian DVR) for carrying out the activities described therein;
- fulfil the information, education and training obligations required by law;
- ensure that health surveillance is carried out by the Company Physician;

- ensure that a fire emergency team and first aid team are established;
- ensure the correct use of Personal Protective Equipment;
- ensure that all electrical and earthing systems comply with current laws and regulations;
- ensure the correct use of video terminals;
- ensure that workers are adequately protected.

4.2 DON'TS AREA

It is forbidden to carry out, collaborate or behave in such a way as to integrate, individually or collectively, directly or indirectly, the types of crime envisaged by article 25 septies of Legislative Decree No. 231/2001. Violations of the principles, protocols and existing organisational procedures provided for or referred to in this Special Section are also forbidden.

In order to achieve the previously listed desired behaviours, the Company also expressly prohibits the Recipients of this Special Section from:

- behaving in ways that endanger their own health and safety and that of others;
- postponing the implementation of existing operating instructions until circumstances arise that make it necessary;
- omitting reports of near-misses or concealing facts and events whose occurrence constituted a potential danger to the health and safety of workers;
- asking workers to resume their activities in a work situation in which a serious and immediate danger persists, such as a seismic event or a fire outbreak;
- removing or modifying safety, signalling or control devices without authorisation.

5 CRIMES RELATING TO OCCUPATIONAL SAFETY - PROTOCOLS TO MONITOR CRIME RISKS

For the purposes of applying the behavioural rules and prohibitions listed in the previous chapter, the protocols described below to protect against the crime risks identified above must be followed (article 25 septies of Legislative Decree No. 231/2001).

The detailed logical associations between the protocols designed to protect against crime risks and the sensitive activities, methodologically useful for the evaluation of the control protocols, are described in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

The Recipients of this Special Section of the Model, in addition to complying with the existing legal provisions on the matter and the behavioural rules referred to in the Code of Ethics, must carry out the activities envisaged in the control protocols for which they are responsible and in the further documentation adopted for the implementation of the reference principles set out in this Special Section.

5.1 PROTOCOLS TO PROTECT AGAINST CRIME RISKS PURSUANT TO ART. 25 SEPTIES OF LEGISLATIVE DECREE NO. 231/2001

Identification of key roles in health and safety - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_OSH 1	<p>The key roles for the correct management of occupational health and safety within the company have been identified. Specifically, the active roles for the safety management system have been identified, in line with the provisions of Legislative Decree No. 81/2008:</p> <ul style="list-style-type: none"> - General Manager (GEN MAN) - Provider (PROV) - Employer (EMP) - Site Manager (SM) - Production Manager (PRODM) - Prevention and Protection Service Manager (PPSM) - Manager of the Health, Safety and Environment Management System (MHSEMS) - Manager of the Technical Office (TOM) - Manager of Technical Division (TDM) - Research and Development (R&D) - Unit Head (UH) - Purchasing Manager (PURM) - Human Resources Manager (HRM) - Sales Department Head (SDH) - Finance and Administration Head (FAH) 	<p>Organisational chart</p> <p>Appointment documents</p> <p>RAD of 13 July 2020</p>	<p>BoD</p> <p>Employer</p>	Per event
2_OSH 1	<p>For each key role in the management of occupational health and safety, within the "Definition of Roles and Organisation for Safety" Procedure (or in the powers of attorney, letters of appointment, job descriptions, orders or service provisions or internal communications), the skills, duties and interfacing responsibilities between the different functions are indicated.</p>	<p>"Definition of Roles and Organisation for Safety" procedure</p> <p>Power of attorney</p> <p>Letter of appointment</p> <p>Job descriptions</p> <p>Service orders or provisions</p> <p>Internal communications</p>	<p>Employer and Senior Managers</p>	Per event

3_OSH 1	The Employer appoints the PPSM, who has the necessary skills and training.	Appointment of PPSM, dated 02.02.2015	Employer	Per event
4_OSH 1	The workers have elected a Workers' Safety Representative.	Election minutes of 27.01.2020	Employees	Per event
5_OSH 1	The First Aiders have been identified in order to ensure adequate coverage in the Company.	Appointment documents	Employer and Senior Managers	Per event
6_OSH 1	The Fire Fighting Officers have been identified in order to ensure adequate coverage in the Company.	Appointment documents	Employer and Senior Managers	Per event
7_OSH 1	The Company Physician (who has the required qualifications) is appointed pursuant to art. 38 of Legislative Decree No. 81/2008.	Appointment of the Company Physician, dated 01.01.2023	Employer	Per event

Definition of expenses / investments aimed at improving prevention in occupational health and safety - General Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_OSH 2	Following the definition of an improvement plan and the safety objectives present in the RAD, the employer plans the required interventions and expenses.	RAD of 13 July 2020 Plan of improvement interventions, with related cost estimate	Employer and Senior Managers PPSM	Annually
2_OSH 2	In the event of an extraordinary intervention for emergency situations which requires prompt action to limit the impacts, the extent of the intervention is assessed and the Employer, through the Senior Manager and the Supervisors, with the support of the PPSM, proceeds with the intervention request. Each request for extraordinary intervention is processed in the management system through PReq.	Purchase request Payment for extraordinary emergency interventions	Employer and Senior Managers	Per event

Hazard identification, risk assessment and definition, implementation of prevention and protection measures - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_OSH 3	<p>A Preliminary Hazard Analysis is carried out in order to identify the type of hazards associated with the activity in question and the extent of such hazards. The choice regarding the method to be adopted and the level of in-depth analysis or detail are the responsibility of the MHSEMS, taking into account, in particular, the following elements:</p> <ul style="list-style-type: none"> - characteristics of the substances present; - type of activity performed; - past operational experience. 	<p>Preliminary hazard analysis and risk assessment form</p> <p>Preliminary assessment form</p>	<p>SM/PROV</p> <p>MHSEMS</p> <p>TOM</p> <p>PRODM</p> <p>UH</p>	Per event
2_OSH 3	The risks and protection and prevention measures to protect workers for each site are identified and analysed in the RAD.	RAD of 13 July 2020	<p>Employer</p> <p>SPSM</p> <p>Manager of the Department involved</p>	Per event

3_OSH 3	<p>The risk assessment for work activities is carried out for each location, such as, for example:</p> <ul style="list-style-type: none"> - Contact/Exposure to chemicals - Electrocution; - Fall from height; - Material falling from above; - Impacts and compressions; - Cuts; - Slips; - Shearing; - Splashing liquid; - Burns; - Heat stress; - Noise; - Microclimate; - Ergonomics; - MHL - Lifting and transport; - MHL - Pushing and pulling; - Flames and explosions; - Tipping; <ul style="list-style-type: none"> - Vehicle accidents; - Whole Body Vibrations; - Visual fatigue; - Escape routes that are not easy to use; - Burst of pressurised equipment; - Emission of pollutants. 	<p>RAD of 13 July 2020</p> <p>Risk assessment document</p>	Employer	Per event
4_OSH 3	<p>In relation to the SARS-CoV-2 coronavirus epidemic, a company protocol for managing the COVID-19 emergency has been prepared and a document on the assessment of the workers' exposure to biological risk has been created, listing the prevention and protection measures adopted by the employer.</p>	<p>Risk Assessment for Chimec travelling staff, dated 01/07/2022</p> <p>Company protocol for managing the COVID-19 emergency</p>	Employer	Per event
5_OSH 3	<p>The safety documents that are guaranteed in the site are identified in the RAD.</p>	Safety document checklist	Employer	Per event

6_OSH 3	To monitor the implementation of the measures defined to protect the safety of workers and the possible emergence of new risk factors, an inspection is carried out in the site several times a year. The findings are included in an inspection report.	PPSM survey report	PPSM	Every three months
7_OSH 3	To monitor the work environments, the Company Physician carries out an inspection in order to carry out checks, identify/report any improvements, maintenance or replacement activities.	Company Physician inspection report	Company Physician	Annually

8_OSH 3	<p>An overall analysis of the management of workplace safety aspects, including the evaluation of its effectiveness and useful for the definition of further prevention measures, is conducted periodically during the Periodic Meeting (art. 35 of Legislative Decree No. 81/2008). The main objective of the Periodic Meeting is to verify the topicality and effectiveness of the System, as well as the identification of the actions and measures to be envisaged for the solution of any problems and for the further improvement of performance. Specifically, reports, summaries and notes on the status of the HSEMS are produced during the periodic meeting. Furthermore, including but not limited to, the meeting will include the examination and verification of the congruence and topicality of:</p> <ul style="list-style-type: none"> - the policy for preventing major accidents; - the HSEMS Management Manual; - possible proposals for significant changes; - the DVI; - training and information activities for workers; - PPE suitability; - the reports from performance assessments. 	Minutes of meeting dated 03.02.2022	<p>Employer WSR PPSM Company Physician Senior Managers and Supervisors</p>	Annually
9_OSH 3	Based on the results of the surveys carried out by PPSM and CP, the reports received from the WSR and the workers, the appropriate measures are defined and planned to improve safety conditions in the workplace.	<p>Improvement programme</p> <p>Survey report</p>	<p>PPSM Company Physician Employer and Senior Managers</p>	Infra-annual
10_OSH 3	Based on the results of the risk assessment and inspections held during the year, the improvement programme is updated in the RAD. This programme is periodically updated with the progress of the activities and the related implementation dates.	RAD of 13 July 2020	PPSM	Infra-annual

Health surveillance - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_OSH 4	The Company Physician participates, together with the Employer/PPSM, in the risk assessment process in order to identify specific health risk factors and any protective measures to be implemented in relation to the health profile. The Company Physician also helps identify the work environments and systems to be monitored, the processes during which environmental measurements must be carried out and for which chemicals the quantitative determination in the air is required.	RAD of 13 July 2020	Company Physician	Per event
2_OSH 4	Based on the results of the risk assessment, the health protocol is defined (type and frequency of medical examinations); it is then transmitted to the PPSM and to the external company that carries out the clinical analyses.	Health protocol	Company Physician	Annually
3_OSH 4	All employed personnel undergo periodic medical examinations at the plant infirmary.	Medical certificate Exchange of e-mails	Company Physician	Infra-annual
4_OSH 4	The HRM ensures that the schedule of employee medical examinations is kept up to date.	Scheduled medical appointments	HRM SM	Infra-annual
5_OSH 4	In the event of a job change or new hire, the HRM communicates to the Company Physician (with the PPSM copied in) the worker's name, job of origin and destination, in order to plan the medical examinations and verify the worker's fitness for work.	Exchange of communications	Employer PPSM Company Physician	Per event

6_OSH 4	At the end of the medical examination, the Company Physician prepares the worker's fit-for-work assessment, indicating any requirements or limitations for each worker. This information is shared with the Employer, either directly or through the HRD, in order to ensure each worker is assigned the correct task(s) and the requirements/limitations are taken into account.	Fit-for-work assessment	Company Physician Employer and Senior Managers	Per event
7_OSH 4	To monitor the work environments, the Company Physician carries out an inspection in order to carry out checks, identify/report any improvements, maintenance or replacement activities.	Company Physician inspection report	Company Physician	Annually
8_OSH 4	The duly authorised third-party company carries out environmental measurements, i.e. measures the concentrations of environmental micropolluting chemicals in the air using sampling probes placed on staff and in work environments.	Environmental measurement	Employer and Senior Managers via Third party company	Infra-annual
9_OSH 4	The Company identifies the working environments and systems to be monitored, the processes during which environmental measurements must be taken and for which chemicals the quantitative air concentration must be measured.	Certificates of Analysis	Employer, Senior Managers and Supervisors PPSM Company Physician WSR	Infra-annual
10_OSH 4	The third-party company forwards the results of the analytical controls (Analysis Certificates) to the PPSM, who must check they are within the legal limits of the working environments and the systems monitored. The results are examined by the Company Physician for the assessments within their competence.	Congruity report	PPSM Company Physician	Infra-annual

11_OSH 4	Annually, at the yearly meeting, the Company Physician communicates the results of the health surveillance, any accidents and occupational diseases.	Communication at periodic meetings	Company Physician	Annually
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Procurement and management of personal protective equipment (PPE) - S. Palomba Plant Management / General Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_OSH 5	Based on the risk assessment, prevention and protection measures and any reports and near-misses, the necessary protective devices for each worker are identified.	RAD of 13 July 2020	Employer PPSM Company Physician WSR	Per event
2_OSH 5	The protective devices are selected by the PPSM, in collaboration with department managers. The PPSM is responsible for the selection of PPE and considers the following aspects: - adequacy for the risks it is meant to prevent; - CE marking; - presence of the "Information note" and "EC Declaration of Conformity"; - compatibility for simultaneous use with other PPE. Following the technical evaluation carried out by the PPSM, the Purchasing Office proceeds with the procurement of the identified PPE.	RAD of 13 July 2020	PPSM Senior Managers and Supervisors	Per event
3_OSH 5	Each worker, based on the definition of the risks relating to their assigned task(s) and the indications of the Company Physician, receives the protective devices they need.	"Personal Protective Equipment Handover sheet"	Employer, Senior Managers and Supervisors PPSM	Per event
4_OSH 5	The PPSM organises activities to provide information on the use of protective devices. The worker is informed about care and maintenance methods to ensure continued device performance. When a new worker is hired, the PPSM informs them of the risks present in the company and of the protective devices they will use. For class III PPE, pursuant to Legislative Decree No. 475/92, or hearing protection devices, specific information must be provided.	"PPE accompanying information" form	PPSM	Per event

5_OSH 5	The PPSM conducts and records education and training activities relating to the use of protective devices. In particular, instructions are provided regarding the correct way to use the PPE and the risks that incorrect use could cause. The SPSM also distributes the "Use and maintenance sheet" for each PPE.	RAD of 13 July 2020 Training plan	PPSM	Per event
6_OSH 5	It is the worker's responsibility to ensure their PPE is fully functional and request the aforementioned devices to be replaced and/or repaired by the Unit Heads if they are damaged by wear and in consideration of the season. In the event that the defect is of a construction type, the worker is required to report the anomaly to their supervisor.	Exchange of e-mails	Worker	Per event
7_OSH 5	During the inspection by the PPSM and the Company Physician or in case of inspection by the Employer or their delegates, checks are conducted to verify that the personal protective equipment is correctly used (shoes, helmets, gloves). If PPE is not being used, workers are encouraged to use it.	Manager's report, where applicable.	Employer, Senior Managers and Supervisors PPSM	Daily

Procurement and management of collective protection devices (CPD) - S. Palomba Plant Management / General Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_OSH 6	The collective protection devices are identified based on the risk assessment or on the analysis of the risks of a major accident.	RAD of 13 July 2020	Employer and Senior Managers PPSM	Per event
2_OSH 6	The collective protection devices are selected by the Employer, Senior Managers and Supervisors, in collaboration with the PPSM.	RAD of 13 July 2020	Employer and Senior Managers PPSM	Per event
3_OSH 6	The PPSM organises activities to provide information on the use of protective devices. The worker is informed about care and maintenance methods to ensure continued device performance. When a new worker is hired, the PPSM informs them of the risks present in the company and of the collective protection devices present. Particular attention is paid to ensure that staff members memorise the location of fire extinguishers and monitor emergency buttons, showers, eyewash fountains, self-contained breathing apparatus and escape routes.	Signposting	Employer and Senior Managers PPSM	Per event
4_OSH 6	The PPSM conducts and records education and training activities relating to the use of protective devices. Specifically, workers will be given instructions about the risks the CPE protects them from, the risks posed by improper use of CPE, and their responsibility for keeping CPE in good working order. Furthermore, if the SPSM deems it necessary, training in the use of CPE is organised.	RAD of 13 July 2020 Training plan	Employer and Senior Managers PPSM	Per event

5_OSH 6	The TOM verifies the good condition of the CPE, reporting any anomalies to the SM. The CPE in use is checked by outside companies or company staff according to a programme established by the TOM jointly with the PPSM, also taking into account any legal requirements.	Exchange of e-mails	Function manager, Supervisor and Senior Manager TOM External companies Site staff	Per event
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Provision of training and organisation of meetings that help with communication and information - S. Palomba Plant Management / General Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_OSH 7	Based on the role, responsibilities and the results of the risk assessment, the training needs (i.e. forklift operators) are defined for each job. The contents, methods and duration of the training of workers and supervisors are established in consideration of ministerial specifications and (Italian) State-Regions Agreements. The training needs for key roles are also defined, including: WSR, fire prevention officer, first aider.	Training programme	Employer Senior Managers Supervisors PPSM HRD	Annually
2_OSH 7	Job-specific training needs are updated on the basis of: - audit results; - needs that arise during changes; - suggestions from the WSR; - changes in regulations or requirements of the competent authorities. Furthermore, the supervisors, Function managers and the HRD identify any further educational and training needs, proposing them to the PPSM/MHSEMS, considering: - personnel evaluation sheets; - the analysis of the skill gaps between the skills and knowledge of the individual worker and company needs; - verification activities conducted, also with regard to job changes; - the defined and approved business improvement objectives.	RAD of 13 July 2020	Employer Senior Managers Supervisors PPSM HRD	Annually
3_OSH 7	Education and training activities are planned by identifying the most significant obligations required by law regarding training, in terms of topics, subjects involved and duration. Annually, the PPSM decides on the training activities and integrates the Training plan for each employee (with schedule, type of training and duration) in compliance with the relevant law.	Training programme	PPSM	Annually

4_OSH 7	In the case of new hires, job changes and new duties, in compliance with regulations and laws, the on-boarding and/or training process is planned in consideration of job tasks and position held.	"Human Resources Management Methods" procedure	Employer Senior Managers Supervisors PPSM HRD	Per event
5_OSH 7	In the case of new hires, job changes and new tasks, the planned training also includes shadowing competent staff.	"Human Resources Management Methods" procedure	Employer Senior Managers Supervisors PPSM HRD	Per event
6_OSH 7	The training is provided by qualified or experienced instructors identified by the PPSM. At the end of the course, trainee learning is tested and trainee course attendance is registered.	Certificate of attendance with final test	PPSM	Per event
7_OSH 7	Trainers have a certificate proving they are qualified to teach in training courses for occupational safety and to provide professional, scientific and technical consultancy services.	Certificate of attendance in specific training courses or seminars Certificate of at least three years' experience gained in teaching and/or carrying out professional activities in the field of occupational health and safety and risks of major accidents	PPSM	Per event

Procurement and contracting to third parties - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_OSH 8	The Company, assisted by the PPSM, has adopted a procedure with the aim of defining the operational practice and the criteria for the management of works under contract, contracts for works or the provision of services and, where possible, subcontracting, for the activities carried out in the S. Palomba site.	"Procurement and contracting to Third Parties" procedure	Employer and Senior Managers PPSM	Infra-annual
2_OSH 8	The Offer Request is prepared by the requesting Function Manager, who shall also specify any technical requirements to be assured based on the technical documentation prepared by the requester or by the PPSM for the parts they are responsible for.	Offer Request	Function Manager	Per event
3_OSH 8	<p>If purchasing technical materials for maintenance or replacement or repair of other existing materials or equipment or for newly installed or introduced materials, the Offer Request must be prepared specifying no less than:</p> <ul style="list-style-type: none"> - the item to be purchased, with specific reference to the model or the characteristics of the material to be purchased, attaching specifications if necessary; - the service or activity for which the purchase is being made (e.g. office, raw material stock, etc.); - any good technical practice or reference standards to follow (legal provisions must be complied with); - conditions of supply, terms, warranties and deadlines to be met; - the required certificates, inspections and tests (witness inspection or otherwise); - instructions on how to present the offer, which in order to be considered valid must be accompanied by the elements for supplier qualification. <p>Furthermore, any diagrams or safety data sheets of the substances involved must be attached to the Offer Request.</p>	Offer Request	Employer PPSM Manager of the function involved	Per event

4_OSH 8	<p>The Offer Request is prepared and includes no less than:</p> <ul style="list-style-type: none"> - the product or substance to be purchased, and the quantity requested; - the specifications, with reference where necessary to the CHIMEC technical specifications agreed upon during product approval and the approved sampling. They include the instructions for control upon receipt; - the type of packaging; - where not already available, a request to send the safety data sheet of the substance or preparation in advance. <p>The Purchase Order also specifies the need for the goods to be accompanied by an analysis report, batch number with production date and, where necessary, other notes for the Supplier.</p>	<p>Offer Request</p> <p>Purchase Order</p>	<p>Purchasing Office</p> <p>Technical Division</p>	Per event
5_OSH 8	<p>The Offer Request is prepared specifying the items among those listed below (if pertinent), considered important for purposes of occupational safety, accident-prevention, work quality:</p> <ul style="list-style-type: none"> - the specification of the work; - a description of the activities, operations or processes that take place within the activity the work is included in; - the charges paid by the contractor and those paid by the Principal; - any rules of good practice or reference standards to be followed; - terms, guarantees, tests and deadlines to be met. 	<p>Offer Request</p>	<p>Employer</p> <p>PPSM</p> <p>Manager of the function involved</p>	Per event
6_OSH 8	<p>The Contractor adopts documented procedures to systematically inform the Management of the Principal of risks of any kind connected with the working activity carried out on the site, with particular regard to the risks the Contractor's activities may generate for the Principal's activities.</p>	<p>Contractor Procedures</p>	<p>Contractor</p>	Per event

7_OSH 8	A technical evaluation of the offer is carried out before actually accepting the offer.	"Procurement and contracting to Third Parties" procedure Letter of appointment Tender specifications	Applicant function PPSM SM	Per event
8_OSH 8	Prior to the award of the works contract, the contracting company is required to send a series of documents in order to verify it has the necessary technical-professional requirements, pursuant to art. 26 of Legislative Decree No. 81/2008, including, but not limited to: <ul style="list-style-type: none"> - registration with the Chamber of Commerce; - DURC (Italian tax compliance certificate); - self-certification of possession of the technical-professional suitability requirements; - Italian unified employment form (UNI-LAV). 	Documents sent by the contractor Declaration of professional technical suitability RAD	Employer PPSM Manager of the function involved	Per event
9_OSH 8	The coordination meeting takes place when the Single Interference Risk Assessment Document (SIRAD, Italian DUVRI) is signed, with the identification of the prevention and protection measures to be adopted. The work permit formalises the contracting company's permission to start the work.	Declaration of preventive inspection Coordination meeting minutes	Employer PPSM	Per event
10_OSH 8	In relation to the contracted activities, any risks of interference are assessed in accordance with the risks present (RAD) and the exchange of information with the contracting company. When appropriate, prevention measures are also defined. A copy of the SIRAD is kept on the company intranet together with the safety documentation received from the Contractor.	Single Interference Risk Assessment Document Company intranet	Employer PPSM	Per event

11_OSH 8	External parties awarded a works contract are provided with regulations for access to the plant, which contain the safety standards and rules to be followed when carrying out the work, as well as a document with the risks present in the Site.	"Procurement and contracting to Third Parties" procedure	Employer PPSM	Per event
12_OSH 8	In the case of construction site activities (Title IV of Legislative Decree No. 81/2008), the OSP and SCP are prepared.	Operational Safety Plan (OSP) Security and Coordination Plan (SCP)	Principal Contracting Company	Per event
13_OSH 8	The Company, with the support of the PPSM, carries out checks on external companies that carry out health and safety activities for the work carried out in the S. Palomba plant.	Survey report Verification checklist	Employer Senior Managers Supervisors PPSM	Per event
14_OSH 8	The list of qualified Third Party Companies, with their respective qualification documentation, is archived by the PPSM/MHSEMS.	Archive	PPSM MHSEMS	Per event

Emergency management - S. Palomba Plant Management / General Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_OSH 9	The adequacy of the number of trained emergency workers is periodically verified. Any shortcomings are therefore remedied by identifying and training new firefighting and/or first aiders or by updating the existing team's training.	Minutes of the periodic meeting RAD and associated improvement programme	Employer Senior Managers PPSM	Annually
2_OSH 9	The fire prevention devices (fire extinguishers, fire doors and emergency doors) are periodically checked and undergo appropriate maintenance, in order to ensure their availability and effectiveness in the event of an emergency. This activity is carried out by authorised and qualified external technical personnel.	Contract with third-party companies	Employer Senior Managers PPSM	Infra-annual
3_OSH 9	First aiders are required to periodically check the first aid boxes to ensure the contents are available and not expired. In particular, in the S. Palomba plant, the TOM employs an authorised external company to ensure that the two first aid boxes are fully stocked and the equipment has not exceeded the expiry date. In the Rome office, the authorised external company ensures the contents of the first aid boxes are complete and have not exceeded the expiry date. In the other CHIMEC offices/sites, the first aid kit supplies are checked (and restocked if necessary) by the CHIMEC staff present.	Restocking request	Employer Senior Managers PPSM	Infra-annual
4_OSH 9	The fire risk is assessed within the RAD in consideration of the work environments and activities carried out for each location in the S. Palomba plant, identifying the fire prevention measures.	RAD of 13 July 2020	Employer Senior Managers PPSM	Per event

5_OSH 9	All work environments are identified and evaluated within the RAD, specifically identifying circulation routes, danger zones and emergency exit routes.	RAD of 13 July 2020	Employer	Per event
6_OSH 9	The behavioural rules, the evacuation plan and the actions to be taken, depending on individual roles, to safely manage emergency situations in the S. Palomba plant and the Rome headquarters have been defined.	RAD of 13 July 2020	Employer Senior Managers PPSM	Per event
7_OSH 9	General rules and good practices have been developed and every employee must know them; visitors are informed of them via a brochure, in order to safely manage emergency situations, as well as define the relevant operating methods.	Emergency plan	Employer Senior Managers PPSM	Per event
8_OSH 9	The appointed workers must attend the appropriate training course for the management of risks present in the S. Palomba plant and in the Rome office, to deal with a fire outbreak and to manage emergencies. At the end of the course, participants receive a certificate of attendance and suitability.	RAD of 13 July 2020 Firefighting certificate First aid certificate	First aiders Firefighters	Per event
9_OSH 9	The Company has appointed an Emergency Management Manager. In the event that the Manager is not operational, the Company has also appointed replacements.	Act of appointment	Employer Senior Managers	Per event
10_OSH 9	Evacuation drills are carried out periodically in the workplace. The Emergency Management Manager periodically organises the drill, which consists of: - an alarm simulation; - the implementation of planned operational phases.	RAD Emergency plan Report of the evacuation drill	Employer Senior Managers PPSM Emergency management manager	Infra-annual

Analysis of accidents, near-misses and risky behaviour - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_OSH 10	The Company has prepared a procedure to provide the necessary information for the correct analysis and compilation of the form for reporting dangerous conditions and near-miss accidents.	Procedure for the analysis of injuries, accidents and near-misses	Employer Senior Managers	Per event
2_OSH 10	Whenever an accident occurs with injuries or consequences for workers, the Employer or their delegate proceeds with the analysis of the accident (where necessary, on the basis of the available documentation and information) and defines the resources, skills and responsibilities for the investigation.	Form for recording accidents/near-misses Investigation report	Employer Senior Managers Function manager PPSM	Per event
3_OSH 10	If an injury occurs, the event is managed as defined in the relevant Procedure.	Procedure for the HSEMS P.6.5 - Analysis of injuries, accidents and near-misses	PPSM Employer Senior Managers Function manager Company Physician	Per event
4_OSH 10	The evaluation relating to the analysis of accidents/near-misses is carried out in a meeting of the SM, PPSM, MHSEMS and the company figures interested or involved.	HSEMS P.6.5 - Analysis of injuries, accidents and near-misses	PPSM Employer Senior Managers Function manager Company Physician	Per event

Maintenance of facilities, systems, machinery and equipment - S. Palomba Plant Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_OSH 11	The Company has defined the responsibilities and the organisational structure, the general methods of management and control for the maintenance of plants, equipment and machines.	"Use and Maintenance Manuals for Equipment and Machinery" Procedure	Employer Senior Managers	Per event
2_OSH 11	All documentation and certificates required by law are archived in electronic format on the company server and managed by the Technical Office. They are available in case of inspections by competent bodies.	Declarations of conformity for systems, equipment and machines (electrical, fire prevention, forklift, etc.)	Employer Senior Managers PPSM	Per event
3_OSH 11	Maintenance activities are outsourced to qualified external companies, whose health and safety aspects are managed in accordance with article 26 of Legislative Decree No. 81/2008.	Maintenance contract with external companies	Employer Senior Managers PPSM	Per event
4_OSH 11	The Company has the use and maintenance manual for each machine in each site; the manual defines the control and maintenance methods, as well as the possible deadline for preventive maintenance.	Use and maintenance manuals	Employer Senior Managers Function managers PPSM	Annually
5_OSH 11	Ordinary and extraordinary maintenance activities on systems, machines and equipment in each Company site are carried out by the Technical Office and/or outsourced to external sector-specific maintenance companies, depending on the type of system and in accordance with the instructions in the manual and following findings or reports of anomalies.	Maintenance contract with external maintenance companies	Employer Senior Managers PPSM External maintenance companies TO	Per event
6_OSH 11	The TOM prepares and regularly updates the maintenance plan, updates the machine log book with details of the interventions carried out and the signature of the person who carried them out.	Machine/equipment maintenance form Maintenance Plan	Employer Senior Managers PPSM TOM	Annually

7_OSH 11	Based on the results of the risk assessment and inspections held during the year, the improvement programme is updated in the RAD. This programme is periodically updated with the progress of the activities and the related implementation dates.	RAD of 13 July 2020	Employer Senior Managers PPSM	Infra-annual
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Management of non-conformities - S. Palomba Plant Management / General Management				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_OSH 12	The Company has prepared a procedure to provide the necessary indications for the definition and detection of non-conformities with the Health, Safety and Environment Management System.	Procedure for the management of non-conformities	BoD	Per event
2_OSH 12	<p>Non-conformities consist of situations that involve or may reasonably involve a deviation from or a problem with CHIMEC's safety policy or with the provisions of the HSEMS Manual or the Procedures.</p> <p>There are two distinct categories of non-conformities:</p> <ul style="list-style-type: none"> - actions or behaviours that differ from what is set out in company rules; - technical, plant engineering, organisational or procedural elements or aspects that are non-compliant with what is required by law or standards of good practice or that involve accident risks or, as regards documentation, that are inconsistent or different in form or content from what is contained in the project documentation or technical documentation. 	Procedure for the management of non-conformities	BoD	Per event
3_OSH 12	To give rise to a preventive or corrective action, a non-conformity must be formalised in writing and submitted to the PPSM or MHSEMS.	<p>Audit Report</p> <p>Communication via e-mail</p> <p>Form for the management of non-conformities</p>	<p>CHIMEC employee</p> <p>External control body</p>	Per event
4_OSH 12	Following the report, the Employer or their delegate identifies the person or work group responsible for carrying out an analysis of the causes and identifying potential solutions.	Form for the management of non-conformities	<p>Employer</p> <p>Senior Managers</p> <p>Function managers</p> <p>PPSM</p>	Per event
5_OSH 12	The Involved Manager implements the corrective actions, after checking the feasibility and analysing the hazards.	Corrective action	<p>Employer</p> <p>Senior Manager</p> <p>Involved Manager</p>	Per event

6_OSH 12	The main steps and conclusions of the analysis are documented.	Form for the management of non-conformities	MHSEMS	Per event
7_OSH 12	The MHSEMS verifies the results of the actions undertaken, recording the results of any inspection or applying the audit procedure. In case of negative results (persistence or worsening of non-conformity), the MHSEMS informs the Function Manager and the Senior Manager, to identify additional actions.	Form for the management of non-conformities Communication via e-mail	MHSEMS	Per event
8_OSH 12	The results and documentation relating to the management of non-conformities are archived, including the minutes, and are filed for at least 5 years.	Archive	MHSEMS	Per event

6 INFORMATION FLOWS TOWARDS THE SUPERVISORY BODY

In order to provide the Supervisory Body with the tools to carry out its monitoring activities and the timely verification of the effective execution of the controls envisaged by the Model and, in particular, by this Special Section, the information flows that must be guaranteed are described below.

The detailed logical associations between the information flows and the sensitive activities, methodologically useful for the evaluation of the flows themselves, are presented in detail in the documentation for easy consultation that is always available from the reference function.

The communication tool is mainly represented by an e-mail message to be sent, by the manager, to this address: odv@chimec.it, with the information flow to which the communication refers.

Identification of key roles in health and safety - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_OSH 1	The Supervisory Body is informed quarterly by the Plant Management and the PPSM of any organisational shortcomings (e.g. due to resignations) and of the need to re-identify key roles (e.g. due to a reorganisation).	Communication e-mail	Employer	Per event

Definition of expenses / investments aimed at improving prevention in occupational health and safety - General Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_OSH 2	Communication to the Supervisory Body of the company budget allocated for the management of occupational safety	Communication e-mail Minutes of the annual safety meeting	Employer and Senior Managers	Annually
Hazard identification, risk assessment and definition, implementation of prevention and protection measures - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_OSH 3	The Supervisory Body is informed about periodic meetings.	Communication e-mail Minutes of the periodic meeting	Employer PPSM	Annually
2_OSH 3	The Supervisory Body is informed of the update status of the identification and assessment of risks and of any critical aspects/risks for which there is no immediate guarantee of worker protection.	Communication e-mail RAD and associated improvement programme	Employer PPSM	Annually
Health surveillance - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_OSH 4	The Supervisory Body is informed if an occupational disease has been diagnosed.	Communication e-mail	Employer	Per event

Procurement and management of personal protective equipment (PPE) - S. Palomba Plant Management / General Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_OSH 5	The Supervisory Body is informed of any incorrect behaviour detected in the use of personal protective equipment and of any critical issues that emerged and were observed during the year.	Communication e-mail / Minutes of periodic meeting	PPSM	Annually
Procurement and management of collective protection devices (CPD) - S. Palomba Plant Management / General Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_OSH 6	The Supervisory Body is informed of any incorrect behaviour detected in the use, installation, location of collective protection devices and of any critical issues that emerged and were observed during the year.	Communication e-mail / Minutes of periodic meeting	PPSM	Annually
Provision of training and organisation of meetings that help with communication and information - S. Palomba Plant Management / General Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_OSH 7	The Supervisory Body is informed of the completion status of the planned training activities.	Training plan	PPSM	Annually
Procurement and contracting to third parties - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_OSH 8	The Supervisory Body is promptly informed in the event that a worker of a contracting company is injured during the execution of the contracted activities.	Communication e-mail	Employer Senior Managers	Per event

Emergency management - S. Palomba Plant Management / General Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_OSH 9	The Supervisory Body is informed of any anomalies or critical issues found or reported regarding emergency management. The nature of these findings is such as to highlight specific risk conditions for the health and safety of workers.	Communication e-mail	Employer Senior Managers PPSM	Per event
Analysis of accidents, near-misses and risky behaviour - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_OSH 10	The Supervisory Body is promptly informed if an accident occurs.	Communication e-mail	Employer	Per event
Maintenance of facilities, systems, machinery and equipment - S. Palomba Plant Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_OSH 11	The Supervisory Body is informed of any accidents or near-misses occurring during maintenance activities.	Communication e-mail Minutes of the periodic meeting	Employer PPSM	Annually
Management of non-conformities - S. Palomba Plant Management / General Management				
Ref.	Flow Description	Evidence	Subject responsible	Frequency
1_OSH 12	The Supervisory Body is informed of any non-conformities that have occurred.	Communication e-mail Minutes of the periodic meeting	Employer PPSM MHSEMS	Annually

7 THE WORKPLACE SAFETY MANAGEMENT SYSTEM ADOPTED BY CHIMEC

Art. 30 of Legislative Decree No. 81/08, read in conjunction with Legislative Decree No. 231/01, establishes which requirements an Organisation, Management and Control Model must satisfy in the specific matter of Occupational Health and Safety.

Indeed, the law, included below, provides that:

Article 30 - Organisation and management models

5.1.1.1 The organisation and management model suitable for exempting legal entities, companies and associations from administrative liability, including those without legal personality, referred to in Legislative Decree No. 231 of 8 June 2001, must be adopted and effectively implemented, ensuring a corporate system for the fulfilment of all legal obligations relating to:

- a) compliance with legal technical-structural standards relating to equipment, systems, workplaces and chemical, physical and biological agents;*
- b) risk assessment activities and the preparation of the consequent prevention and protection measures;*
- c) activities of an organisational nature, such as emergencies, first aid, procurement management, periodic safety meetings, consultations with workers' safety representatives;*
- d) health surveillance activities;*
- e) worker information and training activities;*
- f) supervisory activities with reference to workers' compliance with safe work procedures and instructions;*
- g) the acquisition of documentation and certifications required by law;*
- h) periodic checks on the application and effectiveness of the adopted procedures.*

5.1.1.2 The organisational and management model referred to in paragraph 1 must provide suitable systems for recording the completion of the activities referred to in paragraph 1.

5.1.1.3 The organisational model must, in any case, provide, to the extent required by the nature and size of the organisation and the type of activity carried out, a structure of functions that ensures the technical skills and powers necessary for the verification, evaluation, management and control of risk are present, as well as a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the model.

5.1.1.4 The organisational model must also include a suitable system to control the implementation of the model itself and to check that, over time, the adopted measures remain suitable. The organisational model must be reviewed and possibly modified when significant violations of the rules relating to accident prevention and occupational hygiene are discovered, or in the event of changes in the organisation and activity in relation to scientific and technological progress.

5.1.1.5 Upon first application, the corporate organisation models defined in accordance with the UNI-INAIL Guidelines for an occupational health and safety management system (OSHMS) of 28 September 2001 or with the British Standard OHSAS 18001: 2007 are presumed to comply with the requirements of this article for the corresponding parts. For the same purposes, further corporate organisation and management models may be indicated by the Commission referred to in Article 6.

5-bis. The permanent consultative commission for occupational health and safety develops simplified procedures for the adoption and effective implementation of organisation and management models for safety in small and medium-sized enterprises. These procedures are implemented by a decree of the Ministry of Labour, Health and Social Policies.

5.1.1.6 The adoption of the organisation and management model referred to in this article in companies with up to 50 workers is among the activities that can be financed pursuant to article 11.

SPECIAL SECTION – RECEIVING, LAUNDERING AND USING MONEY, GOODS OR UTILITIES OF UNLAWFUL ORIGIN, AS WELL AS SELF-LAUNDERING PURSUANT TO ART. 25 OCTIES OF LEGISLATIVE DECREE NO. 231/2001

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1 PURPOSE OF THE SPECIAL SECTION - RECEIVING, LAUNDERING AND USE OF MONEY, GOODS OR UTILITIES OF UNLAWFUL ORIGIN, AS WELL AS SELF-LAUNDERING

This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the Crimes referred to in art. 25 octies of Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of crimes referred to in art. 25 octies of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 12 contains the section of the articles of the Italian Criminal Code and the relevant special laws pursuant to art. 25 octies of Legislative Decree No. 231/2001 accompanied by a brief description of the crime.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 25 OCTIES OF LEGISLATIVE DECREE NO. 231/2001

Ref.	Organisational unit responsible for the sensitive activity	Sensitive activity	Explanatory description of how the crime could be committed
LAU 1	Human Resources	Management of wages, contributions and tax obligations	The Company, through false declarations in tax matters or through non-compliance in tax matters relating to personnel, could commit the crime of self-laundering by using the saved amounts for subsequent business activities.
LAU 2	Sales & Marketing	Management of export activities of dual-use products (civil and military)	The Company, through false declarations in tax matters or through non-compliance in tax matters relating to the export of goods and materials, could commit the crime of self-laundering by using the amounts saved for subsequent business activities.

The detailed logical associations between the sensitive activities and the predicate crimes, methodologically preparatory to the evaluation of the control protocols, are contained (and explained in detail) in the relevant documentation, which is easy to consult and always available from the relevant function.

4 CRIMES AGAINST PROPERTY THROUGH FRAUD REFERRED TO IN ART. 25 OCTIES OF LEGISLATIVE DECREE NO. 231/2001 - GENERAL PRINCIPLES OF BEHAVIOUR

Listed in this chapter are the general rules of desired behaviour (Do's Area) or specific prohibitions (Don'ts Area) that the Recipients of this Special Section of the Model must comply with, adjusting their behaviour accordingly when carrying out the sensitive activities noted above. By virtue of specific contractual agreements or unilateral declarations, the principles in question may also apply to External Parties involved in carrying out the identified sensitive activities.

4.1 DO'S AREA

All sensitive activities must be carried out in compliance with the laws in force, with the Company's system of powers and delegations, with the general principles of behaviour set out in the General Section of this Model, as well as with the protocols (and further existing organisational procedures) established to monitor the identified crime risks.

The recipients of this Special Section must:

- verify that the cash is of legal origin;
- comply with the relevant legislation in force.

4.2 DON'TS AREA

It is forbidden to contribute or cause actions as to integrate, considered individually or collectively, directly or indirectly, the types of crime envisaged by article 25 octies of Legislative Decree No. 231/2001. Violations of the principles, protocols and existing organisational procedures provided for or referred to in this Special Section are also forbidden.

In order to achieve the desired behaviours listed above, the Company also expressly prohibits the Recipients of this Special Section from:

- accepting cash payments in business transactions.

5 RECEIVING, LAUNDERING AND USING MONEY, GOODS OR UTILITIES OF UNLAWFUL ORIGIN, AS WELL AS SELF-LAUNDERING - PROTOCOLS TO PROTECT AGAINST CRIME RISKS

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For the purposes of applying the behavioural rules and prohibitions listed in the previous chapter, the protocols described below to protect against the crime risks identified above must be followed (article 25 octies of Legislative Decree No. 231/2001).

The detailed logical associations between the protocols designed to protect against crime risks and the sensitive activities, methodologically useful for the evaluation of the control protocols, are described in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

The Recipients of this Special Section of the Model, in addition to complying with the existing legal provisions on the matter and the behavioural rules referred to in the Code of Ethics, must carry out the activities envisaged in the control protocols for which they are responsible and in the further documentation adopted for the implementation of the reference principles set out in this Special Section.

5.1 PROTOCOLS TO PROTECT AGAINST CRIME RISKS PURSUANT TO ART. 25 OCTIES OF LEGISLATIVE DECREE NO. 231/2001

Management of wages, contributions and tax obligations - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_LAU 1	The Human Resources Department, working with the Labour Consultant, deals with the collection and processing of attendance data, prepares payslips and calculates the amount of (national insurance and tax) contributions due.	Contract signed with the consultant	Human Resources Department Labour Consultant	Per event
2_LAU 1	All employees are equipped with a company badge that they use to clock in and out.	Management system	Employee of CHIMEC	Weekly or monthly
3_LAU 1	The employee's presence and absence are recorded when they swipe their badge. The employee can also enter their work attendance/absences using an electronic platform. The data entered are received and checked by the Labour Consultant for the purpose of correctly preparing the payslips.	Management system	Labour Consultant	Weekly or monthly
4_LAU 1	Once the documentation relating to employee attendance/ absences has been closed, the payslips are processed and then sent to the Human Resources Department.	Management system	Human Resources Department Labour Consultant	Weekly or monthly

5_LAU 1	The Human Resources Department carries out checks on payslips in order to detect any anomalies regarding the hours reported on the payslip and the taxable items on the monthly salary. Furthermore, once the payslips have been received, the Manager of the Staff Administration & Payroll Office of the Human Resources Department requests authorisation from the Chairperson before proceeding with the payment of employee salaries. The Administration & Finance Department carries out a congruity/ reasonableness check on the correctness of the payslips.	N.A.	Chairperson Human Resources Department Administration & Finance Department	Weekly or monthly
6_LAU 1	The Administration & Finance Department receives a summary statement of payroll processing and enters it into the accounting records.	Uploading the summary statement	Administration & Finance Department	Weekly or monthly
7_LAU 1	Accounting of salaries and national insurance and tax withholding in accounting software.	Accounting statement Accounting software	Administration & Finance Department	Per event
8_LAU 1	The Labour Consultant prepares the (Italian) F24 forms. The contributions are then sent and paid via the F24 form.	F24 forms F24 receipts	Labour Consultant	Infra-annual
9_LAU 1	The Labour Consultant, based on the wages received and the contributions paid by each employee, prepares the CU (Italian certification on income) for each individual employee.	Certification on income	Labour Consultant	Annually

Management of export activities of dual-use products (civil and military) - Sales & Marketing				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_LAU 2	<p>In order to preventively identify the elements not in line with the current legislation on exports, which could hinder the completion of a given operation with a foreign country or make it impossible, the Company carries out three distinct orders of checks:</p> <ul style="list-style-type: none"> - objective, to ensure that there is no law prohibiting the export of the item(s) and that no authorisation is required for export; - subjective, oriented towards the recipient of the item(s) and to the risks of possible diversion, linked to the person who is the "end user of the item(s)"; - geographical, connected to the area that the item(s) must reach, which could be subject to special regulations. 	Export Control Regulations	Sales Department Manager	Per event
2_LAU 2	Before carrying out any export operation, products must be checked to see if they could possibly belong to one of the categories described in Annex I of Regulation (EU) No. 2021/821.	Regulation (EU) No. 2021/821	Sales Department	Per event
3_LAU 2	Pursuant to art. 3 of Regulation (EU) No. 2021/821, the goods and technologies listed in Annex I to the regulation itself, as replaced, firstly, by Regulation (EU) no. 388/2012 and, lastly, by Commission Delegated Regulation (EU) No. 1382/2014, can only be exported following authorisation from the competent authority of the Member State in which the exporter is established (for Italy, the UAMA – Unit for Authorisations of Military Materials).	Regulation (EU) No. 2021/821	Sales Department	Per event

4_LAU 2	<p>Goods not included in Annex I of Regulation (EU) No. 2021/821 may also require prior approval by UAMA, if the following conditions apply:</p> <ul style="list-style-type: none"> - the exporter has been informed by the competent authorities of the Member State in which the exporter is established, or there is reason to suspect, that said products are or may be intended, in their entirety or in part, for use at any stage of the development, production, handling, operation, maintenance, storage, detection, identification or dissemination of chemical, biological or nuclear weapons or other nuclear explosive devices, or to the development, production, maintenance or storage of missiles that can be used as carriers of such weapons; - the purchasing country or the country of destination is subject to an arms embargo imposed by a decision or common position adopted by the Council or by a decision of the Organisation for Security and Co-operation in Europe (OSCE) or to an embargo on armaments imposed by a binding resolution of the United Nations Security Council, and where the exporter has been informed by the authorities referred to in paragraph 1 that those products are or may be intended, in whole or in part, for military purposes; - the exporter has been informed by the authorities referred to in paragraph 1 that said products are or may be intended, in their entirety or in part, for use as parts or components of military products included in the list of national military goods which have been exported from the territory of the Member State concerned without authorisation or in breach of the authorisation required by the national law of that Member State. 	Regulation (EU) No. 2021/821	Sales Department	Per event
5_LAU 2	<p>In the case of exports not prohibited by Reg. (EU) No. 2021/821 or by other provisions of the Export Control Regulations, it is advisable to introduce, within the Offer, where contractually possible, a clause that makes the binding nature of the Offer conditional to the relevant goods or technical assistance not being subject to catch-all provisions.</p>	Catch-all clause	<p>Sales Department</p> <p>Legal Department</p>	Per event

6_LAU 2	<p>Whenever a given operation involves an export, an import, the provision of technical assistance services or an investment activity involving one of the countries subject to trade restrictions, it will be necessary to verify whether the aforementioned operation is permitted by the relevant legislation.</p> <p>Periodically, the Manager of the Sales Department verifies that the potential ordering party, the buyer, the recipient of the supply, the end user or other party involved in the commercial relation is not included in the "black list" attached to the Export Control Regulations; if they are blacklisted, no commercial relation can be established under any circumstances.</p>	Black list	Sales Department Manager	Annually
7_LAU 2	<p>Having received an Offer Request or if a Customer (potential or otherwise) wishes to establish commercial relations, the Sales Manager must first begin a preliminary assessment of Export Control Regulation applicability. To do so, they must collect and transmit to the Legal Affairs Assistance Office Manager and to the Administration, Logistics Departments and Technical Division, the following information:</p> <ul style="list-style-type: none"> - Country of destination of the goods and any transit countries; - Information available on the site and on the type of plant in which the goods will be used; - Specific use of the goods covered by the Offer; - Full name of the potential Customer and of the person(s)/subject(s) that control(s) them directly or indirectly; - Full name of the subject/entity that will ultimately use the requested products (end user) and of the subject or subjects that control them directly or indirectly; - Full name of each agent, distributor or other intermediary who, regardless of the remunerative aspects, can favour or contribute to the implementation of the operation, and of the subject(s) that control(s) them directly or indirectly; 	Exchange of e-mails	Sales Department Manager	Per event

	<ul style="list-style-type: none"> - Full name of the banks or other financial intermediaries involved in the Offer or in the execution of the Order, if already known; - Name of the subsidiaries of the subjects listed above, possibly involved in the Offer; - Commercial and Financial Information on the potential Customer or of the subject/entity that controls them, agent/distributor/intermediary. 			
8_LAU 2	<p>When the Offer includes the export to countries subject to restrictive measures or in any case the export of dual-use goods (civil and military), on the basis of the verification carried out according to the guidelines set out by the Company, as part of the Sales Planning process, the Sales Manager and the Offer Manager transmit to the Legal Affairs Assistance Office Manager and to the Administration, Logistics Departments and Technical Division, the analyses carried out by the competent departments with regard to:</p> <ul style="list-style-type: none"> - the technical specifications of the goods covered by the Offer; - the alleged intended use of the goods covered by the Offer Request, verifying if the Offer Request envisages uses for the goods that are prohibited by applicable legislation, for example the use of military applications or nuclear explosives; civil nuclear activities in facilities not covered by I.A.E.A. safeguards; the use of applications related to the production and/or development of other weapons of mass destruction and missiles that can be used to deliver such weapons. 	Exchange of e-mails	Sales Department Manager	Per event

9_LAU 2	<p>Once an Offer Request has been received, checks must be carried out to check if the export:</p> <ul style="list-style-type: none"> - may be prohibited by the corresponding community regulatory act; - may be subject to authorisation; - may be subject to authorisation or become free to export through a modification of the technical characteristics which allows compliance with the Export Control Regulations (always ensuring compliance with the Customer's requests in terms of expected result). 	Pre-filled forms	<p>Sales Department Manager</p> <p>Competent Departments</p>	Per event
10_LAU 2	<p>If the offer presented does not comply with the regulatory provisions applicable to exports and the Sales Department deems it impossible or inappropriate to proceed with studying alternative solutions, the Sales Department will communicate this in writing to the Offer Manager, who will inform the potential Customer that the goods covered by the Offer cannot be exported due to Export Control Regulations.</p>	Exchange of e-mails	<p>Sales Department Manager</p> <p>Offer Manager</p> <p>Technical Division</p>	Per event
11_LAU 2	<p>If the studies and investigations carried out by the Technical Division and authorised by the Manager of the Sales Department, regarding the potential Customer and the quotation received, suggest that the export of the goods in question is subject to authorisation, the Offer Manager, after consulting with the Sales Department, decides whether to proceed with its approval.</p>	Exchange of e-mails	<p>Sales Department Manager</p> <p>Offer Manager</p> <p>Technical Division</p>	Per event

12_LAU 2	If the authorisation of the Chairperson of the Board of Directors is deemed necessary, the Offer Manager must complete the relevant forms.	Pre-filled forms	Sales Department Manager Offer Manager Technical Division Logistics Department Administration Department Legal Affairs Assistance Office Manager	Per event
13_LAU 2	Having received the forms completed by the Offer Manager, the Chairperson of the Board of Directors or a special attorney of the Company with the power to sign, in the name and on behalf of the Company, documents addressed to public administrations, authorises the request.	Offer Request approval document	Sales Department Offer Manager Chairman of the Board of Directors	Per event

SPECIAL SECTION – FELONIES RELATING TO COPYRIGHT INFRINGEMENT PURSUANT TO ART. 25 NOVICES OF LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION - FELONIES RELATING TO COPYRIGHT INFRINGEMENT

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This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the Crimes referred to in art. 25 novies of Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of crimes referred to in art. 25 novies of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 13 contains the section of the articles of the Italian Criminal Code and the relevant special laws pursuant to art. 25 novies of Legislative Decree No. 231/2001.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 25 NOVICES OF LEGISLATIVE DECREE NO. 231/2001

With reference to the risk of commission of the Crimes illustrated in the previous paragraph (referred to in article 25 novies of Legislative Decree No. 231/2001) and deemed relevant following the risk assessment carried out internally, the Company considers “sensitive” the following activities carried out by the Recipients of this Special Section, also (possibly) in collaboration with External Parties:

Ref.	Organisational unit responsible for the sensitive activity	Sensitive activity	Explanatory description of how the crime could be committed
CR 1	Administration & Finance (IT Office)	Management of software application licenses	<p>The Company could illegally duplicate programmes covered by a licence, purchase counterfeit software, place copyright-protected software or someone else's copyright-protected work online, making them freely downloadable or attributing authorship to itself.</p> <p>The Company may also use, on the Company's personal computers, software applications without user licenses or with expired user licenses, or have computer programmes available without user licenses or with expired licenses.</p>

The detailed logical associations between the sensitive activities and the predicate crimes, methodologically preparatory to the evaluation of the control protocols, are contained (and explained in detail) in the relevant documentation, which is easy to consult and always available from the relevant function.

4 CRIMES RELATING TO THE INFRINGEMENT OF COPYRIGHT REFERRED TO IN ART. 25 NOVICES OF LEGISLATIVE DECREE NO. 231/2001 - GENERAL PRINCIPLES OF BEHAVIOUR

Listed in this chapter are the general rules of desired behaviour (Do's Area) or specific prohibitions (Don'ts Area) that the Recipients of this Special Section of the Model must comply with, adjusting their behaviour accordingly when carrying out the sensitive activities noted above. These principles recall (specifying them or integrating them if necessary) the rules of the Code of Ethics and apply them to the level of crime risks considered. By virtue of specific contractual agreements or unilateral declarations, the principles in question may also apply to External Parties involved in carrying out the identified sensitive activities.

4.1 DO'S AREA

All sensitive activities must be carried out in compliance with the laws in force, with the Company's principles of Corporate Governance, with the rules of the Code of Ethics, with the general principles of behaviour set out in the General Section of this Model, as well as with the protocols (and further existing organisational procedures) established to manage the identified crime risks.

The recipients of this Special Section must:

- use software exclusively authorised and accompanied by user licenses regularly purchased by the Company;
- comply with company policies governing the use of information technology systems;
- manage their websites in compliance with Law No. 633/41;
- purchase (the rights to) literary, musical, audiovisual works before any public diffusion or before benefitting economically from them;
- fulfil the obligations relating to the payment of copyright to the companies responsible for marketing activities.

4.2 DON'TS AREA

It is forbidden to collaborate or cause actions such as to integrate, individually or collectively considered, directly or indirectly, the types of crime envisaged by article 25 novies of Legislative Decree No. 231/2001. Violations of the principles, protocols and existing organisational procedures provided for or referred to in this Special Section are also prohibited.

In order to achieve the desired behaviours listed above, the Company also expressly prohibits the Recipients of this Special Section from:

- installing computer programmes on their personal computers without having a license to use them;
- downloading musical, literary and audiovisual works;
- using intellectual works to promote or advertise their products without previously purchasing ownership or the rights connected to them.

5 FELONIES RELATING TO THE INFRINGEMENT OF COPYRIGHT - PROTOCOLS TO PROTECT AGAINST CRIME RISKS

For the purposes of applying the behavioural rules and prohibitions listed in the previous chapter, the protocols described below to protect against the crime risks identified above must be followed (article 25 novies of Legislative Decree No. 231/2001).

The detailed logical associations between the protocols designed to protect against crime risks and the sensitive activities, methodologically useful for the evaluation of the control protocols, are described in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

The Recipients of this Special Section of the Model, in addition to complying with the existing legal provisions on the matter and the behavioural rules referred to in the Code of Ethics, must carry out the activities envisaged in the control protocols for which they are responsible and in the further documentation adopted for the implementation of the reference principles set out in this Special Section.

5.1 PROTOCOLS TO PROTECT AGAINST CRIME RISKS PURSUANT TO ART. 25 NOVIES OF LEGISLATIVE DECREE NO. 231/2001

Management of software application licenses - Administration & Finance (IT Office)				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_CR 1	The Code of Ethics adopted by the Company envisages respecting and protecting copyright. The use of unofficial software and licenses is not allowed.	Code of Ethics	BoD	Per event
2_CR 1	CHIMEC has adopted an IT Regulation which has the purpose of governing the management and use of the Company's IT infrastructures and resources.	Company IT Regulation	BoD	Per event
3_CR 1	The device allocation form signed by the employee states that only the use of programmes officially installed by the IT Manager is permitted. Therefore, no employee can install programmes on their PC as they are not system administrators.	Signed device allocation form	IT Manager	Per event
4_CR 1	Should the need arise to purchase a new tool/software or renew the software license of software already used by the Company, the IT Manager requests the inclusion of the license price in the budget and the authorisation of the person holding the signing powers.	Request e-mail	IT Manager	Per event
5_CR 1	Once authorisation has been obtained, the IT Manager purchases the software licenses. The IT Manager is also responsible for dealing with the renewal of licenses for software/tools already in use.	Invoice relating to the purchase/ renewal of the software license	IT Manager	Infra-annual
6_CR 1	The IT Manager checks the expiry date of the licenses in order to proceed with their renewal or cancellation.	Expiry reminders	IT Manager	Infra-annual

SPECIAL SECTION - INSTIGATION TO NOT TESTIFY OR TO MAKE FALSE STATEMENTS TO THE JUDICIAL AUTHORITY PURSUANT TO ART. 25 DECIES OF LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION - CRIME OF INSTIGATION TO NOT TESTIFY OR TO MAKE FALSE STATEMENTS TO THE JUDICIAL AUTHORITY

This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the Crimes referred to in art. 25 decies of Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of crimes referred to in art. 25 decies of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 14 contains the section of the articles of the Italian Criminal Code and the relevant special laws pursuant to art. 25 decies of Legislative Decree No. 231/2001 accompanied by a brief description of the crime.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 25 DECIES OF LEGISLATIVE DECREE NO. 231/2001

With reference to the risk of commission of the Crimes illustrated in the previous paragraph (referred to in article 25 decies of Legislative Decree No. 231/2001) and deemed relevant following the risk assessment carried out internally, the Company considers “sensitive” the following activities carried out by the Recipients of this Special Section, also (possibly) in collaboration with External Parties:

Ref.	Organisational unit responsible for the sensitive activity	Sensitive activity	Explanatory description of how the crime could be committed
FS 1	Legal	Litigation management: making statements to the judicial authority that can be used in criminal proceedings	The Company could instigate individuals summoned to make statements to judicial authorities that can be used in criminal proceedings not to testify or to make false statements. The means to achieve this end could be violence or threats or the offer/promise of money, assets or other benefits.
FS 2	Human Resources	Litigation management: making statements to the judicial authority that can be used in criminal proceedings	The Company could instigate individuals summoned to make statements to judicial authorities that can be used in criminal proceedings not to testify or to make false statements. The means to achieve this end could be violence or threats or the offer/promise of money, assets or other benefits.

The detailed logical associations between the sensitive activities and the predicate crimes, methodologically preparatory to the evaluation of the control protocols, are contained (and explained in detail) in the relevant documentation, which is easy to consult and always available from the relevant function.

4 THE CRIME OF INSTIGATION TO NOT TESTIFY OR TO MAKE FALSE STATEMENTS TO THE JUDICIAL AUTHORITY – GENERAL PRINCIPLES OF BEHAVIOUR

This paragraph sets out the general rules of desired behaviour (Do's Area) or specific prohibitions (Don'ts Area) that the Recipients of this Special Section of the Model must comply with, adjusting their behaviour accordingly when executing the sensitive activities noted above. These principles recall (specifying them or integrating them if necessary) the rules of the Code of Ethics and adapt them to the level of crime risks identified. By virtue of specific contractual agreements or unilateral declarations, the principles in question may also apply to External Parties involved in carrying out the identified sensitive activities.

4.1 DO'S AREA

All sensitive activities must be carried out in compliance with the legislative and regulatory provisions in force, with the principles of Corporate Governance of CHIMEC, with the rules of the Code of Ethics, with the general principles of behaviour set out in the General Section of this Model, as well as with the protocols (and further procedures existing organisational structures) to monitor the identified crime risks.

The Recipients of this Special Section must:

- guarantee full freedom of expression to those called upon to make statements before the judicial authorities;
- maintain confidentiality of any statements made to judicial authorities;
- promote the value of loyal collaboration with the judicial authorities.

4.2 DON'TS AREA

It is forbidden to contribute to or cause actions or to behave in a way that, considered individually or collectively, directly or indirectly, integrate the types of crime envisaged by article 25 decies of Legislative Decree No. 231/2001. Violations of the principles, protocols and existing organisational procedures provided for or referred to in this Special Section are also prohibited.

In order to achieve the previously listed desired behaviours, the Company also expressly prohibits the Recipients of this Special Section from:

- putting pressure of any kind on people who are summoned to make statements before the judicial authorities;
- retaliating against the people who have already made statements to the judicial authorities;
- calling upon the subjects summoned to make statements before the judicial authority in order to suggest the contents of their statements.

5 THE CRIME OF INSTIGATION TO NOT TESTIFY OR TO MAKE FALSE STATEMENTS TO THE JUDICIAL AUTHORITY - PROTOCOLS TO PROTECT CRIME RISKS

For the purposes of applying the behavioural rules and prohibitions listed in the previous chapter, the protocols described below to protect against the crime risks identified above must be followed (article 25 decies of Legislative Decree No. 231/2001).

The detailed logical associations between the protocols designed to protect against crime risks and the sensitive activities, methodologically useful for the evaluation of the control protocols, are described in detail in the relevant documentation, which is easy to consult and always available from the relevant function.

The Recipients of this Special Section of the Model, in addition to complying with the existing legal provisions on the matter and the behavioural rules referred to in the Code of Ethics, must carry out the activities envisaged in the control protocols for which they are responsible and in the further documentation adopted for the implementation of the reference principles set out in this Special Section.

5.1 PROTOCOLS FOR PROTECTING AGAINST CRIME RISKS PURSUANT TO ART. 25 DECIES OF LEGISLATIVE DECREE NO. 231/2001

Litigation management: making statements to the judicial authority that can be used in criminal proceedings - Legal				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_FS 1	<p>There is a specific paragraph in the Code of Ethics on the prohibition of instigating people to make false statements to the Judicial Authority.</p> <p>Therefore, the Recipients of the Code of Ethics are not allowed to put pressure (of any kind) on the person summoned to make statements to the Judicial Authority in order to instigate them not to testify or to make false statements.</p>	Code of Ethics	BoD	Per event
2_FS 1	<p>The Company summons the employee in order to raise their awareness of the need to always provide clear, transparent and truthful statements to the Judicial Authority.</p> <p>More than one person is always expected to attend meetings of this kind and the meeting's minutes are always written.</p>	Signed minutes of the meeting	<p>Chairperson</p> <p>Legal office</p> <p>Human Resources Department</p>	Per event

Litigation management: making statements to the judicial authority that can be used in criminal proceedings - Human Resources				
Ref.	Protocol Description	Evidence	Subject responsible	Frequency
1_FS 2	<p>There is a specific paragraph in the Code of Ethics on the prohibition of instigating people to make false statements to the Judicial Authority.</p> <p>Therefore, the Recipients of the Code of Ethics are not allowed to put pressure (of any kind) on the person summoned to make statements to the Judicial Authority in order to instigate them not to testify or to make false statements.</p>	Code of Ethics	BoD	Per event
2_FS 2	<p>The Company summons the employee in order to raise their awareness of the need to always provide clear, transparent and truthful statements to the Judicial Authority.</p> <p>More than one person is always expected to attend meetings of this kind and the meeting's minutes are always written.</p>	Signed minutes of the meeting	<p>Chairperson</p> <p>Legal office</p> <p>Human Resources Department</p>	Per event

SPECIAL SECTION – EMPLOYMENT OF ILLEGAL THIRD-COUNTRY NATIONALS PURSUANT TO ART. 25 DUODECIES OF LEGISLATIVE DECREE NO. 231/2001

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1 PURPOSE OF THE SPECIAL SECTION - EMPLOYMENT OF THIRD-COUNTRY NATIONALS WITH IRREGULAR PERMITS

This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the Crimes referred to in art. 25 duodecies of Legislative Decree No. 231/2001.

Specifically, it aims to:

- Illustrate the types of criminal offences attributable to the family of offences referred to in art. 25 duodecies of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 16 contains the section of the articles of the Italian Criminal Code and the special laws pursuant to art. 25 duodecies of Legislative Decree No. 231/2001 accompanied by a brief description of the crime.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 25 DUODECIES OF LEGISLATIVE DECREE NO. 231/2001

Following its risk assessment, the Company believes that there are no sensitive activities relevant pursuant to Legislative Decree No. 231/2001 relating to this type of Crime.

However, the Company undertakes, if changes occur in the business, in the organisational structure and/or in its operations, to verify the possible emergence of activities where there is a risk Crimes of the type in question may be committed and, consequently, to prepare the necessary preventive measures.

SPECIAL SECTION – RACISM AND XENOPHOBIA PURSUANT TO ART. 25 TERDECIES OF LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION – RACISM AND XENOPHOBIA

306

This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the Crimes referred to in art. 25 terdecies of Legislative Decree No. 231/2001.

Specifically, it aims to:

- Illustrate the types of criminal offences attributable to the family of offences referred to in art. 25 terdecies of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 17 contains the section of the articles of the Italian Criminal Code and the special laws pursuant to art. 25 terdecies of Legislative Decree No. 231/2001 accompanied by a brief description of the crime.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 25 TERDECIES OF LEGISLATIVE DECREE NO. 231/2001

Following its risk assessment, the Company believes that there are no sensitive activities relevant pursuant to Legislative Decree No. 231/2001 relating to this type of Crime.

However, the Company undertakes, if changes occur in the business, in the organisational structure and/or in its operations, to verify the possible emergence of activities where there is a risk Crimes of the type in question may be committed and, consequently, to prepare the necessary preventive measures.

SPECIAL SECTION – TRANSNATIONAL CRIMES PURSUANT TO LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION - TRANSNATIONAL CRIMES

307

This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the transnational Crimes referred to in Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of transnational crimes of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 18 contains the section of the articles of the Italian Criminal Code and of the special laws relevant to transnational crimes pursuant to Legislative Decree No. 231/2001 accompanied by a brief description of the crime.

3 SENSITIVE ACTIVITIES PURSUANT TO ARTICLES 3 AND 10 OF LAW NO. 146/2006

Following its risk assessment, the Company believes that there are no sensitive activities relevant pursuant to Legislative Decree no. 231/01 relating to this type of Crime.

However, the Company undertakes, if changes occur in the business, in the organisational structure and/or in its operations, to verify the possible emergence of activities where there is a risk Crimes of the type in question may be committed and, consequently, to prepare the necessary preventive measures.

SPECIAL SECTION – CRIMES AGAINST CULTURAL HERITAGE PURSUANT TO ART. 25 SEPTIESDECIES OF LEGISLATIVE DECREE NO. NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION - CRIMES DERIVING FROM FEMALE GENITAL MUTILATION PRACTICES

308

This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the crimes referred to in art. 25 septiesdecies of Legislative Decree No. 231/2001.

Specifically, it aims to:

- Illustrate the types of criminal offences attributable to the family of crimes referred to in art. 25 septiesdecies of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 23 contains the section of the articles of the Italian Criminal Code relevant pursuant to art. 25 septiesdecies of Legislative Decree No. 231/2001, accompanied by a brief description of the crime.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 25 SEPTIESDECIES OF LEGISLATIVE DECREE NO. 231/2001

Following its risk assessment, the Company believes that there are no sensitive activities relevant pursuant to Legislative Decree No. 231/01 relating to this type of Crime.

However, the Company undertakes, if changes occur in the business, in the organisational structure and/or in its operations, to verify the possible emergence of activities where there is a risk Crimes of the type in question may be committed and, consequently, to prepare the necessary preventive measures.

SPECIAL SECTION – LAUNDERING OF CULTURAL HERITAGE AND DEVASTATION AND LOOTING OF CULTURAL AND LANDSCAPE HERITAGE IN ACCORDANCE WITH ART. 25 DUODEVICIES OF LEGISLATIVE DECREE NO. 231/2001

1 PURPOSE OF THE SPECIAL SECTION - LAUNDERING OF CULTURAL HERITAGE AND DEVASTATION AND LOOTING OF CULTURAL AND LANDSCAPE HERITAGE

This Special Section of the Model has the objective of directing the sensitive activities carried out by the Recipients in order to prevent the crimes referred to in art. 25 duodevices of Legislative Decree No. 231/2001.

Specifically, it aims to:

- illustrate the types of criminal offences attributable to the family of crimes referred to in art. 25 septiesdecies of Legislative Decree No. 231/2001;
- identify sensitive activities, i.e. the activities carried out by the company in which, according to a risk assessment approach, the crime risks illustrated in the previous point are considered by the Company to be inherent and relevant;
- recall and specify, where possible, at the level of the crime risks in question, the general principles of behaviour of the Model (i.e. summary, integration and/or specification of the relevant behavioural rules of the Code of Ethics; specific prohibitions; system of powers of attorney and relevant internal delegations; etc.);
- illustrate the Protocols, or the specific control procedures, implemented by the Company for the purpose of preventing the crime risks in question, that the Recipients are required to observe for the correct application of this Special Section of the Model;
- provide the Supervisory Body with the tools to carry out the necessary monitoring and verification activities through: (I) the definition of the information flows (periodicity, reporting tools, minimum contents, etc.) that the SB must receive from the people responsible for controls; (II) the same description of the control activities and their methods of execution, allowing their timely verification in accordance with the activity plan.

2 THE RELEVANT CRIMINAL OFFENCES

Annex 24 contains the section of the articles of the Italian Criminal Code relevant pursuant to art. 25 duodevices of Legislative Decree No. 231/2001, accompanied by a brief description of the crime.

3 SENSITIVE ACTIVITIES PURSUANT TO ART. 25 DUODEVICIES OF LEGISLATIVE DECREE NO. 231/2001

Following its risk assessment, the Company believes that there are no sensitive activities relevant pursuant to Legislative Decree No. 231/01 relating to this type of Crime.

However, the Company undertakes, if changes occur in the business, in the organisational structure and/or in its operations, to verify the possible emergence of activities where there is a risk Crimes of the type in question may be committed and, consequently, to prepare the necessary preventive measures.

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