

INDEX

1.	OVERVIEW.....	2
1.1	Premise.....	2
1.2	Whistleblowing: regulatory sources and nature of the institution.....	2
1.3	Purpose and scope.....	3
2.	METHODOLOGY.....	3
2.1.	Subject of the report.....	3
2.2.	Reporting agents.....	4
2.3.	Recipient of the report.....	4
2.4.	Contents of the report.....	4
2.5.	Submitting and managing reports.....	5
3.	EVALUATING THE TRUTHFULNESS OR VALIDITY OF THE REPORT.....	6
3.1.	Reports sent to the Chairman of the Board of Statutory Auditors.....	6
	Preliminary review.....	6
	Preliminary investigation.....	6
	Concluding the process.....	7
	Retention of records.....	7
4.	SAFEGUARDS FOR THE PROTECTION OF THE WHISTLEBLOWER.....	8
4.1.	Statutory obligations guaranteeing confidentiality on the identity of the whistleblower and removal of the right to access the report.....	8
4.2.	Prohibition of direct and indirect discriminatory or retaliatory actions against the whistleblower for reasons related directly or indirectly to the report.....	8
4.3.	Disclosure by the whistleblower of information covered by an obligation of official, corporate, professional, scientific and industrial secrecy.....	9
4.4.	Liability of the whistleblower.....	9
5.	TRAINING.....	10
6.	FINAL PROVISIONS.....	10

1. OVERVIEW

1.1 Premise

On 14 December 2017, Law No. 179/2017 was published in the Official Gazette No. 291 concerning provisions for the protection of whistleblowers who report crimes or misconduct of which they become aware in the context of private or public employment. (“ Whistleblowing”).

Furthermore, on 26 November 2019, Directive (EU) 2019/1937 was published in the Official Journal of the European Union, and entering into force on 16 December 2019, on “the protection of persons who report breaches of Union law”. This Directive sets out to create an efficient and effective system of protection for whistleblowers aimed at preventing and detecting violations of EU law that can result in serious harm to the public interest and welfare of the society in which they work.

1.2 Whistleblowing: regulatory sources and nature of the institution

This procedure describes the process for complying with the regulatory framework imposed by Law No. 179 of 30 November 2017 on “*Provisions for the protection of whistleblowers who report crimes or misconduct of which they become aware in the context of private or public employment*”, which effectively introduces the notion of **whistleblowing** and amends Article 6 of Legislative Decree No. 231/2001, providing:

- a) *one or more channels that allow the parties indicated in Article 5, paragraph 1, clauses a) and b) to make, as protection of the entity’s integrity, detailed reports of unlawful conduct relevant pursuant to this Decree based on specific and consistent evidence, or of violations of the entity’s Organization and Management Model, of which they became aware due to the functions performed; such channels must guarantee the **confidentiality of the identity of the whistleblower** during the activities managing the report;*
- b) *at least one alternative reporting channel suitable for guaranteeing, **by electronic means, the confidentiality of the identity of the whistleblower**;*
- c) *the **prohibition of direct or indirect retaliatory or discriminatory acts against the whistleblower** for reasons that are directly or indirectly related to the report;;*
- d) *sanctions in the disciplinary system used in accordance with paragraph 2, clause e) against anyone who violates the measures of protection for the whistleblower, and anyone who makes **groundless reports with malice or grave negligence**.*

1.3 Purpose and scope

The purpose of this procedure is to remove factors that may hinder or discourage recourse to the institute, such as doubts and uncertainties about the procedure to be followed and fears of retaliation or discrimination, by guaranteeing a working environment in which employees and collaborators can openly report any unlawful conduct within the company.

With this in mind, the objective pursued by this procedure is to provide the whistleblower with clear operational indications on the subject, content, recipients and means of transmission of reports, as well as on the forms of protection offered to him/her under Italian law.

In an effort to fulfill the primary purpose of facilitating, simplifying and strengthening whistleblowing, Effepierre S.p.A. has made available to the whistleblower a new, dedicated and highly secure IT platform that can be used, at the user's choice, to submit reports.

A practical tutorial and user instructions for the above-mentioned IT platform ("*Tip-Off*") are available at the following link: https://enet.tip-off.it/?trk=organization-update_share-update_update-text.

2. METHODOLOGY

2.1. Subject of the report

The reports submitted through the IT platform (*Tip-Off*) shall solely address (even alleged) violations and irregularities pertaining to the company's activities or individual conduct, such as, for example:

- Unlawful behavior covered by Legislative Decree 231/2001;
- Violations of the Company's Organization, Management and Control Model, its Code of Ethics or Preventive Protocols that may result in the risk of sanctions being levied against the Company;
- Dishonest, fraudulent, inappropriate, illegal or negligent activities or behavior by employees, directors, appointees, suppliers or anyone who has dealings with the company.

Reports must be substantiated, refer to unlawful conduct relevant for the purposes of the Decree, and based on precise and consistent factual elements, of which the reporting agent has become aware by reason of the functions carried out within the Company, in the performance of his/her duties.

The Chairman of the Board of Statutory Auditors is open to discuss with employees any details and guidance on the regulations under review and, also, to provide the whistleblower with any useful information so that (s)he can actually follow through with reporting any wrongdoing.

Reports should be made selflessly and in good faith. Therefore, the whistleblower should not use the institution in question for mere personal purposes or make work-related claims against hierarchical superiors, for which (s)he will need to refer to the internal policies and procedures within the competencies of other bodies or offices.

2.2. Reporting agents

Any reporting covered by this procedure may be made by persons employed by the Company, whether in senior positions or subordinates, or by third parties. More specifically, reporting agents may be:

- a) persons performing representative, administrative or management functions in the Company or one of its organisational units having financial and functional autonomy, as well as persons who, de facto or otherwise, manage and control the Company;
- b) persons under the direction or supervision of any of the subjects indicated in letter a);
- c) partners, customers, suppliers, collaborators, associates and, more generally, anyone sharing interests with Effepierre S.p.A. ("Third Parties").

The *Compliance* Officer shall identify the most appropriate initiatives to ensure the maximum dissemination of this regulation and the proper implementation of its contents.

2.3. Recipient of the report

The Chairman of the Board of Statutory Auditors, as the controlling body of the company, will be the recipient of reports of wrongdoing provided for in this procedure. .

The Board will receive the reports, assess whether they are admissible or fail to meet the requirements for proceeding with a more in-depth analysis, keep the whistleblower updated on the progress and outcome of the reports, and inform the Board of Directors periodically, and in any case no later than at the end of each calendar half-year, of all reports received.

The Board of Statutory Auditors shall strive to handle the reports in full compliance with the statutory protections afforded to the whistleblower.

In the event of wrongdoing confirmed by the Board of Statutory Auditors, it shall fall upon the Board of Directors, being the Body exclusively delegated to take action, to restore the integrity of the Company, including through the imposition of disciplinary measures where deemed appropriate.

2.4. Contents of the report

The whistleblower must provide all the elements useful to allow the Chairman of the Board of Statutory Auditors to proceed with all due and appropriate checks and verifications to confirm the truthfulness of the facts being reported.

Reports will be taken into consideration only if adequately detailed and substantiated; also, they must be based on precise and consistent factual elements as well as be devoid of expressly instrumental or emulative purposes and of defamatory, libellous or slanderous attitudes.

To this end, the report should preferably contain the following elements:

- personal details of the person filing the report, stating the position or function within the company (generally, anonymous reports shall not be taken into consideration, unless they are adequately detailed and substantiated, which means that they must show facts and situations connected to specific contexts);
- a clear and complete description of the facts to be reported;
- if known, the circumstances of when and where such facts reportedly occurred;
- if known, the personal details or other useful elements (such as the company role and the department in which the activity is carried out) which allow to identify the person(s) who allegedly was/were party to the facts reported;
- the indication of any other persons who may provide evidence on the facts being reported;
- the indication of any documents that can confirm the truthfulness of these facts;
- any other information that can provide useful insights into the existence of the reported facts.

2.5. Submitting and managing reports

Reports must be sent through the specific IT platform (Tip-Off) made available by the Company. All reports received through this channel are managed in accordance with procedures that guarantee the confidentiality of the identity of the reporting agent in the management of the report.

Any user with a device (pc, tablet, smartphone) connected to the internet can easily file a report by entering this url: <https://effepierre.tip-off.it>.

Tip-Off is, in fact, a whistleblowing management software that allows users to report wrongdoing in complete confidentiality.

The reporting agent will be able to access the relevant "File Reports" ("*Segnalazioni*") page on the IT platform without needing to enter access credentials or other data and decide which information to send to the system. Under no circumstances, will this information be stored in the browser during the session; also, no trace of any user activity will be logged, and this will apply to the local computer as well to the "Tip-Off" servers.

Through the IT platform, the user can send the report to the Chairman of the Board of Statutory Auditors.

Once the report is sent, the system generates a link and a password which the reporting agent must save, and keep safely, in order to effectively monitor the progress status of the filed report (its acceptance and subsequent management).

3. EVALUATING THE TRUTHFULNESS OR VALIDITY OF THE REPORT

The reporting management process is outlined below.

3.1. Reports sent to the Chairman of the Board of Statutory Auditors

Preliminary review

All the reports sent will be subject to a preliminary review by the Chairman of the Board of Statutory Auditors so as to verify the presence of data and information which may be needed to fully assess the validity of the report itself.

Once the preliminary review has been completed, and there has been found to be a lack of sufficiently detailed elements or, in any case, the facts referred to in the report should appear to be groundless, then the report shall be filed away, along with the reasons for its dismissal. The Board of Statutory Auditors will promptly inform the reporting agent of the dismissal of the report. Furthermore, in the event that the Board of Statutory Auditors should regard the whistleblower's claim as clearly unfounded and driven by willful misconduct or gross negligence, they may notify the Board of Directors at their own discretion.

On the other hand, once the preliminary review has been completed, and a need for further enquiries emerges, the Board of Statutory Auditors will involve the Departments concerned (whilst guaranteeing the confidentiality of the whistleblower at all times), and undertake to notify the Board of Directors in any case. If the reports should pertain to or concern the majority of the Directors and/or their Chairman, the Chairman of the Board of Statutory Auditors shall refrain from informing the Board of Directors at this preliminary stage.

The Chairman of the Board of Statutory Auditors will update the whistleblower of the handling of the report upon initiating the preliminary investigation.

The entire information flow and any exchange of correspondence and documentation will be managed digitally by the IT platform in order to guarantee the confidentiality of the whistleblower.

Preliminary investigation

Insofar as each report that has passed the preliminary review, should the findings reveal useful and sufficient elements, or details which in any case could be inferred, to ensure a fair and correct evaluation as to the validity of the report itself, without prejudice to the reported person's right of defense, the Board will proceed to:

- a) initiate specific, detailed reviews, possibly involving the corporate functions involved in the report;
- b) close the investigation at any time if, at any point during the investigation, the basis of the report has been established as groundless;
- c) draw upon technical advice from independent external experts, if necessary.

During the preliminary investigation, the Chairman of the Board of Statutory Auditors may ask the reporting agent for clarifications and more evidence to corroborate the claims made in the report.

The Chairman of the Board of Statutory Auditors will be able to draw upon the support and collaboration of the relevant company resources, in particular by requesting to carry out specific audits, and being also able, in agreement with the company, to request the assistance of external consultancies if necessary.

The corporate departments involved in the verification process will guarantee their full and timely collaboration and, just as the Chairman of the Board of Statutory Auditors, they will also be bound by the same duties to ensure the process follows the principles of confidentiality and impartiality.

It is up to the Chairman of the Board of Statutory Auditors to evaluate the best practices and methods to be used in the verification process, choosing the approach deemed most effective in relation to the nature of the event and the existing circumstances (interviews, documentary review, site inspections, technical advice, research on public databases, testing company equipment, etc.).

It will be the duty of the Chairman of the Board of Statutory Auditors to keep the whistleblower updated on the expected timing of the investigation and on the deadline for concluding the process.

Concluding the process

Upon completion of the preliminary investigation, the Board will inform the Board of Directors by issuing a final report. On the basis of this document, the Administrative Body may:

- a) consult with the head of department of the employee against whom the report has been filed and decide any possible "action plans" necessary for implementing the relevant control procedures; also, in an effort to ensure the enforcement of the relevant implementation activities put in place;
- b) Consult with the department concerned and agree on any steps to be taken to protect the Company's interests (e.g., legal action, suspension/cancellation of suppliers),
- c) Request that disciplinary proceedings be initiated against the whistleblower in the case of reports wherein the whistleblower's bad faith and/or merely defamatory intent is established, possibly also as evidenced by the baselessness of the claim stated in the report itself.

In the event that the report filed affects the majority of the members of the Board of Directors, the Chairman of the Board of Statutory Auditors will consider what action best to take.

Retention of records

In order to guarantee the effective management and traceability of the reports and related activities, the Chairman of the Board of Statutory Auditors will ensure that all supporting documentation related to the report shall be retained for a 2-year period from receipt of the report; alternatively, if the report involves facts and events that may substantiate the case for disciplinary wrongdoings and/or criminal offences, the data will be retained for a time equal to the applicable statute of limitation for the disciplinary wrongdoing and/or criminal offence.

4. SAFEGUARDS FOR THE PROTECTION OF THE *WHISTLEBLOWER*

4.1. Statutory obligations guaranteeing confidentiality on the identity of the whistleblower and removal of the right to access the report

The identity of the whistleblower cannot be disclosed and all those who receive or are involved in handling and processing reports undertake to safeguard the confidentiality of all information of any nature or content acquired carrying out such activities.

The violation of the confidentiality obligation will give rise to disciplinary liability, without prejudice to other forms of liability provided for by law.

In the context of criminal proceedings, the identity of the whistleblower is protected to the fullest extent permitted by the code of criminal procedure.

In disciplinary proceedings, the identity of the whistleblower may not be disclosed, where the allegation of the disciplinary charge is based on investigations that are separate and additional to the report, even if consequential to the report itself. If, on the other hand, the charge is based, in whole or in part, solely on the report and knowledge of the whistleblower's identity is essential for the accused party's defense, the report may be allowed for the purposes of disciplinary proceedings only if the reporting agent agrees to the disclosure of their identity; such consent must be given or acquired in writing (and, nonetheless, the reporting agent shall bear no negative consequences for the choice made, even in the case of refusal to disclose their identity).

4.2. Prohibition of direct and indirect discriminatory or retaliatory actions against the whistleblower for reasons related directly or indirectly to the report

With respect to an employee/collaborator who files a report under this whistleblowing procedure, no form of retaliation or discriminatory measure, whether direct or indirect, affecting the reporting agent's working conditions, for reasons directly or indirectly related to the reporting activity will be either allowed or tolerated.

Discriminatory measures are defined as: dismissal, disciplinary sanctions short of termination, transfer, demotion or change of duties, or other organizational measure having direct or indirect negative effects on working conditions.

In the event that measures deemed retaliatory may be taken, the reporting agent may pre-emptively notify directly the Chairman of the Board of Statutory Auditors, who will treat the information with due care and attention to protect the whistleblower.

However, it will be the Employer's responsibility to prove that any discriminatory or retaliatory measures adopted against the whistleblower are motivated by reasons wholly unrelated to the report itself. Discriminatory or retaliatory acts adopted on such a basis are null and void.

4.3. Disclosure by the whistleblower of information covered by an obligation of official, corporate, professional, scientific and industrial secrecy

A whistleblower's report/alert constitutes just cause for the disclosure of information covered by the obligation of secrecy under Articles 326 (Revelation and Use of Official Secrets), 622 (Revelation of Professional Secrets) and 623 (Revelation of Scientific or Industrial Secrets) of the Criminal Code and Article 2105 of the Civil Code (Duty of Loyalty).

This is without prejudice to the obligations of the professional with regard to the observance of professional secrecy.

When news and documents, which are communicated to the body appointed to receive them, are subject to company, professional or office secrecy, it is a violation of the relevant obligation of secrecy to disclose them in a manner exceeding the purposes of the elimination of the wrongdoing and, in particular, to disclose them outside the channel of communication specifically set up for this purpose.

4.4. Liability of the whistleblower

This procedure does not affect the criminal, civil and disciplinary liability of the whistleblower in the event of false and/or defamatory reporting.

In particular, the safeguards set out in this procedure are not guaranteed in cases where it is ascertained that false and/or defamatory reporting was made with willful misconduct or gross negligence. This fact is also a source of disciplinary responsibility.

Any forms of abuse, such as reports that are manifestly opportunistic and/or made for the sole purpose of harming the accused party or other persons and/or any other assumption of improper use or deliberate manipulation of the whistleblowing institution covered by this procedure are also a source of liability.

Reports that turn out to be untrue and/or made in bad faith and/or unfounded and/or constituting harassment to other employees will be filed away and the Chairman of the Board of Statutory Auditors will send all the investigative documentation to the Board of Directors, for the initiation of any disciplinary proceedings within its competence (without prejudice, in any case, to any legal consequences arising from the fact of having made untrue and/or defamatory reports), or for the termination of relations with customers and suppliers.

Without prejudice to the foregoing regarding any disciplinary measures of competence, if at the end of the procedure, the report, on the basis of the elements acquired, should be deemed groundless and fraudulently false, the Chairman of the Board of Statutory Auditors will reserve the right to make the records available to the accused party so as to afford them the right to protect their reputation.

Moreover, without prejudice to the foregoing regarding any disciplinary measures within its competence, if, at the end of the proceedings and on the basis of the elements acquired, the Chairman of the Board of Statutory Auditors should have evidence that the whistleblower's report also may constitute the crime of defamation and/or slander against the

accused party, and therefore will allow the latter, upon said request to that effect, to access the records of the completed internal investigation, in order to allow the accused party to exercise their rights.

The Company may protect itself in the event of criminal or civil wrongdoing committed by the whistleblower through the forms provided by law.

5. TRAINING

The Company promotes internal communication and information activities addressed to employees in order to ensure the widest knowledge and most effective application of the Whistleblowing system.

The sanctions that make up the disciplinary system are identified on the basis of the principles of proportionality and effectiveness, suitability to act as a deterrent and as fair punishment, taking into account the different qualifications of the persons to whom they apply (corporate officers, managers, employees or collaborators).

Disciplinary measures are adopted by the competent corporate bodies and functions by virtue of the powers conferred on them by the Articles of Association, corporate regulations, the Law and the applicable National Collective Labor Agreement (CCNL).

With particular regard to breaches of the Compliance Program (Model 231), the sanctioning system outlined in the Code of Ethics and the General Part of the Organizational Model will apply.

6. FINAL PROVISIONS

Violation of the obligations under this procedure configures disciplinary liability where, depending on the case, more serious offenses cannot be identified.

The whistleblowing procedure identified herein, as well as the type of safeguards for the whistleblower, will be subject to periodic review.