ECOPOL
BIODEGRADABLE HYDROSOLUBLE POLYMERS

OMCM – ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

General section

DRAFTED PURSUANT TO D.LGS. 231/2001

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INDEX
GENERAL SECTION

1. REGULATORY FRAMEWORK

1.1 Definitions

For the purposes of this Organizational, Management and Control Model pursuant to Legislative Decree No. 231/2001, the expressions defined herein shall have the following meaning:

- ***Addressees:*** the subjects to whom the provisions of this Organizational, Management and Control Model "231" apply.
- ***Company or Ecopol:*** Ecopol S.p.A. or, in abbreviated form, Ecopol.
- ***Confindustria's Guidelines***: the Confindustria's guidelines (approved on March 7, 2002 and subsequent amendments) for the drafting of the Organizational, Management and Control Models referred to in the Decree.
- ***Consultants***: individuals who, by virtue of their professional competences, provide their intellectual services in favor of or on behalf of the Company based on a mandate or another type of professional relationship.
- ***Employees:*** subjects having with the Company a contract of employment, a self-employment relationship or a temporary employment contract.
- ***Ethical Code:*** the code of ethics adopted by the Company.
- ***Legislative Decree 231/2001 or Decree***: Legislative Decree No. 231 of June 8, 2001, as amended or supplemented, regarding the administrative liability of legal entities dependent on crime.
- ***Model***: the Organizational, Management and Control Model pursuant to Legislative Decree 231/2001 adopted by the Company.
- ***PA****:* the Public Administration.
- ***Predicate offences:*** the specific crimes identified by Legislative Decree No. 231/2001 which may give rise to the administrative liability of the legal entity.
- Whistleblower: the person who makes a Report through the internal or external reporting channel, public disclosure or criminal complaint.
- Report: means the written or oral communication of conduct having criminal relevance or of management irregularities by reason of the functions performed, violation of laws and regulations, the Code of Ethics, the Model , as well as the system of rules and procedures in force in Ecopol.
- Company or Ecopol: Ecopol S.p.A. or abbreviated as Ecopol.
- ***Senior Persons:*** people holding representation, administration or management functions for the Company, as well as people exercising, even *de facto*, the management or control of the Company.

- ***Sensitive activities:*** business activities of the Company which may entail a risk of committing crimes underlying corporate liability pursuant to Legislative Decree No. 231/2001.

- ***Subordinates:*** people under the management or supervision of the Senior Persons.

- ***Supervisory Body or SB:*** the body provided for in Article 6 of the Decree, responsible for monitoring the implementation of and the compliance with the Model as well as its updating.

1.2 Foreword

Legislative Decree No. 231 of June 8, 2001 (the **"Decree"** or **"L.D. 231/2001"**), setting forth the *"Discipline of the administrative liability of entities having legal personality and other companies or associations also without legal personality* (the so-called "Entities"), *pursuant to Article 11 of Law No. 300 on 29 September 2000,*" introduced for the first time in Italy an administrative liability in relation to criminal offences on the part of entities, which is in addition to the liability of the natural person who materially committed the crime, also in order to adapt national law to certain international conventions to which Italy had long adhered to[1].

It is a new and more extensive form of liability, which affects the entity for crimes committed, in its interest or to its advantage, by individuals functionally related to it (individuals in apical positions and individuals subject to their direction and supervision)[2] .

The Decree provides that entities can be held liable, and consequently sanctioned, for the commission of certain offences (so-called **"Predicate Offences"**) which are strictly specified by law and contained in a list subject to amendments and integrations by the legislator.

The first fundamental criterion of attribution of liability consists in the fact that the crime was committed in the interest or for the benefit of the entity (so-called **objective criterion**): this means that the liability of the entity arises if the fact was committed in order to benefit the entity, without the need for the actual and effective achievement of the result.

The advantage constitutes an *"effective acquisition of an economic utility,"* whereas the *"interest" implies only the finalization of the offence to that utility, without, however, requiring that such utility be effectively achieved"*[3].

The entity, therefore, is not liable if the offence was committed by one of the above-mentioned persons in his/her own exclusive interest or in the interest of a third party; the exclusive interest of the agent or of the third party does not determine any liability of the entity, since there is an interruption in the scheme of identification between the natural person and the legal entity , as the legal entity is totally unrelated to the commission of the crime.

[1] The Convention on the Protection of the European Communities' Financial Interests, signed in Brussels on July 26, 1995, and its First Protocol ratified in Dublin on September 27, 1996; the Protocol on the interpretation by way of preliminary rulings by the Court of Justice of the European Communities of said Convention, signed in Brussels on November 29, 1996; the Convention on the fight against corruption involving officials of the European Communities, ratified in Brussels on May 26, 1997; the OECD Convention on Combating Bribery of Foreign Public Officials in International Economic Transactions, with annex, ratified in Paris on December 17, 1997.

[2] See art.5 of the Decree.

[3] Trib. Milan, Section XI review, 20/12/04.

The second fundamental criterion of attribution of liability consists in the fact that the crime was committed by a person linked by a functional relationship with the entity itself (so-called **subjective criterion**). In particular, the crime must have been committed by:

- persons *"holding representation, administration or management functions for the entity or by one of its organizational units endowed with financial and functional autonomy and by the people performing the de facto management or control of the same"* (so-called **"persons in apical positions,"** or **"senior persons,"** such as, for example, the legal representative, the director, the general manager or persons who exercise, also de facto, the management or control of the entity);

- *"persons under the management or supervision of one of the apical persons"* (so-called **"persons in subordinate positions"** or **"subordinate persons,"** i.e., subordinate persons, typically employees, but also persons outside the entity, who have been entrusted with a task to be carried out under the direction and supervision of the apical persons).

Determining whether the offender belongs to one or the other category is decisive for the purpose of choosing the subjective criteria of attribution of liability applicable to the case at hand, which, in relation to the different position held in the organization of the entity, are necessarily different (see Articles 6 and 7 of the Decree).

If the crime was committed by a person in an apical position, the liability of the entity must be linked to the fact that *"the top management expresses and represents the policy of the entity"*[4], for this reason the entity is identified with the natural person who acted for its benefit or in its interest.

If, on the other hand, the crime was committed by a person in a subordinate position, the entity's liability stems from its failure to comply with its management or supervisory obligations, and the crime depends on the existence of material organisational deficiencies which can be blamed onto the entity (see Article 7 of the Decree). The imputability of the crime to the entity, however, requires the existence (and therefore the evidence) of the causal link between the failure to comply with the obligations of management and supervision and the criminal conduct of the subordinate person, such that it is possible to ascribe to the entity the so-called **organizational fault**.

The liability of the entity is linked to the liability of the material author of the offence, but it is also direct and autonomous and is independent of the ascertainment of the liability of a natural person (see Article 8 of the Decree).

Italian jurisdiction exists when the act or omission constituting the crime took place on the Italian territory or, in any case when the event that is the consequence of that act or omission has occurred in Italy (art. 6, para. 2, of the Criminal Code).

1.3 Sanctions applicable to the entity

The system of sanctions outlined by the Decree is two-fold: the pecuniary penalty and the disqualification penalty.

[4] See the Report accompanying the Decree.

The **main and indefectible sanction** is the **financial penalty**, applied with the system of the fines per quotas: for each offense a minimum and a maximum number of quotas is established, whereby each quota corresponds to an amount ranging from 258 to 1,549.37 Euros. The Court determines the number of quotas based on the severity of the offence and the degree of the entity's liability, as well as the steps taken by the entity to eliminate or mitigate the consequences of the incident and to prevent the commission of further offences. The amount of each quota, on the other hand, is set by the judge taking into consideration the economic and equity position of the entity. The amount of the financial penalty, therefore, is determined by multiplying the first factor (number of quotas) by the second factor (amount of the quota).

The financial penalty is reduced by one-third to one-half if, prior to arguments being heard at the first-tier court stage, if the following conditions are met:

1. the entity has paid full restitution of the damages and eliminated the harmful or dangerous consequences of the crime, or has otherwise made effective efforts to this end;
2. a Model suitable for preventing crimes of the kind that occurred has been adopted or made operational.

The pecuniary penalty is, moreover, reduced by half if:

1. the offender has committed the act in his or her own predominant interest or in the predominant interest of third parties and the entity has not gained any advantage therefrom or has gained a minimal advantage;
2. the financial loss caused is negligible

Interdictory penalties apply only to those crimes for which they are expressly provided for. They are, namely:

- the disqualification from carrying out the activity;
- the suspension or revocation of authorizations, licenses or concessions functional to the commission of the offence;
- the prohibition of contracting with the Public Administration, except for obtaining a public service (this prohibition may also be limited to certain types of contracts or certain administrations);
- the exclusion from benefits, financing, contributions or subsidies and the possible revocation of those already granted;
- a ban on advertising goods or services.

Interdictory penalties limit or condition the company's activity, and in the most serious cases, they go so far as to paralyze the entity (disqualification from exercising the activity) and can also be applied as preventive measures before conviction (in case serious evidence is found leading to hold the entity liable for an administrative offence dependent on a crime and there are well-founded and specific elements that lead to believe that there is an effective danger that offences of the same nature as the one being prosecuted will be committed).

Interdictory penalties are applied in the cases expressly provided for in the Decree when at least one of the following conditions is met:

1. the entity has derived a significant gain from the crime and the crime has been committed by persons in a senior position or by persons subject to the direction of others and, in this case, the commission of the crime was determined or facilitated by material organizational deficiencies;
2. in case of reiteration of the offences.

Interdictory penalties have a duration of not less than three months and not more than two years and can be permanently applied in the most serious situations described in Article 16 of the Decree (if the entity is used for the sole or prevailing purpose of permitting or facilitating the commission of crimes or when the entity has already been convicted at least three times over the preceding seven years).

Other two sanctions are envisaged alongside these sanctions:

- confiscation, which is always applied upon conviction and is aimed at the price or profit of the crime (except for the part that can be returned to the damaged party), or, should this be impossible, at sums or other utilities of value equivalent to the price or profit of the crime; the rights acquired by the third party in good faith are not affected. The purpose is to prevent the entity from exploiting illegal conducts for "profit." Article 53 of the Decree provides for the possibility of ordering the preventive seizure in view of the confiscation;

- the publication of the judgment, which may be ordered when a disqualifying sanction is levied against the entity; the judgment is published for one time only, in excerpts or in full, in one or more newspapers chosen by the judge, and by posting on the bulletin board of the municipality where the entity has its registered offices. Publication is at the expense of the entity and is carried out by the clerk of the court; the purpose is to bring the judgment of conviction to the public's attention.

1.4 Predicate Offences

The liability of the entity can only arise from the commission of the crimes expressly indicated in the Decree. The list of crimes has been gradually expanded since the Decree came into force to currently include many heterogeneous offences.

1. Crimes committed in relations with the Public Administration and against the property of the State or other public entity (articles 24 and 25 of the Decree):

- Embezzlement (art. 314 of the Criminal Code), if the act offends the financial interests of the European Union;
- embezzlement by profiting from the error of others (art. 316 of the Criminal Code), if the act offends the financial interests of the European Union;
- misappropriation of public funds (art. 316 *bis* of the Criminal Code);
- undue receipt of public funds (art. 316 *ter* of the Criminal Code);
- bribery (artt. 318, 319, 320, 321 and 322 *bis* of the Criminal Code);
- extortion (art. 317 of the Criminal Code);
- bribery in judicial proceedings (art. 319 *ter* of the Criminal Code);
- undue inducement to give or promise benefits (art. 319 *quarter* of the Criminal Code);
- incitement to corruption (art. 322 of the Criminal Code);
- abuse of office (art. 323 of the Criminal Code);
- trading in unlawful influences (art. 346 *bis* of the Criminal Code);

- fraud in public supply (art. 356 of the Criminal Code);
- fraud against the State or other public organisation or the European Union (art. 640 para.2 no. 1 of the Criminal Code);
- aggravated fraud to obtain public funds (art. 640 *bis* of the Criminal Code);
- computer fraud against the State or other public entity or the European Union (art. 640 *ter* of the Criminal Code);
- agricultural fraud (art. 2, L. 898/1986);

2. Cybercrimes and unlawful data processing (Article 24 *bis* of the Decree):

- forgery of public computer documents or documents having evidentiary effect (art. 491 *bis* of the Criminal Code);
- malicious hacking of an IT or data transmission system (art. 615 *ter* of the Criminal Code);
- unauthorized possession and dissemination of access codes to IT or data transmission systems (art. 615 *quater* of the Criminal Code);
- distribution of IT equipment, devices or programs intended to damage or shut down an IT or data transmission system (art. 615 *quinquies* of the Criminal Code);
- illegal wire-tapping, obstruction or shut-down of IT or data transmission communications (art. 617 *quater* of the Criminal Code);
- installation of equipment used to wire-tap, obstruct or shut down IT or data transmission communications (art. 617 *quinquies* of the Criminal Code);
- damage to IT information, data and programs (art. 635 bis of the Criminal Code);
- damage to IT information, data and computer programs used by the Italian State or other public body or otherwise of public interest (art. 635 *ter* of the Criminal Code);
- damage to IT or data transmission systems (art. 635 *quater* of the Criminal Code);
- damage to IT or data transmission systems of public interest (art. 635 quinquies, para. 3, of the Criminal Code);
- computer fraud by the provider of digital signature certification services (art. 640 *quinquies* of the Criminal Code);
- failure to disclose or untrue disclosure of information, data, facts relevant to the national cybersecurity perimeter (art. 1, para. 11, Decree Law No. 105/2019).

3. Organized crime offences (art. 24 *ter* of the Decree):

- criminal conspiracy (art. 416 of the Criminal Code);
- mafia-type crime syndicates, whether foreign or domestic (art. 416 *bis* of the Criminal Code);
- political and mafia-related vote-rigging (art. 416 *ter* of the Criminal Code);
- kidnapping for ransom or extortion (art. 630 of the Criminal Code);
- other crimes committed by exploiting the conditions provided for in art. 416 *bis* of the Criminal Code or in order to facilitate the activities of the crime syndicates established by the same article;
- criminal conspiracy to traffic in mood-altering or psychotropic drugs (art. 74 Presidential Decree 309/2009);
- illegal manufacturing, introduction into the State, offering for sale, transfer, possession and carrying in a public place or a place open to the public of weapons of war or war-like weapons or parts thereof,

explosives, illegal weapons, as well as other common firearms (art. 407, para. 2, lett. a), no. 5 of the Criminal Code).

4. Forgery of money, public credit cards and revenue stamps and of distinctive identifying marks (art. 25 *bis* of the Decree):

- Counterfeiting money, conspiring to spend and introduce counterfeit money into the State (art. 453 of the Criminal Code);
- counterfeit money (art. 454 of the Criminal Code);
- spending and introducing counterfeit money into the Italian State, not in conspiracy with others (art. 455 of the Criminal Code);
- spending counterfeit money received in good faith (art. 457 of the Criminal Code);
- counterfeiting of revenue stamps, introduction into the Italian State, purchase, possession or circulation of counterfeit revenue stamps (art. 459 of the Criminal Code);
- counterfeiting of watermarked paper used to manufacture legal tender or revenue stamps (art. 460 of the Criminal Code);
- manufacture or possession of watermarks or instruments designed to counterfeit money. revenue stamps or watermarked paper (art. 461 of the Criminal Code);
- use of counterfeit or altered revenue stamps (art. 464, paras. 1 and 2, of the Criminal Code);
- counterfeiting, altering, or using trademarks or distinguishing marks, or patents, models and/or drawings (art. 473 of the Criminal Code);
- introducing into the Italian State and trading in products bearing counterfeit marks (art. 474 of the Criminal Code).

5. Crimes against industry and trade (art. 25 *bis*.1 of the Decree):

-interference with the freedom of industry or trade (art. 513 of the Criminal Code);
- unlawful competition through threat or violence (art. 513 bis of the Criminal Code);
- fraud against national industries (art. 514 of the Criminal Code).
- fraudulent trading (art. 515 of the Criminal Code);
- sale of non-genuine foodstuffs as genuine (art. 516 of the Criminal Code);
- sale of industrial products with false or misleading marks (art. 517 of the Criminal Code);
- manufacture and trade of goods made by misappropriating industrial property rights (art. 517 *ter* of the Criminal Code);
- counterfeiting of geographical indications or designations of origin of agri-food products (art. 517 *quarter* of the Criminal Code).

6. Corporate crimes (art. 25 *ter* of the Decree):

- false corporate reporting (art. 2621 and 2621 *bis* of the Civil Code);
- false reporting of listed companies (art. 2622 of the Civil Code);
- impeded control causing damage to the shareholders (art. 2625, para. 2, of the Civil Code);
- unlawful return of capital (art. 2626 of the Civil Code);
- illegal allocation of profits and reserves (art. 2627 of the Civil Code);

- unlawful transactions involving shares or quotas of the company or of the controlling company (art. 2628 of the Civil Code);
- transactions to the detriment of creditors (art. 2629 of the Civil Code);
- failure to disclose a conflict of interest (art. 2629 *bis* of the Civil Code);
- fictitious share capital formation (art. 2632 of the Civil Code);
- improper allocation of company assets by liquidators (art. 2633 of the Civil Code);
- bribery among private individuals limited to the conduct of active bribery (art. 2635, para. 3, of the Civil Code);
- incitement to bribery among private individuals, limited to active bribery (art. 2635 *bis*, para. 1, of the Civil code);
- unlawful influence on the shareholders' meeting (art. 2636 of the Civil Code);
- stock price manipulation (art. 2637 of the Civil Code);
- hindering supervising public authorities from performing their functions (art. 2638, paras. 1 and 2, of the Civil Code).
- False or omitted statements for the issuance of the preliminary certificate (art. 54, Legislative Decree 19/23).

Article 25 *ter* of the Decree - under letters d) and e) - provides for the liability of the entity for the crime of false prospectus, while continuing to refer to the contravention under Article 2623, para. 1 of the Italian Civil Code (Article 25 *ter*, letter d) and the crime pursuant to Article 2623, para. 2 of the Italian Civil Code (Article 25 *ter*, letter e), which are now repealed. Out of caution, we consider it appropriate to integrate the Model as if this reference were not only formal, i.e., addressed to the crime of false prospectus as disciplined - initially - in Art. 2623 of the Civil Code, but also concerning the subsequent changes in the sanctioning discipline of the offence in question, which is currently and differently regulated by Art. 173 *bis* T.U.F. (Legislative Decree 58/1998).

In addition, by virtue of the amendments introduced by Legislative Decree 39/2010:

- art. 2624 of the Civil Code falsehood in the reports or communications of auditing companies has been repealed;
- art. 2625, para. 1, of the Civil Code has been amended as follows:
1. the words: *"or audit*" are deleted;
2. the words: *'to other corporate bodies or auditing firms'* are replaced by the following*: 'or other corporate bodies'*;
- the new offences of falsity in reports or communications of those responsible for the statutory audit, Article 27 of Legislative Decree 39/2010, and impeded control, Article 29 of the same Decree, were inserted.

Given the purpose of this model, to prevent the occurrence of criminal offences as a matter of prudence-and for the same reasons stated above with reference to the repealed Article 2623 of the Civil Code – we deem appropriate to integrate the Model as if the entity's administrative liability also existed in relation to the commission of the new crimes and offences as currently disciplined.

7. Crimes committed for the purpose of terrorism or subversion of the democratic order (Article 25 *quater* of the Decree):

- associations for the purpose of terrorism, including international terrorism or subversion of the democratic order (art. 270 *bis* of the Criminal Code);
- assistance to the associates (art. 270 *ter* of the Criminal Code);
- enlistment for the purpose of terrorism, including international terrorism (art. 270 *quater* of the Criminal Code);
- training in activities for the purpose of terrorism, including international terrorism (art. 270 *quinquies* of the Criminal Code);
- organization of transfers for the purpose of terrorism including international terrorism (art. 270 *quater.1* of the Criminal Code);
- financing of conducts for the purpose of terrorism (art. 270 *quinquies.1* of the Criminal Code);
- embezzlement of seized property or money (art. 270 *quinquies.2* of the Criminal Code);
- conducts for the purpose of terrorism (art. 270 *sexies* of the Criminal Code);
- attack for the purpose of terrorism or subversion (art. 280 of the Criminal Code);
- act of terrorism with deadly or explosive devices (art. 280 *bis* of the Criminal Code);
- kidnapping for the purpose of terrorism or subversion (art. 289 *bis* of the Criminal Code);
- incitement to commit any of the crimes provided for in chapters one and two (art. 302 of the Criminal Code);
- political conspiracy by agreement (art. 304 of the Criminal Code);
- political conspiracy by association (art. 305 of the Criminal Code);
- armed group: formation and participation (art. 306 of the Criminal Code);
- assistance to participants in conspiracy or armed group (art. 307 of the Criminal Code);
- seizure, hijacking and destruction of an aircraft (art. 1 L. No. 342/1976);
- damage to ground installations (art. 2 L. No. 342/1976).

8. Female genital mutilation practices (Article 25 *quarter*.1 of the Decree):

-Female organ mutilation practices (art. 583 *bis* of the Criminal Code).

9. Crimes against the individual (Article 25 *quinquies* of the Decree):

- enslavement, slavery or servitude (art. 600 of the Criminal Code);
- child prostitution (art. 600 *bis*, paras. 1 and 2 of the Criminal Code);
- child pornography (art. 600 *ter* of the Criminal Code);
- possession of pornographic material (art. 600 *quater* of the Criminal Code);
- virtual pornography (art. 600 *quater.1* of the Criminal Code);
- child sex tourism (art. 600 *quinquies* of the Criminal Code);
- human trafficking (art. 601 of the Criminal Code);
- slave trade (art. 602 of the Criminal Code);
- unlawful brokering and exploitation of labor (art. 603 *bis* of the Criminal Code);
- grooming of minors (art. 609 *undecies* of the Criminal Code).

10. Market abuse offences (Article 25 *sexies* of the Decree):

- insider dealing (art. 184 T.U.F.);

- market manipulation (art. 185 T.U.F.).

The entity is also held accountable for the administrative sanctions set forth in Articles 187 *bis* and 187 *ter* T.U.F., which punish the acts of insider dealing and market manipulation, without prejudice to the criminal sanctions when the act constitutes a crime. In this case, pursuant to Article 187 *quinquies*, the entity is liable for the administrative offences committed in its interest or to its advantage.

11. Homicide or serious or grievous bodily harm committed in violation of health and safety regulations at the workplace (Article 25 *septies* of the Decree):

- involuntary manslaughter committed by infringing workplace health and safety regulations (art. 589, para. 3, of the Criminal Code);
- involuntary serious or grievous bodily harm committed by infringing workplace health and safety regulations (art. 590, para. 3, of the Criminal Code).

12. Fencing, money laundering and use of money, assets or other ill-gotten gains as well as self-laundering (Article 25 *octies* of the Decree):

- fencing (art. 648 of the Criminal Code);
- money laundering (art. 648 *bis* of the Criminal Code);
- use of money, assets or other ill-gotten gains (art. 648 *ter* of the Criminal Code);
- self-laundering (art. 648 *ter.1*. of the Criminal Code).

13. Crimes relating to non-cash payment instruments (Article 25 *octies.1* of the Decree):

- Misuse and forgery of non-cash payment instruments (art. 493 *ter* of the Criminal Code);
- possession and dissemination of computer equipment, devices or programs aimed at committing crimes regarding non-cash payment instruments (art. 493 *quater* of the Criminal Code);
- computer fraud (art. 640 *ter* of the Criminal Code).

14. Copyright infringement crimes (art. 25 *novies* of the Decree):

- criminal penalties for copyright offences (art. 171, para. 1, lett. a *bis* and para. 3 L. 633/1941);
- criminal protection of software and databases (art. 171 *bis* L. 633/1941);
- criminal protection of audiovisual works (art. 171 *ter* L. 633/1941);
- criminal liability relating to media (art. 171 *septies* L. 633/1941);
- criminal liability relating to conditional access audiovisual transmissions (art. 171 *octies* L. 633/1941).

15. Inducement to refrain from making statements or to make false statements to judicial authorities (art. 25 *decies* of the Decree):

- Inducement to refrain from making statements or to make false statements to the judicial authority (art. 377 *bis* of the Criminal Code).

16. Environmental crimes (art. 25 *undecies* of the Decree):

- environmental pollution (art. 452 *bis* of the Criminal Code);
- environmental disaster (art. 452 *quarter* of the Criminal Code);
- negligent offences against the environment (art. 452 *quinquies* of the Criminal Code);
- trafficking and abandonment of highly radioactive material (art. 452 *sexies* of the Criminal Code);
- aggravated associative crimes (art. 452 *octies* of the Criminal Code);
- organized activities for illegal waste trafficking (art. 452 *quaterdecies* of the Criminal Code);
- killing, destruction, capture, taking, possession of specimens of protected wild fauna or flora species (art. 727 *bis* of the Criminal Code);
- destruction or deterioration of habitats inside a protected area (art. 733 *bis* of the Criminal Code);
- unauthorized discharge of industrial wastewater containing hazardous substances (art. 137 Legislative Decree 152/2006);
- unauthorized discharge of industrial wastewater in violation of the requirements specified in the authorizations (art. 256 Legislative Decree 152/2006);
- offences regarding site remediation (art. 257 Legislative Decree 152/2006);
- violation of reporting obligations, keeping of mandatory records and forms (Art. 258 Legislative Decree 152/2006);
- illegal trafficking of waste (art. 259 Legislative Decree 152/2006);
- computerized waste traceability control system (art. 260 *bis* Legislative Decree 152/2006);
- offences in the field of air protection and reduction of emissions into the atmosphere (art. 279, para. 5 L.D. 152/2006);
- offences regarding the protection of endangered animal and plant species (L. 150/1992);
- offences regarding the ozone and the atmosphere (art. 3, para. 6 L. 549/1993);
- negligent spill of polluting substances into the sea caused by ships (art. 9, para. 1 L.D. 202/2007);
- intentional spill of polluting substances into the sea caused by ships or negligent pollution aggravated by the determination of permanent or otherwise significant damage to water (art. 8, paras. 1, 2, 9 L.D. 202/2007);
- intentional pollution aggravated by the determination of permanent or otherwise significant damage to water (art. 8, para. 2 L.D. 202/2007).

17. Employment of third-country nationals whose stay is irregular (Art. 25 *duodecies* of the Decree):

- Employment of foreign workers without a residence permit or with an expired, revoked or cancelled residence permit, aggravated by the number of more than three, minor age, subjection to particularly exploitative working conditions (art. 22, para. 12 *bis* Legislative Decree 286/1998);
- procuring illegal entry (art. 12, para. 3, 3 bis and 3 *ter* Legislative Decree 286/1998);
- aiding and abetting illegal stay (art. 12, para. 5 L.D. 286/1998).

18. Racism and xenophobia (Art. 25 *terdecies* of the Decree):

- Propaganda and incitement to commit crimes on the grounds of racial, ethnic and religious discrimination (art. 604 *bis* of the Criminal Code).

19. Fraud in sport competitions, illegal gambling or betting and games of chance using prohibited devices (art. 25 *quaterdecies* of the Decree):

- fraud in sports competitions (art. 1 L. 401/1989);
- illegal gambling or betting (art. 4 L. 401/1989).

20. Tax crimes (Art. 25 *quinquiesdecies* of the Decree):

- Fraudulent declaration through the use of invoices or other documents for non-existent transactions that result in a fictitious liability equal to or greater than one hundred thousand euros (art. 2, para. 1 L.D. 74/2000);
- fraudulent declaration through the use of invoices or other documents for non-existent transactions that result in fictitious liabilities up to one hundred thousand euros (art. 2, para. 2 bis L.D. 74/2000);
- fraudulent declaration by means of other artifices (art. 3 L.D. 74/2000);
- issuance of invoices or other documents for nonexistent transactions for amounts equal to or greater than one hundred thousand euros (art. 8, para. 1 L.D. 74/2000);
- issuance of invoices or other documents for non-existent transactions for amounts up to one hundred thousand euros (art. 8, para. 2 *bis* L.D. 74/2000);
- concealment or destruction of accounting documents (art. 10 L.D. 74/2000);
- fraudulent withholding of taxes (art. 11 L.D. 74/2000):
- misrepresentation in cases of serious cross-border VAT fraud (art. 4 L.D. 74/2000);
- omitted declaration in case of serious cross-border VAT fraud (art. 5 L.D. 74/2000);
- undue offsetting in cases of serious cross-border VAT fraud (art. 10 *quater* L.D. 74/2000).

21. Smuggling (art. 25 *sexiesdecies* of the Decree):

- Smuggling (Presidential Decree 43/1973).

22. Crimes against cultural heritage (art. 25 *septiesdecies* of the Decree):

- theft of cultural assets (art. 518 *bis* of the Criminal Code);
- misappropriation of cultural assets (art. 518 *ter* of the Criminal Code);
- receiving stolen cultural assets (art. 518 *quarter* of the Criminal Code);
- forgery in private deeds relating to cultural assets (art. 518 *octies* of the Criminal Code);
- illegal import of cultural assets (art. 518 *decies* of the Criminal Code);
- illegal export of cultural assets (art. 518 *undecies* of the Criminal Code);
- destruction, deterioration, defacement and illegal use of cultural or landscape assets (art. 518 *duodecies* of the Criminal Code);
- counterfeiting of artworks (art. 518 *quaterdecies* of the Criminal Code).

23. Laundering of cultural assets and devastation and looting of cultural and landscape assets (art. 25 *duodevicies* of the Decree):

- Laundering of cultural assets (art. 518 *sexies* of the Criminal Code);
- devastation and looting of cultural and landscape assets (art. 518 *terdecies* of the Criminal Code).

24. Attempt to commit one of the specified crimes (art. 26 of the Decree).

Pursuant to Article 26 of the Decree:
1. financial and interdictory sanctions are reduced by one third to one half in the case of commission, in the form of attempt, of the crimes set forth in the Decree;
2. the entity is not liable when it voluntarily prevents the commission of the action or the realization of the event.

25. "Transnational" crimes (Art. 10 Law 146/2006).

Article 10 of Law No. 146 of March 16, 2006 provides for the administrative liability of the entity, limited to cases where they have a "transnational"[5] nature pursuant to Article 3 of the same law, for the following crimes:

- criminal association (art. 416 of the Criminal Code);
- mafia-type crime syndicates including foreigner (art. 416 *bis* of the Criminal Code);
- criminal conspiracy for the purpose of smuggling foreign processed tobacco products (art. 291 *quater* of Presidential Decree No. 43 of January 23, 1973);
- association for the purpose of illegal trafficking in narcotic drugs (art. 74 of Presidential Decree No. 309 of October 9, 1990);
- acts aimed at procuring the illegal entry of foreigners into the national territory and aiding and abetting their stay in order to gain unjust profit (art. 12 paragraphs 3, 3 *bis*, 3 *ter* and 5 of Legislative Decree No. 286 of July 25, 1998);
- inducement to refrain from making statements or to make false statements to judicial authorities (art. 377 *bis* of the Criminal Code);
- aiding and abetting (art. 378 of the Criminal Code).

26. Crimes committed abroad.

Under Art. 4 of Legislative Decree 231/2001, the entity can be held liable in Italy in connection with crimes (envisaged by the same Legislative Decree 231/2001) committed abroad.

The conditions for the entity's liability in relation to crimes committed abroad are the following:

- the crime must be committed abroad by a person functionally related to the entity, pursuant to Article 5, para. 1, of Legislative Decree 231/2001;
- the entity must have its head office in the territory of the Italian state;
- the entity may be held liable only in the cases and under the conditions provided for in Articles 7, 8, 9, 10 of the Criminal Code;
- the entity may be held liable provided that the State of the place where the fact has been committed does not take action against it;

[5] A transnational crime is a crime punishable by imprisonment of not less than a maximum of four years, if an organized criminal group is involved, as well as: a) it is committed in more than one state; b) or it is committed in one state, but a substantial part of its preparation, planning, direction or control takes place in another state; c) or it is committed in one state, but an organized criminal group engaged in criminal activities in more than one state is involved in it; d) or it is committed in one state but has substantial effects in another state.

- in cases where the law provides that the perpetrator is punished at the request of the Minister of Justice, proceedings are brought against the entity only if the request is also made against the entity itself.

1.5 Forms of exemption from liability

The Decree, in introducing the aforementioned regime of administrative liability, provides for a specific form of exemption from said liability if the entity can demonstrate to have adopted all appropriate and necessary organisational measures in order to prevent the commission of crimes by individuals acting on its behalf. The presence of an adequate organization is, therefore, a measure and sign of the entity's diligence in carrying out its activities, with particular reference to those in which the risk of commission of the crimes provided for by the Decree is manifested: the ascertained existence of an efficient and effective organization excludes, therefore, the "fault" of the entity and the application of the relevant sanctions.

Specifically, the Board of Directors is responsible for the adoption and the effective implementation of the Organizational, Management and Control Model, pursuant to Article 6, paragraph 1, letter a), as well as the appointment of members of the Supervisory Body, pursuant to the subsequent letter b).

The entity is exempt from penalty if it is able to prove that:

1. it has adopted and effectively implemented, prior to the commission of the fact, an organisational and risk-management model suitable for preventing crimes of the same kind as the one that actually occurred (hereinafter the "**Model**" or "**OMCM**");
2. it has entrusted the supervision of the functioning and observance of the Model, as well as the task of updating the same, to a body of the entity endowed with autonomous powers of initiative and control (hereinafter the "**Supervisory Body**" or "**SB**")
3. the persons who committed the offence did so by fraudulently eluding the Model;
4. there was no omission or insufficient supervision on the part of the Supervisory Body.

The liability of the entity is presumed if the offence is committed by a natural person holding top management positions or responsibilities; consequently, the burden of proof as to its lack of involvement in the facts falls on the entity. Conversely, the liability of the entity must be proven in the event that the person who committed the offence does not hold apical positions within the corporate organisational system; in this case, the burden of proof falls on the prosecutor.

If the offence was committed by persons subject to the management or supervision of one of the above-mentioned persons, the entity is held liable if the prosecution succeeds in proving that the commission of the offence was made possible by the failure of the entity to comply with management or supervisory obligations. These obligations are presumed to have been complied with if the entity, prior to the commission of the crime, has adopted and effectively implemented a Model capable of preventing crimes of the kind that the one occurred.

Article 6 of the Decree, in its second paragraph, draws up the main content of the Model, which must have the following characteristics:

- identify the sensitive processes in the context of which Predicate Offences can be committed;
- state specific protocols aimed at governing the definition and the enactment of the company's decisions pursuant to the offences to be prevented;
- identify proper methods for the management of financial resources suitable to prevent the commission of such crimes;
- clearly provide for mandatory information flows towards the Supervisory Body;
- introduce an internal disciplinary system suitable to punish the non-abidance to the measures indicated in the Model.

With reference to the effective implementation of the Model, the Decree also provides for the periodic monitoring and resulting modification of the model, should significant and serious violations be discovered or following changes to the organizational structure or in the conducted activities;

The same Decree (Article 6, para. 3) provides that models can be adopted, ensuring the above requirements, on the basis of codes of conduct (also called guidelines) drafted by representative trade associations.

The guidelines are communicated to the Ministry of Justice, which, in consultation with the relevant ministries, may make comments within 30 days on the suitability to prevent crimes of models drawn up in accordance with the guidelines of trade associations.

1.6 Confindustria's Guidelines

In 2021, Confindustria has updated the Guidelines for the drafting of organizational models.

The key points identified in the Guidelines for the drafting of the Models can be summarized as follows:

1. identification of the areas of risk, aimed at highlighting the company functions where the prejudicial events provided for by the Decree can occur;
2. adoption of a control system capable of preventing risks through the adoption of appropriate protocols. The most relevant components of the control system devised by Confindustria are:

- Ethical Code;
- organizational system;
- manual and computer procedures;
- authorization and signature powers;
- integrated control and management systems;
- communication to and training of personnel.

The components of the control system must be guided by the following principles:

1. auditability, traceability, consistency and coherence of each operation;
2. application of the principle of separation of functions (no one can independently manage an entire process);

3. documentation of controls;
4. provision of an adequate system of sanctions for the violation of the rules of the Ethical Code and the procedures/protocols provided by the model;
5. identification of the requirements of the supervisory body, which can be summarized as:
- autonomy and independence;
- professionalism;
- continuity;
6. provision of management procedures of financial resources;
7. information obligations of the supervisory body.

Failure to comply with specific points of the Guidelines does not affect the validity of the Model, which must be necessarily drafted with specific reference to the actual situation of the Company, even departing from the Confindustria Guidelines which are general by their nature.

2. THE CORPORATE GOVERNANCE MODEL

2.1 The Company

General information about Ecopol S.p.A. (hereinafter, the "**Company**" or "**Ecopol**") is shown in the table below:

Name of the company	Ecopol S.p.A.
Head Office	Chiesina Uzzanese (PT) Polo Industriale Sergio Marchionne 1
Tax Code	01691840472
Business Register	01691840472
REA Number	PT - 196995
Share Capital	Euro 366.622,00
National Collective bargaining agreement applied	Gomma, plastica, industria
Website	https://www.ecopol.com/it/

2.2 The corporate purpose

Ecopol was founded in 2009 and is active in the field of manufacturing of biodegradable and water-soluble plastic materials.
More specifically, according to its By-Laws, the Company's object is:

(i) the business of manufacturing, wholesale and retail trade of goods made of plastic materials, as well as of all kinds of goods made from the components and derivatives of plastics, cellulose paper products, and their chemical elements and derivatives;
(ii) the study and research of new technologies and processes on eco-friendly and/or biodegradable structural and functional materials, inherent thermoplastic and thermosetting materials, including through the use and analysis of all type and kind such as chemical, chemical/physical and mechanical/dynamic analyses;
(iii) the drafting of quality manuals, compliance certifications, and reports on the qualities and behaviors of mainly organic materials;
(iv) the manufacture and trade of health and medical products;
(v) the trade and management of intangible assets such as patent rights, licenses, trademarks and any other type of know-how, as well as the exploitation for application and commercial purposes of technological contributions or work procedures related to the main object;
(vi) the provision of advice and technical assistance for patent, utility model and technological applications with respect to plants and machinery having the purposes specified above;
(vii) the study and design of plants and systems aimed at obtaining innovative products in the fields in which the company operates;
(viii) the manufacture and marketing of the aforesaid products on its own or the outsourcing to third parties, under its own direction and control, of the manufacture and marketing thereof
(ix) the performance of certified testing of the facilities whose technology has been transferred;

(x) entering into technical/scientific support contracts with companies operating in the same industry, including with reference to plants and technologies in general that have not been purchased by the company.

The Company is the main European manufacturer of biodegradable and water-soluble polyvinyl alcohol (PVA) plastic materials, and among the world's leading producers of PVA. Products made by Ecopol are used in multiple fields and industries such as, but not limited to, home care, agrochemicals as well as construction.

Over the past four years, the Company has experienced a significant growth both in terms of turnover and human capital, with an increase from 12 to over 130 employees.

Beginning in early 2023, Ecopol will also be active in the United States through the opening of a production site in Georgia. The entry into the North American market will enable the Company to establish itself as a major player of utmost importance in its target market worldwide.

2.3 Ecopol S.p.A.'s corporate governance systems.

Ecopol's corporate governance model is structured to ensure and guarantee the Company maximum efficiency and operational effectiveness in carrying out its business.

Specifically, Ecopol is managed by a Board of Directors composed of three members (hereinafter referred to as the "BoD"), whereas the supervision of the management activities is entrusted to a Board of Statutory Auditors composed of three regular and two alternate members. An auditing firm has also been appointed.

The Board of Directors is collectively vested with all powers for the ordinary and extraordinary management of the Company, save for those that the law and the Company's bylaws reserve to the shareholders' meeting. The BoD may delegate its powers, to the extent permitted by law and by the Company's bylaws, to an Executive Committee composed of some of its members or by individual Directors, by appointing one or more Managing Directors. It may also appoint directors, attorneys and proxy holders in general or for certain acts or categories of acts. Such persons can also be external to the Board. Representation of the Company is the responsibility of the Chairman of the BoD, or of his or her deputy.

Ecopol's organizational structure is geared toward ensuring the separation of tasks, roles, and responsibilities even though many activities are carried out in teams and in full coordination among the various functions in charge, in order to improve efficiency and ensure more pervasive control over the exercise of corporate activities.

The division of tasks and roles is outlined in the corporate organizational chart attached to this document.

2.4 Protocols for decision-making and implementation of decisions

Due to the scope of the activities and to the organizational complexity, Ecopol adopts a system of delegation of powers and functions. In particular, some delegated directors serve in the board of directors; in addition, the Chairman of the Board of Directors has issued in favor of certain corporate functions certain proxies registered with the territorially competent Companies Registry.

Each proxy and power of attorney, formalized and knowingly accepted by the delegate, explicitly provides for the assignment of tasks to persons with suitable capacity and competence, ensuring that the delegate is vested with the autonomy and powers necessary to perform the function.

With reference to the activities related to the so-called sensitive processes expressly identified below (hereinafter "**activities at risk**"), the Model provides for specific protocols. Each of them provides for a specific procedure that describes:

a. the procedures for making and implementing management decisions (including the normal course of the related activities), indicating for each activity the persons holding the functions, competencies and responsibilities;
b. the procedures for documenting and storing the acts generated by the procedures (compliance record documents), to ensure transparency and auditability of the same.

The internal procedures provided for the implementation of the protocols ensure, to the extent possible depending on the size of the enterprise, the separation and the hierarchical independence between those who draw up the decision, those who implement it and those who are required to carry out the controls.

Limits on decision-making autonomy for the use of financial resources are established by setting precise quantitative thresholds, consistent with the managerial skills and organizational responsibilities entrusted to each person.

The quantitative limits referred to in the previous point may be exceeded in compliance with the established authorization and representation procedures, always by ensuring, to the extent possible depending on the size of the enterprise, separation and hierarchical independence between those who authorize the expenditure, those who must implement it and those entrusted with control powers.

When arrangements for joint representations are in place, the principal of hierarchical independence among the joint representatives is ensured.

Derogations to the protocols and procedures provided in the Model are allowed in case of emergency or temporary impossibility of their implementation. The derogation, with an express indication of its reasons, must be communicated to the hierarchical superior and, when relevant, to the Supervisory Body.

Protocols and implementation procedures are also updated upon the proposal or report of the Supervisory Body.

2.5. Internal regulations

In order to better regulate its organizational structure as well as to discipline its internal processes, Ecopol has adopted several regulations, each with a specific purpose.
More specifically, Ecopol has adopted:
(i) a **Corporate Disciplinary Regulation** that provides for the disciplinary rules relating to both the disciplinary action and the sanctions applicable for each violation, and the manner in which the employment relationship is conducted;
(ii) a **Smart Working Regulation** that promotes corporate well-being and regulates how smart working is conducted;
(iii) a **Know How Protection Regulation** containing all the procedures and conducts that all individuals operating within Ecopol must adopt in order to guarantee the secrecy of information and technical-industrial experience owned by or available to the Company;
(iv) an **Information Technology Regulation** that defines the scope, methods and rules on the use of computer/digital equipment by their users (employees, collaborators, etc.) in order to protect the company's assets and avoid unaware or improper conducts which could expose the company to problems related to the security of personal data and of confidential information also with reference to any damage which could be caused even to third parties;
(v) a **Regulation for Representative Activities** that constitutes a behavioral model for attending events, congresses, seminars, and meetings as well as for the communication on web channels, as Company Brand Ambassador;
(vi) a **Regulation for Representation Expenses** that governs the expenses for representation activities incurred by Ecopol's management;
(vii) a **Travel & Expense Regulation** governing the travels of Ecopol's employees with the status of director, manager, middle manager and worker;
(viii) a **Behavioral Regulation** setting out the behavioral model to promote the job placement and the well-being of employees against all forms of discrimination;
(ix) a **Regulation for Corporate Data Protection - SPG** in compliance with the provisions of GDPR 679/2016;
(x) a **Biennial Corporate Training Plan**, which regulates the methods of access to professional growth processes based on the increase of technical and transversal skills, as well as the methods of financing and delivery of training;
(xi) a **Recruiting Policy**, which aims to create a standardized and inclusive methodology of the corporate selection and recruitment process through clear and shared guidelines;
(xii) a **2nd Level Corporate Supplementary Agreement**, aimed at identifying better working conditions for the entire corporate workforce, redefinition of career advancement processes, raises and calculation baselines, establishment of hour bank, establishment of internal solidarity-holiday, implementation of internal corporate welfare services.

3. THE MODEL ADOPTED BY ECOPOL S.P.A.

3.1 Purpose of the Model

Ecopol's Model aims to prevent the commission of crimes and to repress any unlawful behavior carried out within the scope of the company's activities, through the drafting of a structured and organic system of procedures and control activities.

This goal is pursued through the identification of the activities at risk of commission of crimes, with varying degrees of intensity. For each of these activities, the Company's organizational system imposes rules and processes aimed at preventing the commission of crimes and an adequate internal control system.

The Model, structured on this basis, aims at:

- define and set the behaviors that are considered unlawful by the Company, as well as by the legal system, insofar as they are contrary to the provisions of law and to the ethical principles that Ecopol wishes to observe in the exercise of its business;
- inform and train all those working in the name and on behalf of the Company that the commission of an offence (even in the attempted form) – carried out, in whole or in part, for the benefit or in the interest of the Company – constitutes a violation of the company rules and may assume relevance with respect to them at criminal level and with respect to the Company with regard to the administrative liability in relation to criminal offences pursuant to Legislative Decree 231/2001
- monitor the areas of activity for which a risk of commission of crimes has been detected.

3.2 Acceptable risk

In drafting the Model the concept of acceptable risk is key. In fact, for the purposes of applying the provisions of the Decree, it is important to establish a threshold which limits the quantity and quality of the measures to be adopted in order to prevent crimes from being committed.

In relation to the risk of commission of the crimes referred to in Legislative Decree 231/2001, such threshold is represented by an adequate preventive system that cannot be by-passed, unless on purpose. In other words, in order to avoid the responsibility for the entity, the perpetrators must have willfully eluded the Model and the procedures adopted by the entity.

3.3 The Model (structure, addressees and scope)

This Model consists of:

1. a **"General Section,"** containing a description of the relevant regulatory framework and of the general rules governing the operation of the Model and of the Supervisory Body;

2. a **"Special Section,"** focusing on the areas of activity and the instrumental processes deemed "at risk" and "sensitive," the rules of conduct and the other control tools deemed relevant in relation to the crimes to be prevented and to the Company's organizational structure.

In the event of changes in the internal and external context, the Company undertakes to adapt the Model and guarantees its observance and operation according to the operating methods deemed most appropriate, in compliance with the mandatory control principles.

The Model is part of the broader organization and control system already adopted by Ecopol and which the Company intends to integrate with the following qualifying elements:

- the mapping of the activities at risk with respect to the commission of the crimes provided for by Legislative Decree 231/2001, which will be periodically analyzed and monitored;
- the rules of conduct included also in the Ethical Code, aimed at preventing the occurrence of the crimes set forth in Legislative Decree 231/2001;
- the assignment to a Supervisory Body (SB) of the Company of the tasks of supervising the effective and proper functioning of the Model;
- the information flows to the SB;
- the sanctionary system suitable to ensure the effective implementation of the Model containing the disciplinary measures applicable in case of non-compliance with the measures indicated in the Model itself;
- the check and recording of any atypical or significant operation;
- the definition of authorization and executive powers consistent with the responsibilities assigned;
- the provision to the SB of company resources of adequate number and value proportionate to the expected and reasonably achievable results;
- the rules and responsibilities for the implementation and periodic updating of the Model, as well as for the ascertainment of the functioning and effectiveness of the Model;
- the activity of raising awareness, information and dissemination to all levels of the Company and external addressees of the rules of conduct and procedures adopted by the Company;
- the activity of raising awareness and information to all the addressees of the Model relating to the compliance with the regulatory principles set forth in the Decree.

The Model is intended, specifically, for all employees and directors of the Company. In the applicable part, the Model is also intended for suppliers, subcontractors and business partners, both natural persons and companies providing, in various forms or ways, their cooperation to Ecopol for the performance of their activities. The aforementioned supply and service contracts and/or business partnership agreements that Ecopol should enter into with third parties must necessarily include specific clauses to ensure compliance with the Model or, in any case, compliance with the Legislative Decree No. 231/2001.

In any case, Ecopol, prior to be bound by stable contractual obligations, must carry out an adequate due diligence procedure aimed at verifying, amongst others; (i) the reputation and reliability of the entity with which it intends to enter into a contract and of its main exponents, shareholders and directors; (ii) the financial and equity soundness of the counterparty or partner; (iii) the competence and technical experience to render the requested service object of the contract; (iv) references and relationships with public authorities; and (v) the entity's adherence to the best practices in sustainability, quality and business ethics matters.

3.4 Approval

The Model, in accordance with the provisions of Article 6, paragraph 1, letter a) of Legislative Decree 231/2001, is adopted by an act of the Board of Directors, which approved the adoption of the Model by its resolution of November 21st, 2022, and has undergone its first revision, approved on October 23, 2023.

The Board of Directors, in adopting the Model, entrusted the Supervisory Body with the task of assuming the functions of a control body with the task of supervising the operation, effectiveness and observance of the Model, as well as of ensuring that the Model is updated.

3.5 Updating and implementation of the Model

The Model is subject to periodic review and is amended if significant violations of the requirements are identified or in case of occurrence of changes in the organization, in the Company's activities or in the relevant regulatory framework.

Amendments and/or additions of a substantial nature to the Model, even when proposed by the SB, fall within the competence of the Board of Directors.

For the adoption of amendments to the Model which are not material, the BoD may delegate one or more directors, who periodically report to the BoD on the nature of the changes made.

Anyone working for the Company or collaborating with it must comply with the relevant prescriptions of the Model, and in particular must observe the information obligations dictated to enable the control of the compliance of the activities with the prescriptions.

A copy of the Model, of the documents attached to it and of its updates are deposited at the Company's registered office and is available to all those entitled to consult them.

The Company shall notify each addressee of the Model the prescriptions referring to the specific activity or function held by the same within the Company.

As anticipated, the SB is assigned the task to supervise the functioning, the effectiveness and the observance of the Model itself, as well as to take care of its updating.

3.6 Model and Ethical Code

Ecopol intends to orient the conduct of its business, the pursuit of its corporate purpose and the growth of the Company not only to the compliance with applicable laws and regulations, but also to the respect of shared ethical principles.

To this end, Ecopol has adopted a code of ethics (the "**Ethical Code"**), aimed at defining a series of principles of "corporate ethics" that the Company recognizes as its own and which must be complied with its corporate bodies, its employees and all those who cooperate in any capacity in the pursuit of the Company's purposes.

The Ethical Code has a general scope and represents an instrument adopted by Ecopol autonomously, although it contains principles of conduct which are relevant to the Model.

4. SUPERVISORY BODY (SB)

4.1 Composition

The Model provides for the establishment of an internal body, named 'Supervisory Body' (SB), which is entrusted with the task of continuously supervising the effective operation of and observance of the Model, ensuring that the same is updated. The Supervisory Body must perform specialized activities that presuppose knowledge of *ad hoc* tools and techniques and must be characterized by continuity of action. It cannot be identified among the members of the Board of Directors.

The Supervisory Body performs its functions outside the Company's operational processes and is released from any hierarchical relationship within the corporate organizational chart. The SB reports directly to both the operational and controlling top management of the Company, so as to ensure its full autonomy and independence in carrying out the tasks entrusted to it.

The composition of the SB is indicated in the minutes of the meeting where it is appointed.

Ecopol confers the title of SB to a single-member body, appointed by the Board of Directors and chosen among subjects who are particularly qualified and experienced in the matters relevant for the purposes of Legislative Decree 231/2001, in order to ensure that the Board has adequate competence in legal, risk assessment and internal auditing matters, as well as possessing the necessary requisites of honorability.

The member of the SB is independent of the Company and therefore:

- must not be connected to the Company, to its subsidiaries or to the companies participated by the Company as well as to the parent company and/or the companies holding a participation in the Company, by an employment relationship or by a consultancy agreement or a contract for work and services, or by relationships of a financial nature such to compromise his/her independence or to lead to potential conflicts of interest with reference to the areas of competence of the Supervisory Body,;
- must not have family relationships with the shareholders or the Board of Directors of the Company, or of the Companies controlled and/or participated by the same as well as of the parent and/or participating Companies such to reduce their autonomy of judgment;
- is endowed with autonomous powers of intervention in its own areas of competence. To this end, as well as in order to ensure the continuous performance of the verification activity regarding the adequacy and suitability of the Model, the Body makes use of internal staff and/or of external collaborators;

The SB draws up its own Rules of Operation.

The SB is provided with an expense budget for its exclusive use for the period in which it holds office. Such budget is approved by the Board of Directors.

The SB autonomously and independently decides on the expenses to be made within the limits of the approved budget and refers to those with signatory powers within the Company in order to sign the relevant commitments. In case of request for expenses exceeding the approved budget, the SB must be authorized by the Board of Directors.

The SB is appointed for a period determined by the BoD, with the possibility of renewal.

In order to gain better knowledge and proper oversight of the corporate environment, the Supervisory Body may request the BoD or the Board of Statutory Auditors to attend its meetings in order for it to report on the Company's accounting situation. In such case, the BoD and the Statutory Auditors attend the meetings only as guests.

Generally, in order to ensure effective and complete supervision of the company's activities aimed at verifying and preventing the occurrence of significant risks pursuant to Legislative Decree 231/2001, the Supervisory Body examines all company documentation relating to ordinary and extraordinary processes, which is provided to the same by the BoD in accordance with the provisions of paragraph 4.5 below.

The following circumstances constitute a cause for ineligibility and incompatibility with the office of member of the SB, also as a guarantee of the honorability requirement:

- holding the office of director of Ecopol;
- having a direct or even potential conflict of interest with the Company that could undermine its independence;
- parentage, marriage or affinity within the fourth degree of kinship with the persons referred to in the previous points;
- having been sentenced by a judgment, even if not irrevocable, to a term of imprisonment that entails disqualification, even temporary, from public offices or temporary disqualification from the executive offices of ordinary legal entities;
- having been convicted with a sentence, even if not irrevocable, and also following the application of the penalty on request pursuant to Articles 444 and 447 of the Code of Criminal Procedure, for non-culpable offences and offences punishable by willful misconduct or negligence referred to within the scope of Legislative Decree 231/2001.

4.2 Revocation and replacement

To protect the autonomy and independence of the Body, any changes to its structure (such as revocation), its powers and its functioning can only be made by resolutions adopted by the BoD with a properly motivated vote and unanimity of those present.

Revocation of the SB can only occur for cause.

In this regard, cause shall mean:

- a material breach of its supervisory duties;
- a conviction of the Company or application of a plea-bargain agreement pursuant to the Decree, which shows *"omitted or insufficient supervision"* by the SB;
- the violation of confidentiality obligations (also with reference to the provisions of Article 6, paragraph 2 bis, letter d) of Legislative Decree 231/2001).

In all cases of precautionary application of a prohibitory sanction provided for by the Decree, the Board of Directors, having collected the appropriate information, may possibly provide for the revocation of the SB, should it detect a hypothesis of omitted or insufficient supervision by the same.

If the requirements of autonomy, independence and professionalism are no longer met, or in the event of the occurrence of one of the causes of ineligibility/incompatibility identified above, the BoD, having carried out the appropriate investigations and having heard the person concerned, sets a deadline, not less than 30 days, within which the situation of incompatibility must cease. Once this deadline has expired without the aforementioned situation having ceased, the BoD must declare the disqualification of the SB.

Likewise, a serious infirmity that renders the member of the SB unfit to carry out his or her supervisory duties, or an infirmity or other reasons of a personal nature that, in any case, result in the SB not performing his/her activities for a period longer than three months, will result in the declaration of the forfeiture of the same, to be implemented in the manner described above.

In the event of the resignation, revocation or disqualification of the member of the Supervisory Body, the BoD shall appoint the replacement(s) in a timely manner and until the new member is appointed.

4.3 Requirements

Regardless of its composition, the Supervisory Body must ensure the following requirements:

a. **autonomy and independence:** to ensure that the Supervisory Body is not directly involved in the management activities that are the subject of its control activities and, above all, the possibility of carrying out its role without direct or indirect conditioning by the controlled entities. These requirements are ensured by the absence of any hierarchical reporting within the corporate organization, by the absence of operational tasks and by the faculty to report directly to the Board of Directors;
b. **professionalism:** it is a body with technical-professional and specialized skills appropriate to the functions that the SB it is called upon to perform (e.g., interview techniques, flow charting, risk analysis techniques, etc.). These characteristics, combined with independence, ensure objectivity of judgment;
c. **continuity of action:** the SB is a body within the organization, which is adequate in terms of structure and dedicated resources, as well as devoid of operational tasks that could limit the commitment necessary to carry out the functions assigned.
d. **Honorability and absence of conflicts of interest**.

In order to give the Supervisory Body suitable capacity to retrieve information and thus effectiveness of action in relation to the corporate organization, information flows to and from the SB are established through this Model and, subsequently, through appropriate internal organizational documents issued by the Board of Directors or the Supervisory Body itself.

4.4 Functions and powers

The Supervisory Body, which is accountable for its activities directly to the Company's governing body and can rely on its own budget, is granted autonomous powers of initiative and control in the exercise of its functions and cannot be assigned operational tasks or decision-making powers, not even in terms of prohibitions, relating to the performance of the Company's activities.

Ecopol's Supervisory Body is entrusted on a general level with the task of monitoring:

a. compliance with the requirements of the Model by the Corporate Bodies, the Consultants and counterparts to the extent required to each of them;
b. effectiveness and adequacy of the Model in relation to the corporate structure and the effective ability to prevent the commission of the crimes referred to in Legislative Decree 231/2001;
c. suitability of updating the Model, where the same needs to be adapted it in relation to changed business and/or regulatory conditions;
d. adequacy, application and effectiveness of the system of sanctions.

At the operational level, the SB is entrusted with the task of:

1. carrying out the control activities provided for in the Model;
2. constantly verifying the effectiveness and efficiency of the existing company procedures;
3. conducting surveys on the company activities for the purpose of updating the mapping of sensitive activities and instrumental processes;
4. periodically carrying out targeted checks on certain operations or specific acts carried out by Ecopol, especially in the context of sensitive activities or "instrumental" to their implementation
5. monitoring the initiatives for the dissemination of knowledge and understanding of the Model and preparation of internal documentation necessary for the functioning of the Model, containing instructions, clarifications or updates. The SB must in its ongoing activity implement and apply operating procedures for the best formal management of the activity;
6. collecting, processing and storing relevant information regarding compliance with the Model, as well as updating the list of information that must be transmitted to the SB or kept at its disposal setting up the "formal" archive of the internal control activity;
7. verifying the adequacy of the internal control system in relation to the current regulatory framework for compliance purposes under Legislative Decree 231/2001;
8. verifying that the elements provided for the implementation of the Model (adoption of standard clauses, completion of procedures, etc.) are in any case adequate and responsive to the needs of compliance with the requirements of the Decree, adopting or suggesting the adoption, in case they are not, of an update of the elements themselves
9. verifying the needs for an update of the Model;

10. periodically reporting to the BoD on the implementation of company policies for the implementation of the Model;
11. monitoring the actual presence, the regular keeping and effectiveness of the archive supporting the activities under Legislative Decree 231/2001;
12. requiring the BoD to transmit all corporate documentation, minutes of the BoD and documents implementing the resolutions of the BoD, as well as contracts entered into by the Company.

To this end, the SB is granted the following powers:

a. to issue provisions aimed at regulating the activity of the Body;
b. to carry out inspection activities in a predetermined manner and communicated to the Management Body;
c. to access any and all company documents relevant to the performance of the functions assigned to the Body pursuant to Legislative Decree 231/2001;
d. to request information to anyone operating on behalf of the Company in the context of the activities at risk, even without prior authorization from the Management Body;
e. to resort to external consultants of proven experience where this is necessary to carry out verification and control activities or to update the Model
f. to arrange for the members of the Board of Directors to promptly provide the information, data and/or news requested from them in order to identify aspects related to the various company activities relevant under the Model and for the ascertainment of its effective implementation
g. to express an opinion on the adequacy and suitability of the amendments to the Model drafted on the initiative of the Management Body, prior to their adoption.

4.5 Information flows *from* the Supervisory Body

The SB reports on the outcomes of its control activities directly to the Board of Directors and does not depend hierarchically on any of the corporate functions.

At the end of each inspection activity, the SB prepares a specific report, which is kept by the SB itself.

In particular, the Supervisory Body operates along the following reporting lines:

1. on a periodic basis, by transmitting an annual report to the Board of Directors and the Board of Statutory Auditors (and, for information purposes, to the auditing firm);
2. on a timely basis, when facts of particular importance are ascertained regarding a Managing Director and/or the Board of Directors and in any case regarding the Board of Auditors.

The Supervisory Body may be convened at any time by the Board of Directors or may in turn submit requests to that effect, to report on the functioning of the Model or on specific situations.

Moreover, the Supervisory Body may address communications to the Board of Directors and/or the Board of Statutory Auditors whenever it deems it necessary or opportune, and, in any case, it must transmit to them on an annual basis the aforementioned information report.

4.6 Information flows *to* the Supervisory Body

Transmission of requests for information and information flows to the Supervisory Board, should be made in the following manner:

a. preferably to the e-mail address: *odv@ecopol.it*;
b. alternatively to the e-mail address of the member of the Supervisory Board to be designated and to be communicated at the first training session.

In application of the above cited rules, the Company adopts a specific procedure involving the Heads of the functions indicated therein and establishing the object and frequency of communications (**Annex 1**).

5. PERSONNEL SELECTION, INFORMATION AND TRAINING

5.1 Personnel selection

The selection and management of employees, as well as of Ecopol's suppliers and business partners, must meet the criteria of reasonableness, professionalism, integrity, fairness and transparency, in accordance with the provisions of the Company's Ethical Code, and considering the company's needs in relation to the application of Legislative Decree 231/2001, as well as the requirements set forth in the corporate document known as the **Recruiting Policy**.
In particular, Ecopol's personnel is subject, also at the initial selection stage, to a process of evaluation of his/her skills and performance that involves the drafting of a so-called **Job Description** as well as the filing of an **Evaluation Form** relating to both technical and transversal skills. The Evaluation Form is filled out, through the inclusion of a score and of supplementary notes, by the department head and by the HR department for non-apical employees, whereas the evaluation of apical employees is delegated to the CEO and to the HR Director.

The Supervisory Body, in coordination with the relevant corporate functions, analyzes the specific candidate evaluation system at the selection stage prepared by the Company on the basis of corporate needs and in compliance with the provisions under Legislative Decree 231/2001.

5.2 Information of personnel

For the purposes of the effectiveness of this Model, it is the Company's goal to ensure proper dissemination and knowledge of the rules of conduct contained therein to the resources already present in the company and to those to be hired, with different degrees of depth in relation to the different level of involvement of those resources in activities at risk.

The ongoing information and training system is supervised and integrated by the activity carried out in this field by the Supervisory Body, which oversees the activity by working in collaboration with the company functions and the heads of the departments involved from time to time in the application of the Model.

This Model is communicated to all resources which are present in the Company at the time of its adoption. To this end, a hard copy of the Model and of the Ethical Code is posted on the Company bulletin board and a digital copy of the Ethical Code is posted on the Company website.
As for the digital distribution system in the Company with provision for collecting confirmations of acknowledgement and reading from all recipients, the company is implementing the new Digital HR Management platform, which will allow for a direct and instant channel between Company and employee.

The existence of the folder will be communicated to new hires who will also receive a hard copy of the Code.

The Model will be the object of the training activity described in the next paragraph.

5.3 Training

Training activity, aimed at disseminating knowledge of the regulations set forth in Legislative Decree 231/2001, is differentiated based on its content and on delivery methods according to the qualification of the addressees, of the risk level of the area in which they work, and of the representative functions fulfilled for the Company.

The various corporate functions must:

- draw up a periodic update program to be shared with Ecopol's Supervisory Body, which should include, in accordance with the Model, a specific plan for executive personnel and subordinate personnel;
- prepare a schedule to be communicated, together with the summary content of the program, to the SB.

Conversely, the SB will inform the various company functions about:

- any changes in the relevant regulatory framework such to require supplementary training;
- the need for additional training resulting from the detection of errors or deviations from the correct execution of operating procedures applied to the so-called "sensitive activities".

6. DISCIPLINARY AND SANCTIONING SYSTEM

6.1 General principles

Pursuant to Articles 6, par. 2, lett. e), 4, lett. b), and 7 of Legislative Decree 231/2001, the organization, management and control models, whose adoption and effectiveness (together with the other situations provided for in the aforementioned Articles 6 and 7) is the prerequisite for the Company's exemption from liability in the event of the commission of the crimes referred to in the Decree, can only be considered effectively implemented to the extent they provide for a disciplinary system suitable for sanctioning the non-compliance with the measures indicated therein.

Such disciplinary system must be addressed both to employees and third parties acting on behalf of or with the Company, providing for appropriate disciplinary sanctions for the first, and contractual sanctions for the latter.

The application of disciplinary sanctions is irrespective of the initiation or outcome of any criminal proceedings, since the Organizational Models and internal procedures constitute binding rules for the addressees, the violation of which must, in order to comply with the provisions of the aforementioned Decree, be sanctioned regardless of the actual commission of an offence or of the fact that the same can be punished. The principles of timeliness and immediacy of the sanction make it not only unnecessary, but also not advisable to delay the application of the disciplinary sanction pending the criminal trial.

6.2 Sanctions against employees and managers

This Model constitutes to all intents and purposes a company regulation, as an expression of the employer's power to provide instructions for the execution and discipline of work and, as it is available in an area accessible to all, will also constitute Ecopol's disciplinary code. The Company's disciplinary regulation (so-called **Corporate Disciplinary Regulation**), adopted in accordance with the current provisions of law (including R.D. January 8, 1931, No. 148) and of the collective national and territorial bargaining agreements applied in the industry, is supplemented based on the provisions set forth below.

The addresses of this regulation are therefore obliged to fulfill all the obligations and prescriptions contained herein and to conform their behavior to the conduct described herein.

The following shall constitute a disciplinary violation for the employee or the manager of the Company:

a. the missed, incomplete or untrue documentation of the activity performed, as prescribed, in particular, for the activities at risk;
b. the failure to document, store and control the acts and activities required by the Control Protocols with the aim of hindering the transparency and verifiability of the same activities;
c. the hindering of controls, the unjustified hindrance of access to information and documentation opposed to those in charge of controlling procedures and decisions, including the Supervisory Body, or other conduct suitable for the violation or circumvention of the control system, such as the destruction or alteration of the documentation provided for by the Model;

d. the omission or violation, even if isolated, of the protocols and requirements of the Model aimed at ensuring health and safety on the workplace;
e. repeated and unjustified violation of other protocols of the Model (e.g., non-compliance with the prescribed procedures, failure to notify the Supervisory Body about the required information, failure to carry out controls, adoption of behaviors which are not in compliance with the requirements of the Model itself).
f. breach of duties of confidentiality, failure to establish reporting channels, adoption of reporting procedures that do not comply with the provisions of the Decree, retaliatory conduct against whistleblowers or the hindering (even if only attempted) of reporting.

The disciplinary sanction, graduated according to the seriousness of the breach, is applied to the employee or manager, including upon the report and request of the Supervisory Body, in accordance with applicable law and contracts.

The type and extent of each of the above-mentioned sanctions must take into consideration the principles of proportionality and adequacy with respect to the violation alleged; these sanctions will therefore be applied taking into account:

- the intentionality of the behavior (in case of willful misconduct) or the degree of negligence, imprudence or incompetence with regard to the foreseeability of the event (in case of negligence);
- the relevance of the obligations which have been breached;
- the overall behavior of the employee, with specific reference to the existence of disciplinary records, to the extent permitted by law;
- the level of hierarchical and/or technical responsibility of the persons involved in the contested acts;
- the actual or potential consequences for the Company;
- other special circumstances accompanying the disciplinary violation;
- the actual commission of an intentional or culpable offence as a result of the violation of a protocol or of a procedure.

For the purpose of aggravation (or mitigation) of the sanction, the following elements are also considered:

- professionalism, previous job performance, disciplinary records, circumstances under which the act was committed;
- behavior immediately following the act, with particular reference to any active repentance;
- possible commission of multiple violations within the same conduct, in which case the sanction provided for the most serious violation will be applied;
- possible involvement of more than one person in the commission of the violation;
- possible recidivism of the perpetrator.

The application of the sanctions indicated in the following points shall in any case be without prejudice to the right of the Company to act against the responsible party in order to obtain compensation for all damages suffered due to or as a result of the conduct ascertained.

The application by the Company of the disciplinary sanctions will take place in compliance with the procedures provided for in Article 7 of Law No. 300 of May 30, 1970 (so-called Statute of Workers) and any special regulations in force: these are the sanctions provided for in the sanctioning system set forth in the current CCNL applied by the Company. By way of example:

1. **verbal** or **written reprimand will be imposed onto** the employee in response to actions or omissions of minor entity committed by disregarding the internal procedures set forth in this Model (for example, to the employee not complying with the prescribed procedures, failing to notify the Supervisory Body of the prescribed information, failing to perform its control function, including on subjects subject to its direction, etc..) or adopts, in the performance of activities in the areas at risk, a behavior that does not comply with the requirements of the Model itself, as such behaviors constitute a violation of the prescriptions communicated by the Company;

2. a **fine** will be imposed onto the employee who repeatedly disregards the internal procedures set forth in this Model or repeatedly adopts, in the performance of activities in the areas at risk, a behavior that does not comply with the prescriptions of the Model itself, even before such failures have been individually ascertained and challenged, as such behaviors constitute a repeated disapplication of the prescriptions communicated by the Company;

3. a **suspension from service and pay** will be imposed onto the employee who, by disregarding the internal procedures provided for by this Model or adopting, in the performance of activities in the areas at risk, a behavior that does not comply with the prescriptions of the Model itself, performs acts that expose the Company to an objective danger or acts in a way contrary to the interest of the Company causing damages, as such conduct causes a damage or a situation of danger to the integrity of the Company's assets or is contrary to its interests as resulting from the failure to comply with the prescriptions communicated by the Company;

4. **dismissal with notice** will be adopted against the employee who adopts, in the performance of activities in the areas at risk a behavior that does not comply with the prescriptions of this Model and that leads to the commission of an offence under the Decree, as such behavior causes a considerable harm or a situation of considerable prejudice;

5. **dismissal without notice** will be adopted against the employee who adopts, in the performance of activities in the areas at risk, a behavior in clear violation of the prescriptions of this Model and such as to determine the actual application against the Company of the measures provided for in the Decree, as such behavior entails the performance of acts such as to radically undermine the Company's trust, or the occurrence of the shortcomings referred to in the preceding points, thereby causing a serious prejudice to the Company.

6.3 Measures against collaborators, suppliers, business partners and consultants

Any conduct performed by the Company's collaborators, suppliers, business partners and consultants in violation of the provisions of the Decree or of the Ethical Code may result in the application of penalties or, in the case of serious breaches, in the termination of the contractual relationship, without

prejudice to any claim for compensation if such conduct results in damages to the Company, even though independently of the aforementioned termination of the relationship.

To this end, it is required that contracts entered into by the Company with third parties contain explicit reference to the existence of the Model and of the Ethical Code as well as specific clauses by which the third party acknowledges its awareness of the Model, of the Ethical Code and of the Decree. The third party (as well as its employees and collaborators) will also explicitly undertake the commitment to refrain from conducts likely to give rise to the offences set forth in the Decree and to adopt appropriate control systems, regardless of whether the offence is committed and of whether it is punishable. These clauses must necessarily discipline the consequences in case of violation of the provisions contained therein, including, for example, the possibility for the Company to terminate the relationship as a result of any failure by the aforementioned subjects to comply with the requirements of the Model itself or of the Ethical Code.

6.4 Measures against Directors, Statutory Auditors and the Accountant

Significant violations of the relevant prescriptions of the Model committed by persons holding, or de facto holding, representative, administrative or management positions in the Company or in one of its organizational units with financial and functional autonomy, or performing control or auditing functions in the Company, shall be reported by the Supervisory Body to the Board of Directors for the necessary decisions and, for information, to the Board of Statutory Auditors or to the equivalent body, if any.

Breach of duties of confidentiality, failure to establish reporting channels, adoption of reporting procedures that do not comply with the provisions of the decree, retaliatory conduct against whistleblowers or hindering (even if only attempted) reporting are also considered significant violations of the requirements of the Model.

7. WHISTLEBLOWING

7.1 Premise

The adequacy and effectiveness of the Code of Ethics and the Model depend, among other things, on the existence of an effective system for detecting unlawful conduct and violations that allows any transgressions to be brought to light.

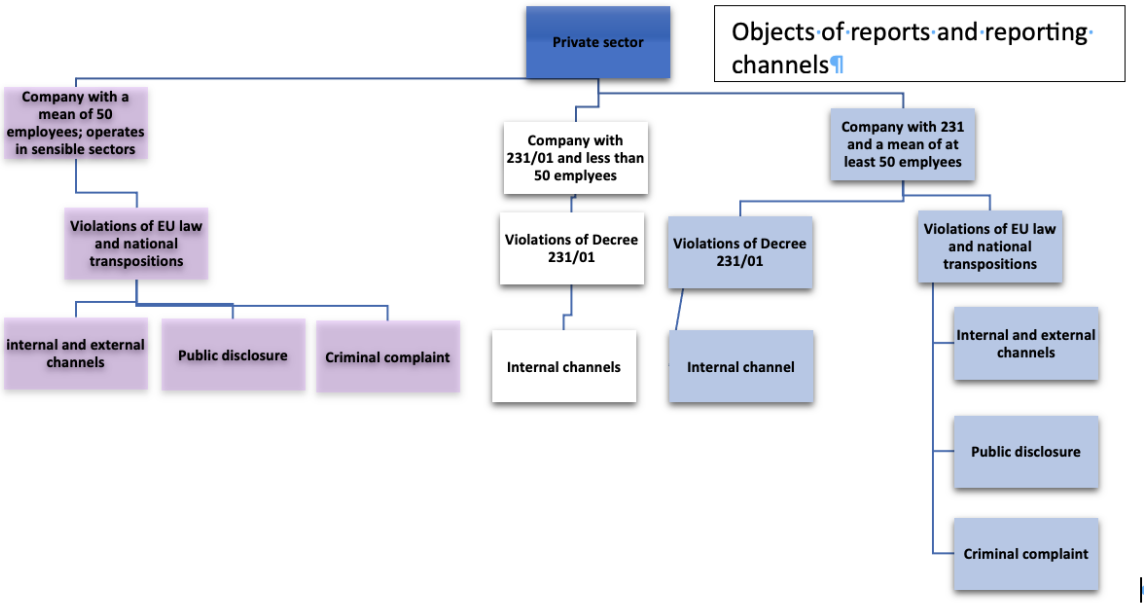
The first implementation of this aspect was provided by Law 179/2017 on provisions for the protection of the authors of reports of crimes or irregularities they have become aware of in the context of a public or private employment relationship (so-called whistleblowing), and was most recently expanded by Legislative Decree 24/2023, by which Italy implemented Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union law and on provisions concerning the protection of persons who report breaches of national laws and regulations.

In more detail, Legislative Decree 24/2023 stipulates that the Model must contain provisions regarding, among other things:

a. internal reporting channels;
b. external reporting channels;
c. the prohibitions of retaliation;
d. the provision of an appropriate disciplinary system to punish non-compliance with the measures indicated in the Model.

According to the recent reform, companies are generally required to equip themselves - depending on their size, their public or private nature and whether they have adopted an organizational Model - with appropriate tools to collect reports, including anonymous ones, coming from inside or outside the company and relating to facts that could integrate the commission of administrative, accounting, civil or criminal offenses, unlawful conduct relevant under Legislative Decree 231/2001, violations of the organizational Model, acts or omissions that harm the financial interests of the European Union or concerning the internal market.

The scope of the object of the report varies depending on the type of subject involved. With specific reference to the private sector, the regulations were summarized by the Guidelines for External Reporting adopted by ANAC (National Anti-corruption Authority) on July 12, 2023 according to the following outline:



Given the private nature of the Company and the presence of at least 50 employees, Ecopol is therefore required to implement an internal channel for reports relating not only to violations of Legislative Decree 231/2001 and this Organizational Model, but also to violations of EU law and national implementing legislation[6]. An external channel is also established at ANAC (National Anti-Corruption Authority) for reporting the latter violations, and in such cases the reporter may also resort to public disclosure or criminal complaints.

Form and content of the report

Reports may be made in written form (including by electronic means) or in oral form.

A report means any communication, even anonymous, having as its object the description of conduct (comissive or omissive), referable to the members of the administrative and control bodies, personnel (managers, executives and employees) and third parties, with respect to which there is reasonable suspicion or awareness that it is illegal or carried out in violation of the Code of Ethics, the Model, internal company regulations or compliance procedures and/or standards relevant under Legislative Decree 231/2001, as well as violations of EU law and national transposing legislation.

Reports must be substantiated and based on factual, precise and concurring elements.

Subjects of the discipline

It is incumbent on all members of the Company, both senior and non-senior, and on third parties acting, in any capacity, on behalf of or in the interest of the Company, to report violations, even if only "suspected", of the Code of Ethics, the Model and operating procedures of which they become aware, as well as violations of EU law and national implementing legislation.

[6] These *violations* are defined in Article 2 paragraph 1 letter a) nos. 2-6 of Legislative Decree 24/2023.

Protected subjects

The whistleblowing provisions protect the following subjects:

- employees of the Company;
- self-employed workers and holders of a collaborative relationship who perform their work activities for the Company;
- workers and collaborators who perform their work activities at entities that provide goods or services or perform works in favor of the Company;
- freelancer professionals and consultants who perform their activities for the Company;
- any volunteers and trainees, paid and unpaid, who perform their activities at in the Company;
- persons with functions of administration, management, control, supervision or representation of the Company, even if such functions are exercised on a de facto basis, such as members of the Board of Directors, Board of Statutory Auditors and Supervisory Board.

The protection of reporting persons referred to in the preceding point also applies:

- when the legal relationship does not yet appear to have begun, if information on violations was acquired during the selection process or other pre-contractual stages;
- during the trial period;
- after the dissolution of the relationship, if the information on violations was nevertheless acquired during the course of the said relationship.

The protective measures provided for in this paragraph shall also apply:

- to facilitators, understood as the natural persons who assist a reporting person in the reporting process, operating within the same work context and whose assistance must be kept confidential;
- to persons in the same work context as the reporter or related to them by a stable emotional or family relationship within the fourth degree;
- to co-workers of the reporter who have a regular and current relationship with the reporter;

7.2 Internal reporting channel

Designation of the Whistleblowing Officer

According to legislative mandates, the management of the internal reporting channel must be entrusted to a dedicated autonomous internal person or office with specifically trained personnel to manage the reporting channel, or to an autonomous external person with specifically trained personnel. As also recognized by the ANAC Guidelines of July 12, 2023, this function can also be held by the SB.

The Company identifies the person responsible for the establishment, implementation, management, and monitoring of the internal whistleblowing channel (hereinafter "**Whistleblowing Officer**") in the person of the sole member of the monocratic Supervisory Board, lawyer Elio Giannangeli.

Establishment of the whistleblowing channel

The Company adapts its whistleblowing channel to the standards prescribed by current regulations, to make it accessible not only to employees but also to all additional parties, such as suppliers and acquired or potential customers, as well as to ensure the confidentiality of the identity of the whistleblower, the person mentioned in the report and the contents thereof, in the terms detailed below.

Reports can be made in the following ways:

- written

a. by e-mail to the e-mail address in exclusive use of the Whistleblowing Officer (having a different domain from that of the Company): giannangeli@gecleg.it

- orally

a. at the request of the whistleblower by means of a meeting with the Whistleblowing Officer, who is required to document the interview by recording it on a device suitable for storage and playback, subject to the consent of the whistleblower, or by minutes.

All references to the reporting channel adopted are published on the Company's website.

Handling of whistleblowing reports

According to the provisions of Article 5 of Legislative Decree 24/2023, once the report is received, the Whistleblowing Officer:

a. issues an acknowledgement of receipt to the whistleblower within seven days of receiving the report;
b. maintains communication with the whistleblower and, if necessary, requests integrations from the whistleblower;
c. diligently follows up on the reports received;
d. provides an answer regarding the report within three months from the date of the notice of receipt or, in the absence of such notice, within three months from the expiration of the seven-day period from the submission of the report.

With specific reference to point c), the Whistleblowing Manager assesses, also on the basis of a documentary analysis, the existence of the prerequisites for the initiation of the subsequent investigative phase, resulting in:

- initiation of the investigation-phase;
- closure of the report, with specific indication of the motive (e.g. generic report, not adequately substantiated, manifestly unfounded, referring to facts already subject to in-depth investigation, concerning mere suspicions or news reported exclusively by third parties, etc.).

Reports closed as manifestly unfounded, even if anonymous, are forwarded to the Human Resources Department for the purpose of activating any appropriate initiative, in particular so that it can assess

whether they were made for the sole purpose of harming the reputation or damaging or in any case cause harm the person and/or the Company reported.

Conduction of the investigation

During the investigation phase, the Whistleblowing Officer:

- proceeds to carry out in-depth investigations and specific analyses aimed at verifying the grounds for the circumstances reported;
- reconstructs the management and decision-making processes followed on the basis of the documentation and additional elements;
- requests any integrations or clarifications from the whistleblower;
- acquires any information from the corporate structures concerned and the persons involved in the report, who may ask to be heard as well as produce written comments or documents;
- provides eventual guidance regarding the adoption of the necessary remedial actions aimed at correcting possible control deficiencies, anomalies or irregularities detected on the corporate areas and processes examined.

Except to the extent of manifest irrationality, assessments of merit or opportunity, discretion or technical-discretion of decision-making and management aspects made by the various corporate functions do not fall within the scope of the investigation's analysis.

Conclusion of the investigation

If the report is found to be well-founded, the Whistleblowing Officer notifies the reported person, which may, within thirty days, ask to be heard or submit written comments or documents.

The document contains:

- a judgment on the reasonable grounds/unfoundedness of the reported facts;
- the outcome of any investigative activities;
- any observations and indications regarding the necessary corrective actions to be taken;
- possible cases of criminal relevance;
- hypotheses of non-compliance with provisions, procedures or facts of relevance from a disciplinary or labor law perspective.

At the conclusion of each investigative activity, the Whistleblowing Officer prepares a report addressed to the Board of Directors for their appropriate evaluations.

Transmission of the report

Anyone who receives a report in any form is required to transmit the original, together with any supporting documentation, to the Whistleblowing Officer within seven days of receipt through the reporting channels described above and to give simultaneous notice of the transmission to the reporting party, if known.

The person receiving the report:

- is prohibited from retaining a paper copy of it;
- is obliged to delete any digital copies;
- is prohibited from taking any independent initiative to analyze or investigate the report;
- is obliged to maintain the confidentiality of the identity of the reporter, the persons involved or otherwise mentioned in the report, the content of the report and the related documentation.

Failure to communicate a report as well as violation of the obligation of confidentiality may result in the adoption of disciplinary measures under this Model.

Information and awareness-raising

To ensure the proper and efficient functioning of the whistleblowing system, it is necessary to promote a whistleblowing culture in the Company.

To this end, the Company provides, through appropriate training activities, to inform and raise awareness among employees about the whistleblowing system adopted, defining in a simple and understandable way the purposes and methods of using the internal channel.

Monitoring

In order to ensure that the system is always adequate and to maximize its function and efficiency, the Company provides for annual measurement of the performance rendered in the management of the reporting processes.

To this end, Ecopol is entitled to adopt a performance indicator, suitable for assessing the ratio between the number of active cases in the reference period, divided by type of offence, and the average time required to close the reporting management procedures.

7.3 External reporting channel

The whistleblower may make an external report in the cases provided for in Article 6 of Legislative Decree 24/2023 above cited, through the special channel activated by ANAC if, at the time of its submission, one of the following conditions is met:

a) the mandatory activation of the internal reporting channel is not foreseen within his or her work context or this channel, even if mandatory, is not active or, even if activated, does not comply with the provisions of Article 4;
b) the whistleblower has already made an internal report and it has not been followed up;
c) the whistleblower has reasonable grounds to believe that, if he or she made an internal report, the report would not be effectively followed up on or that the same report may result in the risk of retaliation;

d) the whistleblower has reasonable grounds to believe that the violation may pose an imminent or obvious danger to the public interest.

In order to allow access to this mode of reporting, a direct link to the dedicated ANAC page is published on the Company's website.

7.4 Public Disclosure

In the cases governed by Article 15 of Legislative Decree 24/2023, the whistleblower may also resort to the instrument of public disclosure, that is, making information about violations in the public domain through the press or electronic means or otherwise through means of dissemination capable of reaching a large number of people.

The whistleblower shall benefit from the protection under this paragraph if, at the time of public disclosure, one of the following conditions is met:

a) the reporting person has previously made an internal and external report, or has directly made an external report, under the conditions and in the manner provided for in this paragraph, and there has been no response within the stipulated time frame regarding the measures planned or taken to follow up on the reports;
b) the whistleblower has well-founded reason to believe that the violation may constitute an imminent or obvious danger to the public interest;
c) the whistleblower has a well-founded reason to believe that the external report may pose a risk of retaliation or may not be effectively followed up on due to the specific circumstances of the particular case, such as those where evidence may be concealed or destroyed or where there is a well-founded fear that the whistleblower may be colluding with the author of the violation or involved in the violation.

7.5 Confidentiality and protection of personal data

The internal reporting channel must ensure the confidentiality of the identity of the whistleblower and any other persons involved in the report, as well as the content of the report and related documentation.

Any processing of personal data must be carried out in compliance with Regulation (EU) 2016/679, Legislative Decree 196/2003 and Legislative Decree 51/2018. In any case, the report is exempt from access provided for by Articles 22 *et seq.* of Law 241/1990, as well as Articles 5 *et seq.* of Legislative Decree 33/2013.

The processing of personal data will be carried out by the Whistleblowing Officer as Data Controller for the sole purpose of implementing the procedures established in this Model and, therefore, for the proper management of the reports received.

A statement on the processing of personal data is published on the Company's website.

Reports may not be used beyond what is strictly necessary to follow up on them. For this reason, personal data manifestly not useful for the processing of a specific report is not collected or, if accidentally collected, is deleted immediately.

The Whistleblowing Officer oversees compliance with measures, of an organizational and technical nature, aimed at guaranteeing the confidentiality of the whistleblower and the integrity and confidentiality of the reported data; he also guarantees the security of the reporting channel in terms of confidentiality, integrity and availability of the information, both with respect to the reported data and to the identity of the whistleblower, even in the event that the report should subsequently prove to be erroneous or unfounded.

Any kind of threat, retaliation, sanction or discrimination against the whistleblower and the reported person or those who have cooperated in the activities of ascertaining the merits of the report is not tolerated.

Without prejudice to legal obligations, the identity of the whistleblower and any other information from which the identity of the whistleblower may be inferred, directly or indirectly, may not be disclosed, without the whistleblower's express consent, to persons other than those responsible for receiving or following up the reports, who are expressly authorized to process such data pursuant to Articles 29 and 32 paragraph 4)of Regulation (EU) 2016/679 and Article 2 *quaterdecies* of Legislative Decree 196/2003.

For the pursuit of these objectives, the Whistleblowing Manager carries out an annual risk analysis regarding the protection of personal data, also considering the time limit of five years, starting from the communication of the outcome of the procedure, for the preservation of the reported data.

The identity of the whistleblower and any other information from which such identity may be inferred, directly or indirectly, may be disclosed only with the express consent of the whistleblower:

- within the framework of disciplinary proceedings, if the charge appears to be founded on the basis of the report and knowledge of the identity of the whistleblower is indispensable for the defense of the accused;
- within the framework of the proceedings established as a result of the report, if the disclosure of the identity of the whistleblower or any other information from which such identity may be inferred, directly or indirectly, appears indispensable also for the defense of the person involved.

The reasons for the disclosure of confidential data shall be communicated to the whistleblower in advance in writing.

In any case, the obligation to protect the reporter may be overcome if:

- the whistleblower gives express consent to the disclosure of his or her identity;
- criminal liability of the whistleblower for the crimes of slander or defamation or otherwise for crimes committed with the report, or his civil liability in cases of willful misconduct or gross negligence, has been established by a judgment of first instance;

- anonymity is not enforceable by law and the identity of the reporter is required by the Judicial Authority.

Violation of the obligation of confidentiality may result in the imposition of administrative fines by ANAC[7], as well as the adoption of disciplinary measures under this Model against the person concerned.

7.6 Prohibition of retaliation

Retaliatory acts, which are to be understood as any behavior, act or omission, even if only attempted or threatened, undertaken by reason of the report, that causes or may cause the whistleblower, directly or indirectly, unfair harm, are prohibited.

Any retaliatory acts taken by reason of the report shall be null and void, and persons who have been dismissed because of the report shall be entitled to be reinstated in their jobs.

The Company shall take appropriate action against anyone who carries out or threatens to carry out acts of retaliation against those who have made reports in accordance with the prescriptions set forth in this Model, without prejudice to the right of the persons entitled to legal protection if criminal or civil liabilities related to the falsity of what has been declared or reported have been found against the whistleblower.

Without prejudice to the exclusive competence of ANAC regarding the possible application of administrative sanctions under Article 21 of Legislative Decree 24/2023, the Company may take the most appropriate disciplinary and/or legal measures to protect its rights, assets and image, against anyone who in bad faith has made false reports that are unfounded or opportunistic and based on the sole purpose of defaming or causing prejudice to the reported person or other persons mentioned in the report.

7.7 Sanctions

The disciplinary system provided by this Model also applies to those responsible for retaliation, obstruction (even if only attempted) of reports, breach of confidentiality duties, failure to establish reporting channels, adoption of reporting procedures that do not comply with the provisions of Legislative Decree 24/2023.

The whistleblower may also notify ANAC of the retaliation he or she believes he or she has suffered, and the latter, in the cases indicated in the previous points, is obliged to apply the following administrative pecuniary sanctions to the person responsible:

[7] To this end, a list of Third Sector entities that provide whistleblowers with support measures is established at ANAC and published on its website. These support measures consist of information, assistance and advice given free of charge on how to report and on protection from retaliation, the rights of the person involved and the terms and conditions of access to legal aid.

- from 10,000 to 50,000 euros, when it ascertains that retaliation has been committed, that the report has been obstructed or that an attempt has been made to obstruct it, or that the duty of confidentiality has been violated;
- from 10,000 to 50,000 euros, when it ascertains that reporting channels have not been established, that procedures for making and handling reports have not been adopted, or that the adoption of such procedures does not comply with the regulations in force, as well as when it ascertains that the activity of verification and analysis of the reports received has not been carried out;
- from 500 to 2,500 euros, in the cases referred to in Article 16, paragraph 3 of Legislative Decree 24/2023, unless the whistleblower has been convicted, even at first instance, for the crimes of defamation or slander or otherwise for the same crimes committed with the report to the judicial or accounting authority.