



Organisation, Management and Control Model
within the meaning of
Legislative Decree no. 231 of 8 June 2001
of Hitachi Vantara Italia S.r.l.

Approved by the Board of Directors Hitachi Vantara Italia S.r.l. a s.u. on July 28th, 2021

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GENERAL SECTION

1. ITALIAN LEGISLATIVE DECREE NO. 231/2001 AND RELEVANT LEGISLATION

1.1. THE SYSTEM OF ADMINISTRATIVE LIABILITY OF LEGAL PERSONS

Legislative Decree of 8 June 2001, no. 231 (hereinafter referred to as the "Decree" or "Legislative Decree 231/01") introduced into the Italian legal system a system of administrative liability for companies and associations with or without legal personality (hereinafter referred to as "Entities") for certain offences committed in their interest or to their advantage by:

- natural persons who hold positions of representation, administration or management of the Entities or of one of their organisational units with financial and functional autonomy, as well as natural persons who exercise, even de facto, the management and control of the Entities;
- natural persons subject to the direction or supervision of one of the parties indicated above.

The administrative liability of the legal person is in addition to the (criminal) liability of the natural person who committed the offence and both are subject to assessment during the same proceedings before the criminal court.

Before the Decree came into force, the principle of personal criminal liability laid down in Article 27 of the Constitution precluded the possibility of judging and possibly convicting Entities in criminal proceedings in relation to offences committed in their interest, as there could only be joint and several liability in civil proceedings for any damage caused by an employee or for the civil obligation deriving from the sentence to pay the fine of the employee in the event of his insolvency (Articles 196 and 197 of the Criminal Code).

The administrative liability of entities can result from the following types of offences:

- offences committed in the relations with the Public Administration (Articles 24 and 25 of the Decree);
- computer offences and illegal processing of data (Art. 24-*bis* of the Decree);
- organised crime offences (Art. 24-*ter* of the Decree);
- offences relating to forgery of money, legal tender, revenue stamps and identification instruments or signs (Art. 25-*bis* of the Decree);
- offences against commerce and industry (Art. 25-*bis.1* of the Decree);
- corporate offences (Art. 25-*ter* of the Decree);
- offences for the purposes of terrorism or subversion of the democratic order (Art. 25-*quater* of the Decree);
- mutilation of female genital organs (Art. 25-*quater.1* of the Decree);
- offences against the individual (Art. 25-*quinquies* of the Decree);
- market abuse offences (Art. 25-*sexies* of the Decree);
- offences of manslaughter or grievous or very grievous bodily harm committed in breach of health and safety regulations (Art. 25-*septies* of the Decree);
- receiving, laundering and using money, goods or benefits of illicit origin and self-laundering (Art. 25-*octies* of the Decree);
- offences related to copyright infringement (Art. 25-*novies* of the Decree);
- inducing people not to make statements or to make false statements to the judicial authorities (Art. 25-*decies* of the Decree);
- environmental offences (Art. 25-*undecies* of the Decree);
- employing third-country nationals who are in the country illegally (Art. 25-*duodecies* of the Decree);
- racism and xenophobia (Art. 25-*terdecies* of the Decree);
- offences of fraud in sporting competitions, unlawful gaming or betting and gambling using prohibited equipment (Art. 25-*quaterdecies* of the Decree);

- tax offences (Art. 25-*quinquiesdecies* of the Decree);
- smuggling offences (Art. 25-*sexiesdecies* of the Decree);
- transnational offences, introduced by Law no. 146 of 16 March 2006, "*The Act of ratification and execution of the United Nations Convention and Protocols against Transnational Organised Crime*"¹. Other offences may be included in the future by the legislator in Legislative Decree 231/01, with the consequent possible need to update this Model.

1.2. PENALTIES

The penalties provided for administrative offences dependent on the offence are:

- fines;
- disqualifications;
- forfeiture;
- publication of the ruling.

In particular, the disqualifications, with a duration of no less than three months and no more than two years (except for the cases of definitive disqualification referred to in article 16 of the Decree), refer to the specific activity to which the Entity's offence refers and consist of:

- disqualification from doing business;
- the prohibition of contracting with the public administration, except for obtaining the services of a public service;
- suspension or revocation of permits, licences or concessions functional to the commission of the offence;
- exclusion from aid, loans, grants or subsidies and possible revocation of those already granted;
- ban on advertising goods or services.

The disqualifications are applied in the cases mandatorily specified in the Decree only if at least one of the following conditions is met:

- 1) the Entity has derived a significant profit from the offence and the offence has been committed:
 - by persons in senior positions; or
 - by persons subject to the direction and supervision of others when the commission of the offence was caused or facilitated by serious organisational deficiencies;
- 2) in case of repeated offences.

The type and duration of the disqualifications are established by the judge, taking into account the seriousness of the offence, the degree of responsibility of the Entity, and the activities carried out by the Entity to eliminate or mitigate the consequences of the offence and to prevent further offences from being committed. Instead of applying the penalty, the judge may order the continuation of the Entity's business by a court-appointed administrator.

Disqualifications can be applied to the Entity as a precautionary measure, when there is serious evidence to believe that the Entity is responsible for committing the offence and there are well-founded and specific elements that make it appear that there is a concrete danger that offences of the same nature as the one being

¹ The underlying offences that are considered transnational offences are the following: criminal association (Art. 416 of the Criminal Code); mafia-type associations, including foreign ones (Art. 416-bis of the Criminal Code); inducement to not make statements or to make false statements to the judicial authorities (Art. 377-bis of the Criminal Code); criminal association for the purpose of smuggling foreign processed tobacco (Art. 291-quater of Presidential Decree no. 43 of 23 January 1973); association for the purpose of illicit trafficking in narcotic drugs or psychotropic substances (Art. 74 of Presidential Decree no. 309 of 9 October 1990); trafficking in migrants (Art. 12, paragraphs 3, 3-bis, 3-ter and 5 of Legislative Decree no. 286 of 25 July 1998); offence of personal aiding and abetting (Art. 378 of the Criminal Code).

prosecuted will be committed (Art. 45 of the Decree). Also in this case, instead of the prohibitory precautionary measure, the judge may appoint a court-appointed administrator.

Failure to comply with the disqualifications constitutes a separate offence provided for by the Decree as a source of possible administrative liability of the Entity (Art. 23 of the Decree).

The fines, applicable to all offences, are determined through a system based on "*shares*" numbering no less than one hundred and no more than one thousand and varying in amount between a minimum of Euro 258.23 and a maximum of Euro 1,549.37. The judge determines the number of shares taking into account the seriousness of the offence, the degree of the Entity's liability and the activity carried out to eliminate or mitigate the consequences of the offence and to prevent the commission of further offences. The amount of the shares is fixed on the basis of the economic and equity conditions of the Entity, in order to ensure the effectiveness of the penalty (Art. 11 of the Decree).

In addition to the aforementioned penalties, the Decree provides that the confiscation of the price or profit of the offence is always ordered (except for the part that can be returned to the damaged party), which can also concern goods or other benefits of equivalent values, while the publication of the conviction ruling can be ordered by the judge in the case of a disqualification.

1.3. ATTEMPTED OFFENCES AND OFFENCES COMMITTED ABROAD

The Entity is also liable for offences dependent on attempted offences and offences committed abroad.

In cases of attempted commission of the offences set out in Chapter I of the Decree, the fines and disqualifications are reduced by between a third and a half, while no penalties are imposed in cases where the Entity voluntarily prevents the action from being carried out or the event from taking place. The absence of penalties is justified, in this case, by virtue of the interruption of any relationship of identification between the Entity and the parties who assume to act in its name and on its behalf. This is a particular hypothesis of so-called "active withdrawal", provided for in Article 56, par. 4, of the Criminal Code.

On the basis of the provisions of Art. 4 of the Decree, the Entity based in Italy can be called to answer for offences - contemplated by the same Decree - committed abroad, in order not to leave unpunished frequently occurring criminal conduct and to avoid easy circumvention of the entire regulatory system in question.

The Entity's liability for offences committed abroad is based on the following assumptions:

- a) the offence must be committed abroad by an individual functionally linked to the Entity, in accordance with Art. 5, par. 1, of the Decree;
- b) the Entity must have its headquarters in the territory of the Italian State;
- c) the Entity can only be liable in the cases and under the conditions set out in Articles 7, 8, 9, 10 of the Criminal Code.

If the cases and conditions referred to in the aforementioned articles of the criminal code exist, the Entity shall be liable provided that the State of the place where the act was committed does not take action against it.

1.4. PROCEDURE FOR ASCERTAINING THE UNLAWFUL ACT AND JUDICIAL REVIEW OF SUITABILITY

Liability for administrative offences arising from a criminal offence is established in criminal proceedings.

Another rule provided for by the Decree, intended for effectiveness, uniformity and procedural economy, is the compulsory joining of proceedings: the trial against the Entity shall remain joined, as far as possible, to the criminal trial initiated against the natural person who committed the offence for which the Entity is liable.

The assessment of the Entity's liability, attributed to the criminal judge, takes place by:

- verifying the existence of the predicate offence for the liability of the Entity;
- ascertaining whether the Entity has an interest or advantage in the commission of the offence by its employee or senior manager;
- reviewing the suitability of the organisational models adopted.

The judge's review of the abstract suitability of the organisational model to prevent the offences referred to in the Decree is carried out according to the criterion of the so-called "fitness for purpose". The judgement of suitability is, in other words, formulated according to an essentially ex ante criterion, whereby the judge ideally places himself in the company's situation at the time when the offence occurred in order to test the adequacy of the adopted model.

1.5. ACTIONS EXEMPT FROM ADMINISTRATIVE LIABILITY

Articles 6 and 7 of the Decree, however, provide for specific forms of exemption from administrative liability for the Entity for offences committed in the interest or to the advantage of the Entity both by senior management and by employees.

In particular, in the case of offences committed by persons in a senior management position, Art. 6 provides for exoneration if the Entity proves that:

- a) the management body adopted and effectively implemented, prior to the commission of the offence, an organisational, management and control model capable of preventing offences of the kind committed (hereinafter "Model");
- b) the task of supervising the operation of and compliance with the Model as well as proposing its updating has been entrusted to a Body of the Entity (hereinafter "SB") endowed with autonomous powers of initiative and control;
- c) the persons who committed the offence acted by fraudulently evading the aforementioned Model;
- d) there has been no omission or insufficient supervision by the SB.

As far as non-executive employees are concerned, Art. 7 provides for the exemption in the case in which the Entity has adopted and effectively implemented, before the commission of the offence, a Model suitable to prevent offences of the type that occurred.

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

- identify the activities within whose scope some offences may be committed;
- establish specific protocols aimed at planning the formulation and implementation of the Entity's decisions in relation to the offences to be prevented;
- identify ways of managing the financial resources in order to prevent the commission of such offences;
- include obligations to inform the SB;
- introduce a suitable disciplinary system for punishing any failure to comply with the measures specified in the organisational model.

The same Decree provides that the Models may be adopted, ensuring the above requirements, on the basis of codes of conduct drawn up by representative trade associations.

2. THE GUIDELINES OF CONFINDUSTRIA

The preparation of this Model is based on the Guidelines issued by Confindustria for the first time on 7 March 2002 and subsequently updated over time.

The path that they define for preparing the Model can be summarised according to the following fundamental points:

- identifying the areas at risk, aimed at verifying in which company areas/sectors the offences may be committed;
- setting up a control system capable of reducing risks by adopting specific protocols. This is supported by a coordinated set of organisational structures, activities and operating rules applied by the management team and the company personnel, aimed at providing reasonable assurance

that the aims of a good internal control system are achieved. The most significant components of the preventive control system proposed by Confindustria are:

- code of ethics;
- organisational system;
- manual and IT procedures;
- authorisation and signature powers;
- control and management systems;
- communications to and training of staff.

Furthermore, the internal control system must be based on the following principles:

- verifiability, documentability and consistency of each operation;
- separation of duties;
- documentation of the checks;
- establishment of an adequate system of penalties for violating the rules and procedures established by the Model;
- identification of a SB whose main requirements are:
 - autonomy and independence;
 - professionalism;
 - continuity of action.

In addition, the Guidelines provide for the obligation on the part of the corporate functions, and in particular those which carry out activities identified as "at risk", to provide information to the SB to report anomalies or atypicalities found in the information available.

It is understood that the choice not to follow the Guidelines in some specific points does not invalidate the validity of a Model. Since the latter is drafted based on the characteristics of a particular company, it may deviate from the Guidelines, which by their nature are general.

3. ADOPTION OF THE MODEL BY HITACHI VANTARA ITALIA S.R.L.

3.1. COMPANY OBJECTIVES AND MISSION STATEMENT

Hitachi Vantara Italia S.r.l. a s.u. (hereinafter "Hitachi Vantara Italia" or the "Company") is wholly owned by Hitachi Vantara Nederland B.V. (hereinafter "Parent Company") and is part of the Hitachi Vantara Group, headquartered in Santa Clara, California, a subgroup of the Hitachi Group, with respect to the construction of:

- its infrastructure solutions;
- data storage management software;
- data storage consulting services.

As stated in the chamber of commerce registration, the corporate purpose of the Company is *"the purchase, sale, both wholesale and retail, marketing, in Italy and abroad, also by means of data transmission, both as licensor and/or agent and/or distributor, of computers and technology products related to computers, including software, as well as any other kind of products, raw materials, plant equipment, instruments or services used in connection therewith; the supply, in any way, of services and network related to computers and technology products related to computers, including software"*.

3.2. GOVERNANCE MODEL

The corporate governance of the Company, based on the traditional model, is as follows:

- Shareholders' Meeting, competent to resolve in ordinary and extraordinary session on the matters reserved to it by the Law or by the Articles of Association;
- Board of Directors, vested with the widest powers for the administration of the Company, with the power to carry out all appropriate actions for achieving the corporate purposes, with the exclusion of the acts reserved to the Shareholders' Meeting by law and by the Articles of Association;
- Single Statutory Auditor (hereinafter also referred to as the "Auditing Body"), who is responsible for supervising:
 - compliance with the law and the Memorandum of Association as well as compliance with the principles of sound administration;
 - the adequacy of the Company's organisational structure, the internal control system and the administrative and accounting system, also with reference to the reliability of the latter in correctly representing accounting events.
- Auditing firm responsible for the external audit of the accounts.

3.3. ORGANISATIONAL STRUCTURE

The Company's organisational system is defined by the Country Leader, taking into account the provisions and global policies of the Parent Company and therefore also the fact that the IT structure is common at the EMEA level and that some processes, or parts of processes, are centralized for all companies that are part of the Hitachi Vantara Group (such as those relating to the financial services centre). Furthermore, based on this same logic, some resources of Hitachi Vantara Italia may be called upon to work at other companies of the Hitachi Vantara Group and vice versa.

Within the scope of the above, this system is inspired by the implementation of a separation of tasks, roles and responsibilities between the Functions so that none can independently follow all the phases of a process. The system is formalised and kept up-to-date in documents that indicate the structure as a whole, with an indication of the Contact Persons for each Function, the hierarchical/functional reporting and the tasks and responsibilities assigned to each Function.

The dissemination of these documents is ensured by sending them by email and publishing them on the company intranet.

3.4. MOTIVATIONS OF HITACHI VANTARA ITALIA IN ADOPTING THE MODEL

In order to ensure that the conduct of those who operate on its behalf or in its interest always complies with the principles of fairness and transparency in the conduct of business and corporate activities, the Company has deemed it appropriate to adopt a Model, in line with the provisions of the Decree and the provisions of the relevant jurisprudence, as well as on the basis of the Guidelines issued by Confindustria.

The Model has therefore been adopted in the conviction that it constitutes a valid tool for raising awareness among those who work in the interest or to the advantage of the Company.

In particular, the following are considered Recipients of the Model and, as such and within the scope of their specific responsibilities, are required to know and comply with it:

- the members of the Board of Directors (hereinafter the "BoD");
- the Auditing Body;
- employees and associates who have contractual relations with the Company, for any reason, even occasional and/or only temporary.

All those who have any kind of relationship with the Company (customers, suppliers, partners) are also required to comply with the principles indicated in Legislative Decree 231/01 and in the "Code of Ethics and Business Conduct" of the Hitachi Vantara Group.

3.4.1. PURPOSE OF THE MODEL

Therefore, the Model aims to:

- improve the Company's corporate governance system;
- prepare a structured and organic prevention and control system aimed at reducing the risk of committing offences related to corporate activities, with particular regard to the reduction of any illegal conduct;
- instill, in those who work in the name of and on behalf of the Company, the awareness that they may incur, in the event of violation of the provisions contained therein, in an offence liable to penal and administrative sanctions, not only against themselves but also against the Company;
- inform those who work in any capacity in the name of, on behalf of or in the interest of the Company, that any violation of the provisions contained in the Model shall entail the application of appropriate penalties up to and including the termination of the contractual relationship;
- reiterate that the Company does not tolerate unlawful conduct, since the purpose pursued or the erroneous belief of acting in its interest or to its advantage is not relevant in any way, since such conduct is in any case contrary to the ethical principles to which the Company intends to adhere and therefore in conflict with its interests;
- actively censure conduct in breach of the Model through the imposition of disciplinary and/or contractual penalties.

3.4.2. THE PROCESS OF PREPARING AND UPDATING THE MODEL

The Company, in consideration of the requirements of the Decree, has launched an internal project aimed at ensuring the updating of this Model.

Consequently, this update was preceded by a series of activities aimed at building a system of risk prevention and management, described below:

- 1) Mapping of activities at risk. The objective of this phase was the analysis of the corporate context, in order to map the areas of activity of the Company and, among these, identify the activities in which the offences provided for by the Decree could - in abstract terms - be committed. The identification of company activities and areas at risk was carried out through prior examination of company documentation (organisation chart, main processes, powers of attorney, group and company procedures, etc.) and subsequent interviews with the main Contact Persons.
- 2) Analysis of potential risks. With reference to the mapping of activities, carried out on the basis of the specific context in which the Company operates and the related representation of sensitive or at risk processes/activities, the offences that can potentially be committed within the scope of the Company's activities have been identified. The result of this activity is summarised in the document "*Risk Analysis 231*", which identifies, for each sensitive activity, the process owner, the functions involved, a description of the activity and the risks to which the Company is exposed.
- 3) As-is analysis. Once the potential risks were identified, the existing system of preventive controls in the areas of activity at risk was analysed in order to express its subsequent level of adequacy for the prevention of the risks of offence. In this phase, the existing internal control systems were identified (formal procedures and/or practices adopted, verifiability, documentability or "traceability" of operations and controls, segregation of duties, etc.) through the information provided by the corporate functions and the analysis of the documentation provided by them. The result of these activities is contained in the document "*Risk Analysis 231*".
- 4) Identification of proposals to improve the internal control system. On the basis of the results obtained in the previous phase and of the comparison with a theoretical reference model (consistent with the Decree, with the Confindustria Guidelines and with national and international best practices), the Company identified a series of areas for supplementing and/or improving the control system, for which the appropriate actions to be taken were defined, as indicated in the document "*Risk Analysis 231*".

- 5) Preparation of the Model. In consideration of the results of the phases described above, the Company has updated the Model.

On the basis of the Risk Assessment carried out, in view of the Company's specific operations, the activities at risk of commission of the offences defined by Legislative Decree 231/01 have been identified and are set out in the Special Section of this Model. With reference to the areas at risk, any indirect relationships, i.e. those that the Company has, or could have, through third parties, were also examined.

The following components of the preventive control system were analysed in the Risk Assessment:

- Formalized ethical principles. The Company has adopted the Code of Ethics and Compliance and the Code of Conduct of the Hitachi Vantara Group (hereinafter the "Code of Ethics and Conduct"), which expresses its ethical values and defines, with specific reference to activities at risk of offence, general reference guidelines.
- Organisational system. The adequacy of the organisational system was assessed on the basis of the following criteria:
 - formalization of the system;
 - clear definition of assigned responsibilities and hierarchical reporting lines;
 - segregation and juxtaposition of functions;
 - correspondence between the activities actually carried out and the tasks and responsibilities described in the Company's documents.
- Authorisation system. The analysis concerned the existence of authorisation and signatory powers consistent with the organisational and management responsibilities assigned and/or actually carried out. The assessment was carried out on the basis of an examination of the powers of attorney issued and the internal management proxies, in light of the company organisational chart.
- Procedures. The analysis concerned the existence of formalised procedures to regulate the activities carried out by the Functions in the areas at risk, taking into account not only the negotiation phases, but also those of instruction and formation of company decisions.
- Management control system. The analysis concerned the management control system in force in the Company, the parties involved in the process and the system's ability to provide timely notification of the existence and emergence of general and/or specific critical situations.
- Documentation monitoring and management. The analysis concerned the existence of a suitable system for monitoring processes to verify results and any non-conformities, as well as the existence of a suitable system for managing documentation to allow traceability of operations.
- Disciplinary system. The analyses carried out were aimed at verifying the existence of a disciplinary system that punishes any violation of the principles and provisions aimed at preventing the commission of offences.
- Communication/training of personnel and information of third parties. The checks were aimed at ascertaining the existence of forms of communication and training for Recipients and third parties on the subject of Legislative Decree 231/01.

3.5. DOCUMENT STRUCTURE

This Model consists of a "General Section" and a "Special Section".

In the "General Section", after a reference to the principles of the Decree, the Confindustria Guidelines and the reasons for adopting the Model, the following are illustrated:

- the essential components of the Model, with particular reference to the SB;
- staff training and dissemination of the Model within and outside the company;
- the disciplinary system and the measures to be taken in the event of non-compliance;
- general principles of conduct.

For each identified area at risk, the "Special Section" highlights:

- a description of the potential risk profile;
- the activities at risk and the Functions involved in the areas at risk;
- the specific control protocols.

In addition, the documents *Hitachi Group Code of Ethics and Compliance* and *Hitachi Group Codes of Conduct* (Annex 1), which sets out the values and conduct to which the Recipients must adhere, are also an integral part of this Model.

3.6. MODEL ELEMENTS

The elements on which the Model is based are described below.

- *Organisational system*. The Company's organisational system (Functions/organisational positions, missions and areas of responsibility) is defined by the Country Leader and formalised in documents drawn up and circulated to personnel.
- *Authorisation system*. The Company's authorisation system is set up in compliance with the following requirements:
 - proxies and powers of attorney combine power with the related area of responsibility;
 - each proxy and power of attorney unambiguously defines the powers of the delegate, specifying their limits;
 - the management powers assigned with the proxies/powers of attorney are consistent with the company objectives;
 - those who act in the name and on behalf of the Company towards third parties, and in particular the Public Administration, must be delegated to do so.
- *Procedures*. Company procedures (developed when necessary for activities not delegated to other Hitachi Vantara Group companies or not regulated by Group procedures/policies) are characterized by the following elements:
 - separation, as far as possible, within each process, between the person making the decision, the person authorising the decision, the person executing the decision and the person in charge of controlling the process;
 - written record of each relevant step of the process, including the control (so-called "traceability");
 - appropriate formalization.
- *Management control*. The management control system is structured on the basis of the Parent Company's instructions and in such a way as to be able to analyse the periodic closing balances compared to the budget and then process the revisions. The system ensures the:
 - plurality of parties involved, in terms of appropriate segregation of functions for the processing and transmission of information;
 - ability to provide timely notification of the existence and emergence of critical situations through an adequate and timely system of information flows and reporting.
- *Documentation management*. Hitachi Vantara Italia's documentation shall be managed in a manner that governs, as appropriate, the updating, distribution, recording, storage and security management of documents and records.
- *Cash flow management*. This management is defined on the basis of principles based on an essential segregation of duties, such as to ensure that all disbursements are requested, carried out and controlled by independent functions or persons who are as distinct as possible, and who are not assigned other responsibilities that could lead to potential conflicts of interest. This segregation is also guaranteed with regard to financial inflows. Lastly, liquidity management is

based on the criteria of asset preservation, with the related prohibition of risky financial transactions.

For the other elements on which the Model is based (Code of Ethics and Conduct, SB, disciplinary system, personnel information and training system, third party information system), please refer respectively to Annex 1 and the subsequent chapters of the Model specifically dedicated.

3.7. AMENDMENTS AND ADDITIONS TO THE MODEL

Since the Model is a "deed issued by the management body", in accordance with Art. 6, paragraph 1, subparagraph a of the Decree, its adoption, as well as subsequent amendments and additions, are the responsibility of the Company's BoD. However, non-material amendments or additions, also as a result of resolutions already passed by the BoD, are directly incorporated into the Model by the Country Leader.

4. SUPERVISORY BOARD

4.1. IDENTIFICATION OF THE SUPERVISORY BODY

According to the indications of the Confindustria Guidelines, the characteristics of the SB - so that it can carry out its activities on the basis of the indications contained in Articles 6 and 7 of the Decree - must be:

- a) Autonomy and independence. The requirements of autonomy and independence are fundamental so that the SB is not directly involved in the management activities that are the subject of its control activities. These requirements can be achieved by excluding any hierarchical dependence of the SB within the Company and by providing for reporting to the BoD.
- b) Professionalism. The SB must have technical and professional skills adequate to the functions it is called upon to perform. These characteristics, together with independence, guarantee objectivity of judgement.
- c) Continuity of action. The SB must:
 - supervise the Model with the necessary powers of investigation;
 - ensure that the Model is implemented and updated;
 - not carry out operational tasks that may affect the overall view of the company's activities that is required of it.

The SB, set up pursuant to Art. 6, subparagraph b of the Decree, is a multi-party body, made up of three members, one of whom is the Chairman. The BoD determines the remuneration of the SB upon appointment.

The appointment is communicated to all employees and associates of the Company.

In carrying out its duties, this Body may avail itself of the support of the Company Functions which, from time to time, will be considered useful for carrying out the activities for which it is responsible.

The SB has its own Regulations aimed at regulating its operation and the performance of its activities, with particular reference to the frequency of meetings and the manner in which they are held and recorded in minutes, the manner and timing of scheduling verification activities and the management of reports, as well as the collection and storage of information.

Pursuant to article 6 of the Decree, the SB has "*autonomous powers of initiative and control*". In particular:

- the autonomy and independence which the Body must necessarily have are ensured by the presence of two external members, one of whom acts as Chairman, who therefore have no operational duties within the Company and no interests that could conflict with the appointment, conditioning their autonomy of judgement and assessment, as well as by the fact that the SB operates without hierarchical constraints in the context of corporate governance, reporting directly to the BoD. Furthermore, the activities carried out by the SB cannot be reviewed by any other company body or structure, without prejudice to the power and duty of the BoD to supervise the adequacy of the work carried out by the SB. To this end, the BoD also grants the SB a specific

annual expenditure budget, which must be used exclusively for the expenses required to carry out its functions, and for which the Body will provide the BoD with a specific report on its use;

- the professionalism is ensured by the specific skills of its members and by the fact that, in order to carry out its duties and with absolute budgetary autonomy, the Body may make use of the specific professional skills of the various corporate structures and of external consultants. The external members are chosen from among professionals with proven expertise and experience in legal, financial and internal control matters, who have gained adequate and proven experience in the field of application of the Decree;
- the continuity of action is ensured by the circumstance that:
 - the Body is free to operate at the Company at the times and in the ways it deems most appropriate to perform the task assigned to it;
 - an internal member who does not have an operational role within the Company is a member of the SB;
 - is informed promptly and on an ongoing basis through periodic and ad hoc information flows.

The SB reports to the Company's BoD.

The appointment as a member of the SB is conditional on the presence of the professional and integrity requirements, as well as the absence of causes of incompatibility with the appointment, such as - by way of example - family relationships with members of the Company's bodies and senior management and potential conflicts of interest with the role and tasks to be carried out. In this context, the following constitute reasons for the ineligibility of the SB:

- a relationship of marriage, kinship or affinity up to the fourth degree with the Directors of the Company;
- entertaining, directly or indirectly, economic relations and/or contractual relations, for consideration or free of charge, with the Company, of such importance as to condition their autonomous judgement;
- owning, directly or indirectly, shares of the share capital of Hitachi Vantara Italia or be bound by other financial relationships such as to allow the exercise of control or significant influence on the Company, or in any case to compromise its independence;
- holding proxies that could undermine their independent judgement;
- having the legal status of barred, restricted, bankrupt or convicted for an offence that imposes the interdiction, even temporary, from public offices or the inability to exercise management offices;
- having been subjected to preventive measures ordered by the judicial authorities, aside from the effects of rehabilitation;
- being subject to criminal proceedings, convicted or subject to punishment pursuant to Articles 444 et seq. of the Code of Criminal Procedure, aside from the effects of rehabilitation, in relation to one of the offences set out in Legislative Decree 231/01;
- being recipients of a measure of application of a penalty for one of the offences referred to in articles 185 and 187-bis of the TUF;
- for the Chairman, being affected by causes of ineligibility pursuant to articles 2399 subparagraph c and 2409-septiesdecies of the Civil Code.

The external members of the SB remain in office for three years and remain, in any case, in office until their successors are appointed.

The termination of the office of member of the Body may also be determined by resignation, lapse or revocation, and in any case it will be the task of the BoD to provide for the replacement without delay.

The resignation of a member of the Body may be exercised at any time and must be formally communicated to the BoD, together with the reasons for it.

The disqualification of a member of the Body occurs:

- if the above requirements are no longer met
- in the event of serious infirmity which renders them unable to perform their supervisory duties, or an infirmity which, in any case, causes their absence for a period exceeding six months.

If causes of incompatibility arise, the SB is required to formally notify the BoD; the latter, having carried out the appropriate checks through the Legal Business Partner, shall establish a deadline of no less than 30 days within which the situation of incompatibility must cease. Once this period has elapsed without the aforementioned situation having ceased, the BoD must declare the disqualification of the Body and take the appropriate decisions.

The occurrence of causes of incompatibility may also be detected by a person other than the person concerned, who shall formally notify the BoD, which shall proceed as described above.

Similarly, disqualification or incapacitation, or a serious infirmity that renders the SB unable to perform its supervisory functions for a period of more than six months, will result in the declaration of disqualification of the Body, to be implemented in the manner defined above.

To ensure the necessary stability of the SB and protect the legitimate performance of the functions and position held from unjustified removal, a member of the SB may only be removed for just cause. In this regard, "just cause" for revocation may include, by way of example:

- a serious breach of duties as defined in the Model;
- a conviction of the Company pursuant to the Decree or a plea bargain, which has become final, where "lacking or insufficient supervision" by the Body is ascertained, in accordance with the provisions of Art. 6, paragraph 1, subparagraph d) of the Decree;
- a conviction or plea bargaining sentence handed down against the Body for having committed one of the offences provided for in the Decree or offences of the same nature;
- failure to meet one of the moral or professional requirements that constitute *condicio sine qua non* for the appointment of the SB;
- violation of the confidentiality obligations to which the SB is bound regarding news and information acquired in the performance of its duties. In particular, the SB must ensure the confidentiality of the information it becomes privy to - with particular reference to any reports it may receive concerning alleged violations of the Model - and refrain from seeking and using confidential information for purposes other than those specified in Article 6 of the Decree. In any case, any information held by the SB must be processed in accordance with the relevant legislation in force and, in particular, in compliance with privacy regulations;
- the commission of conduct in violation of the Model and/or the Code of Ethics and Conduct.

If there are serious reasons of appropriateness (for example, the application of precautionary measures), the BoD may order - after hearing the opinion of the Single Statutory Auditor, if he is not the SB member concerned - the suspension of the SB member, promptly providing for the appointment of a new member of the Body.

4.2. FUNCTIONS AND POWERS OF THE SUPERVISORY BODY

The mission of the Company's SB consists in supervising the effectiveness of the Model, examining the adequacy of the Model, analysing the maintenance of the Model's solidity and functioning requirements over time, and taking care of the necessary updating of the Model, in the event that the analyses carried out make it necessary to make corrections and adjustments.

More specifically, it is the task of the SB to:

- monitor the validity of the Model over time, promoting, also after consulting the Functions concerned, the necessary actions to ensure its effectiveness. This task includes the formulation of adaptation proposals to be forwarded to the competent Functions and the subsequent verification of the implementation and functionality of the proposed solutions;

- verify that the activities at the company functions considered to be at risk of offence are carried out correctly, in compliance with the Model adopted, and propose its updating and supplementation, where necessary;
- carry out a review of existing authorisation and signature powers, in order to ascertain their consistency with the organisational and management responsibilities defined, and propose their updating and/or modification where necessary, and to verify that they are exercised within the scope of the powers assigned;
- propose, on the basis of the results obtained, to the competent Company Functions/Country Leaders the advisability of drawing up, supplementing and amending procedures that adequately govern the performance of activities, in order to implement a suitable Model;
- define and monitor information flows in order to be periodically updated by the parties concerned on the activities assessed as being at risk of offence;
- ensure that the Recipients of the Model are made aware of the methods by which it is possible to send reports to the SB regarding conduct or events that may lead to a violation of the Model or that are relevant in terms of the regulations set out in Legislative Decree no. 231/01;
- implement, in accordance with the Model, an effective flow of information to the BoD that allows the Body to report to it on the performed supervisory activities;
- promote an adequate training process for personnel through suitable initiatives for the dissemination of knowledge and understanding of the Model, as well as adequate information for those who work on behalf of the Company with reference to the adopted Code of Ethics and Conduct.

In order to carry out the duties listed above, the SB is granted the powers indicated below:

- access to any document and/or company information relevant to the performance of the functions assigned to it under the Decree;
- ensure that the Managers of the Company Functions promptly provide the information, data and/or news requested from them;
- make use of the Company Functions that may be useful for the performance of the activities for which they are responsible;
- make use of external consultants with proven professionalism in cases where this is necessary to carry out the activities for which they are responsible, observing the provisions for the assignment of consultancy contracts;
- request information, if necessary, as well as hearing directly Directors, Employees, third parties.

4.3. DISCLOSURE OF THE SUPERVISORY BODY TO THE CORPORATE BODIES

With regard to the reporting activities, the Company's SB provides an annual written report to the BoD and the Auditing Body. In particular, the reporting will focus on:

- the overall activity carried out during the period, with particular reference to auditing activity;
- the critical issues emerged both in terms of conduct or events inside the Company, and in terms of effectiveness of the Model;
- reports of breaches of the Model received during the period and the actions taken by the SB itself and by other concerned parties in response to such reports;
- activities which could not be carried out for justified reasons of time and/or resources and/or other reasoned impediment;
- the state of implementation of the Model with an indication of the necessary and/or appropriate corrective and improvement measures and their level of implementation;
- the Activity Plan for the following period.

The Body must promptly report to the BoD (or to the Chairman alone if deemed appropriate for greater speed of intervention) on any information deemed useful for the BoD/Chairman to take urgent decisions.

4.4. INFORMATION FLOWS TO THE SUPERVISORY BODY

Art. 6, paragraph 2, subpar. d) of the Decree imposes that the Model provide for an obligation to inform the Body appointed to supervise the functioning and observance of the Model.

The obligation of a structured information flow is designed as a tool to ensure the supervision of the effectiveness and actual application of the Model and any subsequent verification of the causes that made it possible for the offences covered by the Decree to occur, also for the purpose of giving greater authority to requests for documentation that are necessary to the Body during its audits.

The SB can be contacted by addressing the communication to "Supervisory Body of Hitachi Vantara Italia S.r.l.", at the Company's headquarters in Via del Bosco Rinnovato, 9, 20090 Assago (MI) or through the dedicated email "*SB.Italia@hitachivantara.com*".

As part of the whistleblowing system developed by the Hitachi Vantara Group, the Company provides anyone wishing to make a report to the SB with an IT channel <https://www.hitachivantara.com/hotline>, which allows reports to be made via hotline (telephone) or via an independent IT platform. The internal SB member monitors any reports received, involving the SB in any in-depth studies considered necessary in relation to the report received.

For the specific information that must be mandatorily transmitted by the Functions to the Body on an ad hoc or periodic basis, please refer to chapter 2 of the Special Section of the Model.

4.4.1. REPORTS TO THE SB

The Recipients of the Model are required to report to the SB any information, of any kind, including from third parties, of which they become directly aware and which relates to the violation of the Model in the areas of activity at risk or to any other significant irregularities pursuant to the Decree. Specifically:

- the commission of the offences referred to in the Decree or the performance of suitable acts aimed at achieving them;
- conduct not in line with the rules of conduct laid down in this Model;
- operations of particular importance or which present risk profiles such as to indicate a reasonable risk of offences being committed.

Reports of unlawful conduct must be substantiated and based on precise and consistent facts, and may be made using the appropriate channels indicated in the previous paragraph.

The SB will consider all reports received, including those received anonymously, provided that they are adequately substantiated; it will assess any consequent initiatives at its reasonable discretion and responsibility, possibly listening to the author of the report and/or the person responsible for the alleged violation and motivating any decision in writing.

The Company:

- protects those who report in good faith from retaliation, discrimination or penalties, direct or indirect, for reasons related to the report;
- prohibits direct or indirect retaliatory or discriminatory acts against the whistleblower for reasons directly or indirectly linked to the report;
- guarantees the confidentiality of the identity of the whistleblower when handling the report, without prejudice to the legal obligations and the protection of the rights of the Company or of persons wrongly accused and/or in bad faith;
- ensure that the staff are aware of the reporting procedures and are able to use them, being aware of their rights and protections under the procedures adopted, through appropriate communication in the manner provided for in Chapter 5;

- in the event of a violation of the measures for the protection of the whistleblower, as well as unfounded reports revealed with malice or gross negligence, identifies and applies the penalty deemed most appropriate to the circumstance, in accordance with what is defined in chapter 6 below.

4.4.2. COLLECTION, STORAGE AND ACCESS TO ARCHIVE OF THE SB

All information, notifications and reports provided for in the Model are kept by the SB in a special archive, which may only be accessed under the terms set out in the Body's Regulation.

5. STAFF TRAINING AND DISSEMINATION OF THE MODEL IN THE COMPANY AND EXTERNALLY

5.1. STAFF TRAINING

The Company promotes the knowledge of the Model and of the Code of Ethics and Conduct among its employees who are therefore required to know its contents, to comply with them and to contribute to their implementation.

Human Resources, in cooperation with the SB, manages staff training on the contents of Legislative Decree 231/01 and the implementation of the Model.

The training course provides classroom training seminars to the management team and to staff with powers of attorney. For the rest of the staff, the training methods also include the possibility of using e-learning. Attendance at the training sessions is mandatory.

Participation in the training is tracked by preparing a list of participants which they must sign.

Any updating training sessions will be carried out in the event of significant changes made to the Model, the Code of Ethics and Conduct or relating to new legislation that is relevant to the Company's activities, where the SB does not consider it sufficient to simply disseminate the change in the manner described in paragraph 5.2 below.

5.2. INFORMATION TO STAFF

In addition to the above training activities, the Company shall provide personnel with adequate information about

- new regulations on the subject of the administrative liability of Entities;
- procedural and organisational changes.

It is the responsibility of EMEA Regional Compliance, in cooperation with the SB, to take care of:

- the inclusion of the Model and the Code of Ethics and Conduct on the company intranet;
- the forwarding of communications on the changes made to the Model, the Code of Ethics and the Code of Conduct, as well as on regulatory changes relevant to the Decree.

It is the responsibility of Human Resources to ensure that the Model and the Code of Ethics and Code of Conduct are distributed to new employees upon hiring.

5.3. INFORMATION TO EXTERNAL ASSOCIATES AND PARTNERS

The Company promotes the knowledge of and compliance with Legislative Decree 231/01 and the Code of Ethics and Conduct also among the Company's commercial and financial partners, consultants, agents, associates and suppliers.

The information is provided, for the parties listed above, through the communication of the existence of the Model and the Code of Ethics and Conduct and the publication on the Company's website of the General Section of the Model and the Code of Ethics and Conduct.

The Company also adds appropriate contractual clauses in its contracts with the above-mentioned counterparties that provide for appropriate penalties, up to and including termination of the contractual obligations, in the event of conduct that does not comply with Legislative Decree 231/01. Also in this case, any exceptions must be justified and brought to the attention of the SB.

6. DISCIPLINARY SYSTEM AND MEASURES IN THE EVENT OF NON-COMPLIANCE WITH THE PROVISIONS OF THE MODEL

6.1. GENERAL PRINCIPLES

The preparation of an adequate system of penalties for the violation of the provisions contained in the Model is an essential condition for ensuring the effectiveness of the Model.

In this regard, article 6, paragraph 2, subparagraph e) of the Decree states that the models must *"introduce a disciplinary system suitable for punishing non-compliance with the measures indicated in the model"*.

For the purposes of this disciplinary system, and in compliance with the provisions of collective bargaining agreements, where applicable, actions or behaviours carried out in violation of the Model constitute conduct subject to penalties.

The application of disciplinary penalties is irrespective of the initiation and/or outcome of any criminal proceedings, since the rules of conduct imposed by the Model are assumed by the Company in full autonomy and independently of the type of offence that violations of the Model may trigger.

The identification and application of penalties shall take into account the principles of proportionality and adequacy to the alleged violation. In this regard, the following circumstances become significant:

- type of alleged offence;
- the concrete circumstances under which the offence took place;
- manner of commission of the conduct;
- severity of the violation, also taking into account the subjective attitude of the agent;
- possible commission of more than one violation within the same conduct;
- possible participation of more than one person in committing the violation;
- any recidivism by the author.

It is the responsibility:

- of the SB to constantly monitor the adequacy of the disciplinary system;
- of Human Resources to update the disciplinary system.

6.2. PENALTIES FOR EMPLOYEES

6.2.1. CLERKS, WORKERS AND MANAGERS

Any conduct by employees in violation of the behavioural rules of this Model, including failure to comply with company procedures, constitutes a disciplinary offence.

The penalties that may be imposed on employees fall within those provided for in the applicable National Collective Bargaining Agreement, in compliance with the procedures provided for in Article 7 of the Workers' Statute and any special applicable regulations.

In particular, in accordance with the current National Collective Bargaining Agreement for Metalworkers, it is provided that:

- an employee who engages in conduct that does not comply with the provisions of this Model or the Code of Ethics and Conduct will receive a *verbal warning* if such behaviour is not serious and does not have a significant impact on the functioning of the Model and is promptly reported by the employee himself;
- an employee who engages in conduct that does not comply with the provisions of this Model or the Code of Ethics and Conduct will be subject to a *written warning* if such behaviour is not serious

and does not have a significant impact on the functioning of the Model and was discovered as a result of checks carried out by internal parties other than the person who committed the violation;

- an employee who, more than twice in the course of the year, engages in conduct that does not comply with the provisions of this Model or the Code of Ethics and Conduct, shall be liable to a fine not exceeding three hours' pay if such conduct does not have a significant impact on the functioning of the Model;
- the measure of suspension from work and from pay up to a maximum of three days is applied to any employee who violates internal company procedures in a non-mild manner by engaging in conduct that does not comply with the provisions of this Model or of the Code of Ethics and Conduct and exposing the Company to the risk of damage or slight damage, or obtains an advantage for it in violation of the provisions contained in the Code of Ethics and Conduct;
- an employee who engages in conduct that is seriously inconsistent with the provisions of this Model or the Code of Ethics and Conduct is dismissed with notice;
- an employee who, in any case, through non-compliance with the provisions of this Model and/or the Code of Ethics and Conduct, causes serious moral or material damage to the Company or carries out actions that constitute an offence under the law, resulting in a serious breach of trust such that the relationship cannot be continued, shall be dismissed without notice.

6.2.2. EXECUTIVES

In the event of executives violating this Model or engaging in conduct that does not comply with the prescriptions of the Model, the most suitable measures will be applied to those responsible in accordance with the provisions of the current National Collective Bargaining Agreement.

In particular:

- in the event of a non-serious breach of one or more procedural or behavioural rules provided for in the Model or in the Code of Ethics and Conduct, the executive is subject to a written warning to comply with them, which is a necessary condition for maintaining the relationship of trust with the Company;
- in the event of a serious violation of one or more provisions of the Model or of the Code of Ethics and Conduct such as to constitute a significant breach, the executive shall be dismissed with notice;
- if the violation of one or more provisions of the Model or of the Code of Ethics and Conduct is so serious as to irreparably damage the relationship of trust, not allowing the continuation, even temporary, of the employment relationship, the worker is dismissed without notice.

6.3. MEASURES AGAINST THE DIRECTORS AND THE SINGLE STATUTORY AUDITOR

In the event of violation of the Model by the Company's Directors or Single Statutory Auditor, the SB will inform the BoD or Single Statutory Auditor, who - depending on their respective responsibilities - will take the most appropriate and suitable initiatives consistent with the seriousness of the violation and in accordance with the powers provided for by law and/or the Articles of Association.

6.4. MEASURES AGAINST CONSULTANTS, PARTNERS, BUSINESS COUNTERPARTS AND OTHER EXTERNAL PARTIES

Any conduct by consultants, partners, agents, commercial counterparties and other external parties that is in conflict with the provisions of Legislative Decree 231/01 or the Code of Ethics and Business Conduct may result, through the activation of appropriate clauses, in the imposition of the following penalties: warning, application of a penalty (compensation for damages) or termination of the contractual relationship.

It is the responsibility of the Company to:

- prepare and update such contractual clauses;

- ensure that such contractual clauses are included in negotiated agreements with third parties.

6.5. PROCEDURE FOR THE APPLICATION OF PENALTIES

The procedure for imposing penalties resulting from the violation of the Model and the procedures differs for each category of recipients as regards the phase:

- of the notification of the violation to the person concerned;
- of the determination and subsequent imposition of the penalty.

The procedure for imposing penalties shall, in any event, commence upon receipt by the company bodies responsible from time to time and indicated below, of the communication with which the SB reports the possible significance of the episode pursuant to Legislative Decree 231/01.

More specifically, in cases where the Body receives a report or acquires, during its supervisory activities, elements that may indicate the danger of a violation of the Model, it is obliged to take action to carry out the checks that are part of its duties. If this activity concerns the Single Statutory Auditor, the other members will carry out these assessments.

Once the audit has been completed, the SB will assess, based on the elements in its possession, the existence of the conditions for activating the disciplinary procedure, proceeding as indicated in the following chapters 6.5.1 - 6.5.4.

6.5.1. DISCIPLINARY PROCEEDINGS AGAINST NON-EXECUTIVE EMPLOYEES

The procedure for applying penalties against non-executive Employees shall be carried out in compliance with the procedure described below, as well as with the regulations in force and the applicable collective agreement.

In particular, the SB sends the Head of Human Resources a report containing:

- the details of the person responsible for the violation;
- the description of the alleged conduct;
- an indication of the Model's provisions that have been violated;
- any documents and elements supporting the allegation.

Within ten days of acquiring the report, the Company, through the Head of Human Resources, sends the Employee a written notice of objection containing:

- a precise specification of the ascertained conduct;
- the Model's provisions that have been violated;
- notice of the right to formulate any written justifications and/or deductions within five days of receipt of the communication, as well as to request the intervention of the representative of the trade union association to which the employee belongs or gives a mandate.

Following any counter-deductions by the person concerned, the Head of Human Resources decides whether or not to apply a penalty, determining its extent, and provides the reasons for the measure.

Penalties may not, however, be applied before five days have elapsed since receipt of the notice and must be imposed, by the Human Resources Manager, within 6 days of the employee's submission of justifications. If the measure is not imposed within this period, the justifications shall be deemed to have been accepted.

The related measure is also communicated to the SB, which also verifies the actual application of the imposed penalty.

The Employee, without prejudice to the possibility of referring the matter to the Judicial Authority, may, within twenty days of receiving the measure, promote the constitution of a Conciliation and Arbitration Board, in which case the penalty shall remain suspended until the related pronouncement.

As part of the process described above, the Company's BoD must be informed of the outcome of the internal audits and the penalties applied to employees.

6.5.2. DISCIPLINARY PROCEEDINGS AGAINST EXECUTIVES

The procedure for ascertaining unlawful acts by Executives is carried out in compliance with current regulations and the current National Collective Bargaining Agreement.

In particular, the SB sends a report to the Country Leader (if the Country Leader is involved, to the Chairman of the BoD) containing:

- a description of the ascertained conduct;
- an indication of the Model's provisions that have been violated;
- the details of the person responsible for the violation;
- any documents proving the violation and/or other evidence.

Within five days of acquiring the report of the SB, the Country Leader shall summon the concerned Executive by means of a notice of allegation containing:

- an indication of the conduct observed and the subject of the violation pursuant to the Model;
- notice of the date of the hearing and the right of the concerned party to formulate, even on that occasion, any considerations, both written and verbal, on the facts.

The Country Leader will then define the position of the person concerned, taking a reasoned decision as to whether or not a penalty will be applied.

If the person for whom the dispute procedure has been activated holds a senior position with delegated powers attributed by the BoD, and if the investigation proves his involvement in accordance with the Model, the Country Leader shall promptly inform the BoD, which will decide on the revocation of the delegated powers attributed on the basis of the nature of the position and the possible penalty to be applied. The Country Leader will implement the relevant penalties procedure.

The Country Leader shall notify the person concerned in writing of the decision to impose the penalty, within ten days of the dispatch of the notice, or in any case within such shorter period as may be provided for by the collective bargaining agreement applicable in the specific case.

As part of the process described above, the BoD is to be informed in all of the above cases about the outcome of the internal audits and the penalty profile applied.

The SB, to which the measure imposing the penalty is sent for information, verifies its application.

Without prejudice to the right to take legal action, those involved in the proceedings may, within twenty days of receiving the disciplinary measure, promote the establishment of a Conciliation and Arbitration Board, in accordance with the provisions of the collective bargaining agreement applicable to the specific case.

In the event of the appointment of such a Board, the disciplinary penalty shall remain suspended until the decision of that body.

6.5.3. DISCIPLINARY PROCEEDINGS AGAINST DIRECTORS AND THE SINGLE STATUTORY AUDITOR

If the SB finds that the Model has been violated by a person holding the position of Director, who is not linked to the Company by an employment relationship, it sends a report to the BoD containing:

- a description of the ascertained conduct;
- an indication of the Model's provisions that have been violated;
- the details of the person responsible for the violation;
- any documents proving the violation and/or other evidence.

Within ten days of receiving the report of the SB, the BoD summons the member indicated by the SB for a meeting of the Board, to be held within and no later than thirty days of receiving the report.

The summons must:

- be made in writing;

- contain an indication of the alleged conduct and the provisions of the Model that have been violated;
- notify the concerned party of the date of the meeting, with notice of the right to formulate any remarks and/or deductions, both written and verbal. The summons must be signed by the Chairman or at least two members of the BoD.

The concerned party will be heard at the meeting of the BoD, in which the SB is also invited to participate. Any deductions made by the concerned party will be acquired and any further investigations deemed appropriate will be carried out.

The BoD, on the basis of the elements acquired, shall determine any penalty deemed applicable.

If the entirety (or more than half) of the BoD is involved, the SB shall send the above report to the Single Statutory Auditor, who shall convene the Shareholders' Meeting and invite the members of the BoD concerned to that meeting. Once the members of the BoD have been heard, the Shareholders' Meeting imposes (or not) the penalty it deems most appropriate.

The resolution of the BoD and/or the resolution of the Shareholders' Meeting, as the case may be, is communicated in writing by the BoD to the concerned party as well as to the SB.

The procedure described above also applies if the Single Statutory Auditor is found to have violated the Model, to the extent permitted by applicable legislation. In this case, it is the BoD that convenes the Shareholders' Meeting.

In cases where a Director linked to the Company by an employment relationship is found to have violated the Model, the procedure envisaged below for Executives/Employees shall be initiated. If a penalty is imposed as a result of this procedure, the BoD will promptly convene the Shareholders' Meeting to resolve on the consequent measures.

6.5.4. PROCEEDINGS AGAINST THIRD PARTIES

In order to allow the initiatives set forth by the contractual clauses indicated in par. 6.4 to be taken, the SB sends a report to the Head of the Function that manages the contractual relationship and, for information, to the Country Leader (to the Chairman of the BoD if it is the Country Leader who manages the contractual relationship), containing:

- the details of the person responsible for the violation;
- the description of the alleged conduct;
- an indication of the Model's provisions that have been violated;
- any documents and elements supporting the allegation.

If the contract has been approved by the BoD of the Company, the aforementioned report must also be sent to the attention of the same.

The Head of the Function who manages the contractual relationship, in agreement with the Legal Business Partner Function, on the basis of any decisions taken in the meantime by the Country Leader/BoD, sends the person concerned a written communication containing an indication of the conduct observed as well as an indication of the contractual clause whose application is requested.

The related measure is communicated to the SB, which verifies the actual application of the penalty.

7. GENERAL PRINCIPLES OF CONDUCT

This Model expressly prohibits the Recipients from engaging in conduct:

- such as to constitute any type of offence (even only in the form of an attempt), including therefore also those provided for by Legislative Decree 231/01 and listed in Chapter 1.1 of this General Section;

- which, although it does not in itself constitute an offence included among those considered above, may potentially become such;
- that do not comply with company procedures or with the principles expressed by this Model or by the Code of Ethics and Conduct.

Therefore, the Recipients of the Model are obliged to:

- behave in a correct, transparent and collaborative manner, in compliance with the law, the Code of Ethics and Conduct, the principles contained in this Model and company procedures;
- carry out the corporate business in absolute compliance with the national and international regulations and laws in force;
- observe a conduct aimed at guaranteeing the proper functioning of the Company, ensuring and facilitating all forms of control on the management by the Corporate Bodies, the SB and the Auditing Body;
- constantly apply the rules of this Model, of the Code of Ethics and Conduct and of the company's internal rules, keeping abreast of regulatory developments;
- ensure that no relationship is initiated with persons or entities that do not intend to conform to the ethical principles of the Company;
- ensure the truthfulness, completeness and correctness of the information communicated to the Public Administration, to the supervisory or control authorities in compliance with the regulations in force.

SPECIAL SECTION

1. FUNCTION OF THE SPECIAL SECTION

The Special Section of the Model aims, in line with the principles outlined in the General Section, to define and formalise for *each identified area of activity at risk pursuant to Legislative Decree 231/01*:

- the *potential risk profile*, i.e. the offences that may in abstract terms be committed in the area at risk and the ways in which they may be committed;
- the *activities at risk and the Entities involved* or the various corporate activities at risk and the corporate Functions involved in their management;
- the *specific control protocols* that the Recipients, as identified in the General Section, are required to comply with, meaning the company documents that regulate the Company's operations, the specific control tools and activities considered relevant for the purposes of preventing the offences referred to in Legislative Decree 231/01, applicable to the activities and processes at risk of offence.

This Special Section applies to the Recipients of the Model as identified in its General Section.

In line with what is described in chapter 5 of the General Section, the Company takes steps to ensure that the Recipients receive adequate training on the contents of the Special Section.

As already mentioned in the General Section, in order to allow the SB to be periodically updated by the concerned company Functions on the activities at risk of offence, there are obligations to inform the SB summarised in chapter 2 below.

2. OBLIGATIONS TO INFORM THE SB

2.1. AD HOC DISCLOSURE REQUIREMENTS

Below is the information to be transmitted to the SB when the event occurs:

- by Legal Business Partner:
 - any measures and/or information coming from the Judicial Authority, or from any other Authority, which indicates that investigations are under way, even in relation to unknown persons, for the crimes or administrative offences referred to in the Decree;
 - the structure of powers and the system of delegation of powers adopted by the Company and any amendments thereto and to the organisational structure of the Company;
 - summonses relating to litigation;
 - the contractual clauses of Legislative Decree 231, following any material amendments;
 - an indication of the third parties who have not adhered to the Code of Ethics and Business Conduct;
- by Human Resources, the requests for legal assistance forwarded by executives and/or employees in case of initiation of legal proceedings for the offences provided for in the Decree;
- by the competent Function/Area, the form/report filled in after an inspection carried out by representatives of the Public Administration;
- by the HSD (Health and Safety Department) (through human resources/Payroll Specialist), notification of any accidents/incidents at work;
- by EMEA IT Security, any information regarding IT incidents impacting the Company;
- by EMEA Regional Compliance, the reports:
 - of Internal Audit that regard any audits of the Company;
 - of the independent auditors on the Company's financial statements.

2.2. PERIODIC REPORTING REQUIREMENTS

Below is the information to be sent to the SB on a periodic basis:

- by EMEA Regional Compliance:
 - the quarterly statements issued by the company representatives identified in the MyComplianceManager tool;
 - the results summarizing the participation of the Company's employees in the compliance trainings held at the EMEA level. Submission is annual;
- by Human Resources:
 - the list of hirings specifying the name, qualification and related budget forecast and acceptance of the Code of Ethics and Conduct. Submission is semi-annual;
 - the list of reward measures (bonuses, awards, raises and promotions) with the name and position. Submission is semi-annual/annual;
 - evidence of disciplinary proceedings and any penalties imposed. Submission is semi-annual;
 - the documentation relating to the participation of personnel in the training carried out to implement the Model. Submission is annual;
- by the HSD, the minutes of the periodical meeting ex Art. 35 of Legislative Decree 81/08 as amended. Submission is annual;
- by the Finance Manager:
 - the balance sheet. Submission is annual;

- the budget and forecasts. Submission is quarterly;
- by the Legal Business Partner,, a quarterly report on outstanding disputes, detailing the lawyers appointed to follow them and any settlement agreements.

3. AREAS AT RISK OF OFFENCE

In view of the characteristics of the Company's business activities, the operating context in which they take place, and the organisational and control structure adopted, the areas at risk of offence identified by the Company are as follows:

- commercial and sales activities (paragraph 3.1);
- installation of goods/provision of the services (paragraph 3.2);
- acquisition, progression and management of staff (paragraph 3.3);
- procurement of goods, services and consultancy (paragraph 3.4);
- corporate affairs (paragraph 3.5);
- administration, finance and control (paragraph 3.6);
- financial resources (paragraph 3.7);
- information systems (paragraph 3.8);
- occupational health and safety (paragraph 3.9);
- environmental issues (paragraph 3.10);
- pre-litigation and litigation management (paragraph 3.11);
- relations with institutions and public bodies (paragraph 3.12);
- donations, gifts and gratuities (paragraph 3.13).

The identification of the areas at risk, or the methods for managing them, may change over time, in consideration of various factors, such as, for example:

- extension/amendment of the types of offences provided for by Legislative Decree 231/01;
- changes in the Company's organisational/corporate/business structure;
- the detection of behaviour not in line with the prescriptions of the Model;
- the assessment of the inadequacy of certain provisions of the Model, which are not suitable for preventing the commission of offences in the areas at risk of offence.

Consequently, over time, if the above-mentioned factors or other factors that are not foreseeable at the moment change, the Company will verify, also at the instigation of the SB, the need to supplement/amend the areas at risk highlighted above.

3.1. COMMERCIAL AND SALES ACTIVITIES

3.1.1 DESCRIPTION OF THE POTENTIAL RISK PROFILE

The performance of commercial and sales activities potentially exposes the Company to the direct or instrumental commission of the following offences:

- bribery for the exercise of a function (Art. 318 of the Criminal Code), corruption in acts contrary to official duties (Art. 319 of the Criminal Code), bribery in judicial proceedings (Art. 319-ter of the Criminal Code), bribery of a person in charge of a public service (Art. 320 of the Criminal Code), incitement to bribery (Art. 322 of the Criminal Code), embezzlement, extortion, illicit inducement to give or promise benefits, bribery and incitement to bribery of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organisations and officials of the European Communities and foreign states (Art. 322-bis of the Criminal Code), bribery between private individuals (Art. 2635 par. 3 of the Civil Code) and incitement to bribery between private individuals (Art. 2635-bis par. 1 of the Civil Code). These offences could be committed in order to obtain favours in the performance of company business through the promise of money or other benefits to a Public Official or a person belonging to a private company, in order to acquire orders/contracts with the Public Administration or the private individual;
- trafficking in unlawful influences (Art. 346-bis of the Criminal Code). This offence could be committed if a Company representative or a third party, having learned that a contract is being finalised with a Public Administration, offers to intercede with a person appointed by the same, an acquaintance of theirs, in order to allow the Company to conclude the contract on particularly advantageous terms, requesting, as consideration for this activity, the payment of an increased remuneration (in the case of a Company employee) or other benefit (in the case of a third party);
- fraud (Art. 640, par. 2, no. 1, of the Criminal Code). This offence could be committed by preparing untruthful documentation in the bid stage, for example by indicating untruthful technical aspects or non-existent references;
- illicit inducement to give or promise benefits (Art. 319-quater of the Criminal Code), when a public official or a person in charge of a public service induces the Company to give or promise to give him money or other benefits, in order to obtain the award of a contract with the PA;
- money laundering (Art. 648-bis of the Criminal Code), in the case in which, during the sales activity, the Company sells an asset that was produced using money, goods or other utilities deriving from a non-negligent offence;
- receiving stolen goods (Art. 648 of the Criminal Code), in the event that the Company is paid by the Customer using sums of illicit origin;
- criminal association and mafia-type association, including foreign ones (Articles 416 and 416-bis of the Criminal Code), if the Company obtains the support of members of associations of the aforementioned types in the awarding of private and public contracts;
- sale of industrial products with misleading signs (Art. 517 of the Criminal Code) and manufacture and sale of goods made by usurping industrial property rights (Art. 517-ter of the Criminal Code). These offences could occur if the Company, in preparing a commercial offer, used false signs or usurped industrial property rights, or used designs/parts covered by industrial property rights;
- terrorism and subversion of the democratic order (Art. 25-quater of Legislative Decree 231/01), if those who support the Company in its sales activities or the beneficiaries of the goods/services provided are directly or indirectly linked to persons who intend to commit such offences;
- computer offences and unlawful data processing, covered by Article 24-bis of Legislative Decree 231/01, including:
 - unauthorised access to a computer or data transmission system (Art. 615-ter of the Criminal Code);
 - illegal possession and circulation of access codes to computer or data transmission systems (Art. 615-quater of the Criminal Code).

Computer offences could be committed through an employee's access to the servers/systems of a competitor where they appropriate data/information useful to discovering the business strategies applied;

- self-laundering (Art. 648-ter.1 of the Criminal Code), where the Company, following the commission or complicity in the commission of one of the offences indicated above, as well as other non-negligent offences referred to in Legislative Decree 231/01, obtains benefits which it employs, replaces or transfers in such a way as to effectively obstruct the identification of their criminal origin.

3.1.2 ACTIVITIES AT RISK AND ENTITIES INVOLVED

The macro-activities identified by the Company as potentially at risk in its commercial and sales activities and the corporate Entities involved in their management are listed below:

- Direct Sales (Activity manager Sales Team - Functions involved Country Leader, Sales Team, Presales, Sales Operation, Global Services Operations, Professional Services, Global Delivery, Customer Support, Sales Finance, Order Management, Legal Business Partner);
- Indirect Sales and Management of Distributors and Resellers (Activity manager Partner&Alliance - Functions involved Country Leader, Sales Team, Presales, Order Management, Legal Business Partner Sales Finance);
- Marketing Events Management (Activity manager EMEA and/or Corporate Marketing - Functions involved Marketing & Communication, Country Leader, Sales Team, Presales);
- Order Management (Activity manager Order Management- Functions involved Country Leader, Sales Team, Presales, Sales Operation, Global Services Operations, Professional Services, Global Delivery, Customer Support, Sales Finance, Order Management, Legal Business Partner).

3.1.3 SPECIFIC CONTROL PROTOCOLS

In addition to complying with the principles set out in the Code of Ethics and Conduct and, with reference to managing relationships with Partners, with the principles contained in the *"Hitachi Vantara Partner Code of Ethics and Business Conduct"*; activities related to this risk area must be managed in compliance with company/group procedures that provide for:

- the identification of the Customer, the ultimate recipient of the supply, and carrying out checks on its reliability (for example in terms of compliance with anti-money laundering regulations, international terrorism, etc.) on the basis of documents, data or information obtained from reliable and independent sources;
- the management of the development/approval phases of the offer through the information system that guarantees:
 - the involvement of several Functions in the preparation phase, as regards the definition of economic and technical aspects;
 - adequate segregation of duties between the various Functions involved in the activities of negotiating the offer and signing the contract;
 - the determination of the sale price of goods/services and the application of any discounts:
 - o on the basis of standard price lists previously approved and configured in the system;
 - o requesting specific authorisation from the empowered representative in case of application of prices/discounts that deviate from the standard price lists;
 - adequate traceability of the process of authorisation/approval of offers/contracts;
 - the filing and storage of the documentation produced;
- the definition of standard general terms and conditions valid for all customers, and the involvement of the Legal Business Partner in case of exceptions to them;

- the use of a special computer portal for the management of applications from Commercial Partners/Retailers/Distributors and for their selection;
- the selection of Business Partners/Retailers/Distributors after conducting assessments (due diligence) based on a number of elements including:
 - the historical profile of Commercial Partners/Distributors/Resellers;
 - the analysis of their structure and financial soundness;
 - their concrete and real references (such as: customers, experience in customer resale, experience in consulting, experience as systems integrator, executive capacity in the field of services, quality level of support activities);
- the agreements with Commercial Partners/Retailers/Distributors are defined in writing, highlighting all the conditions of the agreement itself, and are checked and approved according to current procedures and in compliance with the granted powers;
- the definition of the criteria for the recognition of bonuses/incentives to Agents/Partners/Distributors/Retailers working for the company and carrying out appropriate monitoring of their disbursement;
- the definition of the standard contractual conditions for the sale of goods/services, differentiated according to the type of product/service offered, containing in particular:
 - standard general clauses used in all sales contracts;
 - software license terms, to protect the ownership of the software applications and restrict their use (e.g., rules regarding: granting licenses and software; software licensing for evaluation purposes; third-party software; open source software; usage restrictions; authorised copies; software transfers; termination of licenses);
 - warranty, maintenance and service conditions (clauses governing, among other things: duration and management of the warranty; management of maintenance and service plans; exclusions from the warranty, maintenance and service; performance of remote monitoring services; fees and payment, limitations of liability, governing law, termination);
 - clauses for hosted services, aimed at regulating the software's licensing rights and its use by the customer in the context of hosted services;
- the provision within the various contracts of the clause of commitment to comply with Legislative Decree 231/01, with the express possibility for the Company to terminate the contract, as well as to take legal action against persons who act in a manner contrary to company rules;
- acceptance by the Partner/Dealer/Distributor of the "Hitachi Vantara Partner Code of Ethics and Business Conduct" document.

The Company also provides that:

- with reference to the management of external communications and media relations:
 - relations with the press and other media are reserved for the Country Leader and who delegated and/or authorized and that all information released to the media must be approved by the Parent Company and must not concern confidential information;
 - adequate traceability of the interviews;
 - rigorous controls, in relation to press releases, concerning privileged information regarding the economic and financial situation of the Company;
- with reference to the management of sponsorships, advertising activities and participation in/organisation of events:
 - a clear definition of the procedure followed in the decision to participate in/sponsor an event, carry out advertising activities on a specific medium, and of the methods for formalising agreements with any partners/counterparts;

- the formalisation and approval of the analyses relating to the motivations that led to the choice of a specific advertising channel or the decision to participate in a specific event;
- the process followed in choosing and planning an event;
- the operating procedures followed in preparing, setting up and dismantling the event, identifying the parties involved;
- the forms of reporting on costs and returns resulting from the event;
- verification, in the case of sponsorship of private entities, of the commercial and professional reliability of the partner. In any case, decisions regarding sponsorships must comply with budget limits and must be submitted for approval to the person in charge of the matter at the Parent Company level;
- the methods of filing the supporting documentation and the performed monitoring.

3.2. INSTALLATION OF GOODS/PROVISION OF SERVICES

3.2.1. DESCRIPTION OF THE POTENTIAL RISK PROFILE

The installation of goods and provision of services potentially exposes the Company to the commission of offences:

- bribery for the exercise of a function (Art. 318 of the Criminal Code), corruption in acts contrary to official duties (Art. 319 of the Criminal Code), bribery in judicial proceedings (Art. 319-ter of the Criminal Code), bribery of a person in charge of a public service (Art. 320 of the Criminal Code), incitement to bribery (Art. 322 of the Criminal Code), embezzlement, extortion, illicit inducement to give or promise benefits, bribery and incitement to bribery of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organisations and officials of the European Communities and of foreign States (Art. 322-bis of the Criminal Code), where the Company offers or promises benefits not due to a customer or other person, representative of the Public Administration, (e.g. promise of money, incurring hospitality costs outside the ordinary course of events, etc.) in order to obtain validation of the activity carried out;
- trafficking in unlawful influences (Art. 346-bis of the Criminal Code). This offence could occur if a Company representative or a third party, having learned that a contract is being executed with a Public Administration body or a company responsible for a public service, offers to intercede with a person in charge of that body/company, who is an acquaintance of his, in order to allow the Company to invoice for services that have not been rendered, requesting, as consideration for this activity, the payment of an increased salary (in the case of an employee of the company) or another benefit (in the case of a third party);
- fraud (Art. 640, par. 2, no. 1, of the Criminal Code). Such an offence could be committed through:
 - falsification, alteration and omission of documentary data in order to obtain validation of the activities otherwise not due;
 - falsification, alteration and omission of periodic statements to be issued to the PA in order to obtain approval for the delivery of goods/achievement of contractual objectives.
- fraud in public supplies (Art. 356 of the Criminal Code), in the event that the Company delivers to a public customer a supply that is significantly different, for example from a qualitative point of view, from what was agreed;
- sale of industrial products with misleading signs (Art. 517 of the Criminal Code) and manufacture and sale of goods made by usurping industrial property rights (Art. 517-ter of the Criminal Code). These offences could occur if the Company, in fulfilling an order, uses false signs or usurps industrial property rights, or uses designs/pieces covered by industrial property rights;
- illicit inducement to give or promise to give benefits (Art. 319-quater of the Criminal Code), in the event that a public official or a person in charge of a public service of the customer for which work is being carried out, induces the Company to give or promise to give them money or other benefits, in order to obtain approval of a work progress report without the contractual objectives having been achieved or a certificate of completion without the actual delivery of material;
- bribery between private parties (Art. 2635 par. 3 of the Civil Code) and incitement to bribery between private parties (Art. 2635-bis par. 1 of the Civil Code), in the event that a Company representative bribes, through the offer/promise of money or other benefits, the Project Manager (or other employee) of the private customer, in order to obtain, through the falsification/alteration/omission of documentary data, the validation of activities which would otherwise not be due;
- terrorism and subversion of the democratic order (Art. 25-quater of Legislative Decree 231/01), if those who support the Company in the provision of services or the beneficiaries of the services provided by the Company are directly or indirectly linked to persons who intend to commit such offences;
- computer offences and unlawful data processing, covered by Article 24-bis of Legislative Decree 231/01, including:

- unauthorised access to a computer or data transmission system (Art. 615-ter of the Criminal Code);
- illegal possession and circulation of access codes to computer or data transmission systems (Art. 615-quater of the Criminal Code);

and certain offences relating to violation of copyright covered by Art. 25-novies of Legislative Decree 231/01, including:

- unauthorised duplication, for profit, of computer programs;
- import, distribution, sale or possession for commercial or entrepreneurial purposes or rental of programs contained in media not marked by SIAE.

Computer offences could be committed through an employee's access to the customer's servers/systems where they appropriate data/information in order to use them for the benefit of the Company or in the introduction of malware into the customer's systems that require the Company to carry out maintenance work that would not otherwise be necessary. Unlawful duplication of a computer program could be committed by an employee in order to be able to review the program unlawfully, providing an advantage to the Company;

- issuance of invoices or other documents for non-existent operations (Art. 25-quinquiesdecies of Legislative Decree 231/01 - Art. 8, paragraphs 1 and 2-bis of Legislative Decree 74/00). This offence could be committed if, in order to allow a third party to evade income tax or value added tax, it issues invoices or other documents for transactions that were never carried out, in exchange for the third party's recognition of an economic advantage for the Company such as, for example, the approval of an order variation by the Customer;
- self-laundering (Art. 648-ter.1 of the Criminal Code), where the Company, following the commission or complicity in the commission of one of the offences indicated above, as well as other non-negligent offences referred to in Legislative Decree 231/01, obtains benefits which it employs, replaces or transfers in such a way as to effectively obstruct the identification of their criminal origin.

3.2.2. ACTIVITIES AT RISK AND ENTITIES INVOLVED

Below are the macro-activities identified by the Company as potentially at risk in the installation of goods/services and the Company Entities involved in their management:

- Installation and configuration of machinery and customer management (work progress, maintenance, etc) (Activity manager Customer Support - Function involved Global Delivery);
- Delivery of professional services and customer management (work progress, maintenance, etc) (Activity manager Global Delivery - Functions involved Global Services Operations, Professional Services).

3.2.3. SPECIFIC CONTROL PROTOCOLS

In addition to complying with the principles expressed in the Code of Ethics and Conduct, the activities connected with this area at risk must be managed in compliance with the company/group procedures that provide for:

- the management of orders through the support of the information system ("Sales Force"), which guarantees the traceability of all operations;
- the verification of the availability of the ordered products, the scheduling of the delivery to the customer and the management of the related problems;
- the involvement, where necessary, of various company Functions for the planning of the activities to be carried out and of the customer to analyse and prepare all the technical details relating to the activities to be carried out;

- carrying out maintenance on the equipment installed at the customers' premises after checking its condition;
- during the delivery of the equipment to the customer and before its installation, carrying out checks on the conformity of the material delivered compared to the order received and its condition;
- periodic verification of the work progress, duly recorded, and monitoring of the correct execution (testing/validation) of the product installation/service provision;
- formalisation of the activities carried out by drafting the "Installation report" and "Uninstallation report";
- centralization and rationalization of the activities of acceptance and management of all types of calls to the Hitachi Vantara technical support;
- automatic verification of the contractual status in the phase of taking charge and opening the customer call (via Hi-track and direct) that helps evaluate and decide through Salesforce whether to accept or not the call in the absence of an active maintenance contract.

3.3. ACQUISITION, PROGRESSION AND MANAGEMENT OF PERSONNEL

3.3.1. DESCRIPTION OF THE POTENTIAL RISK PROFILE

The process of acquisition, career progression and personnel management may theoretically entail the risk of commission of offences:

- of terrorism and subversion of the democratic order (Art. 25-quater of Legislative Decree 231/01), in the event that funds are provided, directly or indirectly, but in any case voluntarily, in favour of persons who intend to commit terrorist offences, for example by hiring persons belonging to/close to associations having such purposes or by attributing bonuses/other incentives not due to such persons;
- employment of citizens of third countries whose stay is irregular (Art. 25-duodecies of Legislative Decree 231/01), if the Company hires and employs foreign staff who do not have a valid residence permit. This offence may also be committed during the employment relationship, if the worker's residence permit expires during that period;
- criminal association (Art. 416 of the Criminal Code), mafia-type, even foreign (Art. 416 bis of the Criminal Code), in the case of hiring people traceable to it or recognising career progressions or attributing bonuses/other incentives not due to personnel traceable to it.

The process of selection, career progression and management of personnel also constitutes one of the instrumental methods through which, in principle, offences could be committed:

- bribery for the exercise of a function (Art. 318 of the Criminal Code), corruption in acts contrary to official duties (Art. 319 of the Criminal Code), bribery in judicial proceedings (Art. 319-ter of the Criminal Code), bribery of a person in charge of a public service (Art. 320 of the Criminal Code), incitement to bribery (Art. 322 of the Criminal Code), embezzlement, extortion, illicit inducement to give or promise benefits, bribery and incitement to bribery of members of bodies of the European Communities or officers of the European Communities and foreign States (Art. 322-bis of the Criminal Code), extortion (Art. 317 of the Criminal Code) and illicit inducement to give or receive benefits (Art. 319-quater of the Criminal Code);
- trafficking in unlawful influence (Art. 25 of Legislative Decree 231/01 - Art. 346-bis of the Criminal Code);
- inducement to not make statements or to make untruthful statements to the Judicial Authorities (Art. 377-bis of the Criminal Code);
- bribery between private individuals (Art. 2635 par. 3 of the Civil Code) and incitement to bribery between private individuals (Art. 2635-bis par. 1 of the Civil Code).

With regard to the possible ways in which such offences may be committed, the following is an example:

- in the selection phase, the hiring or promise of hiring, even through an intermediary, of a person "close to" or "liked by" public/private parties to be bribed in order to obtain favours in while doing business (e.g.: obtaining authorisations from public parties, even through someone exercising unlawful influence, awarding contracts, obtaining better conditions for a supply, etc.), not based on strictly meritocratic criteria;
- in the phase of career progression and personnel management, the recognition or promise, even through an intermediary, of:
 - promotions/career advancements/increases in salary/other benefits to personnel "close to" or "liked by" public or similar persons or private persons for corrupt purposes, not based on strictly meritocratic criteria;
 - "falsified/inflated" bonuses/incentives in order to make available sums of money that can be used for corrupt purposes both directly through the crediting by the employee of the sum, or part of it, to an account in the name of a foreign company belonging to the public official/private individual to be bribed and indirectly through the creation of hidden funds available to the Company;
- with regard to the offence of inducing a person not to make statements or to make false statements to the judicial authority, it could, for example, be committed by hiring a person "close to" the person

who is required to make statements to the judicial authority or by awarding an "inflated" bonus or promoting a person "liked by" the person who is required to make statements to the judicial authority.

3.3.2. ACTIVITIES AT RISK AND ENTITIES INVOLVED

Below are the main activities identified by the Company as potentially at risk in the acquisition, progression and management of personnel and the Company Entities involved in their management:

- Personnel selection, management and training (Activity manager Human Resources);
- Management of payroll, holidays and leaves of absence, expense reimbursements, disbursement of bonuses and commissions, and related relations with the external consultant (Activity manager Human Resources, Payroll Specialist and Country Leader - Functions involved Sales Finance);
- Management of company cars and fuel cards (Activity manager Payroll Specialist - Functions involved Country Leader, Sales Finance).

3.3.3. SPECIFIC CONTROL PROTOCOLS

The activities connected with this area of risk must be managed in compliance with the Code of Ethics and Conduct, as well as with the company/group procedures that provide for:

- regarding the selection and recruitment process:
 - the management of requests for new personnel and of the selection process by means of specific information systems that guarantee the correct authorisation process and the traceability of operations;
 - requests for new personnel must be adequately forecast and covered in the budget for staffing requirements approved by the BoD; otherwise, a review of the budget must be carried out, which must be approved by Senior Management, before starting the selection and recruitment process;
 - in the process of identifying the candidate to be recruited, provision must be made for the involvement of a range of parties. In addition, the following must be guaranteed at this stage:
 - o the traceability of the sources of the curricula during their acquisition and management (e-recruitment, advertisements, spontaneous applications, internal presentations, etc.);
 - o monitoring, in the event of recourse to a temporary agency for the recruitment of candidates, the way in which the agency is activated and its work;
 - o the identification of a shortlist of candidates, as far as possible in view of the type of professionalism to be employed;
 - o both the technical and psycho-aptitude assessment of the candidate;
 - o assigning responsibility for the various types of evaluation to separate individuals;
 - o carrying out background checks on the selected candidate in relation to their studies and previous work experience, as well as a "global sanction check";
 - o the signing by the selected candidate of a declaration of absence of conflicts of interest, in particular for cases of ongoing relationships (or had in the last three years) with the Company (directly or by relatives within the second degree), as: representative of the PA with decision-making power; customer/supplier/partner;
 - The following activities must be included in the offer formulation and recruitment phase:
 - o verify the existence of documentation proving the correct execution of the previous phases, by a subject other than the applicant or the one who actively participated in the selection;

- ensure that the definition of economic conditions is consistent with the position held by the candidate and the responsibilities/tasks assigned to them;
- ensure that the employment contract is signed by a person with a suitable power of attorney;
- verify, in case of employment of non-EU personnel, the legitimacy of the residence permit;
- define a set of documents to be requested from the candidate prior to hiring to verify the existence of adequate ethical and moral requirements;
- at the time of recruitment, the following activities must be envisaged:
 - provision of training on the contents of the Model and the Code of Ethics and Conduct to newly hired employees;
 - obtaining the declaration of receipt and the commitment to respect the contents of the documents referred to in the previous point;
 - information to the newly hired employee regarding:
 - characteristics of the function and tasks to be performed;
 - regulation and remuneration elements, as governed by the National Collective Bargaining Agreement and any company regulations;
 - rules and procedures to be adopted to avoid any health risks associated with the work duties;
 - notification of the recruitment to the outsourcer in order to fulfil the obligations towards the relevant public bodies;
- the filing in paper or electronic format of the data/documents/acts, through the creation of a special file for each employee, prepared during the selection activities, to ensure the traceability of the selection and recruitment process;
- with regard to the personnel management process:
 - the definition of the main activities as well as the roles and responsibilities in the personnel management process;
 - adequate systems for recording and verifying attendance ;
 - the definition of rules for the management of requests and the issuance of authorisations for holidays and leaves, for the communication of illnesses and for everything concerning the determination of personnel costs;
 - authorisation for travel and reimbursement of related expenses, providing in particular:
 - the methods for authorising travel by means of a special application system;
 - the submission by employees to their manager of an "expense report" summarising the expenses incurred during the trip, with the related receipts attached;
 - the types and limits of reimbursable expenses and the procedures for their implementation, reporting, verification, authorisation, registration and reimbursement;
 - the incurring of travel expenses through the use of any company credit cards/fuel cards and their reporting;
 - the definition, formalisation and implementation of a staff performance evaluation system, with the support of appropriate IT tools;
 - the definition, approval and disbursement of any remuneration policy measures (e.g. *"ad personam bonuses"*, salary increases), on the basis of the employee performance appraisal process referred to in the previous point and in compliance with pre-set budget limits, with the involvement of the competent Group functions;

- compliance with the principle that states that the determination of corporate objectives and the related incentive programs must be conducted in accordance with the principles of fairness and balance, not identifying objectives that are overly ambitious and/or difficult to achieve through ordinary operations and that may lead to unlawful behaviour;
- where necessary, the definition of a schedule regarding the maintenance of the legitimacy of the residence permit over time for non-EU personnel hired on a temporary/permanent basis;
- the assignment of any company assets (e.g. cars, sim cards, telephones, tablets), through the use of special standard notices/forms for taking them over, signed for acceptance, and also containing a commitment to their correct use in compliance with the provisions of the Group, the Company and current legislation, providing, for new recruits, for the inclusion of these clauses in the related employment contract;
- the filing in paper or electronic format, through the creation of a special file for each employee, of the data/documents/acts prepared in the course of the employment relationship (e.g. career progressions, assignment of bonuses, residence permits).

3.4. PROCUREMENT OF GOODS AND SERVICES AND CONSULTING SERVICES

3.4.1. DESCRIPTION OF THE POTENTIAL RISK PROFILE

The procurement of goods, services and consultancy may theoretically entail the risk of committing the offences of:

- receipt of stolen goods (Art. 648 of the Criminal Code), in the case, for example, of the purchase of goods originating from any crime, or in the case of use by the supplier of resources of illicit origin (for example, plant and machinery for carrying out his activity);
- terrorism and subversion of the democratic order (Art. 25-quater of Legislative Decree 231/01) in the event that funds are provided, directly or indirectly, but in any case voluntarily, to persons who intend to commit terrorist offences, through the selection and/or management of suppliers/subcontractors;
- culpable homicide (Art. 589 of the Criminal Code) and culpable personal injury (Art. 590, par. 3, of the Criminal Code), environmental offences (Art. 25-undecies of Legislative Decree 231/01), offences relating to the employment of third-country nationals whose stay is irregular (Art. 25-duodecies of Legislative Decree 231/01), offences against the individual (Art. 25-quinquies of Legislative Decree 231/01) in the event that they are committed by suppliers/contractors within company areas and/or in any case under the control of the Company;
- criminal association (Art. 416 of the Criminal Code), mafia-type, even foreign (Art. 416-bis of the Criminal Code), in the event that the Company uses suppliers / contractors that can be traced back to them;
- bribery between private individuals (Art. 2635 par. 3 of the Civil Code) and incitement to bribery between private individuals (Art. 2635-bis par. 1 of the Civil Code), in the event that the Company gives, offers or promises, even through a third party, a fee or other utility to a salesperson of a supplier to obtain an undue benefit/utility not due (e.g. off-market discount) or to the supplier's technician to avoid them highlighting problems encountered while performing their work;
- fraudulent declaration through the use of invoices or other documents for non-existent operations (Art. 25-quinquiesdecies of Legislative Decree 231/01 - Art. 2, paragraphs 1 and 2-bis of Legislative Decree 74/00), fraudulent declaration through other devices (Art. 25-quinquiesdecies of Legislative Decree 231/01 - Art. 3 of Legislative Decree 74/00). These offences could, in fact, be committed in abstract terms if the Company, in order to evade taxes, uses fictitious supplier invoices that alter the values of the annual declaration or uses fraudulent means to obstruct the tax authorities' assessment;
- self-laundering (Art. 648-ter.1 of the Criminal Code), where the Company, following the commission or complicity in the commission of one of the offences indicated above, as well as other non-negligent offences referred to in Legislative Decree 231/01, obtains benefits which it employs, replaces or transfers in such a way as to effectively obstruct the identification of their criminal origin.

The process of procurement of goods, services and consultancies could also, in abstract terms, be the instrument through which the following offences are carried out:

- bribery for the exercise of a function (Art. 318 of the Criminal Code), corruption in acts contrary to official duties (Art. 319 of the Criminal Code), bribery in judicial proceedings (Art. 319-ter of the Criminal Code), bribery of a person in charge of a public service (Art. 320 of the Criminal Code), incitement to bribery (Art. 322 of the Criminal Code), embezzlement, extortion, illicit inducement to give or promise benefits, bribery and incitement to bribery of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organisations and officials of the European Communities and foreign States (Art. 322-bis of the Criminal Code);
- trafficking in unlawful influence (Art. 25 of Legislative Decree 231/2001 - Art. 346-bis of the Criminal Code);
- unlawful inducement to give or promise benefits (Art. 319-quater of the Criminal Code);
- extortion (Art. 317 of the Criminal Code)
- inducement to not make statements or to make untruthful statements to the Judicial Authorities (Art. 377-bis of the Criminal Code);

- bribery between private individuals (Art. 2635 par. 3 of the Civil Code) and incitement to bribery between private individuals (Art. 2635-bis par. 1 of the Civil Code).

These offences could be committed in the abstract through non-transparent management of the supplier selection process. Therefore, the issuance of purchase orders may be instrumental to the creation of funds that can be used for corrupt purposes against public officials/public service appointees or private individuals, for example:

- in the case of the attribution or promise of a fictitious contract in favour of a public official or a private individual (or family members or persons or companies related to them or liked by them) in order to reward them for undue favours or to obtain an undue advantage;
- through the creation of funds as a result of contracted services at prices higher than market prices, to be given or promised to a public official or a private individual, in order to obtain favours in the context of company activities.

3.4.2. ACTIVITIES AT RISK AND ENTITIES INVOLVED

The following are the corporate bodies involved in the management of the activity at risk Procurement of goods, services and consultancy (Activity manager DI - Supply Chain - Procurement - Functions involved Country Leader, Sales Finance, Sales Team, Sales Operation, Global Services Operations, Professional Services, Global Delivery, Customer Support, Sales Finance, Order Management, Legal Business Partner, Marketing & Communication).

3.4.3. SPECIFIC CONTROL PROTOCOLS

In addition to including the principles expressed in the Code of Ethics and Conduct, the activities connected with this area at risk must be managed in compliance with the company/group procedures that provide for:

- the definition of the main activities as well as the roles and responsibilities of the Functions/Areas involved, guaranteeing at each stage a separation of duties/roles. More specifically, the following are the key elements:
 - with respect to the purchase request phase, the following is required:
 - o adequate formalization, through the use of corporate information systems;
 - o due diligence of the congruity of the expenditure compared to the budget;
 - during the selection and choice of supply offers:
 - o verification, in advance, of the available information (including financial information) on counterparts, suppliers, partners and consultants, to ascertain their respectability and the legitimacy of their activities, before establishing business relations with them;
 - o compliance with the principle that the selection of suppliers of goods and services must be based on objective, transparent and documentable evaluation criteria, in accordance with the principles of the Code of Ethics and Conduct;
 - at the order/contract definition phase:
 - o the definition of economic conditions consistent with the type of supply requested;
 - o signing of the supply order/contract by a person with a suitable power of attorney;
 - the phase of receipt, monitoring and evaluation of the supply and authorisation for payment requires that:
 - o the receipt, as far as possible, of the goods is carried out by a person (who requested the supply) different from the person who manages the offer and negotiation phase with the supplier and from the person who makes the payment for the supply/service;
 - o any criticalities or difficulties of any kind in the execution of contractual relationships, including any non-fulfilment or partial fulfilment of contractual obligations, are

- highlighted in writing and managed by the competent Functions in accordance with the contractual agreements, as well as in compliance with the law and other applicable regulations;
- the activity performed by the supplier/consultant is duly documented and the Function which used their services must certify that the service took place prior to the payment of the fees;
 - outgoing financial flows are authorised on the basis of the Company's powers of attorney and managed according to the defined process;
 - the maintenance of the requirements of reliability, correctness, professionalism and honourableness of the suppliers must be monitored;
- the inclusion of suppliers in a "Qualified Supplier List", after passing a trial period, whose outcome must be formalised;
 - the preparation of standard general conditions of supply, which include, among other things, the clause according to which any violation committed by the supplier (and ascertained by the Company and/or the competent authorities), with reference to Legislative Decree 231/01 or the Code of Ethics and Business Conduct, will result in the possibility of termination of the contract, as well as legal recourse against the individuals who committed such a violation;
 - adequate methods of storing the relevant documentation, so as to ensure the traceability of operations.

3.5. CORPORATE AFFAIRS

3.5.1. DESCRIPTION OF THE POTENTIAL RISK PROFILE

The process of managing corporate affairs is potentially exposed to the risk of commission (or complicity in the commission) of the following offences:

- bribery for the exercise of a function (Art. 318 of the Criminal Code), corruption in acts contrary to official duties (Art. 319 of the Criminal Code), bribery in judicial proceedings (Art. 319-ter of the Criminal Code), bribery of a person in charge of a public service (Art. 320 of the Criminal Code), incitement to bribery (Art. 322 of the Criminal Code), embezzlement, extortion, illicit inducement to give or promise benefits, bribery and incitement to bribery of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organisations and officials of the European Communities and foreign states (Art. 322-bis of the Criminal Code), as well as of illicit inducement to give or promise benefits (Art. 319-quater of the Criminal Code) and inducement to not make statements or to make untruthful statements to the Judicial Authorities (Art. 377-bis of the Criminal Code), in consideration of the fact that managing corporate affairs involves systematic contacts and obligations towards PA officials (including but not limited to: eg. Notaries, Chamber of Commerce, Courts, Registry Offices, etc.). To this end, contact with public officials could represent an opportunity to offer them money or other benefits in order to obtain favourable treatment, e.g. by inducing them to omit/reduce the imposition of sanctions to be imposed following irregularities that emerge during audits (for the analysis of the risk area regarding relations with the PA, see paragraph 3.11 of this Special Section);
- unlawful transactions involving the shares of the company or of the parent company (Art. 2628 of the Civil Code) and transactions to the detriment of creditors (Art. 2629 of the Civil Code); this is in light of the fact that the activities of the company bodies may lead to Board/shareholder resolutions connected with transactions on the capital (such as, for example the purchase or subscription of shares, outside the cases permitted by law, reductions in share capital, or mergers with other companies or demergers in violation of Articles 2306, 2445 and 2503 of the Civil Code) which can potentially damage the integrity of the share capital and the reasons of creditors;
- undue influence over the shareholders' meeting (Art. 2636 of the Civil Code). The offence is committed when, by simulated acts or fraud, a majority is obtained in the shareholders' meeting, in order to obtain an unfair profit for oneself or others; it is a "common offence", which can therefore be committed by anyone. This could take the form of the use of unplaced shares, the exercise of voting rights under another name, or the use of other illicit means;
- false corporate communications (Art. 2621 of the Civil Code), minor facts (Art. 2621-bis of the Civil Code), obstruction of control (Art. 2625 of the Civil Code), undue return of contributions (Art. 2626 of the Civil Code), illegal distribution of profits and reserves (Art. 2627 of the Civil Code), fictitious capital formation (Art. 2632 of the Civil Code), undue distribution of corporate assets by liquidators (Art. 2633 of the Civil Code). The methods of implementation include, for example, the concealment in whole or in part by fraudulent means of information/facts that should have been communicated to the Auditing Body concerning the economic, equity or financial situation of the Company or the falsification/omission of communications/fulfilments towards the same.

3.5.2. ACTIVITIES AT RISK AND ENTITIES INVOLVED

The corporate bodies involved in the management of activities at risk are listed below [Management of corporate affairs](#) (Activity manager Legal Business Partner - Functions involved Country Leader, Legal Business Partner, Sales Finance).

3.5.3. SPECIFIC CONTROL PROTOCOLS

In addition to the principles expressed in the Code of Ethics and Conduct, the Company provides that:

- Recipients are required to observe a conduct aimed at ensuring the proper functioning of the Company, and the proper interaction between its corporate bodies, ensuring and facilitating all forms

of control over the management of the company, in the manner provided for by law, as well as the free and regular formation of the will of the shareholders' meeting;

- it is forbidden to unlawfully cause or influence the passing of resolutions by the shareholders' meeting, by carrying out simulated or fraudulent acts that are intended to artificially alter the normal and correct procedure for the formation of the will of the shareholders' meeting;
- Recipients are required to ensure strict compliance with the provisions of the law that protect the integrity and effectiveness of share capital, so as not to create damage to the guarantees of creditors and, more generally, to third parties;
- the activities connected with this risk area must be managed according to operating procedures that guarantee the segregation of duties and adequate traceability of operations;
- all operations on the Company's share capital, the allocation of profits and reserves, the purchase and sale of shareholdings and company branches, mergers, demergers and spin-offs, as well as all operations that could potentially damage the integrity of the share capital must be inspired by the following principles:
 - transparency, correctness and compliance with regulations;
 - the attribution to the BoD of the prior approval of corporate transactions that may have a significant impact on profitability, assets and liabilities or financial position;
 - the assignment of decision-making and operational responsibilities for the aforementioned operations, as well as the coordination mechanisms between the various corporate Functions/Areas involved.

Regarding relations with the Auditing Body, the Company provides:

- the timely transmission to it of all documents relating to items on the agenda of Shareholders' Meetings and Boards of Directors' Meetings or on which the Statutory Auditor must express an opinion;
- the provision of documents on the management of the Company to enable it to carry out its auditing activities;
- the scheduling of periodic meetings between the Auditing Body and the SB to verify compliance with company rules and procedures on the subject of company regulations;
- the procedures for filing and storing the documentation produced.

3.6. MANAGEMENT, FINANCE AND CONTROL

3.6.1. DESCRIPTION OF THE POTENTIAL RISK PROFILE

The activities related to the drafting of the budget, bookkeeping, preparation of the financial statements and management of taxation present the following potential risk profiles:

- their incorrect management, impacting on the representation of the equity, economic and financial situation of the Company, could constitute one of the prerequisites for the commission or complicity in the commission of the offences of false corporate communications (Art. 2621), minor facts (Art. 2621-bis of the Civil Code), transactions to the detriment of creditors (Art. 2629 of the Civil Code) and the fictitious formation of capital (Art. 2632 of the Civil Code). These offences are committed by presenting in the financial statements, reports or other corporate communications required by law, addressed to shareholders or the public, material facts that are untrue and may mislead the recipients about the economic, equity or financial situation of the company or the group to which it belongs, with the intention of deceiving shareholders, creditors or the public; or the omission, with the same intention, of material information on the same situation whose disclosure is required by law. Therefore such offences could, in the abstract, occur for example through:
 - exposing material facts that are not true;
 - the overstatement or understatement of estimated/valued items in the financial statements;
 - the valuation that knowingly deviates from the valuation criteria established by law in a way that is likely to mislead the recipients of the communications;
 - the modification of accounting data in the computer system;
 - the omission of information, whose disclosure is required by law, concerning the economic, equity or financial situation of the company or the group to which it belongs, even when the information concerns assets owned or administered by the company on behalf of third parties, etc.;
- fraud (Art. 640, par. 2, no. 1, of the Criminal Code). This offence could be committed through the preparation of untrue documentation in the preparation of tax returns, for example by indicating untrue or non-existent aspects;
- fraudulent declaration by means of invoices or other documents for non-existent transactions (Art. 25-quinquiesdecies of Legislative Decree 231/01 - Art. 2, paragraphs 1 and 2-bis of Legislative Decree 74/2000). This offence could occur if, in order to evade taxes, the Company indicates fictitious passive elements in its income tax or value added tax declarations. Fictitious liabilities or lower than actual assets are shown in the annual statements based on the recorded documents;
- fraudulent declaration by means of other artifices (Art. 25-quinquiesdecies of Legislative Decree 231/01 - Art. 3 of Legislative Decree 74/00). This offence could be committed if the Company, in order to evade taxes and with the awareness and intention of exceeding the thresholds of punishability pursuant to the law, makes false representations in compulsory accounting records or uses fraudulent means to hinder assessment by the tax authorities or makes an untrue declaration;
- issuance of invoices or other documents for non-existent operations (Art. 25-quinquiesdecies of Legislative Decree 231/01 - Art. 8, paragraphs 1 and 2-bis of Legislative Decree 74/00). This offence could be committed if, in order to allow a third party to evade income tax or value added tax, it issues invoices or other documents for transactions that were never carried out, in exchange for the third party's recognition of an economic advantage for the Company such as, for example, the approval of an order variation by the Customer;
- concealment or destruction of accounting documents (Art. 25 quinquiesdecies of Legislative Decree 231/01 - Art. 10 of Legislative Decree 74/00). This offence may occur when the Company conceals or destroys the accounting records or documents which must be kept, in order to make it impossible to reconstruct the Company's income and turnover;

- fraudulent evasion of tax payments (Art. 25 quinquiesdecies of Legislative Decree 231/01 - Art. 11 of Legislative Decree 74/00). This offence may be committed if the Company simultaneously carries out fraudulent acts on its own assets in order to render the compulsory collection procedure ineffective, for itself or for others, even partially, or if it declares, in the documentation submitted for the purposes of the tax settlement procedure, assets or liabilities other than the real ones in order to obtain a lower payment of the total amounts due;
- untrue declaration (Art. 25 quinquiesdecies of Legislative Decree 231/01 - Art. 4 of Legislative Decree 74/00). This offence could be committed if, in order to evade value added tax in the cross-border system for a total amount of not less than 10 million, in the annual declaration relating to the aforementioned tax, it declares assets for an amount lower than the actual amount or non-existent liabilities;
- omitted declaration (Art. 25 quinquiesdecies of Legislative Decree 231/01 - Art. 5 of Legislative Decree 74/00). This offence could be committed if, in order to evade value added tax in the cross-border system for a total amount of not less than 10 million euro, the Company does not submit, despite being obliged to do so, the annual declaration relating to said tax;
- undue offsetting (Art. 25 quinquiesdecies of Legislative Decree 231/01 - Art. 10-quater of Legislative Decree 74/00). This offence could occur if, in order to evade value added tax in the cross-border system for a total amount of not less than 10 million, the Company uses non-existent and/or not due credits as offset.

Finally, the activities in this area of risk may in abstract terms constitute conduct relating to receiving stolen goods (Art. 648 of the Criminal Code), money laundering (Art. 648-bis of the Criminal Code), the use of money, goods or benefits of unlawful origin (Art. 648-ter of the Criminal Code), as well as self-laundering (Art. 648-ter.1 of the Criminal Code). For example, the Company could commit the latter offence if, following the commission of or participation in the commission of a non-culpable offence (among those provided for by Legislative Decree 231/01), it obtains utilities which it uses, substitutes or transfers in such a way as to effectively obstruct the identification of their criminal origin.

The process of procurement of goods, services and consultancies could also, in abstract terms, be the instrument through which the following offences are carried out:

- bribery for the exercise of a function (Art. 318 of the Criminal Code), corruption in acts contrary to official duties (Art. 319 of the Criminal Code), bribery in judicial proceedings (Art. 319-ter of the Criminal Code), bribery of a person in charge of a public service (Art. 320 of the Criminal Code), incitement to bribery (Art. 322 of the Criminal Code), embezzlement, extortion, illicit inducement to give or promise benefits, bribery and incitement to bribery of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organisations and officials of the European Communities and foreign States (Art. 322-bis of the Criminal Code);
- trafficking in unlawful influence (Art. 25 of Legislative Decree 231/2001 - Art. 346-bis of the Criminal Code);
- unlawful inducement to give or promise benefits (Art. 319-quater of the Criminal Code);
- extortion (Art. 317 of the Criminal Code)
- inducement to not make statements or to make untruthful statements to the Judicial Authorities (Art. 377-bis of the Criminal Code);
- bribery between private individuals (Art. 2635 par. 3 of the Civil Code) and incitement to bribery between private individuals (Art. 2635-bis par. 1 of the Civil Code).

This is because this process can be instrumental in setting up hidden funds that can be used for corrupt purposes, for example through:

- the booking of fictitious items (e.g. false invoices for non-existent services);
- failure to account for items;
- overvaluation of Company assets.

3.6.2. ACTIVITIES AT RISK AND ENTITIES INVOLVED

The main activities to be considered at risk in abstract terms and the corporate bodies involved in their management are listed below:

- Preparation of the budget and periodic analysis of variances (Activity manager Country Leader and Finance EMEA - Functions involved Sales Finance, Sales Operations);
- Receipt, verification and recording of suppliers' invoices (Hitachi Group Company - Finance EMEA - Functions involved Country Leader, Order Management, Sales Finance);
- Issuing of invoices receivable (Finance EMEA - Functions involved Country Leader, Sales Finance);
- Execution of accounting entries (Finance EMEA - Functions involved Country Leader, Sales Finance, Legal Business Partner);
- Preparation of financial statements and tax returns (Activity manager Finance EMEA - Functions involved Country Leader).

3.6.3. SPECIFIC CONTROL PROTOCOLS

In addition to complying with the principles expressed in the Code of Ethics and Conduct, the activities connected with this area at risk must be managed in compliance with the company/group procedures that provide for:

- with reference to the formation of reporting, the periodic drafting of a cost forecast and a sales budget in order to ensure the monitoring of company performance;
- with reference to the keeping of accounts, the preparation and approval of the Financial Statements and other corporate communications of an administrative and accounting nature and the management of taxation:
 - carrying out audit and control of the correctness of the issued invoices (e.g. correct application of VAT, withholding tax) before their approval;
 - the issuance of invoices receivable:
 - o in manual mode, upon verification of the positive outcome of the testing or the issuance of the service performance certificate by the Customer;
 - o in automatic mode by the information system, at the time of closing the order in the system;
 - the preparation of periodic accounting records;
 - a list of the data and information that each corporate Function must provide to the responsible Function, as well as the criteria for their processing and the timing of their delivery;
 - the transmission of data and information to the responsible Function by computer, so as to trace the various steps and identify the persons who enter the data in the system;
 - the traceability of accounting operations, for the preparation of the financial statements, with particular reference to those relating to the assessment and adjustment entries or those that involve the need to make estimates;
 - the timely transmission of the draft financial statements to all members of the Board of Directors and to the Auditing Body, as well as a suitable record of such transmission;
 - the holding of at least annual joint meetings between the Country Leader, the Auditing Body and the SB;
- adequate methods of filing and storing administrative/accounting documentation in compliance with civil and tax regulations, so as to ensure its immediate traceability.

3.7. FINANCIAL RESOURCES

3.7.1. DESCRIPTION OF THE POTENTIAL RISK PROFILE

The management of financial resources may theoretically entail the risk of committing the offences of:

- receiving stolen goods (Art. 648 of the Criminal Code), money laundering (Art. 648-bis of the Criminal Code), use of money, goods or utilities of illegal origin (Art. 648-ter of the Criminal Code) and self-laundering (Art. 648-ter1 of the Criminal Code) through the movement of financial flows connected to the purchase activities and to the activities regarding the sale of products/provision of services (see these activities for further details on the specific risk profile);
- criminal association and mafia-type association, including foreign ones (Articles 416 and 416-bis of the Criminal Code), in the event that, for example, the Company knowingly procures financial resources to be allocated to persons associated with these types of associations;
- bribery between private individuals (Art. 2635 paragraph 3 of the Civil Code) and incitement to bribery between private individuals (Art. 2635-bis paragraph 1 of the Civil Code), in the case in which, for example, a representative of the Company gives/promises/offers an undue remuneration (e.g. money or other benefits):
 - to the insurance company in order to obtain better terms and/or the release of a guarantee that would not have been given;
 - to the bank official, in order to obtain an advantage from a lending institution (e.g. better financing conditions, failure to revoke an overdraft facility due to non-compliance with covenants established in the conditions for obtaining the facility).

It should be noted that in performing certain activities (such as, for example, the management of subsidised loans), the lending institutions are de facto and de jure equivalent to the Public Administration: in this case, the offences of corruption between private individuals/conspiracy to corrupt private individuals would not exist, but those of corruption/conspiracy to corrupt the Public Administration would exist.

The management of financial flows constitutes one of the instrumental methods through which, in principle, offences could be committed:

- bribery for the exercise of a function (Art. 318 of the Criminal Code), corruption in acts contrary to official duties (Art. 319 of the Criminal Code), bribery in judicial proceedings (Art. 319-ter of the Criminal Code), bribery of a person in charge of a public service (Art. 320 of the Criminal Code), incitement to bribery (Art. 322 of the Criminal Code), embezzlement, extortion, illicit inducement to give or promise benefits, bribery and incitement to bribery of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organisations and officials of the European Communities and foreign States (Art. 322-bis of the Criminal Code);
- unlawful inducement to give or promise benefits (Art. 319-quater of the Criminal Code);
- trafficking in unlawful influences (Art. 346-bis of the Criminal Code);
- fraud (Art. 640, par. 2, no. 1, of the Criminal Code);
- bribery between private individuals (Art. 2635 par. 3 of the Civil Code) and incitement to bribery between private individuals (Art. 2635-bis par. 1 of the Civil Code).

These offences could, in fact, be committed in an abstract way through a non-transparent and incorrect management of monetary and financial flows, which could lead to the constitution of "liquid assets" for illicit conducts including, typically, corrupt conducts through, for example, bribery:

- the improper use of company current accounts in order to make available sums of money or to make it difficult to trace movements of funds;
- making payments on fictitious invoices in order to create "liquid assets";
- the recognition of fictitious expense reimbursements or advances in whole or in part;
- the use of cash in order to create "liquid assets";

- the establishment of funds against false invoices, in whole or in part.

3.7.2. ACTIVITIES AT RISK AND ENTITIES INVOLVED

The main activities to be considered at risk in abstract terms and the corporate bodies involved in their management are listed below:

- Payments and collections management (Activity manager Finance EMEA - Functions involved Country Leader, Sales Finance);
- Management of relations with credit and insurance institutions (Activity manager Finance EMEA - Functions involved Country Leader, Sales Finance).

3.7.3. SPECIFIC CONTROL PROTOCOLS

In addition to the principles expressed in the Code of Ethics and Conduct, the Company generally provides that:

- every act of a financial nature of the Company must be authorised in advance by the competent offices, guaranteeing that it corresponds to its interests, to the congruity of the cost, the effective and complete destination of the sums disbursed, and must be arranged according to the granted company powers;
- the payment by the Customers must be made through the Customer's lending institution where it is always possible to identify the person who arranged the transaction towards the Company's lending institution, thus ensuring the possibility of tracing the person who arranged the transaction;
- payments must be made by bank transfer to current accounts in the name of the same person to whom the order/assignment is given (opened at lending institutions in the country of residence/registered office of the person to whom the assignment is given);
- payments to numbered accounts or accounts for which it is not possible to identify the exact identity of the account holder are prohibited;
- it is forbidden to have relations with parties with headquarters or in any case operating in countries that do not guarantee corporate transparency;
- it is forbidden to carry out operations that prevent the reconstruction of the financial flow or make it less easy, such as, for example, split payments/disbursements made for this purpose.

Furthermore, the following are provided:

- with reference to payments of supplier invoices, the obligation to:
 - carry out, prior to the payments, a check and evaluation of the supply/service by the requesting Function;
 - verify the correspondence between what has been authorised and the related reference documents (contract/purchase order, slips, F24, Expense Report, etc.);
- with reference to the management of collections and the debt collection policy:
 - the granting of credit lines to customers, based on defined criteria, duly formalised and authorised by persons delegated to do so;
 - the definition of operating procedures, information flows, tools and responsibilities for monitoring past due receivables and reminders to customers, ensuring adequate segregation and traceability of activities;
- that the decision to open current accounts is the responsibility of Headquarters, also taking into account the needs and requirements of the individual local companies;
- the definition of adequate filing and storage methods for the documentation produced, so as to ensure its traceability.

3.8. INFORMATION SYSTEMS

3.8.1. DESCRIPTION OF THE POTENTIAL RISK PROFILE

The management of information systems may in abstract terms lead to the commission of the offences of:

- computer fraud against the State or other public entities (Art. 640-ter, par. 1 of the Criminal Code);
- computer crimes and unlawful processing of data (Art. 24-bis of Legislative Decree 231/01), set out below:
 - forgery of a public electronic document with evidential effectiveness (491-bis of the Criminal Code);
 - unauthorised access to a computer or data transmission system (Art. 615-ter of the Criminal Code);
 - illegal possession and circulation of access codes to computer or data transmission systems (Art. 615-quater of the Criminal Code);
 - distribution of equipment, devices or programs aimed at damaging or interrupting a computer or data transmission system (Art. 615-quinquies of the Criminal Code);
 - intercepting, impeding or interrupting computer or electronic communications (Art. 617-quater of the Criminal Code);
 - installation of equipment designed to intercept, impede or interrupt computer or electronic communications (Art. 617-quinquies of the Criminal Code);
 - damage to information, data and programs (Art. 635-bis of the Criminal Code);
 - damage to information, data and programs used by the State or other public body, or otherwise providing public services (Art. 635-ter of the Criminal Code);
 - damage to computer or data transmission systems (Art. 635-quater of the Criminal Code);
 - damage to computer or data transmission systems providing public services (Art. 635-quinquies of the Criminal Code);
 - computer fraud by the party providing electronic signature certification services;
- some of those covered by Art. 25-novies (offences related to copyright violations), including those listed below:
 - making available to the public, in a computer network system, through any type of connections, work protected by copyright, or a part thereof;
 - unauthorised duplication, for profit, of computer programs;
 - import, distribution, sale or possession for commercial or entrepreneurial purposes or rental of programs contained in media not marked by SIAE;
 - preparation of means to remove or circumvent computer program protection devices;
 - reproduction, transfer to another medium, distribution, communication, presentation or demonstration to the public of the contents of a database; extraction or re-utilization of the database; distribution, sale or leasing of a database.

The process of managing information systems constitutes, in principle, a tool through which some of the offences provided for by Legislative Decree 231/01 may be committed, including the offences of:

- false corporate reporting (Art. 2621 of the Civil Code) and minor facts (Art. 2621-bis of the Civil Code);
- obstruction of audits (Art. 2625 of the Civil Code);
- fraud (Art. 640, par. 2, no. 1, of the Criminal Code);
- trafficking in unlawful influences (Art. 346-bis of the Criminal Code);

- bribery for the exercise of a function (Art. 318 of the Criminal Code), corruption in acts contrary to official duties (Art. 319 of the Criminal Code), bribery in judicial proceedings (Art. 319-ter of the Criminal Code), bribery of a person in charge of a public service (Art. 320 of the Criminal Code), incitement to bribery (Art. 322 of the Criminal Code), embezzlement, extortion, illicit inducement to give or promise benefits, bribery and incitement to bribery of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organisations and officials of the European Communities and foreign states (Art. 322-bis of the Criminal Code) and illicit inducement to give or promise benefits (Art. 319-quater of the Criminal Code);
- inducement to not make statements or to make untruthful statements to the Judicial Authorities (Art. 377-bis of the Criminal Code);
- bribery between private individuals (Art. 2635 par. 1 of the Civil Code) and incitement to bribery between private individuals (Art. 2635-bis par. 3 of the Civil Code).

The offences listed above could be committed, for example, through the abnormal management:

- of the security of the systems, which could allow access, alteration and/or deletion of data and information intended for the Public Administration, for third parties with an interest or, in any case, for the outside world;
- of system changes, which could allow unauthorised changes to the system and/or damage/deletion of information, data and computer programs;
- of backups/restores, which could allow unauthorised access and/or modification of data and loss of information, data and computer programs, preventing or hindering the performance of control activities.

3.8.2. ACTIVITIES AT RISK AND ENTITIES INVOLVED

The following table shows that the activity at risk Information systems management is managed by the Parent Company.

It should be noted that Hitachi Vantara Italia employees who routinely use computer systems consequently have ample opportunity to access computer and data transmission tools and data as part of their ordinary work. For this reason, given the widespread use of IT systems and tools within the Company, with regard to the computer crimes and unlawful processing of data contemplated by Art. 24-bis, it is considered that the risk of their commission is diffuse and not localised; in fact, they could abstractly be committed in every sensitive activity of the various Functions.

3.8.3. SPECIFIC CONTROL PROTOCOLS

The activities connected with this risk area must be managed in compliance with the principles contained in the Code of Ethics and Conduct and the company/Group procedures, which define the information flows, the tools and the responsibilities, with regard to:

- ICT risk management, allowing the carrying out of an ICT risk assessment activity and the preparation of Action Plans for their management;
- ICT security management, with reference to the following activities:
 - backup of data and programs, providing for the performance of retention activities and defining the backup schedule;
 - relating to the management of security, systems protection, data integrity and confidentiality.

In particular, the following aspects are outlined:

- guidelines for the assignment of identifiers and access rights, in compliance with information needs, the corporate role and according to the principle of "Segregation of duties" (SOD), to users, ICT personnel and third parties, within which, among other things, the following is provided for:

- the identification, authentication and enabling of access to applications, infrastructure and network by assigning personal identification codes ("user" and "password") to each resource (personnel or third parties), and the implementation of appropriate mechanisms for the secure exchange of information via email and internet;
- the adoption, by each resource, of adequate measures to ensure the secrecy of their access credentials, and the prohibition to disclose them or make them known to others;
- the attribution of credentials that do not contain references easily traceable to the person concerned and the definition of the frequency with which credentials must be renewed, also in relation to the sensitivity of the processed data;
- the duty of each resource not to leave their computer workstation unattended or accessible at the end of working hours, during work breaks, or during meetings away from their workstation;
- the request and granting of access privileges to the various company systems in compliance with a (SOD) principle and according to the tasks carried out, as well as the periodic control of the same with modification and/or removal of those that no longer comply with the evolution of the company situation;
- monitoring of systems to detect the presence of viruses, other malicious software, equipment and software that do not comply with company standards and/or are unauthorised and provision for the removal of irregular equipment and software and/or their regularisation, in order to restore the security situation of the systems;
- appropriate protection systems for the use of the devices both inside and outside the company premises (e.g. encryption systems and automatic data backup for PCs; encryption systems and use of special applications for mobile phones);
- ICT demand management, i.e. the management of users' requests (in particular, HW and SW equipment, internet connections, email equipment, application/infrastructure maintenance) and therefore the regulation of request, assessment and authorisation activities, acceptance, delivery and closure, with the related operational and authorisation responsibilities;
- the management of ICT assets, from their acquisition to their disposal, also regulating the activities of assignment, redelivery, disposal with constant updating and periodic reconciliation of the inventory;
- the collection of ICT initiatives, to be understood as the collection of ICT needs (applications, infrastructures), their evaluation and approval in compliance with the ICT strategic/operational plan and the company budget;
- the management of application and infrastructural changes, and the assignment of operational/authorisation responsibilities in the ordinary and evolutionary maintenance phases (applications and infrastructures), guaranteeing adequate segregation of the environments (development, testing, production);
- the accesses to the Data Processing Centre premises. In particular, the criteria and procedures for issuing authorisations to enter such premises are defined. In this regard, the following is provided:
 - the assignment by the Corporate body of company badges enabled according to the role held at the Company (with limited access, with access to specific areas, etc.);
 - different access authorisation/badge assignment procedures, depending on the requesting users (e.g. employee, visitor, supplier or intern) and on the needs;
- the management of site security, including:
 - an activity to identify potentially critical areas;
 - a video monitoring system managed directly and solely by Corporate;
 - the assignment of badges with time slot limitation for the access of suppliers who deal with the maintenance of the premises (e.g. cleaning company).

Furthermore, the Company (through the relevant Group structure) ensures:

- the preparation and maintenance of the Disaster Recovery Plan;
- a careful analysis aimed at defining system profiles, in particular for those systems that impact financial reporting or that contain confidential, sensitive or particularly critical data for the Company, defining standard profiles on the basis of company positions, in compliance with SOD incompatibilities;
- the formalisation of system administrator appointments;
- the signing, by third parties who are given access to the network managed by the Company, of a declaration in which they undertake to use it in compliance with the law and with the Code of Ethics and Conduct;
- systems to block access to unauthorised websites;
- governing the opening and use of the PEC (certified email), requiring in particular the signing, by the resource(s) who access it and who do not have powers of representation for the Company, of a declaration of commitment and use according to the directions received from the authorised representative;
- periodic monitoring by:
 - aggregate verification of system and application logs, in order to promptly identify activities that do not comply with company rules;
 - the control of the network to verify the existence of accesses and the transmission of data that do not comply with company rules;
 - verification of accounts known as "*generic*" (non-tailored user accounts), to:
 - o check that the accounts are uniquely assigned and therefore always traceable to a specific user;
 - o provide for the modification and/or removal of those that no longer comply with the developments of the company's situation;
- carry out continuous remote training by Corporate towards the personnel on the correct conduct in the use of mobile phones and any other company devices, as well as awareness-raising actions by holding informative/training meetings addressed to the personnel.

It should also be noted that:

- all the processing must be carried out in such a way as to ensure compliance with security measures, the utmost confidentiality of the information that comes into the user's possession, considering all confidential data and, as a rule, subject to official secrecy;
- the individual work stages and the conduct to be observed must make it possible to avoid that the data are subject to risks of loss or destruction, that unauthorised persons can access them, that any processing is carried out which is not permitted or which does not conform to the purposes for which the data were collected;
- the workstation must be:
 - used only for business-related purposes;
 - used exclusively by a single user;
 - protected, preventing third parties from accessing the data without authorisation;
- it is the duty of the employee:
 - not use private IT resources (PCs, peripherals, tokens, etc.) in the Company;
 - not to install any software on workstations or company laptops/devices;
 - not to leave confidential information on their desk in whatever medium it is stored;

- data transmission tools (Internet and email) must be used exclusively for work purposes. Behaviour that may cause damage to the Company is forbidden. In particular, the user must observe the following rules:
 - Internet browsing is permitted only on sites that are relevant and necessary for the performance of assigned duties;
 - free software (freeware or shareware) may not be downloaded from Internet sites;
 - the user may not register on websites or participate in discussion forums unless this is strictly necessary to perform their job;
 - it is forbidden to open emails and file attachments of unknown origin or which present anomalous aspects;
 - it is not permitted to reply to messages from an unknown sender or one whose content is doubtful, since such an act assures the sender of the existence of the recipient;
 - the use of email to communicate confidential information, personal data or critical data, without ensuring the appropriate protection, is prohibited;
 - only the use of programs officially installed by the Corporate IT systems is permitted;
 - it is forbidden to install programs;
 - it is forbidden to modify the characteristics set on the equipment or install storage, communication or other devices (e.g. burners, modems, wi-fi, etc.), connect any equipment to the company network (e.g. switches, hubs, network storage devices, etc.), make external connections of any kind (e.g. via modem) using a PC that is simultaneously connected to the company network;
- all those who have received company computer equipment/devices are required to promptly report to the competent Function any theft, damage, loss, use or abnormal operation of the equipment/devices;
- it is forbidden for users to:
 - transfer outside the Company any electronic files and any confidential Company-owned documentation;
 - use passwords from other company users;
 - use software and/or hardware tools designed to intercept, falsify, alter or suppress the content of communications and/or computer documents;
 - carry out personal transactions, on their own behalf or on behalf of third parties, including through intermediaries, using confidential information acquired as a result of their functions, as well as the prohibition to recommend or induce others to carry out transactions using such information;
 - download or share copyrighted material on the network without the specific approval of the owner.

3.9. HEALTH AND SAFETY

3.9.1. DESCRIPTION OF THE POTENTIAL RISK PROFILE

The activities relating to the implementation and management of occupational safety and hygiene systems present, in addition to a direct risk profile for the offences of corruption, trafficking in unlawful influences, fraud and illicit inducement to give or promise benefits (for which reference should be made to paragraph 3.12 Relations with Public Bodies and Institutions) and employment of third country nationals whose stay is irregular (for which reference should be made to paragraph 3.3. Acquisition, progression and management of personnel), a direct risk profile in that they could give rise to the offences referred to in Legislative Decree 231/01 Art. 25 septies, concerning occupational safety, namely manslaughter and serious or very serious injuries committed in violation of the rules.

3.9.2. ACTIVITIES AT RISK AND ENTITIES INVOLVED

The Risk Assessment Documents pursuant to Legislative Decree 81/08 contain the assessment of all risks for the safety and health of workers present in the workplace and the indication of the prevention and protection measures implemented following the assessment.

Without prejudice to the identification and assessment of the risks set out in the Risk Assessment Documents drawn up pursuant to Legislative Decree 81/08 and subsequent amendments and additions, the main activities identified by the Company as potentially at risk for the commission of the offences referred to in Legislative Decree 231/01 Art. 25-septies are set out below, together with the Functions involved:

- management of delegations of responsibility and appointments/designations of functions relevant to safety (by the Employer or his Delegate within the limits of the granted powers);
- managing the maintenance of general plants and infrastructures in compliance with technical and structural standards and monitoring and controlling physical, chemical and biological agents in the workplace (Regional Facilities Manager with the collaboration of the Employer's Delegates, within the limits of the granted powers, and with the support of the HSO);
- risk assessment and preparation of prevention and protection measures (Employer with the collaboration of the HSO, WHSR, Medical Officer);
- management of emergencies and first aid and related periodic tests (Employer or his Delegate, within the limits of the granted powers, with the collaboration of the HSO and the emergency and first aid team);
- management of tender, work or staff leasing contracts and safety at temporary or mobile work sites (Employer or his Delegate, within the limits of the granted powers);
- management of the periodic safety meetings and consultation of the WHSR (Employer or his Delegate, within the limits of the granted powers, with the collaboration of the HSO, the WHSR and the Medical Officer);
- management of education, information and training on Occupational Health and Safety (Employer with the support of Facilities EMEA and the collaboration of the HSO);
- management of health and accident monitoring (Employer and Medical Officer with the collaboration of Facilities EMEA);
- acquisition of documentation and certifications required by law (Employer or his Delegate, within the limits of the granted powers, with the collaboration of the various Functions/Areas of the Company, each within the scope of their responsibilities and competences and the support of the HSO);
- supervision and periodic checks regarding compliance with the procedures and instructions for safe work and the effectiveness of the adopted procedures (Employer, Managers and Supervisors with the collaboration of the HSO).

3.9.3. SPECIFIC CONTROL PROTOCOLS

The activities connected with this risk profile must be managed in compliance with the general principles of conduct expressed in this Model, in the Code of Ethics and Conduct and in compliance with company procedures which provide for the following:

- management of delegations of responsibility and appointments/designations of safety-relevant functions. For the management of issues relating to occupational health and safety, the Company has defined a system of powers and proxies adequate for the performance of sensitive activities and consistent with the organisational structure of the Company. In particular:
 - the appointments and designations of the persons responsible for safety are adequately formalised and publicised within the Company;
 - verification of the possession and maintenance of the requirements of competence and professionalism required for figures relevant to safety is guaranteed;
 - the resources entrusted with safety-relevant tasks are endowed with powers of organisation, management and control, and possibly expenditure, appropriate to the structure and size of the organisation and the nature of the tasks assigned.

With particular reference to the delegation of functions by the Employer, as envisaged by Article 16 of Legislative Decree 81/2008 and subsequent amendments and additions, where not expressly excluded, it is permitted in compliance with the following principles of case law:

- effectiveness - existence and coexistence of decision-making and financial autonomy of the delegate;
 - technical and professional suitability and experience of the delegate;
 - supervision of the delegate's activity, not acquiescence, not interference;
 - certainty, specificity and awareness;
- Maintenance management of general plants and infrastructures in compliance with technical and structural standards and monitoring and control of physical, chemical and biological agents in the workplace. With reference to this management, the following is provided:
 - identification and compliance with the legal technical-structural standards regarding equipment, facilities, workplaces, chemical, and physical and biological agents;
 - formalisation of the contractual aspects that regulate the occupation of company premises, guaranteeing a clear division of responsibilities regarding the management of ordinary and extraordinary maintenance of structures and general plants;
 - planning and management of ordinary and extraordinary maintenance, scheduled and at breakdown, of safety devices, equipment, machines and plants;
 - verification and periodic control of equipment, plants, workplaces, chemical, physical and biological agents in compliance with applicable regulations through public or private qualified bodies.

Appropriate information flows are also provided between the HSD (Health and Safety Department) service and the Functions involved in the procurement process to ensure the preliminary assessment of the risks that may be introduced into the Company during the procurement phase;

- assessment of risks and preparation of the prevention and protection measures. With reference to this assessment, the following is provided:
 - assessment of risks to the safety and health of workers, including fire risks and those concerning groups of workers exposed to particular risks, including those related to work-related stress, those connected with the use of company cars or deriving from off-site activities, those concerning pregnant workers, as well as those connected with gender differences, age, origin from other countries and those connected with the specific type of contract through which the work is performed. This assessment must be carried out in accordance with the methods and contents set forth in Articles 28 and 29 of Legislative Decree 81/08 and subsequent amendments and additions;
 - periodic updating of the risk assessment in accordance with the procedures provided for by Articles 28 and 29 of Legislative Decree 81/08 and subsequent amendments and additions;

- the drafting, following the assessment referred to in the previous points, of the Risk Assessment Report (RAR) containing the contents referred to in Art. 28 par. 2 of Legislative Decree 81/08 and subsequent amendments and additions, in compliance with the indications provided by the specific regulations on risk assessment contained in the subsequent titles of the aforementioned Decree;
- Management of emergencies and first aid and their periodic testing. With reference to this aspect, the following is provided:
 - the appointment and training of the workers responsible for implementing the measures for fire prevention and firefighting, evacuation of the workplaces in the event of serious and immediate danger, rescue, first aid and, in any case, emergency management. The number of people appointed to deal with emergencies is defined in consideration of the organisational and operational structure of the Company and the possible absence of the appointed people due to holidays/illness/other reasons;
 - identifying possible emergencies and planning the related management methods, organising the necessary relations with the competent public services and formalising procedures so that workers can cease their activity, or make themselves safe, by leaving the workplace;
 - informing workers and external personnel of the measures taken and what to do in the event of an emergency;
 - planning and execution, in compliance with the periodicity provided for by the regulations, of periodic emergency and evacuation tests;
 - the availability of adequate first aid and extinguishing equipment suitable for the class of fire and the level of risk in the workplace, also taking into account the particular conditions in which they may be used;
 - the presence of plans showing escape routes and the location of fire protection and first aid equipment;
- Management of the tender or work or staff leasing contracts and the safety at temporary or mobile work sites. With reference to this aspect, the following is provided:
 - management of tender or work or staff leasing contracts and related interference risks in accordance with the provisions of Art. 26 of Legislative Decree 81/08 as amended and Title IV of the aforementioned decree (temporary or mobile work sites), where applicable;
 - the individual subcontracting, work and staff leasing contracts must specifically indicate the costs of the measures taken to eliminate or, if this is not possible, to minimize the risks to occupational health and safety arising from the interference between processes;
 - the communication to contractors of the relevant procedures and, if necessary, the name of the contact person for the activity covered by the contract, as well as the inclusion of the disciplinary provisions relating to occupational health and safety in the contractual regulations between the parties;
- Management of periodic safety meetings and consultation with Workers' Health and Safety Representatives (WHSR). With reference to this aspect, the following is provided:
 - consultation of the WHSR in all cases provided for by Art. 50 of Legislative Decree 81/08, leaving appropriate records thereof;
 - the execution, at least once a year, of a meeting attended by the Employer or his representative, the HSO, the Medical Officer, and the WHSR. During the meeting, of which an adequate record is kept, at least the following topics are discussed:
 - risk assessment report;
 - the trend in industrial accidents and occupational illnesses and health monitoring;
 - the selection criteria, the technical characteristics and the effectiveness of the personal protective equipment;

- information and training programmes on occupational health and safety;
- Management of education, information and training on Occupational Health and Safety. With reference to this aspect, the following is provided:
 - adequate education, information and training of workers in compliance with the provisions of Articles 36 and 37 of Legislative Decree 81/08 as amended and the State-Regions Agreements;
 - possession of the necessary requirements by the safety trainers in accordance with what is defined by the regulations in force;
 - periodic verification of learning.

In planning education, information and training activities, it is mandatory to consider the possible presence of posted or seconded workers;

- Health monitoring and accident management. With reference to this aspect, the following is provided:
 - the preparation of the health protocol and its updating in relation to the evolution of the organisation;
 - the medical examination:
 - preventive, designed to ascertain the absence of contraindications for the work that the worker is assigned to perform, so as to evaluate his fitness for the specific duty;
 - before returning to work, following an absence for health reasons for a period exceeding sixty consecutive days, in order to verify the fitness for the duty.
 - in the other cases prohibited by current regulations.

Medical examinations for health monitoring cannot be carried out to ascertain pregnancy and in other cases prohibited by current regulations;

- supervision of the fulfilment of the obligations of the Medical Officer with particular reference to the execution of the annual inspections of the workplaces and the presentation of the annual report on the collective anonymous data of the health monitoring;
- the fulfilment of registration and reporting obligations in case of accidents;
- accident analysis and monitoring;
- Acquisition of documentation and certificates required by law. With reference to this aspect, the identification of the operating methods is envisaged to ensure the identification, acquisition and adequate storage of the documentation, records and certifications required by law, or that the Company deems necessary to certify compliance with the technical-structural standards required by law and effective management of occupational health and safety, by the various Company departments, each within the scope of its own responsibilities and competencies;
- Supervision and periodic checks on compliance with safe working procedures and instructions and the effectiveness of the procedures adopted. With reference to this aspect, the following is provided:
 - monitoring compliance with safety procedures and instructions by company and external personnel and reporting any detected risks and discrepancies;
 - the implementation of periodic checks of the application and effectiveness of the adopted procedures;
 - the definition and implementation of appropriate action plans to remedy any discrepancies and/or deficiencies found during the checks.

3.10. ENVIRONMENTAL ISSUES

3.10.1. DESCRIPTION OF THE POTENTIAL RISK PROFILE

The environmental aspects connected to the Company's activities present, in addition to a direct risk profile for the offences of corruption, fraud, trafficking in unlawful influences and illicit inducement to give or promise benefits (for which reference should be made to paragraph 3.12 Relations with Institutions and Public Bodies), a direct risk profile in that, in the event of management that does not comply with the applicable legislative provisions on the subject of the environment, the offences referred to in Legislative Decree 231/01 Art. 25 undecies could arise.

The types of offences identified by the Company as potentially applicable are:

- Collection, transport, recovery, disposal, trading and brokering of waste in the absence of or in violation of the prescribed authorisation, registration or communication (Art. 256, paragraphs 1 and 4, Legislative Decree 152/06). This type of offence may in theory be committed in the event of complicity in the commission of the offence in the case of entrusting the transport or disposal of waste to unauthorised third party operators or operators operating in breach of the applicable authorisations and regulations;
- illegal trafficking of waste (Art. 259 par. 1 of Legislative Decree no. 152/06). The offence could occur in the event of cross-border shipment of waste in breach of the provisions of the sector legislation, for example in relation to the shipment of waste mistakenly considered as "technical material";
- activities organized for the illegal trafficking of waste (Art. 260 par. 1 of Legislative Decree 152/06 - Repealed by Art. 7 Legislative Decree 21/18 and inserted in Art. 452-quaterecies of the Criminal Code). The offence could be committed if waste transport or disposal activities are entrusted to unauthorised third party operators or operators operating in breach of authorisations and applicable legislation;
- negligent offences against the environment (Art. 452 quinquies of the Criminal Code). The offence could occur in the event of a fire in relation to the potential environmental consequences;
- criminal conspiracy and mafia-type association directed, exclusively or concurrently, for the purpose of committing any of the offences provided for under Title vi-bis of the Criminal Code and mafia-type association aimed at acquiring the management or, in any case, control of economic activities, concessions, authorisations, contracts or public services in the environmental field (Art. 452 octies of the Criminal Code). The offence could be committed in the event of impeded control or impairment of the results of environmental supervision and control activities by control authorities.

3.10.2. ACTIVITIES AT RISK AND ENTITIES INVOLVED

The main activities identified by the Company as potentially at risk for the purposes of committing environmental offences, together with the functions involved, are set out below:

- waste management (Regional Facility Manager);
- prevention and management of emergencies (Employer/Country Leader or his Delegate, within the limits of the granted powers, with the collaboration of the HSO and the emergency and first aid team).

3.10.3. SPECIFIC CONTROL PROTOCOLS

For the management of environmental issues, the Company has defined a system of powers and proxies suitable for carrying out sensitive activities and consistent with the organisational structure of the Company. In particular, compliance with the following principles of case law is guaranteed:

- effectiveness - existence and coexistence of decision-making and financial autonomy of the delegate;
- technical and professional suitability and experience of the delegate;
- supervision of the delegate's activity, not acquiescence, not interference;

- certainty, specificity and awareness.

The activities connected with this risk profile must be managed in compliance with the general principles of conduct expressed in this Model, in the Code of Ethics and Conduct and in compliance with company procedures which provide for the following:

- waste management:
 - compliance with the obligations provided for by the regulations for the producer of the waste, including the correct classification of the waste by assigning the CER code and compliance with the waste assimilation criteria established by the Municipality of reference of each business unit;
 - discrimination between what is subject to waste regulation and what can be considered as "technical material" which should be exempt from waste regulation;
 - maintaining the loading/unloading register in case of production of special hazardous waste;
 - transport and disposal of special waste in compliance with the applicable regulations with particular reference to:
 - o entrusting special waste to authorised brokers, transporters and disposers;
 - o verification of the correctness and completeness of the transport documentation (Waste Identification Form) of the waste;
 - o monitoring of the documentation attesting to the correct disposal of the waste (e.g. 4th copy of the Waste Identification Form), as well as adoption of the measures required by law in the event of failure to return the waste within the timeframe established by the regulations;
 - the inclusion, in the contractual documents with contractors or subcontractors operating in the company units, of the obligations and prohibitions to which they are subject in relation to the management of the waste they produce.

In the context of waste management, it is prohibited to:

- mixing hazardous waste with non-hazardous waste and hazardous waste with different hazard characteristics;
- transport waste on one's own account;
- carry out cross-border shipments of waste or, where necessary, carry out such shipments in accordance with applicable legislation;
- Emergency prevention and management:
 - identification of the types of emergencies that can cause damage to the environment and preparation of appropriate technical and organisational measures to prevent emergencies and mitigate their effects.

With reference to this risk activity, company procedures also regulate:

- the methods of filing and storing the supporting documentation and the control activities carried out;
- monitoring compliance with environmental procedures and instructions by company and external personnel and reporting any discrepancies;
- periodic verification of the application and effectiveness of the adopted procedures;
- definition and implementation of appropriate action plans to remedy any discrepancies and/or deficiencies found.

Furthermore, it is forbidden to prevent, hinder, evade or compromise the results of environmental supervision and control activities, whether carried out on behalf of the Company or by control authorities.

3.11. PRE-LITIGATION AND LITIGATION MANAGEMENT

3.11.1. DESCRIPTION OF THE POTENTIAL RISK PROFILE

The management of pre-litigation and litigation of whatever nature, i.e. civil, criminal, labour law, with the financial administration, etc., is potentially exposed to the risk of committing the offences of:

- inducement to not make statements or to make untruthful statements to the Judicial Authorities (Art. 25-decies of Legislative Decree 231/01 - Art. 377-bis of the Criminal Code). As regards the purposes and methods of committing the unlawful conduct, these are identified in the abstract through:
 - the offer or promise of money or other benefits to a person called upon to make, before the judicial authority, statements that may be used in judicial proceedings;
 - acts of violence or threats of violence against a person called on to make statements to the judicial authority which may be used in judicial proceedings;
- corruption in judicial proceedings (Art. 25 of Legislative Decree 231/01 - Art. 319-ter of the Criminal Code) and incitement to corruption (Art. 25 of Legislative Decree 231/01 - Art. 322 of the Criminal Code);
- fraud (Art. 24 of Legislative Decree 231/01 - Art. 640, paragraph 2, no. 1, of the Criminal Code);
- unlawful inducement to give or promise benefits (Art. 25 of Legislative Decree 231/01 - Art. 319-quater of the Criminal Code);
- trafficking in unlawful influences (Art. 346-bis of the Criminal Code);
- abuse of office (Art. 25 of Legislative Decree 231/01 - Article 323 of the Criminal Code). In abstract terms, this offence could be committed if, in a possible lawsuit with the European Union for the application of sanctions against which the Company lodges an appeal with the European Union Court, the Company persuades one or more judges to act in accordance with their functions, for example by accepting an appeal that arrived outside the time limit, thereby procuring the Company a financial advantage and offending the financial interests of the EU;
- bribery between private individuals (Art. 25-ter of Legislative Decree 231/01 - Article 2635, paragraph 3, of the Civil Code) and incitement to bribery between private individuals (Art. 25-ter of Legislative Decree 231/01 - Article 2635 bis of the Civil Code);
- Self-laundering (Art. 25-octies of Legislative Decree 231/01 - Article 648-ter 1 of the criminal code).

3.11.2. ACTIVITIES AT RISK AND ENTITIES INVOLVED

The corporate bodies involved in the management of activities at risk are listed below Management of the pre-litigation and litigation (Activity manager Legal Business Partner - Functions involved Country Leader, Legal Business Partner, Sales Finance).

3.11.3. SPECIFIC CONTROL PROTOCOLS

The activities connected with this area at risk must be managed in compliance with the general principles of conduct expressed in this Model, in the Code of Ethics and Conduct and in compliance with the company/group procedures which provide for the following:

- the definition of the strategy to be followed in the management of litigation;
- the traceability of litigation management activities and decisions on strategies adopted by:
 - the preparation of a specific report by the department in charge of litigation summarising the essential elements of the case;
 - the preparation by the Legal Business Partner or the forwarding to the Legal Business Partner by the competent Functions of periodic Reports containing:

- the status of existing or possible litigation;
- a brief description of them and of the possible litigation scenarios that could arise between the Company and third parties (e.g. Partners, customers, etc.);
- the management of relations with the judicial authorities solely by the competent Functions/Areas;
- the choice of lawyers on the basis of criteria of seriousness and competence of the professional;
- the signing by the lawyer of a declaration of absence of conflicts of interest and acceptance of the Code of Ethics and Business Conduct of the Company;
- the formalisation of settlement agreements;
- the payment of fees to external lawyers, on the basis of a description of the activities carried out, which makes it possible to assess the conformity of the fee to the value of the service rendered and subject to certification of the effectiveness of the service by the Function/Area that used their services.

Reference should also be made to the risk area Relations with public institutions and bodies for a description of the specific control protocols, in the management of the activities which include a relationship with a representative of the Public Administration.

3.12. RELATIONS WITH PUBLIC INSTITUTIONS AND BODIES

3.12.1. DESCRIPTION OF THE POTENTIAL RISK PROFILE

Before analysing the potential risk profile with regard to relations with public institutions and bodies, it should be noted that, for the definition of public official and public service appointee, Articles 357, 358 and 322-*bis* of the Criminal Code were used as reference for the preparation of this Model. In particular, the aforementioned articles set out the notion of *public officials* and *persons in charge of a public service* in Italy and in international organisations:

1. entities performing a public legislative or administrative function, such as, for example:
 - parliamentarians and members of the government;
 - regional and provincial councillors;
 - MEPs and members of the Council of Europe;
 - persons who perform ancillary functions (persons responsible for the storage of parliamentary acts and documents, the drafting of stenographic, bursar, technical reports, etc.);
2. persons performing a public judicial function, such as, for example:
 - magistrates (ordinary magistracy of Courts, Courts of Appeal, Supreme Court of Cassation, Superior Court of Waters, Regional Administrative Court, Council of State, Constitutional Court, Military Tribunals, popular judges of the Assize Courts, justices of the peace, honorary and aggregate deputy praetors, members of ritual arbitration panels and parliamentary commissions of inquiry, magistrates of the European Court of Justice, as well as the various international courts, etc.);
 - persons who carry out related functions (officers and agents of the judicial police, financial police and Carabinieri, chancellors, secretaries, judicial custodians, bailiffs, witnesses, conciliation officers, bankruptcy trustees, operators in charge of issuing certificates at court registry offices, experts and consultants of the Public Prosecutor's Office, liquidators in bankruptcy proceedings, liquidators in arrangements with creditors, extraordinary commissioners of the extraordinary administration of large companies in crisis, etc.);
3. entities performing a public administrative function, such as, for example:
 - employees of the State, of international and foreign bodies and of territorial bodies (officials and employees of the State, of the European Union, of supranational bodies, of foreign States and of territorial bodies, including Regions, Provinces, Municipalities and Mountain Communities; persons who perform ancillary functions with respect to the institutional purposes of the State, such as members of the municipal technical office, members of the building commission, head of the administrative office of the amnesty office, municipal messengers, persons in charge of dossiers concerning the occupation of public land, municipal correspondents in charge of the employment office, employees of state-owned companies and municipalised companies; persons in charge of tax collection, health personnel of public facilities, personnel of ministries, superintendencies, etc.);
 - employees of other public, national and international bodies (officials and employees of the Customs and Monopolies Agency, the Bank of Italy, the Supervisory Authorities, public welfare institutions, ISTAT, the UN, FAO, etc.).

Activities which, although governed by rules of public law or by authoritative acts, nevertheless consist in the performance of simple orderly tasks or the supply of purely material work shall not be considered as public service.

The figures of the public official and the person in charge of a public service are identified not on the basis of the criterion of belonging to or being dependent on a public body, but with reference to the nature of the activity concretely carried out by the same, that is, respectively, public function and public service.

Even a person who is not part of the Public Administration (hereinafter "PA") can therefore be qualified as a public official or a person in charge of a public service, when he performs one of the activities defined as such

by Articles 357 and 358 of the Criminal Code. (e.g. employees of banking institutions entrusted with "public service" tasks).

Moving on to analyse the potential risk profile of the area of relations with public institutions and bodies, the management of relations with the PA exposes the Company to the risk of committing or participating in the offences of:

- bribery for the exercise of a function (Art. 318 of the Criminal Code), corruption in acts contrary to official duties (Art. 319 of the Criminal Code), bribery in judicial proceedings (Art. 319-ter of the Criminal Code), bribery of a person in charge of a public service (Art. 320 of the Criminal Code), incitement to bribery (Art. 322 of the Criminal Code), embezzlement, extortion, illicit inducement to give or promise benefits, bribery and incitement to bribery of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organisations and officials of the European Communities and foreign States (Art. 322-bis of the Criminal Code);
- trafficking in unlawful influences (Art. 346-bis of the Criminal Code);
- unlawful inducement to give or promise benefits (Art. 319-quater of the Criminal Code);
- inducement to not make statements or to make untruthful statements to the Judicial Authorities (Art. 377-bis of the Criminal Code).

These offences could in abstract terms be committed, for example, by giving or promising money or other benefits (including through a person exercising unlawful influence) to:

- an official of the PA in order not to have measures/sanctions issued against the Company as part of audits or other regulatory requirements to which the Company is subject;
- a PA official to make certain non-compliant data admissible as public funding reports;
- an employee called to testify, in order to induce him to make false statements (or not to make statements) to the judicial authority;
- a witness at a trial, in order to induce him to make false statements (or not to make statements) to the judicial authority.

Furthermore, the management of relations with the PA exposes the Company to the risk of committing or participating in the offences of:

- fraud (Art. 640, paragraph 2 no. 1, of the Criminal Code), aggravated fraud to obtain public funds (Art. 640-bis of the Criminal Code), embezzlement to the detriment of the State (Art. 316-bis of the Criminal Code) and undue receipt of funds to the detriment of the State (Art. 316-ter of the Criminal Code). With regard to the purposes and methods of committing the unlawful conduct, these are identified in the abstract, for example:
 - in the alteration of the content of the documentation - in terms of incompleteness, incorrectness, etc. - the alteration of the content of the documentation - in terms of incompleteness, incorrectness, etc. - intended for public bodies responsible for personnel belonging to protected categories, or relating to requests for authorisation or for obtaining public funds;
 - in the transmission to the financial administration of documentation containing false information in order to obtain a tax refund that is not due;
 - sending to social security institutions, local administrations or divisions thereof communications containing false data in view of some advantage or facilitation by the Company;
- obstructing the exercise of the functions of public supervisory authorities (Art. 2638 of the Civil Code), which may occur, in abstract terms, for example by preparing and sending to the supervisory authorities untrue documentation or concealing and/or omitting relevant documents and information during inspections;
- computer fraud (Art. 640-ter, par. 1 of the Criminal Code). This offence occurs when, by altering the operation of a computer or telecommunications system or manipulating the data contained

therein, an unfair profit is obtained causing damage to the State or another public body. Interference can occur in various forms, in the phase of:

- data collection and entry;
- data processing;
- data output.

In all these cases, the intervention takes place on the memory of a computer whose correct functioning is interfered with by the material author of the offence in order to obtain undue enrichment to the detriment of the State or other public body. For example, with regard to the ways in which the offence may be committed, in abstract, these could be:

- the modification of information relating to the accounting situation of an existing contractual relationship with a public Body;
- the alteration of tax and/or social security data contained in a database belonging to the PA;
- bribery between private individuals (Art. 2635, paragraph 3 of the Civil Code) and incitement to bribery between private individuals (Art. 2635-bis, paragraph 1 of the Civil Code), in the case in which, for example, a representative of the Company bribes or attempts to bribe, even through a third party, by offering or promising money or other benefits, the lawyer or the technical consultant of the counterparty, belonging to a professional firm.

3.12.2. ACTIVITIES AT RISK AND ENTITIES INVOLVED

The Company has a variety of relationships with the PA in the execution of its activities (e.g. INAIL-INPS, Labour Inspectorate, ISTAT). The following are the corporate bodies involved in the management of activities at risk relations with institutions and public bodies (Activity manager Country Leader - Functions involved Legal Business Partner, Sales Finance, Payroll Specialist and HR).

3.12.3. SPECIFIC CONTROL PROTOCOLS

Relations with Institutions and Public Bodies must be managed not only in accordance with the principles contained in the Code of Ethics and Conduct, but also in compliance with the guidelines defined by the Company which provide for:

- the following general criteria which must inspire relations with the PA:
 - in the management of the various relationships with the various PA bodies, an adequate separation of functions must be ensured;
 - in the case of participation in tenders of any kind called by the PA, it is necessary to comply with all the provisions of the law and regulations governing the tender, refraining from conduct that could, in any way, unduly disturb or influence the conduct of the tender;
 - contributions in cash or in products and services provided to charities, cultural and educational institutions, schools and foundations are allowed, provided they are made with the utmost transparency and in compliance with the rules, internal procedures and regulations in force;
 - with reference to the management of authorisations, licences and administrative concessions, the company's activities must be carried out in compliance with the limits of the concession, authorisation or licence obtained. Any criticalities or difficulties of any kind must be reported in writing and managed by the competent corporate functions in compliance with the law and other applicable regulations;
 - computer procedures must be used in the correct way;
 - it is forbidden for users to:
 - submit untrue declarations to national or EU public bodies in order to obtain public grants, contributions or subsidised loans;
 - allocate sums received from national or EU public bodies by way of grants, contributions or loans for purposes other than those for which they were intended;

- make any form of contribution to political parties, public officials, etc., such as direct or indirect payments, loans, advances, deposits or donations of money, products or services;
- verification of all documents (e.g. declarations) to be sent to the PA and their submission for signature by the authorised representative;
- criteria of hierarchical escalation in the management of relations with the PA, especially where critical issues are identified that cannot be resolved within the scope of ordinary management;
- the timely reporting of any anomalous situation to the competent company functions and to the SB;
- adequate traceability, archiving and preservation of the documentation relating to the main relations entertained with the PA (e.g. through the exchange of emails, drafting/subscription of minutes, communication by email to one's hierarchical superior of meetings held with representatives of the PA).

With reference to inspection/audit activities by representatives of the PA, Hitachi Vantara Italia personnel must comply with the criteria of:

- quality and timeliness of communications to supervisory authorities;
- reliability of communications;
- adequate formalisation of activities;
- prompt and complete provision of the requested documentation and maximum availability and cooperation in carrying out the checks/audits.

Reference is also made to the previous risk areas for the description of the specific control protocols, in the management of the additional activities that may involve a relationship with a representative of the PA.

3.13. DONATIONS, GIFTS AND GRATUITIES

3.13.1. DESCRIPTION OF THE POTENTIAL RISK PROFILE

The management of donations, gifts and gratuities constitutes an instrumental method through which, in principle, the following offences could be committed:

- bribery for the exercise of a function (Art. 25 Legislative Decree 231/01 - Art. 318 of the Criminal Code), bribery for an act contrary to official duties (Art. 25 Legislative Decree 231/01 - Art. 319 of the Criminal Code), bribery of a person in charge of a public service (Art. 25 Legislative Decree 231/01 - Art. 320 of the Criminal Code), incitement to bribery (Art. 25 Legislative Decree 231/01 - Art. 322 of the Criminal Code);
- trafficking in unlawful influences (Art. 346-bis of the Criminal Code);
- inducement to not make statements or to make untruthful statements to the Judicial Authorities (Art. 25-decies of Legislative Decree 231/01 - Art. 377-bis of the Criminal Code);
- unlawful inducement to give or promise benefits (Art. 25 of Legislative Decree 231/01 - Art. 319-quarter of the Criminal Code);
- bribery between private individuals and incitement to bribery between private individuals (Art. 25-ter, Legislative Decree 231/01 - Articles 2635, paragraph 3, and 2635-bis, paragraph 1, of the Civil Code).

Such offences could be committed in the abstract through:

- the granting or promising of gifts/donations/hospitality/sponsorships to public or similar persons or to private persons, in order to obtain in exchange advantages, favourable treatment, non-application of a penalty, etc.;
- the concession or promise of company goods/services free of charge to public or similar subjects or to private persons, in order to obtain in exchange advantages, favourable treatment, non-application of a penalty, etc.;
- the invitation to events, which are appreciated by public or similar persons or by private persons in order to obtain in exchange advantages, favourable treatment, non-application of a penalty, etc..

3.13.2. ACTIVITIES AT RISK AND ENTITIES INVOLVED

The entities involved in the management of the activity at risk are listed below Management of donations, gifts and gratuities (Activity manager Country Leader).

3.13.3. SPECIFIC CONTROL PROTOCOLS

The management of gifts/gratuities/hospitality expenses etc. received/offered by Company personnel must be carried out in accordance with the principles contained in the Code of Ethics and Conduct and in compliance with the Guidelines defined by the Company which provide:

- that expenses relating to hospitality and representation must be reasonable and in any case such as not to be interpreted as aimed at obtaining favourable treatment from the Recipient;
- the express prohibition of making facilitation payments for the purpose of favouring services in any way due from the PA or private third parties;
- formalised controls on the approval of gifts and entertainment expenses;
- formal verification of the expenditure slips and correspondence between the expenditure slips and the amounts entered in the accounts;
- gifts and entertainment expenses must:
 - be reasonable and in any case such as not to be interpreted as aimed at obtaining favourable treatment from the Recipient;
 - be directed towards Recipients who carry out roles related to the company's activities and who meet the generally recognised requirements of reputation and honourability;

- take into account the profile of the Recipient, with regard to the customs of professional relations and respect for local cultures;
- be carried out by directors, managers and employees according to the activity carried out and the role covered within the Company;
- be provided for by specific company provisions;
- be in line with the budget and in any case authorised in advance by the competent manager of the Company, in accordance with the applicable company procedures.

In particular, for gifts and entertainment expenses, the competent structures shall prepare a monitoring report containing the information necessary to trace who offered or received the gift, the date of the offer or receipt of the gift, the current or estimated value, an indication of whether the gift was accepted or refused and the related reasons.

In any case, any form of gift to representatives of other private companies, or to members of their families, that may induce them to secure any advantage for the Company is prohibited. Gifts offered or received - other than those of a small amount - must be properly documented.

With regard to the management of gifts/ gratuities/hospitality expenses etc. received/offered by Company personnel, Group Policy defines the limits and criteria on the basis of which the Company permits such transactions. In particular, the following is provided with reference to the offer/receipt of gifts and gratuities or the incurring of hospitality expenses (meals/entertainment):

- the prohibition on giving/receiving gifts in excess of \$30, and giving/receiving hospitality expenses in excess of \$100, without the prior written approval of the Local Legal Counsel or the Compliance Department;
- gifts must consist of gadgets containing the Company's logo and may not consist of cash or cash equivalents;
- the prohibition to offer/receive gifts to spouses or family members of PA representatives;
- that no gift/gratuity should be offered/received in violation of any applicable laws.