

**ORGANISATIONAL AND MANAGEMENT MODEL
PURSUANT TO THE ITALIAN LEGISLATIVE DECREE NO. 231/2001**

Italdesign-Giugiaro S.p.A.

**Approved by the Board of Directors of the Company on October 23rd,
2024**

INDEX

GENERAL PART	4
INTRODUCTION.....	5
1. Description of the regulatory framework.....	6
1.1 Perpetrators of the offences: seniors and persons subject to their management.....	7
1.2 Offences.....	7
1.3 Sanctioning system.....	9
1.4 Attempts.....	10
1.5 Offences committed abroad.....	11
1.6 Exempting value of Organisation, Management and Control Models.....	11
1.7 The Organisation, Management and Control Model in the context of the company's organisational structure.....	13
1.8 Criminal liability in groups of companies.....	13
1.9 Codes of conduct prepared by the associations representing companies.....	14
1.10 Assessment of suitability.....	15
2. THE ITALDESIGN GOVERNANCE MODEL AND ORGANISATIONAL STRUCTURE.....	15
2.1 Italdesign-Giugiaro S.p.A.....	15
2.2 The governance system of Italdesign-Giugiaro S.p.A.....	16
2.3 Organisational structure.....	17
3. THE ITALDESIGN ORGANISATIONAL AND MANAGEMENT MODEL.....	20
3.1 Purpose of the Model.....	20
3.2 Structure of the Model of Italdesign-Giugiaro S.p.A.....	21
3.3 The Italdesign control system.....	24
3.4 Code of Conduct.....	24
3.5 Recipients of the Model.....	25
4. OVERSIGHT BODY.....	26
4.1 Composition and appointment of the Oversight Body.....	26
4.2 Financial resources allocated to the Oversight Body.....	28
4.3 Powers and functions of the Oversight Body.....	28
4.4 Reporting to the corporate body.....	29
4.5 Obligation to reporting to the Oversight Body.....	30
5. WHISTLEBLOWING SYSTEM.....	32

6.	TRAINING – INFORMATION AND DIFFUSION OF THE MODEL	34
6.1	Information and training of the Company’s internal resources	35
6.2	Third party recipients of the model	36
7	THE DISCIPLINARY AND SANCTION SYSTEM.....	36
7.1	General principles	36
7.2	Measures in relation to employees	38
7.3	Measures in relation to managers	40
7.4	Measures in relation to Directors and Statutory Auditors and members of the OB.....	41
7.5	Measures in relation to consultants, external collaborators and business partners.....	41
8	ADOPTION OF THE MODEL – CRITERIA FOR THE UPDATING AND ADAPTATION OF THE MODEL..	42
	SPECIAL PART	43
	INTRODUCTION.....	43
1.	SENSITIVE ACTIVITIES.....	43
2.	THE CONTROL SYSTEM.....	48
2.1	The contents of the controls	48
3.	THE GENERAL RULES.....	49
4.	THE INDIVIDUAL SENSITIVE ACTIVITIES.....	60
4.1	Management of design, research and development/management of trademarks and patents....	60
4.2	Management of the vehicle type-approval process.....	63
4.3	Management of the goods, services and consultancy procurement process.....	65
4.4	Management of the sales process.....	72
4.5	Management of Company brand and image promotion activities: participation in shows and events, communication and media relations.....	78
4.6	Management of relations with universities	82
4.7	Management of cash flows.....	84
4.8	Acquisition of public funds/grants.....	92
4.9	Management of gifts, invitations, donations and sponsorships	94
4.10	Management of intercompany transactions.....	98
4.11	Preparation of the financial statements and communication to stakeholders and/or third parties of data and information relating to the Company's income statement, balance sheet and financial position.....	102
4.12	Management of tax and social security obligations.....	104
4.13	Management of import and export operations.....	108

4.14	Personnel selection, recruitment and management.....	113
4.15	Management of relations with corporate bodies.....	118
4.16	Transactions on share capital and extraordinary finance transactions.....	120
4.17	Real estate asset management.....	123
4.18	Stipulation of insurance coverage and claims management.....	126
4.19	Management of relations with Public Authorities to obtain/renew authorizations, concessions and licenses, including in the field of environment and safety	129
4.20	Management of warehouse	130
4.21	Management of inspections by the Public Administration, certification bodies or customers	132
4.22	Management of judicial and out-of-court disputes or arbitration proceedings	135
4.23	Management of workplace safety obligations.....	137
4.24	Management of environmental requirements.....	150
4.25	Use and management of IT resources.....	163
5.	INFORMATION FLOWS TO THE OVERSIGHT BODY.....	168

ANNEXES

1. Offences pursuant to Legislative Decree no. 231/2001
2. Code of Conduct

INTRODUCTION

The directors of Italdesign-Giugiaro S.p.A. (hereinafter referred to as "Italdesign" or the "Company") have, over the years, provided the Company with an organizational, administrative and accounting structure consistent with the purposes of good governance set forth in art. 2086 of the Italian Civil Code.

This structure is functional not only to the achievement of the economic targets set forth by the shareholders, but also to the timely identification of any crisis factors or loss of business continuity that may arise.

This is to protect all stakeholders, including workers and the territories in which the business activity takes place, according to the principles of Sustainable Success, which is the main objective of the directors of Italdesign.

Believing that the commission of offences or in any case the violation of the rules governing the markets in which the Company operates is in itself a crisis factor (even before the heavy penalties that may result), the Organisational and Management Model provided for by Legislative Decree no. 231/2001 (hereinafter also the "Model"), which aims to prevent such offences, is deemed to be an integral and essential part of the entire organisational structure of Italdesign.

This document, which represents the Model pursuant to Legislative Decree no. 231/2001, and which is reproduced below in full, has been updated several times by the Board of Directors and the latest version presented hereto was approved at the meeting held on October 23rd, 2024.

As a responsible organization aware of its ethical and legal duties, in fact, Italdesign recognizes the fundamental importance of adopting and keeping the Model updated, which shows to the constant commitment to promoting a corporate culture based on legality and fairness, aiming not only at regulatory compliance, but also at a high standard of ethical behavior by all those involved in Company activities.

This document sets out *i)* the assessment carried out with regard to the risks of committing the offences expressly referred to in Legislative Decree 231/2001; *ii)* the identification of sensitive activities, in order to verify in which areas/sectors of activity and according to which methods the aforesaid offences may occur; *iii)* the identification of the existing control system with reference to the "control principles" applied; *iv)* the identification of the "control principles" applied in order to identify the areas/sectors in which the offences may occur.

It has also been foreseen *v)* the rules for the identification, composition and functioning of the Oversight Body and the reporting from and to this Body; *vi)* the disciplinary system applicable in case of violation of the rules referred to by the Model; *vii)* the system for the management of financial flows; *viii)* the essential features of the corporate system for the fulfilment of all the obligations related to the compliance with the standards provided for by art. 30 of the Legislative Decree 81/2008 concerning the protection of health and safety in the workplace; *ix)* the methods for updating the Model itself.

The provisions of the Model are completed by the provisions of the Code of Conduct (Annex 2), which sets out the principles of behavior governing all those who work in Italdesign and on its behalf.

1. Description of the regulatory framework

With Italian Legislative Decree no. 231/ 2001 (hereinafter referred to as the "Decree"), pursuant to the delegation of powers granted to the Government with art. 11 of the Law no. 300 dated September 29th, 2000¹ the regulation of the "*responsibility of entities for administrative offences resulting from a crime*" was introduced, which applies to entities having legal capacity and to companies and associations, including those without legal capacity.

In accordance with the Decree, entities may be held responsible for certain offences committed or attempted (so called "Predicate Offences", hereinafter referred to as "Offence" or "Offences") committed in the interest or to the advantage of the entity, by representatives of the company management (so called persons "body's senior officers" or just "seniors") and by persons subject to the management or supervision of one of the above-mentioned persons (art. 5, paragraph 1 of the Decree)².

This liability is additional to the (criminal) liability of the actual persons who committed the crime.

The purpose of this expansion of liability is essentially to place Company assets and, ultimately, the financial interests of shareholders within the scope of the penalties for certain crimes, who, until the decree in question came into force, did not suffer direct consequences from the commission of offences, in the interest of or to the advantage of the entity by managers and/or employees³.

The Decree has accomplished the Italian legal system as it has allowed for the direct and autonomous application to entities of sanctions of both a pecuniary and disqualifying nature in relation to Offences attributed to subjects connected to them pursuant to art. 5 of the Decree.

The administrative responsibility of the entity is, however, excluded if the entity has, among other things, adopted and effectively implemented, prior to the commission of an Offence, organisational, management and control models suitable for preventing Offences of the same type as the one for which proceedings are being taken; such models may be adopted in accordance with codes of conduct (guidelines) drawn up by associations representing companies, including Confindustria, and forwarded to the Ministry of Justice.

In any event, the administrative responsibility is excluded if the seniors and/or their employees have acted exclusively in their own interest or that of third parties⁴.

¹ The Legislative Decree no. 231/2001 was published in Official Gazette no. 140 of 19 June 2001, and Law no. 300/2000 in Official Gazette no. 250 of 25 October 2000.

² Art. 5, paragraph 1 of Legislative Decree no. 231/2001: "*Entity's liability – An entity is liable for offences committed in its interest or to its advantage: a) by persons serving as representatives, or holding administrative or senior executive positions within the body or an organisational unit of same, and being financially and functionally independent, as well as by persons actually exercising management and control of same; b) by persons under the direction or supervision of one of the persons as per subparagraph a)*".

³ Hence the introduction of the *Guidelines for the construction of models of organization, management and control pursuant to Legislative Decree no. 231/2001* of Confindustria.

⁴ Art. 5, paragraph 1 of Legislative Decree no. 231/2001: "*Entity's liability – The entity cannot be held liable if the persons indicated in paragraph 1 act solely in their own interest or in the interest of others*". The Illustrative Report on Legislative Decree no. 231/2001, in the section concerning Article 5, paragraph 2, of Legislative Decree no. 231/2001, states that: "*The second paragraph of article 5 of the scheme derives from letter e) of the delegation and excludes the liability of the company when natural persons (whether senior managers or subordinates) have acted exclusively in their own interest or the interest of third parties. The provision refers to cases in which the offence committed by the natural person cannot in any way be attributed to the entity because it was not carried out, even partially, in the interest of the latter. Moreover, it should be noted*

1.1 Perpetrators of the offences: seniors and persons subject to their management

As mentioned above, pursuant to the Decree, the entity is responsible for Offences committed in the interest or to the advantage of the entity by:

- “persons serving as representatives, or holding administrative or senior executive positions within the entity or an organisational unit of same, and being financially and functionally independent, as well as by persons actually exercising management and control of same” (persons “in apical positions” or “apical”; art. 5, paragraph 1, letter a), of the Decree); and/or
- by persons under the direction or supervision of one of the seniors (so called persons subject to the direction of others; art. 5, paragraph 1, letter b), of the Decree).

1.2 Offences

In accordance with the Decree, the entity may be held liable only for the Offences expressly referred to in articles 24 to 25-duodevices of the Decree, if committed in its interest or to its advantage by qualified subjects pursuant to art. 5, paragraph 1, of the Decree or in the event of specific legal provisions that refer to the Decree, as art. 10 of Law no. 146/2006 on transnational organized crime.

For convenience, the offenses can be included in the following categories (for a complete list, see [Annex 1](#)):

- offences in the relations with **Public Administration** (such as corruption, extortion, embezzlement from the State or European Union, defrauding and fraud against the State or European Union⁵, inducement to give or promise benefits and influence peddling, as referred to in arts 24 and 25 of the Decree);
- **IT-related felonies and unlawful processing of data** (such as unauthorized access to an information technology or electronic communication systems, installation of devices aimed at intercepting, impeding or interrupting IT or electronic communication systems and, most recently, the new crime of illegal possession, dissemination and installation of equipment, devices, or computer programs aimed at damaging or interrupting a computer or telematic system and computer extortion,, damage to IT or electronic communication systems referred to in art. 24-bis of the Decree);
- **felonies committed by criminal organizations** (e.g. for instance criminal association of a mafia type also with foreign connections, political-mafia election collusion, kidnapping for ransom referred to in art. 24-ter of the Decree);
- crimes against **public faith** (such as forgery of money, money values having legal tender or revenue stamps and instruments or identification signs), counterfeiting referred to in

that, where the clear extraneousness of the legal person results in this way, the judge will not even have to verify whether the legal person has gained an advantage by chance (the provision therefore applies as an exception to the first paragraph)”.

⁵ The Legislative Decree no. 75 of July 14, 2020, art. 5 paragraph 1 letters a) and b), in implementation of the Directive (EU) 2017/1371 on the fight against fraud affecting financial interests of the EU by means of criminal law, extended the scope of application of the above-mentioned offences also with regard to the legal assets of which the European Union is a member. Moreover, the same legislative innovation has included among the offences referred to in art. 25 of the Decree the crime of fraud in public contracts as per art. 356 of the Italian Criminal Code and the crime of fraud in agriculture.

art. 25 bis of Legislative Decree 231/2001);

- offences against **industry and commerce** (such as for example obstructing industry and trade, fraud in trade, sale of industrial products with misleading signs referred to in art. 25 *bis.1* of the Decree);
- **corporate offences** (such as false corporate communications, prevention of control, unlawful influence over the shareholders' meeting, corruption between private individuals referred to in art. 25-*ter* of the Decree);
- **felonies committed for purposes of terrorism or felonies designed to subvert democracy** (referred to in art.25-*quater* of the Decree);
- offences against **individuals** (such as the trafficking of people, treating people as slaves or reducing them to slavery or illegal intermediation and exploitation of labour, as indicated in art.25-*quater.1* and art. 25-*quinquies* of the Decree);
- **market abuse** crimes (misuse of privileged information and market manipulation referred to in art. 25-*sexies* of the Decree);
- **transnational** crimes (such as for example organised crime and criminal association for the purpose of obstruction of justice, insofar as the crimes can be classified as "transnational");
- crimes committed in breach of the regulations on **health and safety at the workplace** (manslaughter and grave negligent personal injury referred to in art. 25-*septies* of the Decree);
- crimes of **handling stolen goods, laundering and using of money, assets or benefits whose origin is illegal and self-laundering** (referred to in art. 25-*octies* of the Decree);
- crimes relating to **non-cash payment instruments** and the crime of "**fraudulent transfer of values**" (referred to in art. 25 *octies.1* of the Decree);
- crimes **concerning breach of copyrights** (referred to in art. 25-*nonies* of the Decree);
- crime of **induction for not making statements or making false statements to the courts** (referred to in art. 25-*decies* of the Decree);
- **environmental crimes** (art. 25-*undecies* of the Decree);
- **employment of subjects from other countries who are illegal immigrants** (art. 25 *duodecies* of the Decree);
- crime of **racism and xenophobia** (art. 25-*terdecies* of the Decree);
- **fraud in sporting competitions, abusive gambling or betting and gambling by means of prohibited devices** (art. 25 *quaterdecies* D.Lgs. 231/2001);
- **tax offences** (fraudulent declaration through the use of invoices or other documents for non-existent transactions; fraudulent declaration through other devices; issue of invoices or other documents for non-existent transactions; concealment or destruction of accounting documents; fraudulent evasion of tax payments; false declaration, non-declaration and unlawful compensation referred to in art. 25-*quinquiesdecies* of the Decree);

- **smuggling** crimes (provided for in art. 25-*sexiesdecies* of the Decree);
- **crimes against cultural heritage** (art. 25 *septiesdecies* of the Decree), including the offences of **laundering cultural property and devastation and looting of cultural and landscape property**, provided for by art. 25 *duodevicies* of the Decree.

The aforementioned categories are likely to increase further due to the legislative tendency to extend the administrative liability set forth in the Decree, also in compliance with international and EU obligations. In addition to these cases, there is also the crime provided for by art. 23 of the Decree itself, which provides for the punishment of anyone who, while carrying out the activity of the entity to which a sanction or a prohibitory precautionary measure has been applied, violates the obligations and prohibitions inherent to such sanctions or measures.

1.3 Sanctioning system

The Decree foresees the following types of sanctions applicable to entities as a consequence of the commission or attempted commission of the above-mentioned Offences:

- pecuniary penalties (and seizure as cautionary measures);
- disqualification (also as a cautionary measure) of no less than three months and no more than two years⁶ (highlighting that, under art. 14 paragraph 1 of Italian Legislative Decree no. 231/2001 "*Disqualification sanctions specifically concern the activity related to the offence committed by the Entity*") and more specifically:
 - disqualification from trading or exercising business activity;
 - suspension or revocation of those permits, licenses or concessions which were/are functional to the commission of the offence;
 - prohibition to negotiate with the public administration, except when requesting public services;
 - exclusion from all financing, public grants, contributions and subsidies with revocation of those already granted;
 - prohibition to advertise goods or services;
- confiscation (and seizure as cautionary measures);
- publication of the judgement (in case of application of a disqualification sanction).

Pecuniary sanctions are determined based on a "quota" system of no less than one hundred and no more than one thousand, whose amount may vary from a minimum of Euro 258,23 to a maximum of Euro 1,549.37. In the determination of the pecuniary sanction, the Judge takes into account:

1. the number of quotas, the seriousness of the offence, the degree of liability of the Entity

⁶ As a result of the entry into force of Law no. 9 of January 3rd, 2019, the duration of the disqualification penalties has been significantly increased in relation to the commission of the predicate offences provided for by art. 319 (Corruption for an act contrary to official duties), 319-ter, paragraph 1 (Corruption in judicial acts), 321 (Penalties for the corruptor), 322, paragraphs 2 and 4 (Incitement to corruption), 317 (Concussion), 319, aggravated pursuant to article 319-bis, when the entity has obtained a significant profit from the act, 319-ter, paragraph 2, 319-quater (Undue induction to give or promise benefits) and 321 c.p..

and the activity performed by the Entity in order to eliminate or dilute the consequences of the offence and prevent the performance of further offences;

2. the amount of each quota is established according to the financial and equity conditions of the Entity.

Disqualification measures are applied in the event of Offences for which disqualification is expressly provided, where at least one of the following conditions is met:

- a) the Entity has obtained significant profit from the offence and the offence is committed by senior officers or otherwise by persons reporting to others when, in this case, commission of the offence is caused or facilitated by severe organisational shortcomings;
- b) in cases of reiteration of the offences.

The Judge determines the type and duration of the disqualification taking into consideration the suitability of the sanctions for preventing unlawful acts of the type committed from re-occurring and, where necessary, can apply them simultaneously (art. 14 paragraph 1 and paragraph 3 of Italian Legislative Decree no. 231/ 2001).

The disqualification from the company business, from entering into contracts with the public administration and the advertising of goods or services - in the more serious cases - may be final⁷. There is also the possibility that a commissioner appointed by the Judge may continue to run the activity of the Entity (instead of the issuing of the sanction) under the conditions of art. 15 of Italian Legislative Decree no. 231/ 2001⁸.

1.4 Attempts

⁷ Information is provided under art. 16 of Italian Legislative Decree no. 231/2001, according to which: "1. Final disqualification from exercising the activity may be ordered if the entity obtains significant profits from the offence and if the entity has already been sentenced, at least three times in the last seven years, to temporary disqualification from business. 2. The judge may disqualify the entity, such decision being final, from entering into contracts with the public administration or otherwise may prohibit the entity from advertising goods or services when the same penalty has already been imposed at least three times in the last seven years. 3. If the entity or any of its organisational units is used on an ongoing basis solely, or primarily to allow or to facilitate the commission of offences for which it may be found liable, the entity is again disqualified from business, such decision being final, and the provisions of article 17 do not apply".

⁸ Art. 15 of Italian Legislative Decree no. 231/2001: "Judicial Commissioner - If the conditions exist for the application of a disqualification sanction that causes the interruption of the entity's activity, the judge, in place of the application of the sanction, orders the continuation of the entity's activity by a commissioner for a period equal to the duration of the disqualification sanction that would have been applied, when at least one of the following conditions is met: a) the entity performs a public service or a service of public necessity, the interruption of which may cause serious harm to the community; b) the interruption of the entity's activity may cause, taking into account its size and the economic conditions of the territory in which it is located, significant repercussions on employment. With the decision ordering the continuation of the activity, the judge spells out the tasks and powers to be held by the temporary commissioner, taking into consideration the specific activity in connection with which the crime has been committed by the entity. Within the scope of the tasks and powers spelled out by the judge, the temporary commissioner deals with adoption and effective implementation of the organisational and control models to prevent offences of the type previously occurring. The temporary commissioner may not engage in extraordinary business without the judge's authorisation. Profits arising from continuation of the activity are confiscated. Continuation of the activity by the temporary commissioner cannot be ordered when interruption of the activity is a consequence of disqualification, such imposition being final".

In cases in which the offences referred to and considered by Italian Legislative Decree no. 231/2001 arise from the attempt to commit the crime, the pecuniary sanctions (in terms of the amounts) and the disqualifications (in terms of time) are reduced by between a third and a half.

The Entity is not liable if it voluntarily prevents completion of the action or realisation of the event (art. 26 of Italian Legislative Decree no. 231/ 2001). The exclusion of sanctions is justified, in such case, provided that all relations are broken off whereby the individuals concerned were identified with the entity and assumed that they acted on behalf of the entity.

1.5 Offences committed abroad

Based on the provisions of art. 4 of the Italian Legislative Decree no. 231/2001, the Entity may be made accountable in Italy, in relation with the crimes foreseen by the same Italian Legislative Decree no. 231/2001, and committed abroad⁹.

The Explanatory Report to Legislative Decree no. 231/2001 underlines the need not to leave a criminal situation that may actually occur without a sanction, also in order to avoid easy circumvention of the entire regulatory framework in question.

The prerequisites on which the liability of the entity for Offences committed abroad is based are the following:

- (i) the Offence must be committed abroad by an individual functionally connected to the Entity for the purposes of article 5 of the Decree;
- (ii) the Entity must have its headquarters in Italy;
- (iii) the Entity may be held liable only in the cases and on the conditions provided by articles 7, 8, 9 and 10 of the Italian Criminal Code (in the cases where the law states that the guilty party – natural person – is punished on the request of the Ministry of Justice, action is taken against the organisation only if the request is formulated against the latter) and, in accordance with principle of legality as per art. 2 of the Decree, only for offences for which its liability is provided for by a specific legislative provision;
- (iv) Existing the cases and conditions provided for in the above-mentioned articles of the Italian Criminal Code, the Entity is liable, unless it is prosecuted in the state where the crime has been committed.

1.6 Exempting value of Organisation, Management and Control Models

The Legislative Decree no. 231/2001 assigns an exempting value to the models of organization,

⁹ Art. 4 of Italian Legislative Decree no. 231/2001 foresees as follows: "1. In those cases contemplated by articles 7, 8, 9 and 10 of the Criminal Code and subject to the conditions contained therein, entities having their main place of business within the state are also liable in respect of offences committed abroad, provided that prosecution is not brought by the State in the place where the act is committed. 2. Where the law provides that the guilty party is punishable subject to a request being made by the Minister of Justice, prosecution is only brought against the entity if the request is also made against the latter".

management and control where adopted by the Entity.

In case the crime was committed by one of the seniors the Entity shall not be liable if it proves that (art. 6, comma 1, D.Lgs. n. 231/2001):

- a) it has adopted and effectively implemented, through its management body, organisational and management models which aim to prevent the crime in question, before the offence was committed;
- b) a special independent body, which has independent monitoring and surveillance powers, has been appointed by the company to ensure that the models are implemented and complied with and to update them;
- c) the persons committed the Offence by fraudulently circumventing the aforementioned organisational and management models;
- d) there was no omission or insufficient supervision on the part of the oversight body.

In the case of an Offence committed by seniors there is, therefore, a presumption of responsibility of the Entity due to the fact that these subjects express and represent politics and, therefore, the will of the Entity itself. In order to be exempt from liability, the Entity must, therefore, demonstrate its extraneousness to the facts alleged against the seniors by proving the existence of the above-mentioned competing requirements and, consequently, the circumstance that the commission of the crime does not derive from its own "organizational fault"¹⁰.

In the case, however, where the crime was committed by one of the so-called persons subject to the direction of others, the Entity shall be liable if the individual was able to commit the crime due to violation of the supervisory and management obligations that the company must observe¹¹.

In any case, the violation of the obligations of management or supervision is excluded if the entity, before the commission of the Offence, has adopted and effectively implemented a model of organization, management and control suitable to prevent the crimes of the kind that occurred.

In case provided for in art. 7, and namely in case an Offence committed by persons subject to the direction of others, the prosecution shall have to prove the non-adoption and effective implementation of a model of organization, appropriate management and control to prevent the Offence occurred.

The Decree outlines the general content of the models of organization and management foreseeing that the latter, in relation to the extension of the delegated powers and the risk of commission of Offences, as specified by art. 6, paragraph 2, must:

¹⁰ In this regard, the Illustrative Report of Legislative Decree n.231/2001 states that: *"For the purposes of the liability of the Entity, therefore, it will be necessary not only that the crime be connected to it objectively (the conditions under which this occurs, as seen above, are governed by Article 5); moreover, the crime will have to constitute also expression of the business policy or at least to derive from a guilt of organization". And again: "we start from the presumption (empirically founded) that, in the case of crime committed by a summit, the "subjective" requirement of liability of the entity [ie the c.d. "organizational fault" of the entity] is satisfied, since the summit expresses and represents the politics of the agency; if this does not happen, it will have to be the society to demonstrate its strangeness, and this will be able to do only proving the subsistence of a series of requirements between they competitors".*

¹¹ Art. 7, paragraph 1 of the Decree: *"Persons subject to the direction of others and the body's organisational models – Where contemplated by article 5, paragraph 1, subparagraph b), the body is liable if commission of the offence is made possible by means of noncompliance with the directive or oversight requirements".*

- identify the areas at risk of committing the Offences;
- prepare specific protocols which aim to provide training and implementation programs for company resolutions which refer to the Offences to be prevented;
- put in place of means of identification and management of financial resources capable of preventing the commission of Offences;
- impose of information obligations on the independent body appointed to monitor the adequacy and compliance with the model;
- introduce an internal disciplinary system capable of sanctioning any failure to comply with the measures indicated in the model.

Art. 7, paragraph 4 of the Decree also defines the requirements for the effective implementation of organisational models¹²:

- regularly check and eventual modification of the model when some violation of the prescriptions have been discovered or when change in the organization or in the activity of the company has been carried out;
- introduction of an internal disciplinary system in order to sanction the failure to comply with the measures indicated in the model.

1.7 The Organisation, Management and Control Model in the context of the company's organisational structure

The Model is an integral part of the organisational, administrative and accounting structure that the entrepreneur has the duty to establish pursuant to art. 2086 of the Italian Civil Code.

In fact, in its orientation towards preventing the commission of the Offences provided for by Italian Legislative Decree no. 231/2001, it is an element that minimizes the risk of sanctions that could potentially have a negative impact on the company's ability to continue and, at the same time, offers a valid tool for the timely detection of critical situations.

In short, the Model not only aims to prevent the commission of Predicate Offences within the organisation, but also to mitigate the civil liability of the Company and its Board of Directors through the implementation of rules, procedures and controls aimed at ensuring ethical corporate behaviour that complies with current regulations, improving the reputation of the entity, increasing customer trust and, in this way, it is also able to minimize the factors of possible crisis.

In this sense, the Board of Directors of Italdesign Giugiaro S.p.A. ensures the continuous updating and constant implementation of the Organizational Model.

1.8 Criminal liability in groups of companies

The Decree does not expressly mention aspects related to the liability of the entity belonging to a

¹² Cf. most recently Sent. Trib. Milan of April 22nd, 2024, no. 1070.

group of companies, despite the fact that this is widespread.

Considering that the group cannot be considered a direct center of imputation of criminal liability and cannot be classified among the subjects indicated in art. 1 of the Decree, it is necessary to wonder about the effectiveness of organizational models in relation to crimes committed by subjects belonging to such group of companies.

As also highlighted by the Confindustria Guidelines in their latest updated version, the holding/parent company may be held liable for the offence committed by the controlled company if:

- a predicate offence has been committed in the immediate and direct interest or advantage, not only of the controlled company, but also of the parent company;
- natural persons functionally connected to the parent company have participated in the commission of the predicate offence by making an accidentally relevant contribution (Cass., V Criminal Section, sentence no. 24583 of 2011), proven in a concrete and specific manner.

1.9 Codes of conduct prepared by the associations representing companies

Art. 6, paragraph 3 of the Decree states that *"The organisational and management models may be adopted, by guaranteeing that the requirements set out in paragraph 2 are met, on the basis of codes of conduct drawn up by the associations representing the bodies, notified to the Ministry of Justice which, in concert with the competent ministries, may, within thirty days, draw up observations on the suitability of models designed to prevent offences"*.

Confindustria has defined the *"Guidelines for the construction of organisational, management and control models pursuant to Legislative Decree no. 231/2001"*, providing, among other things, methodological indications for the identification of risk areas (sector/activity in relation to which Offences may be committed), the definition of a control system (so-called protocols for planning the creation and implementation of the entity's decisions) and the contents of the organisational, management and control model.

In particular, the Confindustria Guidelines issued on March 7th, 2002 and later updated in June 2021, recommend the use of risk assessment and risk management processes and provide for the following phases in defining the model:

- identification of risks and protocols;
- implementation of general tools, the main ones being a Code of Conduct with reference to the Offences pursuant to Legislative Decree no. 231/2001 and a disciplinary system;
- coordination with existing controls (e.g. in the tax area) with a view to implementing an efficient and consistent integrated compliance system;
- definition of the criteria for selecting the oversight body, its requisites, duties and powers, and reporting obligations.

Italdesign has adopted and repeatedly updated its Organization, Management and Control Model (hereinafter also referred to as the "Model") on the basis of the Confindustria Guidelines.

In any case, any discrepancies that may be found with respect to the content of the Guidelines

would not compromise the validity of the Model in itself, since the latter corresponds to the specific situation of the Company and, therefore, it may well deviate from the Guidelines - which by their nature are general for specific protection and prevention requirements¹³.

1.10 Assessment of suitability

The liability of the company is determined by the criminal court by:

- verifying the existence of the predicate offence for the liability of the entity, the interest and advantage and the relationship between the offender and the entity; and
- verifying the suitability of the organisational models adopted.

The assessment of the theoretical suitability of the organisational model to prevent the offences referred to in Legislative Decree no. 231/2001 is carried out according to the criteria of the so-called "posthumous prognosis".

The assessment of suitability has to be formulated according to a substantially *ex ante* criterion whereby the judge ideally places himself in the company reality at the time when the offence occurred in order to test the effectiveness and efficiency of the adopted model, not being able to automatically assume the ineffectiveness of the model from the occurrence of the offence, otherwise the provision would be worthless¹⁴.

2. THE ITALDESIGN GOVERNANCE MODEL AND ORGANISATIONAL STRUCTURE

2.1 Italdesign-Giugiaro S.p.A.

Italdesign is an Italian company belonging to the multinational Volkswagen/Audi group (hereinafter also referred to as the "Group"). The Group, headquartered in Germany, is one of the world's largest manufacturers of motor vehicles.

The Company, founded as a service center for the *automotive* sector, represents excellence in the field of automotive technology and design, having expanded its capabilities and skills over the years, offering services that also cover the production of vehicles and industrial objects, as well as activities of styling research and design, validation and prototyping.

In particular, the Company proposes itself to the market by collaborating with the main car manufacturers (and not only) for the design, engineering, prototyping, validation and production of small series vehicles.

¹³ Guidelines for the implementation of Organization, Management and Control Models, drawn up by Confindustria, approved on March 7th, 2002 and updated in June 2021, page 4: "However, given the breadth of the types of entities represented in Confindustria's membership and the variety of organizational structures adopted from time to time, depending both on their size and on the different geographic or economic markets in which they operate, it is not possible to provide precise references in terms of organizational and functional models, except on a methodological level. The Guidelines, therefore, aim to guide companies in the creation of these models, since it is not possible to propose the construction of decontextualized case studies to be applied directly to individual operating situations. Therefore, without prejudice to the key role of the Guidelines in terms of the abstract suitability of the model that complies with them, the judgement on the concrete implementation and effective application of the model itself in the company's daily activities is left to the judge's free assessment".

¹⁴ In these terms, cf. Cass. Pen., Sec. VI, sent. June 15th, 2022, no. 23401

Over time, Italdesign has further expanded and diversified its activities by assigning the Business Unit *Vehicle Validation & Verification* Department to *testing* and validation activities, and the Business Unit *Electric/Electronics*, which deals transversally with the development of electronic components and functions such as, for example, ADAS functions, Infotainment systems, connectivity and HMI (*Human Machine Interface*). Finally, Italdesign has also launched the innovative Concept Lab, a multidisciplinary environment for the analysis and study in virtual reality of the relationship between man and vehicle.

The Company also operates through its foreign subsidiaries Italdesign Giugiaro Barcelona, Italdesign Giugiaro Deutschland, Italdesign Giugiaro (Shanghai) and Italdesign Giugiaro USA, which constitute *autonomous* legal entities and share with the Company's Code of Conduct and the main *Policies*.

2.2 The governance system of Italdesign-Giugiaro S.p.A.

Italdesign's *governance* model and, overall, its entire organizational system, is structured in such a way as to ensure that the Company implements its strategies and achieves the objectives defined by the Group, in compliance with the relevant national and international regulations.

The current structure of Italdesign-Giugiaro S.p.A., in fact, was created taking into account the need to provide the Company with an organization able to ensure maximum efficiency and operational effectiveness, in compliance with the principles of transparency, legality and sustainability always adopted by the whole Group.

In view of the peculiarities of its organisational structure and of the activities it carries out, the Company has opted for the so-called "*traditional governance system*", which includes a Board of Directors with administrative functions, a Board of Statutory Auditors with management control functions, and an Independent Auditors who perform the statutory audit of the accounts. All these bodies are appointed by the Shareholders' Meeting. Although the entire share capital is held by the sole shareholder Automobili Lamborghini S.p.A., Italdesign is subject to the management and coordination of Audi AG. The *corporate governance* system of the Company is therefore structured as follows:

A) Shareholders' Meeting

The Ordinary and Extraordinary General Meeting of Shareholders is responsible for passing resolutions on matters reserved to it by law or by the Articles of Association.

B) Board of Directors

The Board of Directors (hereinafter the "Board") is invested with all the powers of ordinary and extraordinary administration for the implementation and achievement of the corporate purpose, within the limits of what is allowed by law and by the Articles of Association. Therefore, among other things, the Board of Directors has the power to define the strategic policies of the Company and to verify the existence and efficiency of its organisational and administrative structure.

According to the provisions contained in the Articles of Association, the Board of Directors can be made up of between 3 and 11 members, who need not necessarily be Shareholders, appointed by the Shareholders' Meeting, which determines the number of Board members. They remain in office for three financial years and can be re-elected. A Managing Director (*CEO*) is appointed within the Board; the CEO is also the legal representative of the Company and its powers are set out in the company's

registration certificate.

C) Board of Statutory Auditors

The Board of Statutory Auditors is made up of 3 Standing Auditors and 2 Substitute Auditors. All members of the Board of Statutory Auditors shall remain in office for 3 financial years or for the different period established upon appointment. On expiry, the appointment may be renewed.

The Board of Statutory Auditors is entrusted with the task of supervising:

- compliance with the law and the memorandum of association;
- compliance with the principles of proper administration
- the adequacy of the Company's organisational structure, of the Internal Control System and of the administrative and accounting system, also with regard to the reliability of the latter to correctly represent management events.

D) Auditing Company

The Shareholders' Meeting of Italdesign appointed an auditing firm, registered in the Special Register, to audit the Company's accounts.

2.3 Organisational structure

Italdesign's organisational structure is headed by the Chief Executive Officer (CEO) and is described in the company's organisational chart.

The following departments operate in support of the business areas and, for this reason, can be defined as *Staff* departments:

- **Legal & Governance Office:** manages the Company's active and passive litigation. Provides support in the preparation of opinions and agreements with counterparties, as well as in the definition and review of contracts and legal transactions in general. It deals with corporate compliance.
- **Compliance, Integrity & Risk:** manages the implementation and monitoring of the Company's Compliance Management System (CMS), which is the responsibility of the Compliance Integrity & Risk Officer – who also acts as **AML Contact Person** and **Human Rights Coordinator** –, in compliance with Italian legal requirements, the Group's international standards and the Group's procedures and directives.
- **Strategy:** ensures a strategic and constant control of the programming and product development flow and ensures the time to market, cost, performance and quality objectives assigned to the projects.

In addition to the above, there are the following departments, which guarantee the availability of human, material and economic resources adequate for the development of business activities:

- **Human Resources & Organisation (HR&O):** deals with recruitment and personnel management practices, takes part in the definition of the evaluation system and manages personnel training and development activities and is responsible for payroll processing.

This includes the *Information & Communication Technologies (ICT) / Process Digitalization* Unit, which supports the Company in providing a wide range of services dedicated to the development of vehicles and industrial products, from *styling* to *engineering*, from the production of prototypes to their verification and validation. The team also works constantly to ensure the highest quality standards in *ICT* management, *ICT* network architecture and *ICT* security.

The *Health, Safety & Environment* Unit is also part of HRO, and is responsible for managing environmental and occupational health and safety issues, ensuring compliance with the law, preparing the necessary documentation, monitoring company and production processes in order to identify risks and define the prevention systems to be implemented, and offering support to all the other Entities and, in particular, to those who have a role of responsibility in guaranteeing the correct implementation of environmental and occupational safety measures. Such management and monitoring activities concerning the protection and prevention of risks relating to environmental issues and to health and safety at work are coordinated by the Italdesign Prevention and Protection Service Manager (RSPP or otherwise identified within this Model as *Health, Safety & Environment Manager*).

Furthermore, the role of *Property & Facility Management* has been established within the Business Unit, with responsibility for the management of real estate assets owned by the Company or leased by it and which constitute Italdesign's business sites.

The HRO also guarantees the company Security, through the *Security & General Services* Unit.

- **Purchasing:** responsible for the procurement process for goods and services, both direct and indirect, and with two different Business Units: *General Purchasing*, dedicated to the procurement of goods and services not directly related to production activities and the *Project Purchasing*, dedicated to the purchases necessary for the development and implementation of individual projects.
- **Finance:** manages financial flows and accounting controls. It also contributes to the definition of the *budgets* assigned to the individual company bodies, carrying out an assessment of their economic sustainability. Supervises the preparation of the financial statements, accounting situations and reports. It controls and administers the Company's credit exposure, monitors the overall level of credit exposure and initiates the appropriate initiatives for credit recovery. Manages activities related to the preparation of all Company tax returns, with the support of external consultants.

Below is a summary of the tasks and responsibilities of the entities directly involved in the production activities, carried out through the main plant in Moncalieri and the one in Nichelino:

- **Project Management:** deals with the design, planning and implementation of the objectives of a project, managing it in all its characteristics and evolutionary phases.
- **Business Development:** deals with the commercial management of orders for *open market*, starting from the search for new customers, both active (i.e. through the development of relationships that can create a network, with the aim of getting in touch with new potential customers) and passive (through the increase of brand visibility, working in close connection with the *Public Relations & Communications* Unit). The Business Development Unit is then

responsible for preparing the commercial documentation for participation in tenders called by private entities (and public entities as well, even if it is entirely minor activity) and, in particular, the commercial offer.

It interfaces and handles relations with intermediaries, finders or developers with whom the Company, in the absence of a worldwide distribution and sales network, defines agreements to develop sales in the various geographical areas and thus reach potential customers. It cooperates and relates with the subsidiaries of Italdesign abroad, for the preparation of commercial offers.

The *Public Relations & Communications* Unit is located within the *Business Development* Department and is responsible for all external communication activities, including through the website, and for the management of public relations, including relations with the press, in relation to institutional events or participation in sector events; it is also responsible for activities connected with the management of the museum's vehicles and the organization of events, following stand set-up operations and the shipment of show-cars (involving the Functions responsible for managing customs obligations, where necessary).

- **Design:** the team that deals with the preparation of the sketches, the three-dimensional scale models and the whole process of conception and design, up to the construction of the first prototypes of new models.

Starting from the meeting with the client, the stylistic research prepares freehand sketches and drafts both for the interior and exterior, showing the positions of the various components of the vehicle. The research study continues with the development of 3D proposals using softwares such as ALIAS, ICEM and MAYA; these three-dimensional virtual models, which also enable animations, interactive management, and full-scale motion simulations, are used to directly produce styling models using numerical controls that process virtual surface data through CAM applications. The work of finishing and modifying is, instead, left to the modelers, who add craftsmanship to technology, paying attention to the smallest details.

- **Engineering:** manages all the activities of design, experimentation and prototypes, innovation of components, technologies and laboratories, coordinated by the *Chief Technology Officer* (CTO), is divided into five Business Units: *Exteriors Development*, *Interiors Development*, *Whole Vehicle Development*, *Special Vehicles* and *Electric / Electronics*.

Specifically, the Engineering Unit operates in the following areas: *Powertrain Development*, *Concept Development*, *Surfacing*, *Body*, *Interior Trim*, *Aerodynamics*, *Hvac*, *Thermal Management*, *Vehicle Safety*, *Numerical Simulations*, *E-Traction*, *Lighting Development*, *Wiring Harness*, *HMI*, *ADAS*, *Product & Process Integration*, *Whole Vehicle Validation*, *Bill of Material*, *Cost Engineering*.

- **Pre-Series & Production:** realizes master models and prototypes for the validation of all design and engineering parameters. Organize the activities of the production departments, identifying the timing and priorities of each process. It also manages the ordinary and extraordinary maintenance of machines, plants and assembly lines. Within the Unit, the *Logistics & Warehouse* deals with the organizational, managerial and strategic activities that govern the incoming flows of goods purchased from suppliers and their use within the plants, and those leaving until the

delivery of finished vehicles to customers, coordinating the activities of the warehouses.

- **Quality:** supervises the activities of verification of the processes adopted by the individual production units and analysis of the quality of the raw materials used and finished products. Support operational processes in design, engineering and production units, providing measurement and testing services and certifying products. The performance of the available measuring instruments allows to guarantee and certify the dimensional accuracy of products with negligible tolerances. The Unit is involved in the resolution of problems with suppliers where related to the quality of the products delivered.

3. THE ITALDESIGN ORGANISATIONAL AND MANAGEMENT MODEL

3.1 Purpose of the Model

The Model of Italdesign has been defined, prepared and updated taking into particular consideration the interaction between the internal control system and the business processes already existing and implemented within the Company with the discipline and provisions of the Decree.

The Model, after its first approval, has been updated several times, most recently during 2024, which led to the adoption of the current version, which reflects not only the new regulations in the in the meantime intervened, but also the organizational and operational changes.

To this end, the Company has carried out a series of preparatory activities divided into different phases and all aimed at updating the risk prevention and management system, in line with the provisions of the Decree and the aforementioned Guidelines issued by Confindustria.

This Model perfects and integrates the set of rules of conduct, principles, policies and procedures of the Company, as well as all existing organizational tools and internal controls, with the implementation of provisions that respond to the purposes of the Decree for the specific purpose of preventing the commission of the Crimes contemplated therein.

This purpose is achieved through the identification of sensitive activities, the construction of an organic and structured system of rules – where possible formalized in policies, procedures, operating instructions – and the adoption of an adequate internal control system.

The Company's Model aims to:

- make aware all those who work and in any case collaborate with Italdesign that the commission of a Crime (or even the attempt) - even if carried out with the aim of bringing an advantage to the Company or in the interest of the same - is strongly condemned, stigmatized and opposed, because it represents a violation of the Model and the principles and provisions expressed therein and constitutes an offense punishable by sanctions, on the criminal and administrative level, not only against the offender, but also against the Company;
- identify the behaviors that are not in line with the principles of the Company, as contrary to the provisions of the law, to the rules of conduct to which the Company is inspired and complies with in the conduct of its business activity;
- monitor the sectors of activity and the related risks of Crime, defining the timely intervention to prevent and prevent their commission.

In order to define the Model and prevent the commission of the Crimes contemplated by Decree 231, the following activities have been implemented:

- adoption of the Code of Conduct (Annex 2) containing the ethical principles of Italdesign-Giugiaro S.p.A., which is an integral and substantial part of the Organisational and Management Model;
- identification of the areas at risk of committing crimes pursuant to the Decree, through an in-depth analysis of the activities carried out, of the existing procedures and controls, of the practice and of the authorization levels;
- identification of a manager for each identified area, whose main task is to ensure that the operating system is adequate and effective with respect to the purpose its purpose;
- regulation of the process, i.e. identification of the subjects who have to monitor a specific Function, in compliance with the principle of segregation of functions;
- regulation of the process in a specific manner with respect to the substantive adherence pertaining to the risk to be contained and dynamic with respect to the Model's ability to adapt to organisational changes;
- identification of the Oversight Body, which has been assigned the tasks of supervising the effective and correct functioning of the Model and given powers to ensure its full and effective operation, both in terms of autonomy and available means;
- definition of complete information and communication flows towards the Oversight Body and by the same Body, in order to guarantee the effectiveness of the precaution;
- definition and adoption, in accordance with the provisions of the Decree, of a disciplinary and sanctioning system to be applied in case of violation of the Model;
- definition and launch of a dissemination, information, awareness and training activity, at all company levels, as well as towards those who work in the name and on behalf of the Company, on the rules of conduct provided for in the Model, as well as on the internal processes and procedures to govern, prevent and control activities at risk;
- constant control and supervision of sensitive processes so as to be able to intervene promptly where risk profiles arise.

3.2 Structure of the Model of Italdesign-Giugiaro S.p.A.

The Model, defined as described above, is subject to periodic updating, taking into account the provisions of the Decree, recommended by the Confindustria Guidelines and best practices, as well as the interpretation evolution as per analysis of case law¹⁵.

The activities are carried out according to the methodological phases represented below, which may be differently adjusted according to the type of operation and updating needed from time to time.

Phase 1 – Organizational analysis and identification of sensitive activities

¹⁵ Cf. on this point, most recently, Sent. Trib. Milan no. 1070/2024 cit.

Identification of the processes and activities in which the Crimes expressly referred to in Legislative Decree no. 231/2001 (so-called sensitive activities) can be committed abstractly and identification of those responsible, i.e. resources with in-depth knowledge of these processes / activities and the control mechanisms currently in place (cd. "key officer").

Phase 2 – As-Is Analysis

Analysis and formalization, for each sensitive process/activity of:

- main phases;
- functions and roles/responsibilities of the internal and external subjects involved;
- existing control elements;

in order to verify in which areas / sectors of activity and in what ways the cases of Crime referred to in Legislative Decree 231/2001 could be carried out in the abstract.

In this phase, the existing control elements also include the provisions of the Model in the current version, which has been updated, as well as policies, procedures and internal instructions that regulate sensitive activities, the existence and use of IT systems, acts of granting of powers and any other element referable to the standards according to the prescriptions of Confindustria Guidelines.

Phase 3 – Gap Analysis

Identification of any vulnerabilities and related improvement actions necessary to ensure that the Organizational Model is suitable to prevent the Crimes referred to in Legislative Decree 231/2001.

Phase 4 - Updating of the Organizational and Management Model

Starting from the current version, updating, on the basis of the results of the previous phases and the comparison with the best practices of reference, as well as according to the choices of direction of the Company's decision-making bodies and the degree of synergistic alignment with the existing internal control system, of the Organization, Management and Control Model of the Company, divided into the following parts:

- **General Part**, containing a description of the regulatory landscape of reference, the activity carried out by the Company as well as the function of the Italdesign Model. It is recalled that they are an integral part of the internal control system of the institution, also:
 - the **Oversight Body**, which is entrusted with the task of supervising the functioning and observance of the Model;
 - the **Code of Conduct**, which forms the basis of the Company's internal control system;
 - the **organizational system**, perfected in relation to the attribution of responsibilities in line with the exercise of powers and functions, in compliance with the principle of separation of functions, and with the provision of appropriate control principles;
 - the **system of powers of attorney and delegations**, assigned in line with the organizational

and managerial responsibilities defined, with the appropriate spending approval thresholds;

- **procedures (also IT ones)**, which regulate the performance of activities and related controls in order to ensure the separation of functions and tasks between those who carry out essential activities in a process at risk, as well as to safeguard the principles of transparency, verifiability and inherence to the company's activity;
 - the **management control system**, able to provide timely reporting of the existence and occurrence of situations of general and / or particular criticality, through the monitoring of adequate indicators for the individual types of risk detected;
 - the **unlawful acts reporting system as per Legislative Decree no. 24/2023** (so called. "Whistleblowing System") implemented by the Company;
 - the **disciplinary and sanctioning system**, for the violation of the rules of the Code of Conduct and the rules defined internally by the Company;
 - communication and training of staff on the content of the Model the Code of Ethics, their elements (including Whistleblowing System) and Legislative Decree no. 231/2001.
- **Special Part**, the content of which consists of the identification of the Company's activities in the context of which, on the basis of *the risk assessment* updated from time to time, the predicate crimes provided for by the Decree could be committed, with the provision of the relative control protocols.

In particular, the sensitive activities detected during the analysis phase, with an indication of the degree of risk, are as follows:

1. *Management of design, development and production/management of trademarks and patents;*
2. *Management of the vehicle type-approval process;*
3. *Management of the procurement process of goods, services and consultancy;*
4. *Management of the sales process;*
5. *Management of real estate assets;*
6. *Management of brand promotion activities and the Company's image: participation in exhibitions and events, communication, relations with the media;*
7. *Management of relations with universities;*
8. *Management of financial flows;*
9. *Acquisition of public funding/contributions;*
10. *Management of gifts, invitations, donations, sponsorships;*
11. *Management of intra-group transactions;*
12. *Preparation of the financial statements and communication to stakeholders and/ or third parties of data and information relating to the economic, equity and financial situation of the Company;*
13. *Management of tax and social security obligations;*

14. *Management of customs obligations;*
15. *Selection, recruitment and management of personnel;*
16. *Management of relations with corporate bodies;*
17. *Share capital transactions and extraordinary finance operations;*
18. *Management of relations with Public Authorities for obtaining/renewing authorizations, concessions and licenses also in the field of environment and safety;*
19. *Management of inspections by the public administration, certification bodies or customers;*
20. *Management of judicial and extrajudicial disputes or arbitration proceedings;*
21. *Management of obligations in the field of safety at work;*
22. *Conclusion of insurance policies and management of claims;*
23. *Management of environmental obligations;*
24. *Use and management of IT resources.*

3.3 The Italdesign control system

This Model does not replace, but supports and completes the system of controls with which Italdesign is already equipped and together with the Code of Conduct, referred to in the following paragraph and which constitutes an integral part of it, as well as the Whistleblowing System, completes it, clearly directing it to the objective of transparency and legality that the Company adopts in every area of activity.

In particular, for the purposes of this Organizational and Management Model, all the tools already operating in Italdesign-Giugiaro S.p.A. are expressly and fully referenced, including the internal regulatory system adopted taking into account the requirements of *UNI ISO 45001:2018* standard (occupational health and safety management systems) and in compliance with the voluntary regulations *UNI EN ISO 9001: 2015* (quality management system), *UNI EN ISO 27001: 2013* (for the management of information security) *UNI ISO 14001:2015* (environmental management system) and in accordance with the requirements and indications of the Group to which the Company belongs.

In fact, Italdesign, being part of the Audi/VW Group, which sees a listed company at its top, therefore equipped with a particularly widespread internal control system, borrows the same system that is implemented through the policies and procedures by the Compliance & Risk Unit, taking due account of Italian legislation and the corporate structure.

3.4 Code of Conduct

An essential element of the preventive control system is represented by the adoption and implementation of ethical principles relevant for the prevention of the Crimes provided for by the Decree, explained in the Code of Conduct which, although distinct and autonomous with respect to the Model, is an integral part of the latter ([Annex 2](#)), by virtue of the aim pursued by Italdesign to operate both internally and externally in full compliance with the principles of legality and correctness.

Italdesign's Code of Conduct incorporates at local level the principles of the Volkswagen Group's Code of Conduct and contains all the values that the Company recognizes, respects and shares and of which it requires compliance with all those who in various capacities work with (or for) the same. The Code of Conduct summarizes, among other commitments, the Italdesign Group's express recognition of the main international conventions on responsible business management and internationally recognized human rights¹⁶.

The Model and the Code of Conduct are closely related and must be understood as an expression of a single body of rules adopted by the Company in order to promote the high moral principles, fairness, honesty and transparency in which Italdesign believes and to which it standardizes its activity.

The Model responds to the need to prevent, through the implementation of specific rules, processes and procedures, the commission of the Crimes provided for by the Decree and in general by the law.

The Code of Conduct is a more general tool that establishes the conduct that the Company intends to respect and enforce in the performance of the company's activities to protect its reputation and image in the market.

The Code of Conduct therefore illustrates the fundamental ethical principles for the Company and the related rules of conduct, which guarantee their implementation, concretely govern the principles of conduct to be observed in the performance of company activities to ensure the proper functioning, reliability and good reputation of the Company and the Group and constitute an effective tool for the prevention of illegal behavior by all those who find themselves acting in the name of and on behalf of the Company and/or the Group or in any case to work with them.

3.5 Recipients of the Model

The rules contained in this Model apply to the members of the corporate bodies and to all those who perform functions of management, administration, direction or control of the Company, as well as to all employees and in general to those who find themselves operating under the direction and/or supervision of the aforementioned persons (hereinafter all called, collectively, the "Recipients").

The control principles contained in the Model and in the Code of Conduct also apply, within the limits of the existing contractual relationship, to those who, although not belonging to the Company, operate on behalf of or on behalf of the same or are in any case linked to the same by relevant legal relationships, such as suppliers, consultants and partners: these subjects, as a result of specific contractual clauses, undertake to maintain, in the context of the relations established with the Company, correct behaviors and respectful of the regulations in force and in particular suitable for preventing the commission of crimes in relation to which the sanctions provided for in the Decree apply.

¹⁶ The recognition of fundamental social rights and principles as an integral part of corporate policy is expressed and taken up more broadly and precisely in the "Volkswagen Group Declaration on Social Rights, Industrial Relations, Economics and Human Rights". Another relevant document is the Code of Conduct for Business Partners, which incorporates the principles of the Code of Conduct in relation to them and establishes some minimum standards that IDG (within the broader framework of the expectations of the entire Audi and Volkswagen Group of which it is a part) asks its suppliers - including their employees, agents and subcontractors which suppliers have to instruct - to respect and observe in the conduct of business, also in order to encourage the implementation of sustainability programs.

4. OVERSIGHT BODY

4.1 Composition and appointment of the Oversight Body

According to the provisions of the Decree, the Company may be exempted from liability resulting from the commission, in its interest or advantage, of Crimes by top management or subject to their supervision and direction, if the management body – in addition to having adopted and effectively implemented the Organization, Management and Control Model suitable for preventing Crimes – has entrusted the task of supervising the functioning and observance of the Model to a body equipped with autonomous powers of initiative and control.

In compliance with the provisions of the Decree and the provisions of Confindustria, the Company has established its own Oversight Body (hereinafter also "OB") as a collegial body with autonomous powers of initiative and control.

In particular, the Italdesign OB consists of 3 (three) members, one of which is internal.

The members of the OB have been chosen so that the Body presents the requirements of professionalism, autonomy and continuity of action indicated by the Confindustria Guidelines and in particular:

- professionalism, as the OB includes the necessary skills in the field of control activities, analysis techniques and evaluation of legal risks of a criminal nature;
- autonomy, as the OB is guaranteed self-determination in the control initiative, free from any form of interference or conditioning. The OB reports directly to the Board of Directors, with the possibility of reporting directly to the CEO and to the members of the Board of Statutory Auditors; the OB has not been assigned operational tasks and it does not participate in decisions and operational activities, in order to protect and guarantee the objectivity of its judgment; the OB is provided with adequate financial resources necessary for the proper performance of its activities; the rules of internal functioning of the OB are defined and adopted by the same in the Regulations of the OB. The presence, within the OB, of a member of the Board of Statutory Auditors is a choice that - where made by the Company - allows a better efficiency of controls and a continuous exchange of information and coordination with the Board of Statutory Auditors;
- continuity of action, as the OB – also thanks to the presence of an internal component – is systematically dedicated to the supervisory activity provided for by the Decree and has ensured a constant supply of relevant information for the completeness and timeliness of monitoring.

The appointment as a member of the OB is subject to the presence of the subjective requirements of eligibility. In particular, the person designated to hold the position of member of the OB simultaneously issues a declaration in which he certifies the absence of:

- conflicts of interest, including potential ones, with the Company such as to undermine the independence required by the role and tasks of the OB (the situation of the internal component in this regard is carefully evaluated and specific obligations to abstain with respect to matters in which a conflict could exist are envisaged);
- ownership, direct or indirect, of shares of such a size as to allow to exercise a significant influence on the Company;

- administrative functions – in the three financial years preceding the appointment as a member of the OB – of companies subject to bankruptcy or other insolvency proceedings;
- sentence of conviction, even if not passed into *res judicata*, or sentence of application of the penalty on request (the so-called plea bargain), in Italy or abroad, for the crimes referred to in the Decree or other crimes in any case incidents on professional morality;
- the conditions of ineligibility or forfeiture provided for in Article 2382 of the Civil Code (these are currently the interdict, the incapacitated, the bankrupt, or those who have been sentenced by sentence - even if not legally binding - to a penalty that imports the interdiction, even temporary, from public offices or the inability to exercise managerial offices).

If any of the aforementioned reasons for ineligibility should be borne by a person already appointed, he will automatically lapse from office. In this case, the Board of Directors shall replace it by its own resolution.

The members of the Company's OB, identified by resolution of the Board of Directors, remain in office for three financial years or for the different period established at the time of appointment, in any case not less than one financial year. The charge is renewable.

At the end of the term, the OB remains in office until the new appointment or re-election to the next Board of Directors.

Termination of office may also take place by resignation, forfeiture or death. The members of the OB who renounce the appointment are required to give written notice to the Board of Directors, the Board of Statutory Auditors and the OB itself so that their timely replacement is carried out.

Termination of office may also take place upon revocation by the Board of Directors. However, in order to guarantee the necessary freedom and independence to the members of the OB, the revocation can only take place for just cause through a specific resolution of the Board of Directors, after consulting the Board of Statutory Auditors. By way of example, for just cause of revocation of the tasks and powers connected with the office of member of the OB may be understood:

- gross negligence in the performance of the tasks associated with the assignment;
- the "omitted or insufficient oversight" – in accordance with the provisions of art. 6, paragraph 1, letter d) of the Decree – which may also result from a sentence of conviction, although not final, issued against the Company pursuant to Legislative Decree 231/2001, or from a sentence of application of the penalty on request (the so-called plea bargain);
- the termination of another office in the event that the same has been the explicit prerequisite for the appointment as a member of the OB (e.g. covering a certain role within the Company);
- conflicts of interest, including potential ones, with the Company such as to undermine the independence required by the role and tasks of the OB.

The termination of the office of a member of the OB may be requested to the Board of Directors by the OB itself, adequately justifying the request.

In any case of resignation, termination, revocation or death, the Board of Directors shall replace the member of the OB who has ceased to hold office, after consulting the Board of Statutory Auditors. The members thus appointed shall remain in office for the remaining period of the OB.

4.2 Financial resources allocated to the Oversight Body

In order to operate independently and have the most appropriate tools to ensure the effective performance of its tasks, assigned by this Model in accordance with the provisions of the Decree, the OB must be able to have adequate financial resources.

The allocation of the financial resources of the OB is approved by the Board of Directors when defining and assigning the annual budget to the various corporate bodies. The same the OB can dispose of for any need necessary for the proper performance of the tasks assigned to the same.

The remuneration due to the individual external members of the OB is established by the Board of Directors at the time of appointment.

Moreover, taking into account the peculiarity of the OB's powers and the related professional contents in the performance of supervisory and control tasks, the same can be supported by dedicated personnel. Finally, it can avail itself of the help of the Company's Units/Offices where the need arises from time to time and may also use external consulting functions when this is required for the most effective and autonomous performance of its tasks.

4.3 Powers and functions of the Oversight Body

The Board of Directors, in line with the provisions of Legislative Decree 231/2001 and the Confindustria Guidelines, has entrusted the OB with the task of supervising:

- on compliance with the provisions of the Model, in relation to the Crimes provided for by the Decree;
- on the effectiveness of the Model in relation to the corporate structure and the effective ability to prevent the commission of Crimes;
- on the advisability of updating the Model, where there are needs to adapt it in relation to the changed company conditions and / or regulations.

At the same time, the Board of Directors recognized to the OB all the prerogatives necessary to ensure effective and efficient supervision of the functioning and compliance with the Model and, in particular, the power to:

- verify the efficiency and effectiveness of the Model also in terms of compliance between the operating methods adopted in practice and the protocols formally provided for by the Model itself;
- verify the persistence over time of the efficiency and effectiveness requirements of the Model;
- promote the updating of the Model, formulating, where necessary, to the Board of Directors proposals for any updates and adjustments to be made through changes and / or additions that may become necessary as a result of: i) significant changes in the internal structure of the Company and / or in the methods of carrying out business activities; (ii) regulatory changes; (iii) significant violations of the requirements of the Model;
- promptly report to the Chief Executive Officer and the Chairman of the Board of Statutory Auditors for appropriate measures, the violations ascertained of the Model that may result in

the incurrance of liability on the part of the Company;

- promote initiatives for the dissemination of the Model, as well as for the training of personnel and the awareness of the same to the observance of the principles contained in the Model;
- promote communication and training interventions on the contents of Legislative Decree 231/2001, on the impacts of the legislation on the Company's activity and on the rules of conduct;
- provide clarifications on request regarding the meaning and application of the provisions contained in the Model;
- promote the implementation of an effective internal communication channel to allow the sending of relevant news for the purposes of Legislative Decree 231/2001, ensuring the protection and confidentiality of the whistleblower;
- formulate and submit to the approval of the Board of Directors the expenditure forecast necessary for the proper performance of the assigned tasks;
- freely access, in compliance with current legislation, any body of the Company in order to request information, documentation and data deemed necessary for the performance of the tasks provided for by Legislative Decree 231/2001;
- request relevant information from collaborators, consultants and collaborators outside the Company, however named;
- promote the activation of any disciplinary or sanctioning proceedings as a result of found violations of this Model.

At the organizational level, the OB provides:

- adopt a Regulation aimed at regulating the performance of its activities;
- develop and implement a periodic Activity Plan (normally annual) aimed at monitoring the effective application of company procedures and controls in risk areas and their effectiveness;
- carry out targeted checks on certain specific operations or acts, carried out within the areas of activity at risk as defined in the Special Part of the Model;
- coordinate with the various corporate bodies in order to improve the monitoring of activities in risk areas, collecting, processing and storing relevant information regarding compliance with the Model;
- conduct internal investigations to ascertain any violations of the provisions of the Model, in compliance with the policies and procedures also defined in coordination with the Group.

4.4 Reporting to the corporate body

The OB is required to report the results of its activities to the Board of Directors of the Company.

In particular, the OB reports on (i) the activity carried out; (ii) any violations of the Model and any critical issues in terms of effectiveness and efficiency of the same; (iii) to any need to update the Model for violations, organizational changes or regulatory changes, with indication of the relative level

of urgency; (iv) its own expenditure management (statement on how to use the financial resources constituting the budget allocated to the OB).

The OB regularly interfaces with the Chief Executive Officer and prepares for the Board of Directors, at least once a year, an information report on the supervisory activity carried out, on the outcome of this activity and on the implementation of the Model within the Company; this report is also transmitted to the Board of Statutory Auditors.

In any case, the OB may contact the Chief Executive Officer, the Board of Directors and/or the Board of Statutory Auditors whenever it deems it appropriate for the effective and efficient performance of the tasks assigned to it.

Even outside the periodic report, the OB may be invited to report to the Board of Directors on its activities, at the request of the same.

The OB may also communicate, assessing the individual circumstances:

- 1) the results of its investigations to the managers of the Units and/or processes, if they arise aspects that can be improved. In this case, the process managers send to the OB a plan of actions, with relative timing, for the activities that can be improved, as well as the specifications of the operational changes necessary to carry out the implementation;
- 2) report any behavior/actions not in line with this Model, with the Code of Conduct and with company procedures, in order to:
 - acquire all the elements to make any communications to the structures responsible for the evaluation and application of disciplinary sanctions;
 - avoid the recurrence of the event, giving indications for the removal of deficiencies.

The meetings with the bodies to which the OB refers are recorded and a copy of the minutes is kept by the OB in a special archive in paper and electronic format. The recording can be entrusted to an external subject chosen by the OB, which remains bound by the obligation of secrecy on what is the subject of the recording.

The activities of the OB are unquestionable by any body, structure and corporate body or office, without prejudice, however, to the obligation of supervision on the part of the Board of Directors on the adequacy of the OB and its intervention, being in any case the Board of Directors ultimately responsible for the functioning and effectiveness of the Model.

4.5 Obligation to reporting to the Oversight Body

To facilitate and make effective the duties of the OB, all the information deemed useful for this purpose is transmitted in writing (also by e-mail) to the same, by the Recipients, including by way of example:

- the critical issues that may be significant for the correct application of the Model, emerged from the first and / or second level control activities;
- measures and / or news from the Bodies of the Judicial Police or from any other Authority, from

which it is possible to carry out investigations, even possibly against unknown persons, for the Crimes referred to in the Decree;

- measures and / or news from the Bodies of the Judicial Police or from any other Authority, from which it is possible to carry out investigations against employees and representatives of the Company for facts made in the exercise of their activity;
- internal and external communications concerning any case that can be connected with the hypothesis of Crime referred to in the Decree (e.g. disciplinary measures initiated/implemented against employees);
- communications, by the Board of Statutory Auditors and the Independent Auditors, relating to any critical issues that have emerged, even if resolved;
- requests for legal assistance forwarded by employees against whom the Judiciary proceeds for the Crimes provided for by the Decree;
- news relating to the effective implementation, at all company levels, of the Model, with evidence - in the context of the disciplinary proceedings carried out - of any sanctions imposed or of the measures to close these proceedings with the relative reasons, if they are linked to the commission of any of the crimes referred to in the Decree or refer to the Disciplinary System;
- cases, suspected or overt, of violation or incorrect application of a procedure or operating rule, with indication of the intervention measures taken to avoid further violations and / or in any case to prevent the subject from committing a Crime (for example, temporarily relieving him from the task of interacting with the outside on behalf of the Company);
- news related to the significant organizational changes implemented;
- updates of the powers of attorney and of the internal attributions of tasks and responsibilities;
- significant or atypical transactions in the context of which a hypothesis of risk can be found in relation to any of the Crimes referred to in the Decree;
- decisions on the request, disbursement or use of public funding;
- changes in situations of risk or potentially at risk in relation to any of the Crimes referred to in the Decree;
- significant violations of the rules relating to the prevention of accidents and occupational hygiene and the prevention of environmental impacts;
- accidents at work, near-accidents or dangerous behavior occurred to employees of the Company and / or external companies in the context of supply, contract or administration relationships in place with the Company;
- periodic reporting on health and safety at work and in particular the minutes of the periodic meeting referred to in art. 35 of Legislative Decree no. 81/2008;
- visits, inspections, investigations initiated by the competent bodies (by way of example: ASL, INPS, INAIL, Guardia di Finanza, Labour Inspectorate, etc.) and, at their conclusion, any findings and sanctions imposed;
- copy of any communications made to the Supervisory Authority (e.g. Competition and Market

Authority, Guarantor Authority for the protection of personal data, etc.);

- results of internal audits in general and in particular those aimed at verifying the effective compliance with the Model and the Code of Conduct.

In relation to each sensitive activity, moreover, the OB agrees with the Managers of the various company bodies additional, specific and detailed information flows, requesting the periodic transmission of information and documents whose examination allows the OB to promptly ascertain the constant application of the procedures and compliance with the company's safeguards, as described in the Model.

All the information flows indicated, or any other communication deemed relevant to allow the OB to adequately carry out its supervisory tasks, are sent in writing to the e-mail address:

odv@italdesign.it

This channel, which is accessed by all members of the OB, can also be used for the forwarding of reports by those who come into possession of information relating to the commission of crimes or practices not in line with the rules of conduct and the principles of the Code of Conduct and / or this Model, where the scope is not covered.

Even if these reports are not covered by Legislative Decree no. 24/2023 (in particular, with regard to the technical requirements of the systems and the timing of management and feedback to the whistleblower), the OB always acts in such a way as to guarantee the authors of the reports against any form of retaliation, discrimination, penalization or any consequence deriving from the same, ensuring them confidentiality about their identity, without prejudice to legal obligations and the protection of the rights of the Company or of persons accused erroneously and / or in bad faith.

The information provided to the OB is intended to facilitate and improve its control planning activities and does not require it to carry out a systematic and timely verification of all the data received. It is, therefore, left to the responsibility of the OB to establish in which cases and how to take action for checks or even for in-depth investigations.

5. WHISTLEBOWING SYSTEM

The Company, as part of the VW Group, has long adopted a specific Policy that constitutes the local implementation of the VW Group's Whistleblower System (U_003 and KRL 3) and which has recently been revised and updated in accordance with the provisions of the new Legislative Decree no. 24/2003 and the related Guidelines published by ANAC and Confindustria.

Moreover, with regard to the establishment and management of channels dedicated to the reporting of offences according to Legislative Decree no. 24/2023, the Company has taken into account the Guidelines approved by ANAC with Resolution no. 311 of July 12th, 2023 and, lastly and as far as private companies are most relevant, the indications contained in the document "New Whistleblowing Regulations - operational guide for private entities", published by Confindustria in October 2023.

The Policy aims to regulate the transmission and subsequent management according to the objective and subjective scope of application defined by it and which includes violations of national and European Union regulatory provisions against public interest or integrity of the private entity, of which the reporting parties have become aware in a public or private work context, according to the

perimeter of Legislative Decree no. 24/2023, which is referred to here in full, as far as applicable to private entities.

In particular, the internal reporting channels, consisting of a hotline and in a platform set up for this purpose, are reported on the website: <https://www.italdesign.it/italdesign-whistleblower-system/>.

These internal reporting channels, in written or oral form, are managed by specifically appointed subjects, authorized to process data according to *privacy legislation* and with requirements of competence, training and independence.

Precisely, the Company has chosen to entrust the tasks of External Manager *pursuant to* Legislative Decree no. 24/2023 (hereinafter also referred to as the "Manager") to qualified personnel already working within the *Audi Investigation Office*, regulating the relationship through a specific *Service Level Agreement* which also contains specific indicators to ensure compliance with the legal terms provided for the management of reports and feedback to whistleblowers.

In order to allow the report to be effectively taken over and verified, it is necessary that it is based on precise and consistent factual elements and with supporting documentation, where available.

The Whistleblowing Manager has the right to request further clarifications or insights from the whistleblower and is required to hear him/her, if the whistleblower requests them.

The report is not acceptable in case of ascertained generic content, such as not to allow the understanding of the facts, or in the case of a report of offences supported by inappropriate or ineffective documentation such as not to make the content of the report itself understood.

The Whistleblower System is managed in such a way as not to affect the correct performance of the functions entrusted to the OB or conflict with the provisions of the Model.

In fact, the OB is in any case involved in the process of managing the reports sent to one of the channels mentioned above, albeit in a differentiated manner depending on the seriousness of the reported facts and the classification made according to the P_006 Policy "*Whistleblowing System*".

The Policy distinguishes between reports of serious regulatory violations (so-called "serious regulatory violations"), reports of other violations (so-called "other regulatory violation") and unsubstantiated or unfounded reports.

The handling of reports made through internal channels is based on the principles of legality, confidentiality¹⁷ and protection of whistleblowers and other persons indicated by Legislative Decree no. 24/2023 from possible forms of retaliation and discrimination and is, in any case, implemented.

To this end, the whistleblower is required to expressly specify whether he/she intends to keep his/her

¹⁷ The concept of confidentiality of the whistleblower's identity must be clearly distinguished from anonymity. Anonymous reports are not considered whistleblowing. In case of receipt of anonymous reports, also in light of ANAC's indications, it is specified that the same, if they are punctual, circumstantiated and supported by appropriate documentation are equivalent to ordinary reports. Likewise, in the event that the reporter cannot subsequently be contacted (because it has not provided its own valid contact details) and it is not, therefore, possible to give the feedback required by Legislative Decree no. 24/2023.

identity confidential and benefit from the protections provided in the event of possible retaliation. Failing this, the report will be handled as ordinary.

Without prejudice to the provisions of Article 17(2) and (3) of Legislative Decree no. 24/2023 the protection measures also apply (a) to facilitators; (b) to persons in the same work environment as the reporting person, the person who has made a complaint to the Judicial or Accounting Authorities or the person who has made a public disclosure and who are linked to them by a stable emotional or kinship relationship up to the fourth degree; c) co-workers of the reporting person or of the person who made a complaint to the Judicial or Accounting Authorities or made a public disclosure, who work in the same work environment as the reporting person or the person who made a public disclosure and who have a regular and current relationship with that person; d) entities owned by the reporting person or by the person who made a complaint to the Judicial or Accounting Authorities or made a public disclosure or for which the same persons work, as well as entities operating in the same work environment as the above-mentioned persons.

Any retaliatory or discriminatory conduct or in any case aimed at violating the measures for the protection of the whistleblower and implemented by the management bodies or by persons working on behalf of the Company shall be sanctioned in the manner set out in Chapter 6 of the General Section below.

Further channels, indicated on the Company's website, also remain active, the management of which in accordance with the principles of protecting the identity of the reporter, protecting the persons involved and from any form of retaliation is in any case guaranteed by the commitment made by the recipients, it should be noted, however, that these channels do not have the same technical and IT requirements (e.g. encryption) as the web platform and the hotline.

Without prejudice to the preference given to internal reporting channels, in the cases and in the manner provided for by Legislative Decree no. 24/2023, it is possible to make an external report to the ANAC (see in this regard <https://servizi.anticorruzione.it/segnalazioni/#/>) and, if certain conditions are met, also to proceed by means of public disclosure. This is also without prejudice to the possibility of going to the judicial authorities if the conditions are met.

6. TRAINING – INFORMATION AND DIFFUSION OF THE MODEL

In order to ensure the effectiveness of the Model, the Company shall ensure an adequate knowledge and dissemination of the rules of conduct contained therein among the members of the management bodies, the employees, the external collaborators, and third parties holding relationships of any kind with the Company itself.

Moreover, the Company also plans and implements awareness-raising and training initiatives for personnel (such as specific communications, training events and intranet portal) to divulge the purposes of the whistleblowing institution and the Policy adopted, in particular with regard to the operation of internal reporting channels.

This objective of awareness-raising and training applies to all the personnel falling within the aforementioned categories, whether already employed by the Company or to be hired in the future. The level of training (i.e. through communication, e-learning or classroom course, including virtual) and appropriate (to be evaluated, for example, according to specific role of the Recipients, any regulatory

changes and the scope of organisational changes introduced, if any).

Participation in the training activities, in accordance with the procedures and time frames defined by the Company, is mandatory, and any failure to comply with the requirement is subject to disciplinary evaluation.

In particular, training and awareness-raising are carried out in accordance with the following procedures..

6.1 Information and training of the Company's internal resources

The adoption and updating of the Model are communicated to the employees and managers by email, newsletter or other suitable means and by making the document available (e.g. by sharing it on the corporate intranet, on notice boards, posting it on a notice board, making hard copies of the Model).

During the signing of employee/collaborator contracts, the HRO is required to issue a declaration confirming that the new employees/new collaborators have read the Model and the Code of Conduct and agree to comply with the same.

All of these declarations are kept within the HRO.

Any updates to the Model (or of one of its parts, such as the Code of Conduct, the *Whistleblowing System*, etc.) are communicated to the staff through the Intranet, with the recommendation that the Department/Function Managers share the updated Model with everyone, including those who may not have access to the company's Intranet.

In addition, the Oversight Body is responsible of regular and ongoing training, namely for the promotion and monitoring of the implementation, by the Company, of the initiatives aimed at encouraging adequate knowledge and awareness of the Model and the Protocols connected to it, in order to increase the ethical and control culture within the Company.

In particular, it is envisaged that the principles of the Model, the ones of the Code of Conduct which is part of it, as well as those of the Whistleblowing System, are illustrated to company resources through specific training activities (e.g., courses and seminars, also on-line, questionnaires, etc.), in which participation is compulsory and whose implementation methods are monitored by the Oversight Body which verifies the preparation of specific training plans, approved by the CEO and implemented by the Company.

The courses and other training initiatives on Legislative Decree no. 231/2001 and on the principles of the Model differ according to the role and responsibility of the resources involved, i.e. through the provision of more intense training characterized by a higher degree of in-depth study for those who qualify as "seniors" in the same way as the Decree, as well as for those operating in sensitive activities that present a higher risk.

In particular, the contents of the training sessions include a session on the Decree and the administrative liability of entities (regulatory sources, crimes, sanctions against individuals and companies and exemptions) and a specific session on the Organization and Management Model adopted by the Company (reference principles for the adoption of the Organization and Management Models pursuant to Legislative Decree no. 231/2001, General Part and Special Part of the Model).

Specific training is dedicated to the External Manager of the Whistleblower System and to those who are involved in the verification of reports.

Evidence and appropriate documentation of successful participation in training courses is kept, also for the purposes of accurate traceability over time.

6.2 Third party recipients of the model

The contents and principles of the Model are also communicated to any third parties holding contractually regulated business relationships with the Company, or who represent the Company without being directly employed by the same (for example: finder, dealers, business partners, consultants and other external collaborators, however named).

Depending on the different types of external collaborators and partners, the Company evaluates the methods by which to inform these subjects of the policies and procedures followed by Italdesign pursuant to the adoption of the Model and the Code of Conduct (i.e. appropriate dissemination of the Code of Conduct on the Website, attachment to communication contracts or other documents), and provides for the inclusion of appropriate contractual clauses requiring the subjects in question to comply with the principles included therein, upon penalty of sanctions or the termination of the contractual relationship itself.

The Company does not begin or continue any relationship with those who do not intend to commit to the principles contained in the Code of Conduct and in the Model (the latter limited to any aspects, from time to time, applicable), except in the event that third parties do not have their own code similar to that adopted by the Company¹⁸.

7 THE DISCIPLINARY AND SANCTION SYSTEM

7.1 General principles

Art. 6, paragraph 2, letter e) and art. 7, paragraph 4, letter b) of Italian Legislative Decree no. 231/2001 indicate the application of a suitable disciplinary system punishing non-compliance with the measures indicated in the Model itself as a condition for the Model's effective implementation.

Therefore, the definition of an effective disciplinary system is an essential prerequisite for the Model's effectiveness with regard to administrative responsibility.

The disciplinary system established by Italdesign, which has been disseminated to the staff using appropriate instruments, has been prepared based on the provisions contained in the National Labour Contract applied¹⁹, and is inspired by the following principles:

- it is structured differently depending on the intended recipients (for this reason, the disciplinary

¹⁸ In the event that the contractual counterparty has adopted a code of conduct as well or equivalent document, it is possible to include a clause in which each party acknowledges that it undertakes to comply with its own code of conduct, subject to verification of the consistency of the principles expressed therein with those set out by the other party. Specific evaluation and authorization procedures are provided for the CEO, in the event of signing contracts that do not include the clauses indicated herein.

¹⁹ Refer to National Labour Contract for managers of companies producing goods and services and to the one for the Metalworking Sector

part itself is that which regards the employees, while the penalties regard third parties) and takes into account any recurring conduct;

- it precisely identifies the sanctions to be adopted in relation to the recipients in the case of any violations, infractions or evasions of the requirements contained within the Model or the corporate procedures referred to by the Model itself, all in full compliance with the relevant provisions of National Labour Contract and the applicable regulatory requirements;
- provides for a procedure for verifying such violations, infringements, circumventions, imperfect or partial applications, as well as a specific procedure for imposing penalties.

The disciplinary measures and sanctions are applied regardless of whether a crime was actually committed and, therefore, regardless of the enactment or outcome of any criminal proceedings.

Whatever the case, the principles of timeliness and immediacy make it inadvisable to delay the imposition of the disciplinary action pending the outcome of any cases brought before the Judicial Authorities (see The Confindustria Guidelines, chapter 3, point 4, p. 50).

As previously mentioned, this is without prejudice to the provisions of art. 7 of Italian Law no. 300/1970 and the National Labour Contract applicable in cases of sanctioning proceedings, which are to be understood as fully incorporated herein. Specifically:

- no disciplinary action will be adopted without the charge having first been contested to the employee and without having heard his/her defence;
- disciplinary actions that are more serious than a verbal warning will not be applied until five days have passed since the written notification of the fact that caused it, during which the employee can present his/her justifications, with the assistance of a union representative if desired;
- if disciplinary action is not taken in the six days following the presentation of said justifications, these are considered as accepted;
- the sanction must be applied via a written and justified provision;
- in cases in which the contested infringement might lead to the termination of an employment contract, the worker can be provisionally suspended from his/her role up until the time of termination, without prejudice to the right to his/her remuneration;
- disciplinary actions taken more than two years previously will not be taken into consideration with regard to recidivism.

The Oversight Body is entrusted with the task of monitoring the observance and correct application of the disciplinary and sanctions system and informing the Board of Directors in order to ensure the updating, modification and/or the integration of the system itself, if deemed necessary to improve the Model's efficiency.

The disciplinary system outlined below also applies in cases of ascertained violation of the Model and/or the Code of Conduct, as well as to those who:

- infringe the protection measures provided for the other parties involved, according to the provisions of Legislative Decree no. 24/2023;

- adopt retaliatory or discriminatory behavior pursuant to Legislative Decree no. 24/2023 against the above-mentioned subjects, in connection with the report;
- make reports with intent or gross negligence that prove to be totally unfounded;
- in any case, infringe the rules and provisions of the whistleblowing procedure;
- have made a report/complaint/public disclosure and have been convicted with a judgment,
- even if not final in the first instance, for the offences of slander or defamation or held civilly liable, for having reported false information intentionally reported with intent or negligence (See Article 16, paragraph 3 of Legislative Decree no. 24/2023).

Where disciplinary proceedings arise upon verification of a report, the identity of the whistleblower may not be revealed in the context of disciplinary proceedings, where the disciplinary charge is based on separate and additional findings with respect to the report, even if consequent to the same.

If the complaint is based, in whole or in part, on the report and knowledge of the identity of the whistleblower is essential for the defense of the accused, the report may be used for the purposes of disciplinary proceedings only in presence of the express and written consent of the reporting person to the disclosure of its identity. In such cases, prior notice shall be given to the whistleblower by written communication of the reasons that make it necessary to disclose the confidential data. If the reporting party refuses to give its consent, the report cannot be used in disciplinary proceedings.

7.2 Measures in relation to employees

Compliance with the provisions of the Model, the Code of Conduct, and the company procedures on the part of the Company's employees constitutes a fundamental part of their contractual obligations pursuant to and by effect of article 2104 of the Italian Civil Code.

The violation, infraction, evasion, imperfect or partial application of the individual rules of conduct described in this Model, therefore, constitute disciplinary offences punishable according to the procedures envisaged under article 7 of Italian Law no. 300 of 20 May 1970 as amended (henceforth the "Workers' Statute") and the National Labour Contract applied.

More precisely, for the purposes of the Disciplinary System, the measures that may be taken in relation to the employees may consist of:

1. Verbal or written warning: an employee incurs such a sanction when he/she does not correctly observe or violates a provision of the Model or a procedure in one of its formal aspects (for example, he/she does not promptly provide a written communication to their supervisor regarding the start of a procedure or does not promptly request one of the approvals provided for under the procedure, despite having verbally received the required authorisations, fails to communicate the prescribed information to the Oversight Body, fails to carry out due verifications, etc.);
2. Fine: a Subject incurs such a sanction in the case of any repeated violation of the procedures referred to in the Model, or any use of conduct, during the performance of his/her activities in sensitive areas, that is not consistent with the provisions of the Model;
3. Suspension from duty and pay: an employee incurs such a sanction in the case of any

violation of the procedures referred to in the Model, or any use of conduct, during the performance of his/her activities in sensitive areas, that is not consistent with the provisions of the Model, and exposes the integrity of the corporate assets to an objective situation of danger;

4. Termination with compensation in lieu of notice and with severance indemnity: a Subject incurs this sanction when he/she engages in conduct, during the performance of his/her activities in sensitive areas, that is not consistent with the provisions of the Model, and is exclusively aimed at committing one of the crimes sanctioned by the Decree;
5. Termination without notice and with severance indemnity: an employee incurs this sanction when he/she engages in conduct, during the performance of his/her activities in sensitive areas, that violates the provisions of the Model in such a way as to seriously compromise the Company's trust in his/her regard, and/or results in the effective application of the measures envisaged by the Decree against the Company. The same sanction will apply to an employee who has repeated the offence more than three times in the calendar year with respect to what is indicated in point 3.

Moreover, termination of employment without notice is also applied in the cases referred to in point 4 above, where the severity of the conduct or the possible consequences for the Company seriously compromise the trust relationship, so that it is impossible to continue it even if only for a limited period of time.

In all cases, the sanctions are commensurate with the employee's level of responsibility and autonomy, the intentionality of the conduct, and the severity of the same, which is to be understood as both the significance of the obligations violated, and the effects that the Company may reasonably believe itself to be exposed to, even pursuant to and by effect of the Decree.

If a single act results in the commission of multiple offences punished with different sanctions, the more severe sanction shall be applied.

The person in charge of the effective application of the disciplinary measures described above for the employees is the *CHRO*, who shall issue the sanctions upon receiving a relative report from the Oversight Body, after hearing the opinion of the perpetrator's immediate superior and, where appropriate, the CEO. If the violation has been ascertained through the Group *Whistleblower System*, the competent Group body is also involved in determining the applicable disciplinary sanction, where required.

Whatever the case, the Oversight Body shall be promptly notified of any action relating to disciplinary proceedings against a worker resulting from the violation of this Model as soon as the disciplinary dispute arises.

The Oversight Body is required to be involved in the procedure for the application of the sanctions due to the violation of the Model, in the sense that a disciplinary sanction for a violation of the Model cannot be imposed without the content of the complaint and the type of sanction that is intended to be imposed being communicated to the Oversight Body beforehand.

The Oversight Body must also be notified of any dismissal of the disciplinary proceedings referred to in this chapter.

The workers are promptly notified of the introduction of any new provisions, with appropriate internal

communications being sent out to explain and summarize the contents of the same.

7.3 Measures in relation to managers

By its very nature, the management relationship is characterized by a high degree of trust being established between the worker and the employer. A manager's conduct not only has repercussions within the Company itself, but also externally, for example in terms of the Company's image on the marketplace.

This having been stated, compliance with the provisions of this Model and the Code of Conduct on the part of the Company's managers, and their obligation to ensure that the other employees comply with the provisions of these documents and relevant procedures and policies, are essential elements of the managerial employment relationship, as they constitute an impetus and example for all those who report to them hierarchically.

In the event of a violation on the part of the Company's managers, the following measures will be taken, in accordance with the procedures envisaged by art. 7 of the Workers' Statute:

- in the event of a minor violation of one or more procedural or behavioural regulations foreseen by the Model or the Code of Conduct, the manager will receive, after a first verbal warning, a written warning regarding compliance with the Model and the Code of Conduct, which constitutes a necessary condition for the retention of the fiduciary relationship with the Company, above all taking into account the responsibilities entrusted to the manager;
- in case of serious violation of one or more of the provisions of the Model or Code of Conduct or of the reiteration of one or more violations outlined in the previous point, amounting – following opportune and necessary controls by the Company – to material non-fulfilment that can be attributed to the negligence or willful misconduct of the manager, the Company will terminate said manager's employment contract, with recognition of the payment in lieu of notice;
- in case of violation of one or more of the provisions of the Model or Code of Conduct, serious enough as to irreparably damage the fiduciary relationship and preventing even provisional continuation of the working relationship, the Company will terminate the employment, without warning or relative substitute indemnity, of said manager in accordance with art. 2119 of the Italian Civil Code and the National Labour Contract applied.

As a specific sanction, the Company may also order the suspension of any powers conferred upon the manager him/herself, and his/her exclusion from any incentive program applicable during the year in which the violation took place.

The person in charge of the effective application of disciplinary measures described above for the managers is *CHRO*, after consultation and discussion with the CEO.

In the event that serious regulatory violations are identified by employees with TMK (Top Management) level or higher, the Audi Disciplinary Committee recommends disciplinary action as deemed necessary based on the investigation report and the recommendations of the *Audi Investigation Office*, which operates as External Manager pursuant to Legislative Decree no. 24/2023.

The Audi Disciplinary Committee transmits its decisions to the Human Resources Coordinator of Audi

AG who involves the HRO Director for implementation and simultaneously notifies the *Audi Investigation Office*.

The Oversight Body is required to be involved in the procedure for the application of the sanctions to the managers due to the violation of the Model, in the sense that a disciplinary sanction for a violation of the Model cannot be imposed upon a manager without being communicated to the Oversight Body beforehand.

The Oversight Body must also be notified of any dismissal of the disciplinary proceedings referred to in this chapter.

7.4 Measures in relation to Directors and Statutory Auditors and members of the OB

In the event of a violation of the provisions contained in the Model or the Code of Conduct on the part of one or more members of the Board of Directors, the violation is managed in accordance with internal Policies and Group Policies, adopting the measures permitted by current legislation depending on the concrete seriousness of the violation, convening, if necessary, the Shareholders' Meeting.

In the event of a violation of the provisions contained in the Model and/or the Code of Conduct on the part of one or more members of the Board of Statutory Auditors, the other members of the Board of Statutory Auditors and/or the Board of Directors and/or the Oversight Body must inform, in writing and without delay, the entire Board of Directors and Board of Statutory Auditors, who will take all the appropriate actions permitted by law, including, by way of example, the convocation of the Shareholders' Meeting in order to adopt the most suitable measures.

In the event of a violation of the Code of Conduct and/or this Model by one or more members of the OB, the assessment and disciplinary and/or sanctioning process will follow the provisions above, depending on whether the violation is attributable to an external member of the OB (with whom it is possible to terminate the contract and, therefore, to revoke the mandate), or to an internal member (in this case the disciplinary sanctions applicable to the Company's employees and managers apply, in addition to the revocation of the mandate, by decision of the Board of Directors).

In any case the Company reserves the right to lodge claims for liability and compensation.

7.5 Measures in relation to consultants, external collaborators and business partners

Any conduct in violation of the provisions of the Model and/or the Code of Conduct adopted by collaborators, consultants or other third parties bound to the Company by a contractual relationship other than a relationship of employment may result in the application of penalties or the termination of the contractual relationship, without prejudice to the right to seek compensation if the conduct in question has resulted in damage for Italdesign.

To this end, all collaboration or consultancy agreements with subjects external to Italdesign (consultants, external collaborators, business partners, etc.) shall expressly mention, among the contract obligations, compliance with the principles contained within the Code of Conduct and, to the extent applicable, the Model.

In the event that the non-compliance results in a serious default or the application of one of the

administrative sanctions envisaged by the Decree to the Company, or in the event that the fiduciary relationship between the Company and said subjects should cease, pursuant to art. 1456 of the Italian Civil Code, Italdesign shall have the right to terminate the contract in question.

For minor violations that do not result in an irreparable loss of the fiduciary relationship, Italdesign shall arrange for the application of appropriate and proportionate sanctions, in accordance with the terms of the contract.

The Oversight Body shall be notified of the verified violation and the actions taken against the third party.

8 ADOPTION OF THE MODEL – CRITERIA FOR THE UPDATING AND ADAPTATION OF THE MODEL

As the Model is an “act issued by the Senior Executive Body”, in accordance with the provisions of article 6, paragraph 1, letter a) of the Decree, its adoption and any subsequent modifications and integrations are remanded to the competence of the Company's Board of Directors or the CEO, without prejudice to its subsequent ratification by the Board of Directors itself, as the body holding the original power to issue the Model.

In the case of any modifications or updates handled by the CEO²⁰, the same shall promptly notify the Oversight Body and the Board of Statutory Auditors.

Whatever the case, the Oversight Body may evaluate and express its opinion on the proposals to update and/or revise the Model before they are effectively adopted.

By way of example, the Company evaluates the possibility of updating the Model and adapting it based on any changes and/or additions that may be rendered necessary due to:

- changes to the Company's internal structure and/or methods of conducting business activities;
- changes in its areas of business;
- information regarding the commission or attempted commission of the offences referred to by the Model;
- information regarding new possible ways of committing the offences referred to by the Model;
- regulatory changes;
- findings of control activities;
- significant violations of the Model's provisions.

The Model's review activities are tracked by the preservation of the project documentation, which gives evidence of the risk assessment conducted, the as is analysis and the track changes compared to previous versions.

²⁰ This circumstance is residual and limited to urgent situations or descriptive changes. Reference is made to elements and information that arise from acts deliberated by the CEO (i.e. the redefinition of the organization chart) or by company functions with specific delegation (i.e. new company procedures), which only need to be implemented for the purpose of a more up-to-date representation of the processes, but which do not impact the construction of the control system.

SPECIAL PART

INTRODUCTION

The project of implementation of the Italdesign Model and, therefore, its subsequent updates have made it possible to identify the company activities ("sensitive activities") within which the predicate offenses envisaged by the Decree might be committed.

This Special Part contains, for each of the sensitive activities detected in the risk assessment phases, the control protocols provided for in Article 6, paragraph 2, letter b) of Italian Legislative Decree no. 231/01.

For violations of the protocols and procedures referenced, the provisions of Chapter 7 of the General Part apply.

For the updating/adjustment of the Special Part, the provisions of Chapter 8 of the General Part apply.

1. SENSITIVE ACTIVITIES

The sensitive activities identified following surveys and interviews with the Company's staff are listed below.

1. Management of design, development and production/management of trademarks and patents

The activity concerns the multiple phases of research, study and design for the development and innovation of products, from the conception to the preparation of sketches and three-dimensional scale models, up to the construction of the first prototypes, followed by a possible production phase involving short runs.

The activity includes the checks carried out to ensure that technical and quality characteristics of the output of production match with those identified during the design phase and stated during the type approval, where applicable, and that the project development complies with any third-party proprietary rights.

Finally, it includes the start of the patent filing process in the case of new inventions, or industrial designs where the design must be protected.

2. Management of the vehicle type-approval process

The process concerns the activities carried out by Italdesign to ensure, from the development stages, compliance with the constraints and requirements imposed by the applicable directives for each of the target markets.

The activity includes the management of relations with the Technical Services and/or with the Public Bodies responsible for issuing type-approval certificates.

3. Management of the goods, services and consultancy procurement process

The activity concerns the procurement of materials, goods, services and consultancy for the Company's production and organizational activities, regulating the processes of qualification and selection of suppliers, the methods of managing orders and the control of the effectiveness and correspondence of what is received with respect to contractual agreements, in compliance with the principles of transparency and fairness.

4. Management of the sales process

This includes the management of relationships with existing and prospective customers (Group companies or open market customers) for the sale of Italdesign products and services, from Special Cars to style and engineering services.

5. Management of Company brand and image promotion activities: participation in shows and events, communication and media relations

The activity relates to advertising and promotional initiatives generally, and in particular to organization and participation in trade fairs and events, according to the annual plan. It also includes relations with the media and the company's external communication generally, including through the Company's website.

6. Management of relations with universities

This refers to management of agreements with universities (or other education and research bodies) for the launch of joint projects in the field of technological research, as well as to support the training of students in the automotive and mobility sector and encourage their integration into the job market.

7. Management of cash flows

This activity refers to financial planning, as well as to the management of payments and receipts and in general to the movement of financial resources related to Italdesign's activity.

8. Acquisition of public funds/grants

This activity refers to requesting and managing grants/funds provided by public entities, from the project research and identification phase to the management of the initiative and final reporting of the expenses incurred.

9. Management of gifts, invitations, donations and sponsorships

This refers to the methods of managing gifts, presents or invitations in cases in which Italdesign employees are recipients or identify a need to make a gift or send an invitation to third parties in connection with business activities.

It also concerns the decision-making process followed for the formulation of donation or sponsorship contracts.

10. Management of intercompany transactions

This refers to the management of intercompany commercial transactions, carried out in compliance with the arm's-length principle, so that the price established in commercial transactions between associated companies always corresponds with that which would be agreed between independent companies on the free market under similar conditions.

11. Preparation of the financial statements and communication to stakeholders and/or third parties of data and information relating to the Company's income statement, balance sheet and financial position

This refers to the collection and processing of year-end accounting data, the preparation of the financial statements and the preparation of reports and schedules attached to the financial statements and any other data or schedules relating to the Company's financial performance, balance sheet and financial position, including for the purposes of disclosure to the Group.

12. Management of tax and social security obligations

This refers to the management of data collection activities and preparation of tax returns for the correct payment of the tax liabilities.

13. Management of import and export operations

This refers to activities aimed at ensuring the correct management and traceability of goods into and from the Company's facilities, as well as the exchange of goods by Italdesign with parties based outside Italian national territory, particularly in the case of operations involving countries not part of the European Economic Community.

14. Personnel selection, recruitment and management

This refers to the identification of the needs for the hiring of new personnel, the evaluation of candidates and the subsequent recruitment phase, the management and evaluation of employees and the management of the disciplinary system and the incentive plan.

It also includes the search for and selection of new employees on the basis of the rules governing compulsory recruitment and protected categories.

It extends to the methods of reimbursement of travel and representation expenses and the management of the Company's owned vehicle fleet.

15. Management of relations with corporate bodies

This refers to the Company's relations with the supervisory bodies such as the Board of Statutory Auditors, which oversees the administrative structure of the Company, and the independent auditors.

The protocol also concerns the communication, conduct and recording of the meetings of the Shareholders' Meeting and the Board of Directors.

16. Transactions on share capital and extraordinary finance transactions

This refers to the management of risks related to extraordinary activities to increase or decrease the amount of share capital and to all transactions non part of ordinary management (e.g. transformations, mergers and sales).

17. Real estate asset and plant management

This activity generally refers to initiatives related to the management of real estate owned by the Company (or leased by the latter), in which work activities are carried out.

It includes planning and implementation of building and infrastructure projects (new constructions, conversions, extensions) and the maintenance of buildings and plants.

18. Management of relations with Public Authorities to obtain/renew authorizations, concessions and licenses, including in the field of environment and safety

This refers to the management of relations with the relevant public bodies for the management of the application or renewal of authorizations, concessions and licenses, including in the field of environment and safety.

19. Warehouse management

These are activities aimed at ensuring the correct management and traceability of the entry and exit of goods from the Company's plants, also for the purpose of correcting inventory operations and periodic reporting.

20. Management of inspections by the public administration, certification bodies or customers

This relates to the management of inspection visits by bodies and agencies of the Public Administration that carry out checks and/or acquire data, information and/or documents relating to company activities.

It also includes the management of relationships with external Certification Bodies during audits for the issuance or renewal of certifications, as well as the checks that customers may request that they be able to carry out on processes affecting the quality of the goods/services.

21. Management of judicial and out-of-court disputes or arbitration proceedings

This relates to the management of judicial and out-of-court disputes, criminal proceedings and settlements in the fields of labor, civil, administrative and tax law, carried out with the support of external lawyers or tax experts.

22. Management of workplace safety obligations

This refers to the set of procedures, rules and operating practices implemented by the Company to ensure the correct fulfillment of the obligations governed by Italian Legislative Decree 81/2008 and, in general, to ensure the best possible protection of the health and safety of workers.

23. Insurance coverage and claims management

This activity refers to the stipulation of policies for the coverage of risks at industrial level (i.e. transport, all-risk policies on prototypes, product liability, etc.) and the possible management of accidents that occur.

24. Management of environmental requirements

This includes the methods whereby Italdesign ensures the correct management of environmental requirements in relation to the management and disposal of waste, the management of waste and atmospheric emissions. It includes the correct management of specific activities, such as remediation interventions, that may be necessary during extraordinary interventions (i.e. renovations, purchase of new buildings, etc.).

25. Use and management of IT resources

This includes all the company rules designed to ensure the proper use of IT resources, with particular reference to: i) management of user profiles and the authentication process; ii) management of the process of creating and processing IT documents; iii) management of accesses to and from the outside; iv) management and protection of networks; v) management of system outputs and storage devices; and vi) physical security in the IT field.

2. THE CONTROL SYSTEM

The internal control system adopted by the Company includes, in addition to the principles and rules of conduct contained in the Code of Conduct of Italdesign and the Group, the operating rules and safeguards described below, taking into account the indications contained in the Confindustria Guidelines, last updated in June 2021:

Existence of formalized procedures/guidelines: the Company has adopted internal rules and organizational documents – e.g. procedures, policies and manuals – that establish principles of conduct and define the operating methods for carrying out the activity, characterized by a clear, comprehensive definition of roles and responsibilities and by rules for storing the relevant documentation.

Traceability and ex-post verifiability of transactions through adequate documentary/computer media: the application of the controls established for each individual activity is supported by adequate records so that the authorization, execution and control activities are always verifiable and reconstructable after the fact. Where possible, the Company uses IT tools and systems to manage processes and archive relevant documentation.

Separation of duties: in application of this principle, company activities are divided into different phases, authorized, carried out and controlled by different parties, in order to guarantee independence and objectivity of judgment and thus to avoid the holding of potentially incompatible roles or excessive concentrations of responsibility and powers with individuals.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned: the powers of authorization and signature identified by the Company are: i) consistent with the organizational and management responsibilities assigned, establishing specific levels of authorization, where required; ii) clearly defined and known within the Company at all organizational levels; iii) regularly verified.

2.1 The contents of the controls

Chapter 4 lists all the sensitive activities identified, with a description of the related specific control protocols according to the criteria listed below:

- the paragraph "**Relevant offenses**" indicates the types of offense²¹, grouped by family, for which a potential risk of commission has been identified in risk assessment activities. Regardless of the offenses indicated, in carrying out sensitive processes all relevant control and behavioral protocols must always be applied as they are nonetheless useful for the prevention of crimes and illegal activity. Accordingly, in all activities, compliance with the principles set out in the Code of Conduct must always be ensured as – together with compliance with company procedures and the general control principles set out in Chapter 3 below – they also prevent the commission of those crimes that, while taken into account in the risk analysis phase, did not present profiles

²¹ For a detailed list of the so-called "predicate offences" see Annex 1.

requiring the introduction of specific controls and therefore are not included in the section "Relevant offenses".

- the paragraph "**Corporate or Group roles involved**" indicates the Bodies and the main corporate or Group structures directly involved in the performance of the individual activity;
- "**Regulation of the process and existence of formalized procedures/guidelines**" describes the operating procedure followed when updating the Model for the performance of the specific activity. In particular, the Bodies and Units involved and the controls carried out are identified in compliance with the segregation of duties, indicating any company policies and procedures that regulate the individual process in a detailed, formalized manner. Future changes to these operating procedures do not entail the need for an immediate formal update of the Model if they are transposed into corporate procedures or regulatory acts, while guaranteeing a similar degree of segregation of duties and, in general, of control;
- the paragraph "**Traceability and ex-post verifiability of the activities through adequate documentary/electronic media**" describes the methods for recording and storing the documentation and the decision-making steps relating to the sensitive process;
- the paragraph "**Separation of tasks**" shows the diversity of those who perform, control and authorize the various phases that make up the sensitive activity;
- the paragraph "**Existence of a system of delegated powers consistent with the organizational responsibilities assigned**" highlights the formalization of signing and representation powers consistent with the organizational and management responsibilities assigned and clearly set and known within the Company. All activities are carried out in compliance with the provisions of the internal system of powers of attorney that assign powers of representation of the Company externally and the internal system of delegation for the performance of the relevant activity. The existence of a system of delegated powers consistent with the assigned organizational responsibilities was assessed for all sensitive processes.

Exceptions to the general and specific controls provided for by this Model and the Code of Conduct must be justified and authorized by the CEO or the Board of Directors and reported to the Oversight Body.

3. THE GENERAL RULES

All company activities must be carried out in compliance with applicable laws, the Code of Conduct, the values and procedures and company and Group policies, as well as the rules contained in this Model and in particular in this Special Part.

It is forbidden to engage in, collaborate with or give cause to conduct such that, taken individually or collectively, might directly or indirectly constitute the types of offense included among those provided for by the Decree; it is also forbidden to engage in conduct in violation of the principles and rules provided for in this Special Part.

In carrying out all activities, all Addressees are obliged to:

- comply with all applicable laws and regulations;

- establish and maintain relations with counterparties in accordance with the criteria of maximum fairness and transparency;
- use the Company's financial resources exclusively in accordance with the management procedures established by internal regulations and applicable laws on financial transactions and the limitation of the use of cash;
- scrupulously comply with all legal and voluntary regulations aimed at protecting the health and safety of the workplace and the environment.

In the case of the risk of committing **Offenses against the Public Administration**, it is specifically prohibited to:

1. make cash donations to Italian or foreign public officials;
2. distribute and/or receive gifts and presents not in keeping with the provisions of company procedures (i.e. any form of gift offered in excess of normal business or courtesy practices, or in any case aimed at acquiring unfair favorable treatment in the conduct of any company activity).
4. In particular, any form of gift to Italian and foreign public officials or their family members that may influence their independence of judgment or induce them to provide any advantage to the Company is prohibited.
5. In any case, permissible gifts are always low value (not exceeding the maximum amount allowed by company rules or, where more stringent, codes of conduct adopted by recipient or by individual public administrations) or aimed at promoting initiatives of a charitable or cultural nature, or the image of Italdesign products and services (brand image);
3. grant or promise favors of any type and kind (recruitment, internships, consultancy contracts, etc.) or confer advantages of any kind to public officials or public service representatives belonging to public bodies and/or similar parties of the Italian State, the European Communities and foreign countries, as well as for the benefit of other individuals or legal entities in any case attributable to the sphere of interest of the aforementioned parties;
4. provide, draft or deliver to public officials or public service representatives belonging to the Public Administration, public bodies and/or similar parties of the Italian State, the European Communities and foreign countries, statements, data or documents in general containing inaccurate, incorrect, incomplete and/or false content in order to obtain certifications, permits, authorizations and/or licenses of any kind or kind, or obtain public disbursements, grants or subsidized financing;
5. submit untruthful declarations to national or Community public bodies in order to obtain funding, grants or disbursements of any kind;
6. allocate sums received from national or Community public bodies for disbursements, grants or financing for purposes other than those for which they were obtained;
7. assign or delegate the use of company cars, both personal and in pools, to parties other than those expressly authorized by the Company;
8. receive services from service companies, consultants and suppliers not adequately justified

by the contractual relationship with them;

9. pay compensation to suppliers of goods and services and consultants not adequately justified by the type of assignment to be carried out and current local practices.

The following obligations are established with regard to the risk of committing **corporate offenses, corruption between individuals and market abuse**:

1. act correctly, transparently and collaboratively, in compliance with the law and internal company procedures, in all activities aimed at preparing the financial statements and other corporate communications, in order to provide shareholders and third parties with true and fair information on the Company's income statement, balance sheet and financial position;
2. act correctly, in compliance with the law and internal company procedures, ensuring the utmost attention and accuracy in the acquisition, processing and illustration of the accounting data necessary to allow a clear representation of the Company's balance sheet, income statement and financial position and the development of its business;
3. comply strictly all the rules set by law to protect the integrity and effectiveness of share capital, in order not to harm the guarantees of creditors and third parties in general;
4. safeguard the regular functioning of the Company and its corporate bodies by guaranteeing and facilitating all forms of internal control over corporate management provided for by law, as well as the free and correct formation of the shareholders' meeting;
5. not carry out simulated transactions or spread false information likely to considerably alter the price of financial instruments;
6. behave correctly in commercial transactions and collaborative relationships, not paying or promising money or other benefits to induce the counterparty to perform and/or omit acts in violation of its obligations and with undue interest and/or advantage for Italdesign;
7. give or promise money, goods or other benefits unrelated to the subject matter of the contract during or by reason of ongoing business negotiations.

In the context of these behaviors, it is forbidden to:

(with reference to the previous point 1):

- a) represent or transmit for the preparation and representation in financial statements, reports and prospectuses or other corporate communications, false or incomplete data or, in any case, data that do not correspond to reality;
- b) omit data and information required by law regarding the Company's income statement, balance sheet and cash flow;

(with reference to the previous point 2):

- a) illustrate the data and information used in such a way as to provide a presentation that does not correspond to the actual judgment made of the balance sheet, income statement and financial position of the Company and on the evolution of its business;

(with reference to the obligation set out in point 3 above):

- a) return contributions to shareholders or release them from the obligation to execute them, except in cases of legitimate reduction of the share capital;
- b) distribute profits or advances on profits not actually made or allocated by law to reserves;
- c) purchase or subscribe for shares in the Company or subsidiaries outside the cases provided for by law, harming the integrity of share capital;
- d) carry out reductions of share capital, mergers or demergers in breach of the provisions of law protecting creditors, thus causing them harm;
- e) carry out a fictitious formation or increase of share capital, granting shares with a value lower than their nominal value when share capital is increased;

(with reference to the previous point 4):

- a) engage in conduct that materially prevents, through the concealment of documents or the use of other fraudulent means, or that in any case hinders, the performance of the control and audit activity by the Board of Statutory Auditors or the Independent Auditors;
- b) determine or influence the passage of resolutions by the Shareholders' Meeting by engaging in simulated or fraudulent acts aimed at altering the regular procedure for determining the shareholders' will.

The following obligations are established with reference to the risk of committing the **offenses of receipt, laundering and re-use of money or other benefits of illegal origin and self-laundering**:

1. not to hold commercial relations with parties (physical persons or legal entities) whose membership or proximity to criminal or otherwise illicit organizations is known or suspected;
2. not to carry out financial and/or commercial transactions with counterparties that use opaque corporate structures and/or that prevent the unambiguous identification of the corporate structure (ownership) and/or the actual beneficiaries of the transaction;
3. to act in a correct, transparent and collaborative manner, in compliance with the law and internal company procedures, in all activities aimed at managing the supplier/customer registry;
4. To comply with the general rules on means of payment provided for by Italian Legislative Decree 231/2007 (i.e. check regulations, prohibition of holding bearer securities beyond certain thresholds and/or prohibition of transfer for cash beyond the legal limits in force);
5. not to accept payments and not to issue invoices to parties other than those who assume the role of contractual counterparties and in the absence of adequate justification;
6. to suspend/terminate a relationship with the customer/supplier/partner where, after appropriate consultation with their function manager and possibly with the Administrative Department, there is evidence of customer behavior not in line with the regulations, laws and control principles established in this document. Reports, as well as any interruptions in relationships, must be made as soon as possible;
7. to ensure the correct management of tax policy, including with regard to any transactions with

the countries set out in the "black list" defined in the regulatory provisions in force and with those with preferential tax systems indicated in the Italian Ministerial Decree of January, 23 2002, as amended;

8. to identify and implement specific internal control programs with particular regard to the management of payments and treasury, agreements/joint ventures with other companies, intercompany relationships and relationships with counterparties with registered offices and/or operations in countries with preferential taxation;
9. to implement the training and information of company representatives on issues related to the prevention of money-laundering;
10. to give evidence of the activities and controls carried out.

Furthermore, during the customer acquisition phase the competent Bodies and Units also assess the related "money laundering risk" profiles through the analysis of certain elements of attention such as, for example:

- the sector of activity and the profession of the customer/sector of activity and corporate purpose (in the case of a legal person);
- the customer's residence/registered office in "tax havens" or in "non-cooperative" countries as listed in the FATF Lists;
- payment of the transaction is made through financing by a bank established in one of the countries indicated in the previous point;
- the customer intends to settle the payment of the transaction with a sum of money higher than the legal limit in force for payment in cash, or with bank or postal deposit books or with bearer securities (checks, money orders, certificates of deposit, etc.) in Euro or in foreign currency or with instruments unrelated to normal commercial practices;
- the customer intends to settle the payment of the transaction by checks with progressive serial numbers or multiple checks of the same amount on the same date;
- the customer insists that the transaction be closed quickly.

Before carrying out any transaction with any of the anomaly indicators listed above, the General Manager of Finance/CFO and the AML Contact Person must be informed.

In order to combat **offences relating to payment instruments other than cash and fraudulent transfer of valuables**, there is an obligation to:

- conduct a complete and documented due diligence for all transactions and operations involving significant transfers of values, with particular attention to verifying the counterparties and the purpose of the transaction;
- ensure that all transfers of ownership or transfers of goods are real and not fictitious, and that they are not carried out with the intention of circumventing applicable regulations;
- record and document all financial and commercial transactions which must be traceable, so that it is possible to reconstruct the origin and destination of the resources involved;

- to maintain the integrity of all documents relating to value transfer transactions, ensuring that they are complete, accurate and not alterable or falsifiable;
- carry out a careful assessment of the potential risks associated with any new investors, in compliance with the procedures provided for the management of extraordinary transactions and guaranteeing the prerogatives of the Parent Company, the Board of Directors and/or the Shareholders' Meeting in accordance with the provisions of the Articles of Association and the law. Carefully record and document all transactions related to the entry of new shareholders into the share capital, including details such as the amount of capital invested, the origin of the funds and the conditions of the investment.

The following obligations are established with reference to the risk of committing **crimes against industry and commerce**:

1. whenever there is found to be a risk of carrying out activities that could conflict with and, therefore, violate the industrial property rights of third parties (including the use of technologies covered by patents already filed), a prior check must be done on previous patents and trademarks registered in the name of third parties;
2. in the contracts for the acquisition of products protected by industrial property rights, specific clauses must be included, whereby the counterparty certifies:
 - that it is the legitimate owner of the rights of economic exploitation on the trademarks, patents, distinctive signs, designs or models subject to sale or in any case that it has obtained from the legitimate owners the authorization to grant their use to third parties;
 - that the trademarks, patents, distinctive signs, designs or models subject to transfer or concession in use do not infringe any industrial property rights of third parties;
 - that it indemnifies and holds harmless Italdesign from any damage or harm as a result of the non-truthfulness, inaccuracy or incompleteness of such declaration.
3. Include specific clauses within contracts and orders signed with customers and consultants involved in the implementation of projects in order to define the rights of use and/or exploitation of industrial and/or intellectual property rights and the obligations undertaken by the parties.

It is forbidden to:

1. use the company secrets of others (even if they are known by new consultants and personnel hired by Italdesign and who have participated in the invention at another company);
2. engage in conduct aimed at hindering the normal functioning of the economic and commercial activities of Italdesign's competitors;
3. engage in fraudulent acts likely to result in diversion of the customers of others and damage to competing undertakings;
4. improperly reproduce, imitate, tamper with trademarks, distinctive signs, patents, industrial designs or models owned by third parties;
5. make use, in the industrial and/or commercial field, of trademarks, distinctive signs, patents, industrial designs or models counterfeited by third parties;

6. introduce into the territory of the state in order to make trade in, hold for sale or put into circulation in any way industrial products with trademarks or distinctive signs forged or altered by third parties.

The following prohibitions are established with reference to the risk of committing copyright infringement offenses:

1. to illegally procure, store, reproduce, disseminate, distribute and/or use in the Company's activities (e.g.: preparation of material for conventions, meetings, institutional events, etc.) material obtained in violation of copyright protection laws;
2. to hinder or omit, including with artifice and deception, the fulfillment of obligations deriving from copyright protection legislation.

The followings are established with reference to the risk of committing **computer crimes**:

1. prohibition of fraudulent access to the computer systems of the Public Administration or third parties in general to obtain or modify data or information in the interest or to the advantage of the Company;
2. prohibition to carry out modifications or updates of operating systems or application programs on their own initiative (unless expressly indicated by the competent Functions);
3. prohibition to modify the configuration parameters received and to install on one's computer peer to peer programs or personally owned communications devices (modems, wi-fi cards, etc.);
4. prohibition of unauthorized programs (such as malicious code) from entering the network or servers;
5. prohibition of the use of software and/or hardware designed to intercept, alter or suppress the content of communications and/or computer documents;
6. obligation to implement specific procedures for management and response to cyber incidents;
7. obligation to use encryption to protect sensitive data and to implement a regular and secure backup strategy to ensure the availability of data in the event an attack occurs;
8. obligation to include specific clauses in contracts with certain suppliers to ensure the security of the information disclosed.

The following obligations are established with reference to the risk of committing the **crime of illicit brokering and exploitation of labor**:

1. prohibition of the payment of remuneration not complying with national or territorial collective bargaining agreements concluded by the most representative trade union organizations at national level;
2. prohibition of paying wages disproportionate to the quantity and quality of the work performed;

3. prohibition of the violation of the regulations on working hours, rest periods, weekly rest, compulsory leave and holidays;
4. prohibition of the violation of the rules on safety and hygiene in the workplace;
5. prohibition of subjecting workers to working conditions, methods of surveillance or degrading housing conditions;
6. obligation, in the cases provided for by collective bargaining and by the reference legislation, to ensure the involvement of trade union representatives and, in any case, to ensure that the requests of such representatives are always taken into account, favoring transparency in justifying company decisions;
7. obligation to scrupulously comply with company procedures for the qualification of suppliers, in particular with reference to the award of works under contract.

The following principles of conduct must be observed with reference to the **crimes of manslaughter or serious or very serious injuries committed in violation of the regulations on the protection of occupational health and safety**:

1. comply with current legislation and internal procedures on health and safety in the workplace;
2. use machinery, equipment, substances correctly and according to the training received;
3. always use the safety devices appropriately;
4. relations with the Public Administration/Bodies responsible for monitoring compliance with health and safety regulations are conducted only by persons with the necessary powers;
5. before choosing a supplier, and during the relationship, the appointed parties verify the satisfaction/maintenance of requirements/authorizations by suppliers; under specific clauses, the Company requests compliance with health and safety regulations in the workplace;
6. relations with suppliers are formalized and provide for the inclusion of a clause requiring a commitment to comply with the Code of Conduct and Italian Legislative Decree 231/2001;
7. it is forbidden to carry out, on one's own initiative, activities or tasks that do not fall within one's purview and that could endanger one's safety or that of others;
8. participation in development and training programs is mandatory;
9. with specific reference to the prevention of workplace violence and harassment:
 - what constitutes violence and what constitutes harassment are clearly defined, explicitly prohibiting any act that may constitute one or the other case and stating the penalties applicable to those who violate this prohibition;
 - the risk of workers being subjected to violence or harassment in the workplace is assessed. The risk is included in the occupational health and safety management system;
 - the consequences on the mental and physical integrity of the harassed person and

its health consequences are assessed;

- with the participation of workers and their representatives, measures are taken to prevent and monitor the risk of acts of violence or harassment;
- adequate support tools are established and made available to employees, including psychological support, where they are victims of harassment or violence;
- appropriate channels are set up to report incidents of violence or harassment;
- information and training activities are organized on the identified dangers and risks of violence and harassment and related prevention and protection measures, including the rights and responsibilities of workers and other stakeholders in relation to company policy.

The following obligations are established with reference to **environmental crimes**:

1. to comply with all environmental legislation in order to ensure the prevention of pollution;
2. to adopt specific measuring instruments in order to ensure compliance with the authorization limits;
3. to ensure that relations with the Public Administration/Bodies responsible for monitoring compliance with environmental legislation are conducted by persons with the necessary powers;
4. to ensure the continuous updating of the environmental requirements applicable to the corporate context;
5. to ensure that all "management" activities (collection, temporary storage, transport and transfer of waste), even if entrusted to third parties (such as suppliers, cleaning or waste disposal companies appointed by the Company), are carried out in compliance with the laws in force and the rules of the Code of Conduct;
6. for this purpose, to provide for an adequate qualification of the suppliers responsible for waste disposal, verifying the satisfaction of the requirements and authorizations required by law for the purposes of carrying out the activity.

With reference to the risk of committing **tax offenses**, it is mandatory to:

1. plan appropriately the timing and deadlines for tax obligations, as well as manage without delay any problems related to the calculation of taxes deriving from transactions with counterparties, including international counterparties;
2. respect the roles and responsibilities identified for the calculation of taxes and in general for the management and monitoring of tax obligations and for subsequent electronic transmission;
3. respect the roles and responsibilities identified for the determination, communication and payment of the Company's VAT position;
4. ensure that all tax credits are supported by valid and adequate documentation and implement internal control procedures to verify the existence of tax credits before they are offset;
5. ensure that the auditing firm is responsible for verifying the accounting data, the data

indicated in the tax returns and the counter-signature thereof;

6. keep proper and complete accounting records;
7. in case of doubt on data and aspects relevant for tax purposes, refrain from proceeding and request qualified technical support, including, where appropriate, from the external consultant who must issue a written indication on the correct way to proceed.

In addition, it is forbidden to:

1. submit untruthful or incomplete tax returns;
2. consent to the issuance of invoices and documents with tax value to parties other than the actual purchasers or beneficiaries of the services or services rendered;
3. issue invoices or documents with tax value without a description of the services performed or with a generic indication;
4. use in income or value added tax returns invoices or other documents relating to transactions not actually carried out, which describe the nature of the service generically (or which do not describe it at all) or which are not attributable to the issuer of the document;
5. engage in conduct that, by carrying out objectively or subjectively simulated transactions, or by using false documents or other fraudulent means, hinders a tax assessment or misleads the revenue authorities;
6. engage in conduct that, by concealing or destroying all or part of the accounting records or documents that must be kept, does not allow the tax authorities to reconstruct income or turnover;
7. simulate the disposal of or committing fraudulent acts on its assets in order to render ineffective the compulsory collection procedure, so as to avoid paying income or value added taxes or interest and penalties relating to said taxes;
8. in general, violate the rules on tax, duties and social security matters.

The following obligations are established for the prevention of **smuggling offenses**:

1. to respect the roles and responsibilities identified for the calculation, reporting and payment of the customs duties, as well as for the correct and complete keeping of the relevant documentation;
2. to check the veracity and completeness of the information sent to the suppliers (haulers and customs brokers) in the context of the management of the supply/export/import activities and the customs operations;
3. to carry out periodic evaluations of the suppliers (haulers and customs shippers) and schedule periodic checks on the activities carried out by them on behalf of the Company as part of the management of the sale/export/import activities and customs operations.

In addition, it is forbidden to:

1. avoid in any way the payment of taxes and frontier duties and, as regards imported goods, avoid the payment of monopoly duties, frontier surcharges and any other consumption tax

- or surcharge to the State;
2. carry out, personally or through a direct or indirect representative, transfer/export/import operations in violation of customs rules;
 3. transport foreign goods across borders in violation of the requirements, prohibitions and limitations;
 4. conceal foreign goods on a person or in baggage or among goods of another kind or in any means of transport;
 5. remove goods from customs areas without having paid the duties due or without having guaranteed payment;
 6. avoid the inspection or payment of excise duties or fail to comply with the regulations on the storage and movement of excisable products.

For the prevention of **organized crime crimes**, as well as the strict observance of the above-mentioned provisions in order to minimize the risk of any type of crime considered - at least in theory - relevant for the reality of Italdesign and potentially suitable to constitute a predicate offence, the Company:

1. keeps the business processes mapping updated and assigns specific tasks in order to ensure the principle of separation of functions;
2. structures business processes in such a way as to provide for at least a *second line of defence*;
3. establishes the organisational principles and the structure of the management functions of the company in accordance with the "Governance, Compliance & Integrity" Policy;
4. subjects business processes, also through the Group's *Internal Audit* function, to periodic audits conducted by subjects with adequate autonomy and proven technical skills.

4. THE INDIVIDUAL SENSITIVE ACTIVITIES

4.1 Management of design, research and development/management of trademarks and patents

Relevant offenses

Offenses against industry and trade

Offenses against the Public Administration

Corporate offenses

Receiving stolen goods, laundering and use of money, goods or benefits of illegal origin, as well as self-laundering

Offenses committed in violation of workplace health and safety regulations

Environmental crimes

Computer crimes and unlawful data processing

Organized crime offenses

Company or Group roles involved

Design

Engineering Office

Pre Series & Production

Management Team (IMT)

CFO

Project Manager

Quality Office

CEO

Regulation of the process and existence of formalized procedures/guidelines

The process of design, development and production of products is governed by the tabs "*Product Concept SP_IGE_0001*", "*Product Development SP_IGE_0002*", "*Product Validation SP_IGE_0003*", "*Product Development SP_IGE_0002*", "*Product Validation SP_IGE_0003*", "*Patent filing and registration of trademarks and ornamental models - SP_IGES_0001*", "*Intellectual property portfolio management - SP_IGE_0002*", by the procedures "*Production compliance - SP_IGQ1_002*" and the procedure "*Prototype construction process control - PS_IGQ1_0001*" and by operating rules according

to which:

- the Project Management and Finance Departments prepare the business case that, accompanied by the budget, is discussed in the context of specific meetings by CFO and, depending on the type of *business case* and/or the amount of the budget assumed, the authorization of the *CEO/CTO/PM*;
- following approval, the *concept* phase is initiated under the responsibility of the *Concept Development* Department;
- the *Whole Vehicle Development* Department offers support to ensure that, from that stage, the type-approval requirements are automatically met and, in any case, for internal Group projects and at customer's request and according to contractual agreements, for *open market projects*;
- the next phase of development through CAD processing and formulation of mathematics is entrusted to the *Interiors Development* Department or to the *Exteriors Development* Department and the Design Department, each for its own competent area;
- the start of prototype production is conditional on authorization from the end customer in the case of projects on order (regardless of whether the customer is internal or external to the Group), or of the different technical departments involved for internal projects;
- in all these phases, the Company may make use of external consultants, previously qualified, operating remotely on computers provided by Italdesign and certified according to the *TISAX* (Trusted Information Security Assessment Exchange) standard;
- in the case of technical KOs, an escalation flow is provided internally and/or towards the competent functions within the Italdesign organizational structure for projects within the Group (up to the *CTO*) or the customer for projects outside the Group;
- prototype production requires prior verification of the characteristics, including safety, of the products received from suppliers and those made internally by the *Quality* Department;
- in the event of a positive outcome, the assembly phase is started and the *Quality* Office carries out new quality and safety checks in collaboration with the interested departments;
- the prototype/prototypes are made available to the various technical departments (users) for the performance of the relevant tests;
- the validation plan, depending on the phase, provides for the tests to be repeated until the pre-established results are achieved, or the measurements carried out in the previous phase to be repeated to verify whether any problems encountered have been rectified; each user issues their own assessment, necessary in order to allow the transition to the phase of Start of Production (SOP);
- during the prototype production phase, the characteristics and requirements necessary for the approval by the *Whole Vehicle Development* Department are also verified;
- in the case of projects within the Group, or construction on small production run orders, the *Whole Vehicle Development* Department starts the approval *process* in compliance with the provisions of the paragraph 4.2 below, "*Management of the vehicle type-approval process*";
- the production activities are carried out by the production facilities, under the control of the *Quality* Office in accordance with a plan agreed with the *Pre-Series & Production* Office and informed by the principle of repeatability of measurements;
- the progress reports are shared with the customer according to the deadlines set out in the contract, under the responsibility of the *Project Manager* (who guarantees compliance with

- all the commitments undertaken, with reference to timing, quality, administrative aspects) and the *Team Leader* (with reference, for example, to the mathematics and activities of each subject involved within the project, including external consultants);
- all the documentation and the results of the checks and tests carried out are recorded and stored in a special electronic archive which can only be accessed by the departments involved in the project, as well as saved on the client's server in the case of external orders.

The following control principles are observed in all phases:

- whenever there is found to be a risk of carrying out activities that could conflict with and, therefore, violate the industrial property rights of third parties (including the use of technologies covered by patents already filed), a prior check must be done on previous patents and trademarks registered in the name of third parties. The checks are carried out by *Technical Resources Management* department, may supported by external consultants;
- contracts with suppliers include specific clauses with which the counterparty certifies:
 - that it is the legitimate owner of the rights of economic exploitation on the trademarks, patents, distinctive signs, designs or models subject to sale or in any case that it has obtained from the legitimate owners the authorization to grant their use to third parties;
 - that the trademarks, patents, distinctive signs, designs or models subject to transfer or concession in use do not infringe any industrial property rights of third parties;
 - that it indemnifies and holds harmless the Company from any damage or harm as a result of the non-truthfulness, inaccuracy or incompleteness of such declaration;
 - that it observes processes, procedures and has suitable *standards* in order to guarantee the confidentiality and security of information (TISAX certification, which demonstrates an adequate information security assessment approach based on a *maturity* model and explicitly oriented to the needs of the automotive sector).

If, during the various concept, design and development phases, one of the technical departments involved considers there to be an idea worthy of protection through the filing of a patent application, the process flow described in the module "*Patent filing and registration of trademarks and ornamental models SP_IGES_0001*" is followed, for which:

- the preliminary search for any relevant prior art is carried out by *Technical Resources Management department* and, if necessary, by specialized external consultants;
- the decision on the filing of the patent application is referred to the *Head of the Office or Organizational Unit* involved;
- the application is filed by the external consultants;
- all the relevant documentation is signed by the Company's attorneys according to the current system of powers of attorney and stored on an encrypted network volume.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

The documentation relating to the analyses and research carried out, test reports, schedules, budgets, etc. is stored in a specific server by the *Engineering, Design and Pre Series & Production Center*

departments.

Contracts with suppliers, including clauses relating to the ownership or legitimacy of the use of patents, are archived by the *Purchasing Office*.

The *Project Manager* tracks the verifications of the progress of the activity with the customer.

Each entity involved is responsible for the preservation of the documentation under its competence and the evidence relating to compliance with internal approval flows.

All documentation relating to the filing of patent applications by Italdesign is stored on an encrypted network volume.

Separation of tasks

The segregation of duties is implemented through the separation between: *i) the executive activities carried out by the Project Management,, Whole Vehicle Development, Interiors Development, Exteriors Development, Special Vehicles, Pre Series & Production, Quality departments; ii) the control conducted by the Management Team (IMT), the Head of Accounting/Controlling, CFO; and iii) authorization by the CEO.*

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned. Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

4.2 Management of the vehicle type-approval process

Relevant offenses

Offenses against the Public Administration
Offenses against industry and trade
Corporate offenses
Cyber-crimes and unlawful data processing
Organized crime offenses

Company or Group roles involved

Engineering Office (Engineering Director, Whole Vehicle Development Department, Whole Vehicle Development Manager, Whole Vehicle Validation & Verification Department, Whole Vehicle Validation & Verification Manager)
Quality Office
CEO

Regulation of the process and existence of formalized procedures/guidelines

Type-approval activities are set out in *Procedure PS_IGEG_001* in a manner consistent with the requirements of the Group's *Golden Rules*, as well as by operating rules according to which:

- the *Whole Vehicle Development* Department updates the technical requirements and type-approval procedures in force in the various target countries by consulting a Group IT portal in which the applicable legislation is collected and updated and equipped with a change notification system, as well as under consultancy contracts with *Technical Services*.
- the tests are performed by test centers and/or *Technical Services* whose skills are attested by the competent Public Offices or by a valid certificate of accreditation. The test center and/or *Technical Service* that supports the Company in the management of the type-approval procedures is designated through the issuance of by the *Whole Vehicle Validation & Verification* Department and subsequent order by the *Purchasing Office*, in compliance with the ordinary purchase procedures;
- the tests are planned by the *Whole Vehicle Validation & Verification* Manager in a manner consistent with the *start of production (SOP)* date of the vehicle;
- the planning is shared with the test centers and/or *Technical Service* and with all the company departments involved in the various project areas;
- relationships with the public bodies responsible for issuing the type-approval are managed by the *Technical Service*;
- relations with the *Technical Service* staff are managed by the *Vehicle Validation & Verification* staff;
- where the use of tests carried out during the development phase is not sufficient or not significant, the tests and trials are carried out under the supervision and responsibility of the *Vehicle Validation & Verification* Manager (where possible accompanied by a second Italdesign staff member), who is present at each phase and assists the physical performer of the test, with the possible presence of the *Technical Service* as well;
- the description and identification of the vehicle or parts being tested are formalized in a special test report, drawn up in accordance with the applicable legislation by the *Vehicle Validation & Verification* Manager;
- the *Vehicle Validation & Verification* Manager prepares the information sheet containing: *i)* project data and drawings necessary for type-approval purposes; *ii)* map and master labels; *iii)* attachments containing the information relating to the object to be approved in sufficient detail; *iv)* photographs and descriptive annexes of the object to be approved (when deemed necessary);
- the *Vehicle Validation & Verification* Manager verifies the information sheet and prepares the type-approval application accompanied by, in addition to the information sheet and its annexes, the type-approval drawings, test reports and test objects representative of the project;
- the application for approval is signed by the *Whole Vehicle Development* Manager together with the Director of the *Engineering Office* or the *CEO* in compliance with the delegations of authority and powers of attorney conferred by the Company;
- the application is submitted to the competent Public Bodies by the *Technical Services*;
- the *Whole Vehicle Development* Manager verifies the outcome of the application and, after type-approval has been obtained, informs all company Functions concerned of the entry into the company information system of the type-approval data linked to the certificate of

conformity;

- any changes to the product details or to the characteristics on file are subject to the prior authorization of the *Vehicle Validation & Verification Manager*, the *Technical Service* and/or the competent type-approval authority in order to verify the need to prepare an extension or update of the existing type-approval certificates. Any change to a regulated component is managed by issuing a change request, which follows the same process;
- all relevant documentation is archived by the *Vehicle Validation & Verification Manager*;
- during production, the *Quality Office* carries out checks on the basis of a specific control plan. All the characteristics subject to verification, the values detected and the final result of the test are documented by means of the forms provided and the documentation proving conformity to the type approved is filed.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

The traceability of the process is implemented through the filing of the documentation required by the applicable legislation by the *Vehicle Validation & Verification Manager*.

The Departments involved in the development and prototyping phases keep, for the part of within their purview, the certificates of the tests and analyses carried out.

During production, the *Quality Office* carries out checks on the basis of a specific control plan. All the characteristics subject to verification, the values detected and the final result of the test are documented by means of the forms prepared and the documentation is filed together with that relating to conformity to the type approved.

Segregation of tasks

The approval process is implemented by ensuring the separation between: *i)* the executive activities carried out by the *Vehicle Validation & Verification Department* and the *Technical Service*; *ii)* control by the *Vehicle Validation & Verification Manager*; *iii)* the authorization role of the *Whole Vehicle Development Manager*, the *Engineering Director* and the *CEO*, depending on the different phases.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force which grant, in particular, specific powers of attorney to sign the documentation to be submitted to the Public Bodies for type-approval.

4.3 Management of the goods, services and consultancy procurement process

Relevant offenses

Offenses against the Public Administration

Corporate offenses

Offenses of receipt of stolen goods, laundering and use of money, goods or benefits of illegal origin and self-laundering

Tax offenses

Smuggling offenses

Employment of illegal immigrant third-country citizens

Illegal brokering and exploitation of labor

Organized crime offenses

Crimes committed for purposes of terrorism (Criminal Code and special laws) and offenses committed by associations of a transnational nature

Company or Group roles involved

Requesting Office

Purchasing Office (General Purchasing Office; Project Purchasing Office)

Finance Office

Quality Office

Health, Safety & Environment Office

Legal & Governance Office

Logistics & Warehouse Unit

Attorneys-in-fact of the Company

CEO

Audi Buyer/Corporate Sourcing Committee

Regulation of the process and existence of formalized procedures/guidelines

Within the *Purchasing Office*, competencies and responsibilities are divided between the following Offices, in relation to the different types of purchase:

- The General Purchasing Function (also General Purchasing Office), divided into *Assets/Machinery, Facility Management, ICT Services, HR/Events/Logistics* and *Various/Raw Material*, is dedicated to the procurement of goods and services that are not directly related to Italdesign's activities (e.g. maintenance, logistics, legal services, investments in machinery or IT equipment, raw materials, furniture, stationery);
- The Project Purchasing Function (also Project Purchasing Office), divided into *Engineering Services, Engineering + PSC Services (only EE), PSC Services* and *Project Raw Material*, deals with the purchases necessary for the development and implementation of individual projects. It includes a Readiness Office that deals with prototypes and limited series and handles the contacts with the suppliers after the conclusion of the contract to monitor and ensure that the processing and delivery times and the quality of the good/service are respected, guaranteeing the separation of the roles between those who manage the relations with the supplier during the qualification and negotiation phase and those who interface with the supplier over the term of the contract.

The purchasing process is governed by various company procedures (*Procurement Manual, ERP User Manual; PS_IGB_0001 Supplier Qualification; PS_IGB_0002, Supplier Re-qualification; IO_IGB_000*

Supplier Coding, IO_IGB_0002 Sheet Metal Purchase), modulated according to the procedures and policies issued by the Parent Company.

These procedures provide for different operating rules based on the value of the purchase and which, as far as is relevant for the purposes of managing the approval process, are included in the cloud ERP system:

- i) Up to € 50.000, both for General and Project Purchases, it is provided for the possibility of operating in single sourcing, without comparing multiple offers (due to the low value of the supply).
- ii) Over € 50.000, both for General and Project Purchases, it is required a comparison between the offers of several suppliers on the market.
 - o For General Purchasing, it is required to use the Group sourcing system called *Globe*, which for certain categories of purchases (e.g. independent auditing services) provides for a list of qualified suppliers that cannot be modified. For tenders with a value between € 50.000 and €250,000, a weekly meeting is also scheduled between General Purchasing Manager and buyers, as well as, where required, the Head of Purchasing, in order to check the procedure followed for the purchase and selection of the supplier (this control was included after the VW Group raised the value for a step with Regional Sourcing Committee from €100.000 to €250.000). For tenders with value over €250.000 a weekly meeting is also scheduled between the purchasing managers of all the Italian Group companies within the so-called Regional Sourcing Committee (RSC), with joint analysis and verification of compliance with the procedures. For very significant amounts (over €3 million), verification by the competent Audi buyer according to the product category is envisaged as an additional level of control, while for even greater amounts, it is required a review by the Group CSC (*Corporate Sourcing Committee*), which must authorize it.
 - o For Project Purchases, the offers received are compared on the basis of the Vendor Rating attributed to the suppliers (Rating) – which reflects the quality obtained in previous assignments or perceived during the supplier qualification phase or perceived at the time of receipt of the offer – as well as the best quotation. The *Sourcing Committee* (chaired by the *Purchasing Office* and with the involvement of the individual *Business Units* and the *Quality Department*), is set twice a week and meets in the presence of tenders that require comparison and alignment between the departments for approval.
 - o It is possible to operate in single sourcing even for amounts exceeding €50,000, in case of monopoly situations, at specific request of the customer, who has previously identified the suitable supplier, and/or for reasons of quality or timing appropriately justified by the BUs. Such cases, which are duly documented, are brought to the attention of the Management Committee on a monthly basis; in the case of consultancies considered "strategic", specific procedures apply (Policy P_004 Management Consulting Services: Commissioning and Steering; Procedure ORS 60) that provide for additional levels of control, such as prior approval by the Group.

Regardless of the procedure that must be activated from time to time based on the value and type of supply, the supplier is subject to prior codification and qualification. In particular:

- for all types of supply and for all amounts, the supplier is required to connect to the specific online portal prepared by Italdesign, fill in the identification questionnaire and upload a standard package of documents including: *i)* form indicating personal, tax and bank details; *ii)* confidentiality document; *iii)* documents required for privacy obligations; *iv)* Code of Conduct or, failing that, compilation of answers to questions aimed at detecting the existence of similar controls; *v)* Chamber of Commerce certificate, in order to verify the consistency between the corporate purpose and the supply; *vi)* copy of insurance; *vii)* environmental certifications or documents proving compliance with certain ISO standards depending on the object of the supply; *viii)* signing of the standard general terms and conditions of purchase drafted by Legal & Governance Department;
- the vendor rating appears in the ERP portal, which shows within the supplier's screen the related rating (ranging from red to green);
- in addition, for all suppliers who, due to the type of goods or services to be supplied, fall within certain and relevant purchasing categories provided for by the Globe system (called eClasses), are not identified through a single sourcing procedure, a further qualification process managed at Group level is applied, which requires the attribution to the supplier of a *Sustainability Rating (S-Rating)* through a Group process aimed at assessing various risks, including that of environmental non-compliance and corruption. Please refer to the Procedure "*Sustainability Management in Supplier Relationships*"). Here again, the supplier is required to fill out a thorough questionnaire, aimed at verifying whether the supplier's organization is able to ensure compliance with ethical principles regarding environmental sustainability and legality in general. The attribution of the S-Rating, where required, is an indefectible condition for the activation of the supplier;
- based on the type of contract to be assigned, further documentation is required. In particular, in the event of the award of works or services under contract, the supplier must produce the updated social-security compliance declaration and further checks are provided for by the Safety Officer and the inclusion of specific clauses within the contracts regarding compliance with Italian Legislative Decree 81/2008 (please refer in this regard to what is described in detail in par. 4.23 "*Management of workplace safety obligations*"); in the case of services to be provided within the Company's premises, the Single Interference Risks Document and all the necessary documents on workplace health and safety are prepared;
- for particular categories of supply (e.g. customs agent, event management agent, approval and certification service provider, licensee or marketing agent), the Group Policy P_022 *Business Partner Due Diligence* applies, which, regardless of the value of the supply, requires the registration of the supplier in a specific *tool*, through which automatic checks are then carried out on the profile of the supplier and its representatives, also considering elements related to integrity, with particular reference to the risk of corruption. In the event of findings in this first phase, more in-depth checks are begun, the positive outcome of which is essential to proceed with the conclusion of the contract;
- the documents sent by the supplier are examined by various Bodies/Offices (*Finance, Safety Officer, Legal & Governance*, etc.), each for the relevant aspect, with a flag that is essential to continue; in case of documents subject to expiry, the relevant deadlines are recorded in the

ERP system in order to verify the updating by the supplier; the Company's IT system automatically detects the *deadline* for uploading the same and sends a specific *alert* to the supplier, who is asked to reload the updated version;

- upon completion of coding phase, subsequent qualification phase, aimed at their inclusion in the appropriate register, is subject to an adequacy check in terms of resources, structures, processes and ability to provide products or services according to the expectations of Italdesign or its customers. Depending on the type of supplier and goods/services to be provided, this verification is carried out by means of a site visit, assignment of a test activity or analysis of a material sample and is repeated at least every three years;
- for project-based purchases:
 - the qualified supplier is then assigned a *Vendor Rating* (the result of the evaluation of the different departments involved, based on predefined formats and criteria), on the basis of which suitability for supplier to participate in future tenders is established;
 - In particular, the evaluation is carried out by the *Quality Office* (quality criteria); the *Health, Safety & Environment Office* (safety criteria); the requesting Office or Unit (technical criteria) and the *Purchasing Office* (economic and readiness criteria); the *Vendor Rating* corresponds to the supplier's index of compliance with the expected requirements, and is the result of the average of the values expressed by each Office;
 - the rating values for activate or not a supplier are pre-established;
 - if, upon qualification process, improvement actions by the supplier are required, the latter has a pre-established period of time to give evidence of the actions implemented and may produce the relevant documents;
 - the qualification process is renewed annually.
- the *Purchasing Function* of the Parent Company sends, on a weekly basis, *alerts* through lists of suppliers with critical issues and which, therefore, cannot be activated.

In summary, the purchasing process is divided into the following stages:

- the Office that needs to purchase goods or services sends its request to the General Purchasing/Project Purchasing Office, with a description of the specifications/CAD drawing and an indication of the possible supplier(s), where applicable;
- in the case of single sourcing, the buyer identifies the supplier at the request of the requesting Office and by consulting the database, in addition to reviewing the information available in relation to previous orders;
- in other cases, a tender procedure is launched to compare the offers of different suppliers, taking into account multiple aspects (price, timing, quality, possession of certifications, evaluation attributed to suppliers – the so-called “Rating”);
- in the event it is not already included in the list of approved and qualified suppliers, the supplier is subject to prior coding and qualification, according to the procedure and controls described above;
- the offers received are evaluated by the buyer together, where necessary for a technical evaluation, with the Head of the requesting Office or the contact person for the purchase.
- once the technically best offers have been identified, the buyer then handles the negotiation. The evaluation criteria for the individual offer are identified in advance and requests for

- derogation in the assignment must be justified and signed by the requesting entity;
- the buyer continues with the issue of the order, which is recorded in the system. An order can be issued exclusively to registered suppliers and deemed suitable following the assignment of the Vendor Rating; the value of the *supplier rating* is the parameter that, together with the economic one, contributes to the choice of the most suitable supplier for the assignment of the activity subject to the supply;
 - the agreement is concluded by means of a purchase order with the general conditions at the bottom, including the clause on compliance with Italian Legislative Decree 231/2001 and the Code of Conduct with specific sanctions for cases of violation, up to the termination of the contract in the most serious cases; upon supplier's request, after evaluation of the reasons under the request and upon positive opinion of the *Legal & Governance Office*, *standard format* of the Conditions of Purchase may be changed;
 - where the supplier falls within the definition of "strategic partner"²² according to the Operational Manual MN_IGB_0001, a strengthened risk assessment and due diligence process and the definition of multi-year contractual agreements with particular conditions are provided, including the possibility of entering a non-competition agreement;
 - the signing of contracts is the responsibility of the Company's proxies, in compliance with the rules and provisions of the Policy P_003 - Representation of Italdesign in business dealings; signatory authorizations;
 - it should be noted that for purchases requested by the Employer's Delegates pursuant to Article 16 of Legislative Decree no. 81/2008, the Procurement Manual provides for a partial derogation from the ordinary purchasing procedures, aimed at guaranteeing the autonomy of the Delegates in the arrangement of expenses;
 - In case of non-EU purchases, Finance department is involved from the early stages of the purchase process and it appointed to interface directly with the Customs Agency, which carries out preventive checks and defines the necessary requirements for importation, as required in par. 4.13 "Import and export management".

A simplified procedure for managing certain orders is allowed, for which the requesting department it is not required to involve Purchasing department and the related buyer for negotiation. In particular, the simplified procedure provides for supplies within certain amount limits (currently equal to €5.000), that the individual department that needs the purchase can access the management system, select the supplier, the product and issue the order. However, it is required that:

- the supplier is already included in the list of qualified suppliers;
- the supply does not concern investments (on the contrary, Investment Committee is required).

Otherwise, regardless of the value of the supply, the Office cannot proceed independently, but must begin the standard purchasing process as from supplier's qualification, as described above.

²² A distinction is made between 2-Win Suppliers, able to allow Italdesign to adapt its production volumes to fluctuations related to the progress of projects, and real Strategic Partners as they integrate or expand the Company's skills, allowing the development of new products/services and expanding the sales market.

Finally, for some previously qualified suppliers and for certain types of supplies is possibility of proceeding through PunchOut, operating directly on the Company's ERP system, to which the *supplier's catalog* (e-commerce) has been previously connected.

Upon issuance of the order/signing of the contract and its activation by the supplier, the Company implements specific procedures and controls to ensure compliance with the conditions and quality levels agreed:

- for project purchases, the *Readiness* Office extracts from the system the details of the serial numbers/codes assigned to the suppliers and continuously monitors their activity, where necessary also through visits to their premises. In the event of anomalies (e.g. in relation to quality, materials, timing or technical feasibility), the *Readiness* Office reports them to the other corporate bodies concerned (e.g. *Quality, Engineering, etc.*) and a work table is started to solve the problem;
- on arrival of the goods: *i)* in the case of prototype objects, the Metrology Organizational Unit carries out the measurements and check that the goods are accompanied by the certificate of inspection issued by the supplier. In the event of non-conformity, the goods are sent back for reworking or replacement (in some cases, where the times are very tight, the competent company bodies may make the necessary changes and then charge them to the supplier); *ii)* for general purchases, the control is carried out by the *Logistics & Warehouse* Unit, which records the corresponding transportation document in the system;
- for the provision of services, the requesting Office accesses the computer system and enters the progress of the work; where the fee is calculated on the basis of an hourly rate, the *Project Manager* also intervenes to verify that the work carried out matches the hours indicated;
- the *Finance* Office, according to its own procedures, records the invoices issued by suppliers in the IT system, where all documents related to the order are stored. On the due dates, following the verification that what is indicated on the invoice matches the services entered on the system, the payment is ordered as described in par. 4.7 "*Management of cash flows.*"

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

Traceability is guaranteed by the use of the Globe and ERP in the cloud systems, with registration and filing of all the relevant documents (e.g. purchase request/specifications/CAD drawing, offers received from possible suppliers, evaluations carried out and reference of the person who carried them out, negotiations, purchase order or contract, delivery note/progress to the system in the case of services, non-conformities and management methods).

Checks carried out through the *tools* on which the new BPDD and *Sustainability Rating processes* are based are traced in *the tools* themselves.

In the case of procurement contracts, the documentation related to the Decree n. 81/2008 is exchanged with the supplier through an IT portal, with a record of the checks carried out by the various bodies involved, tracked through an authorization flag in the system.

In the case of single sourcing for reasons other than the minimum value threshold, the rationale is logged by stating the reasons why it is not possible to compare multiple suppliers by the Requesting Office and brought to the attention of the Management Committee.

The IT system also records the authorizations for the individual orders, depending on the levels required by the procedure and differentiated according to the value of the purchase.

The coding and qualification of suppliers are also adequately tracked through the updating of the suppliers' register, with the assignment of a justified *Vendor Rating*.

Separation of tasks

The segregation of roles is ensured between: *i)* the operational activities carried out by the buyer of the General Purchasing/ Procurement Office and by the Requesting Office; *ii)* the control carried out by the Purchasing department, *Finance Office*, the *Safety Officer*, the *Legal & Governance Office*, the *Readiness Team*, the *Logistics & Warehouse Unit* and the *Quality Office*, each for the aspect within its purview; *iii)* those who authorize the purchase, signing the purchase order or entering an approval flag through the IT system. In general, for amounts up to €20,000, the buyer, together with the Head of the General Procurement/Project Department, depending on the purchasing category. For higher values, the Purchasing Manager together with another attorney-in-fact in possession of suitable powers (normally the CEO or the *Head of Accounting/Controlling*). In case of General Purchases for values exceeding €250.000, the Regional Sourcing Committee (with the authorization role also of the Audi purchasing manager).

For amounts exceeding €3 million, the Corporate Sourcing Committee intervenes with an authorization role.

For the purchase of certain consultancy services considered strategic, the Procedure ORL 60 is observed, which provides for further authorization phases.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

In particular, signing of contracts is under Company's proxies responsibility, in compliance with the rules and provisos as per the *Policy P_003 - Representation of Italdesign in business dealings*; signatory authorizations.

For purchases requested by the Employer's Delegates pursuant to Article 16 of Legislative Decree no. 81/2008, spending powers are exercised in accordance with the provisions of the respective proxies.

4.4 Management of the sales process

Relevant offenses

Corruption between private parties

Crimes against the Public Administration

Offenses of receipt of stolen goods, laundering and use of money, goods or benefits of illegal origin and self-laundering

Offenses against industry and trade

Tax offenses

Smuggling offenses

Organized crime offenses

Offenses committed for purposes of terrorism (Criminal Code and special laws) and offenses committed by associations of a transnational nature

Company or Group roles involved

Business Development Office

Head of Project Management

Project Manager

Engineering, Pre-series & Production and Design Offices

Finance Office - CFO

Legal & Governance Office

Attorneys-in-fact of the Company

CEO

Regulation of the process and existence of formalized procedures/guidelines

The activities of acquiring contacts with potential customers, mostly private individuals – with the exception of some publicly owned foreign companies – can be made:

- passively, through effective communication, on social channels and website, which allows Italdesign and its services and skills to be known in the world;
- actively, through the use of the tool made available by LinkedIn "Sales Navigator", which allows to make contact with targeted profiles;
- actively, through participation in exhibitions and events (such as Motor Shows, Design Weeks or Tech Exhibitions).

The process of selling Italdesign's products and services on the *open market* is regulated as described in the scheme *SP_JGV_0001 "Issue of open market offers in the automotive sector"* and by operating practices according to which:

- the customer requests the formulation of a quotation (RFQ);
- in the event that the RFQ is received in one of the Company's subsidiaries (in particular Italdesign China and Italdesign USA), the local sales force meets with the *Business Development & Communication Director* to define – based on the customer's expectations and the scope of the project – whether to formalize the offer as Italdesign (and, therefore, in compliance with the procedure above-mentioned) or whether the contract is signed by the subsidiary (in such case, Italdesign may give its consultancy support in the formulation of the offer);
- the *Business Development Office* receives the RFQ, analyses its contents and conditions and, if it deems it interesting, submits it to the *Head of Project Management*, who identifies the *Project Manager* according to the subject of the request;
- the *Project Manager* interfaces with the *Engineering, Pre-Series & Production and Design Offices*, collecting from each the estimate of the costs for which they are responsible in order to formulate a unit quote, which is sent to the *Business Development & Communication Director*; in some specific cases the *Design Department* is required to provide a partial draft of the project, which is collected by the *Project Manager* for transmission to the *Business Development & Communication Director*;
- This latter, making use of the people from his or her own structure, calculates the final price

- to be presented to the customer, taking into account the costs of execution and the correct positioning of Italdesign on the market;
- the payment terms are set by the *Finance Office*, which assesses whether to request the issue of specific guarantees and, based on the information and documentation provided by the customer, verifies the applicable tax regime, also with reference to the application of VAT;
 - if the quote is consistent with the budget set, or exceeds it, the business case is approved by the *CFO* and the *Business Development & Communication Director*;
 - in the cases where the estimate is lower than the *budget*, the *Business Development & Communication Director*: i) schedules a meeting with the Entities whose costs affect margins, to share the solution to be implemented; ii) where it is not possible to reproduce the estimate in line with the *budget*, but there are strategic and investment reasons supporting the decision of wanting to submit the offer, upon approval of the CEO;
 - the decisions are tracked in the minutes of the meetings or through other tools, such as *e-mails* exchanged between the parties involved in the evaluations;
 - moreover, regularly the *Business Development & Communication Director* shares a *written* report to the CEO and CFO with details of the offers issued in the reference period;
 - the *Business Development & Communication Director* then signs and presents the offer to the customer, together with any documentation required, prepared by the *Business Development Office*;
 - together with the draft of the offer, the customer undergoes a specific qualification process, which starts with the compilation of the "*RFQ Assessment*" document by the *Business Developer*. The questionnaire contains the main information regarding the customer (e.g. previous problems with the customer, presence of the name in anti-money laundering and anti-terrorism lists, consolidated customer or start-up, etc.), the customer's country (e.g. presence of embargoes or limitations, particular risks related to the geographical area, but also applicable customs and tax regimes) and the payment methods (highlighting any abnormal requests);
 - the "*RFQ Assessment*" document is sent to *Accounting/Controlling* and *Legal & Governance*, who carry out further checks for the qualification of the customer, which differs taking into account whether or not it is a new customer and other elements (such as the customer's country), as detailed in the Procedure *PS_IGF_0005 "Risk Assessment and Credit Recovery"*;
 - In particular, specific checks are carried out if:
 - o the seat of the potential customer is outside the European Union;
 - o the amount of the offer/contract negotiated with the customer is higher than a predetermined value (equal to € 100.000 at the time of approval of this Model). In such a case, the Accounting/Controlling Organizational Unit:
 - checks the financial situation of the potential customer (requesting a report from a leading banking group);
 - proposes a payment plan for each offer/contract, to be agreed with the Business Development Department before sending it to the customer with the aim of having, during the execution of the contractual activity, an invoicing/payment plan always in advance with respect to the W.I.P. provided

- for according to the "*stay in the money*" principle;
 - o in the event of markets with a high degree of risk, in addition to the analysis conducted by the Finance Department, additional due diligence is carried out by the Compliance, Integrity & Risk Officer and the reference Business Developer deepens the investigations on the subject/subjects who hold representative roles via web in the corporate structure of the potential customer;
- the qualification according to the *steps* described is repeated at the opening of each new order, unless a short period of time (not exceeding one year) has elapsed since the last contract with the customer;
- in the event of a successful outcome of the negotiations, in the drafting of which the different entities that prepared the offer may also be called upon to participate in order to technically discuss what is relevant, the formalization of the agreement can take place through: i) contract drawn up, subject to review by the *Legal & Governance* Office; ii) signature by the customer of the received offer; iii) issuance of a purchase order by the customer;
- the contract is signed by two attorneys-in-fact of the Company, in compliance with the system of delegation of authority and powers of attorney in force and in accordance with the provisions of *Policy P_003 - Representation of Italdesign in business dealings*; signatory authorizations;
- the contract, together with the payment plan, is recorded by the *Finance* Office in the management system for monitoring receipts;
- the *Project Manager* initiates the project activities covered by the contract, supervising and coordinating the activities of all the Offices involved;
- in the event that the customer requests changes to the order, the *Project Manager*, upon evaluation of the impact of any integration requested on the project margins, first discusses with the *Business Developer* and, in case of the absence of an agreement, with the *Business Development & Communication Director* and the *Head of Project Management* for a joint decision;
- the *Legal & Governance* Department is involved in cases where the contract with the customer needs to be amended or the customer requires to revise previously agreed contractual conditions;
- any disputes by the customer after the delivery of the product/project are managed by the *Business Development Office (back office)* together with the *Project Manager* and the *Quality* Office. Warranty management is governed by the contractual agreements entered into from time to time with the customer, according to a precise problem assessment scheme and approval of the coverage of warranty repair costs;
- transportation is organized by the *Finance* Office together with the *Logistics and Warehouse* Unit, based on the instructions provided by the customer regarding the destination country. The *Finance Office* is responsible for assessing the applicable tax and customs regime;
- specific system blocks are implemented in the event that the customer placing the order has previously been revoked (e.g. early termination of the contractual relationship due to infringement of an essential condition/failure to comply with the regulations).

The process described above does not apply to *RFQs* for the *Industrial Design* sector, for which the offer is formulated by the *Project Manager* after consulting the technical offices involved and approved by the *Business Development & Communication* Director where the quotation falls within the margin budget set by the *Sales Meeting*. Otherwise, approval by CFO is also required.

Italdesign may involve natural or legal persons as business partners (network partners, agents and brokers) in the sale of new products or services. In such cases, the following control points apply:

- qualification of the agent/intermediary according to the process governed by the Procedure P_022 *Business Partner Due Diligence* with Group approval;
- regulation of the contractual relationship on the basis of standard contracts, the format of which has been jointly set by the *Business Development Office* with the *Legal & Governance Office*, signed by the Company's attorneys-in-fact according to the current powers of attorney;
- awareness of the procedures to be observed and the Code of Conduct before the start of the activities;
- periodic monitoring of the activity of agents/intermediaries, through meetings in which the *Business Development & Communication* Director participates and of which is kept track through the minutes;
- precise discipline, within the contracts, of the commissions paid, defined as a percentage of the amount of the order (decreasing as the value increases), with payment clause subject to satisfactory completion and collection;
- existence of tools to identify and manage any situations of conflict of interest (e.g., in the event that the *business partner* owns shares in a potential customer company);
- payment of commissions by the *Finance* Institution, in compliance with the controls provided for the sensitive activity "*Management of cash flows*" and, in particular, after verifying that the invoice issued by the agent/intermediary refers to the order actually acquired and that the customer has already made the payment.

The management of intra-group service sales activities is described by the scheme *SP_IGGT_0001 "Issuance of intra-group offers"* which sets out the role and responsibilities of the parties involved and the main phases of the quotation process both in the case of a tender procedure and in the absence of a tender.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

Traceability of the sales process is implemented through the archiving of documentation related to checks carried out on potential customer and contracts concluded by the *Business Development Office*.

In particular, once the new contractual agreement has been reached, it is archived, signed by the parties, in a suitable tool for archiving and managing contractual documents (i.e. APPIAN).

Similar traceability is provided for in the event of subsequent amendments to the contract.

The traceability of the decisions taken regarding the margins of the business case is guaranteed and

minutes of the monthly meetings between the *Business Development & Communication* Director and the *Business Partners* are also taken.

The traceability is also guaranteed by the periodic *report* that *Business Development & Communication Director* formulates in writing to the CEO and CFO with the details of the offers issued in the reference period.

Separation of tasks

The segregation of duties is implemented through the distinction between: *i)* the executive activities entrusted to the *Business Development* Office and to the *Engineering, Pre-Series & Production, Project Management* and *Design* Offices for the aspects within their purview; *ii)* the control carried out by the *Project Manager*, the *Business Development & Communication* Director and the *Finance Department*, as well as by the *Legal & Governance Office* and the *Compliance, Integrity & Risk Officer* with reference to the customers and conditions of the contract; *iii)* the authorization by the *Head of Project Management* for the start of the *process* of formulating the offer, the authorization issued by the *Business Development & Communication* Director and, where required, by the CEO about the conditions of sale and the price to be applied and the signing of the contracts by the Company's attorneys-in-fact with appropriate powers.

Segregation is also assured for the inclusion of new agents and intermediaries, providing for the prior approval by the Group, the signing of the contractual agreement by the Company's attorneys-in-fact and the monitoring of activities by the Director of the *Business Development* Office.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

In particular, the signing of contracts is the responsibility of the Company's attorneys, in compliance with the rules and provisions included the *Policy P_003 - Representation of Italdesign in business dealings*; signatory authorizations.

4.5 Management of Company brand and image promotion activities: participation in shows and events, communication and media relations

Relevant offenses

Offenses against the Public Administration

Corruption between private parties

Offenses of market abuse

Offenses related to copyright infringement

Offenses against industry and trade

Tax offenses

Smuggling offenses

Offenses committed in violation of workplace health and safety legislation

Organized crime offenses

Company or Group roles involved

Public Relations, Communications Unit

Marketing function within the *Business Development Department*

HRO

Purchasing Office

Design Office Manager

Finance Office

Parent Company

Attorneys-in-fact of the Company

Regulation of the process and existence of formalized procedures/guidelines

The promotion of the company image and the activities aimed at the presentation and promotion of new models/projects are part of the activities carried out by the *Public Relations & Communications Unit*, which:

- handles relations with the press and journalists, public bodies and external parties in general for institutional or promotional events or for photo shoots concerning historic cars or new vehicles and, more generally, to present and promote Italdesign's activities in the automotive and prototypes, style and industrial design sectors;
- is responsible, together with Marketing function, for determining the contents of the Company's website;
- handles all activities related to the management of the museum's cars and the organization of events, supervising the preparation of stands and shipment of cars;
- is responsible for organizing events within the company (e.g. on special occasions).

Activities that involve a relationship with the media, the publication of communications on the website/online and, more generally, the communication of information concerning the Company are governed by the *Policy "P_011 Group Communications" Policy*, the Guidelines "*GL_IGC_0001 Rules of Communication*" and the Guidelines "*GL_IGC_0002 Social Media Use*", in compliance with the following control elements:

- precise identification of the persons responsible for maintaining relations with the information bodies and, in general, for disseminating communications, according to a system of delegated authority consistent with the organizational responsibilities assigned and with the instructions from the Parent Company;
- the formal establishment of the authorization process relating to the management of communications to be transmitted externally and the information to be provided to the press;
- in particular, in the case of information involving other Group companies (e.g. Italdesign's

participation in a project for a new car model based on an idea by Audi), the rules set out in the Policy "*P_011 Group Communications*" are followed and specific authorization is required from the Parent Company, with which the methods of communication are also agreed;

- images and renderings are delivered to the printing office, if the content is not yet in the public domain, via a protected/encrypted digital channel owned by the Company, after validation by the *Public Relations & Communications* Manager and the *Design* Manager;
- the adoption of a system for the management and processing of company information (public, internal and confidential) that complies with the certification standards according to ISO 27001 for information security;
- the definition of the contents of the website by the *Public Relations, Communications* Unit and Marketing function, after eventual discussion with the other corporate bodies involved (e.g. *HRO, Legal & Governance*). The uploading of the contents is entrusted to a specialized external company under a specific contract;
- the archiving of all relevant documentation, including press releases issued, interviews and articles relating to Italdesign by the *Public Relations & Communications* Unit, together with internal authorizations.

Activities related to the organization of and/or participation in trade fairs and events require compliance with the following controls:

- the definition of a pre-established budget for the participation in shows and sector events or for the organization of corporate events, with monitoring of the relative use by the *Finance* Office;
- the formal definition of the authorization process relating to the organization and management of these activities;
- the management of the purchase of advertising space/rental of exhibition space/purchase of gifts in compliance with company purchase procedures for indirect goods and services, under the responsibility of the *Purchasing* Office, with the signing of the related contracts by two attorneys-in-fact of the Company;
- preparation of advertising/promotional material for the event by the *Public Relations, Communications* Unit and Business Development Department, with the possible support of external agencies, selected according to the procedures for purchasing indirect services;
- prohibition against using images or other works covered by copyright, as well as distinctive signs of others without express license by the owner. For this purpose, the *Public Relations, Communications* Manager verifies:
 - o that only the images contained in databases whose contents have been verified and whose use is, therefore, safe, are used. In the event of doubt, the *Legal & Governance* Office should be contacted;
 - o within the contract concluded with the selected advertising agency, there is a specific clause with which the latter undertakes to ensure and guarantee the legitimate usability of the images/videos/music used;
 - o in the event that distinctive signs of third parties are used on the advertising material/gadgets or in the preparation of the exhibition spaces (e.g. a customer's brand),

it verifies the presence of a contract or a written release with which the holder of the right expressly grants the possibility of use and exploitation. In the event of doubt, the *Legal & Governance* Office should be contacted;

- management of invitations to participate in the event/fair in compliance with company procedures and current legislation (i.e. GDPR), with registration of beneficiaries;
- management of activities for the temporary exportation of cars to be presented at events, exhibitions and fairs in compliance with the controls referred to in par. 4.13 "*Management of import and export operations*";
- the application of the *Head of Mission* procedure for the identification and evaluation of personnel taking part in the event in terms of technical suitability for the task, training and in general compliance with the requirements of Italian Legislative Decree 81/2008.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

Traceability is implemented through the archiving of promotional material prepared by the *Public Relations, Communications* Unit and Business Development Department, together with the contracts concluded with external agencies.

Documentation that legitimizes the use of distinctive signs or recognition of ownership of third parties is also archived.

The traceability of invitations and gifts is ensured by the preservation of documentation containing the main information (e.g. register of invitations sent).

Separation of tasks

The segregation of duties is implemented through the distinction between: *i) the* executive activities carried out by the *Public Relations, Communications* Unit, Marketing function and by the *Purchasing* Office; *ii) the* control entrusted to the *Public Relations, Communications* Manager/Head of the *Design* Office; the *Finance* Office; *iii) the* authorization by the Parent Company (*Audi clearing center*) and in any case by the Company's attorneys-in-fact.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

The signing of contracts is the responsibility of the Company's attorneys, in compliance with the rules and provisions included the *Policy* P_003 - Representation of Italdesign in business dealings; signatory authorizations.

4.6 Management of relations with universities

Relevant offenses

Offenses against the Public Administration

Offenses involving copyright infringement

Illegal brokering and exploitation of labor

Offenses of receipt of stolen goods, laundering and use of money, goods or benefits of illegal origin and self-laundering

Organized crime offenses

Company or Group roles involved

Legal & Governance Office

Finance Office

Attorneys-in-fact of the Company

HRO

Office involved Head of *Design*

Regulation of the process and existence of formalized procedures/guidelines

Italdesign collaborates with universities and other training institutes to carry out joint research, technological development and innovation projects, as well as to contribute to the guidance and education of young people interested in the engineering and mobility sector.

In particular, as part of these collaborative relationships, the Company may make financial resources or the knowledge of its technicians available for the provision of courses to students or give them the opportunity to carry out an internship at its facilities. as well as to participate in training projects and/or laboratories jointly organized.

Relations with universities are managed in accordance with the following control elements:

- precise identification of the parties who, based on the organizational role and the system of delegated powers and internal powers of attorney, can maintain relations with the training bodies;
- the need for each agreement to always be regulated in writing, under a contract subject to review by the *Legal & Governance Office*. The contract includes specific clauses:
 - of confidentiality that commit the counterparty: *i)* not to disclose the confidential information acquired in the course of the contractual relationship; *ii)* not to exploit and not to register Italdesign's designs, models, intellectual property and not to disclose them;
 - that allow the termination of the relationship or the application of penalties in case of violation of the Italdesign Code of Conduct or in case of violation of the legislation referred to in Italian Legislative Decree 231/2001 or any other applicable law;
 - relating to the obligations of the parties with regard to health and safety in the workplace pursuant to Italian Legislative Decree 81/2008, in the event that the

- execution of the contract requires the presence of Italdesign personnel at the headquarters of the external body and vice versa;
- signing of the contract by the Company's attorneys-in-fact with appropriate powers in compliance with the system of internal delegation of authority and powers of attorney;
 - in the case of payments to be made to the University, compliance with the company spending procedures and the control principles referred to in par. 4.7. "*Management of cash flows*";
 - in the case of sponsorship donations, involvement of the *Finance* Office and compliance with the provisions of par. 4.9 "*Management of gifts, invitations, donations and sponsorships*";
 - respect for the following is always ensured in the context of relations with universities:
 - third-party industrial property, it being prohibited to carry out any activity capable of replicating, copying, imitating, creating, designing, designing and/or using models, industrial designs, patents, trademarks, names and/or distinctive signs owned by third parties or legitimately used by third parties;
 - copyright rules, with the prohibition of engaging in conduct aimed at copying, duplicating, burning, distributing, selling computer programs, intellectual property, drawings, photographs, books, databases, discs, tapes, etc.;
 - for this purpose, any material prepared by Italdesign technicians for training activities is previously subject to the control and approval of the Head of the Unit/Office concerned and, in case of doubt, the *Legal & Governance* Office is involved;
 - involvement of the *HRO* (in particular, in the case of launch of internship projects), in order to guarantee the correct administrative management of resources and the planning of the necessary training activities.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

All documentation concerning the request for collaboration with universities or other educational institutions is kept by the *Legal & Governance* Office and the *HRO* Office, as well as by the office concerned, each for the relevant aspect.

Separation of tasks

The separation of tasks is implemented through the distinction between: *i)* the management of the activities covered by the contract by the staff of the Office involved (e.g. technicians and researchers in case of teaching, *HRO* Office in case of *internship*, *Finance* Office in case of financial grants); *ii)* the control carried out by the *Legal & Governance* Office for the formulation of content of contracts; *iii)* the authorization role of the attorneys-in-fact who sign the agreements in compliance with the system of delegation of authority and powers of attorney in force.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played

within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

In particular, the signing of contracts is the responsibility of the Company's attorneys, in compliance with the rules and provisions included the *Policy P_003 - Representation of Italdesign in business dealings; signatory authorizations.*

4.7 Management of cash flows

Relevant offenses

Tax offenses

Offenses against the Public Administration

Corporate offenses and corruption between private parties

Offenses of money laundering and use of money, goods or benefits of illegal origin and self-laundering

Offences relating to non-cash payment instruments and fraudulent transfer of valuables

Inducement not to make statements or to make false statements to the judicial authority

Organized crime offenses

Offenses committed for purposes of terrorism (Criminal Code and special laws) and offenses committed by associations of a transnational nature

Company or Group roles involved

Finance Office (CFO, Head of Accounting/Controlling, Senior Accounting Specialist; Treasury, General Ledger, Accounts Payable)

CEO

AML Contact Person

Business Development Office

Logistic / Warehouse Unit

Attorneys-in-fact of the Company

Regulation of the process and existence of formalized procedures/guidelines

Cash inflows and outflows are managed on the basis of consolidated operating rules known to all those operating within the Company, in compliance with those set by the Group and described in detail by the following policies and procedures:

- *Policy P_009 "Financial Transactions/Financial Risks" and its annexes (including "regulation of the Treasury department (I/FF-6) for the Automotive Division");*
- *Policy P_028 "Financial principles";*
- *Operating Manual MN_IG-F-11_0001 "System Responsibilities and Authorizations";*
- *Operating Manual MN_IG-F-11_0002 "Process Payment";*
- *MN002 "Remote banking operating instructions";*

- Operating Manual MN_IG-F-1-0014 "IDG *Treasury responsibilities*".

Payment and collection transactions pass through the banking circuit, in compliance with the following controls:

- the opening, management and closure of bank current accounts can only be carried out by persons with specific powers in accordance with the system of delegated authority and powers of attorney in force;
- the persons authorized to intervene in the process (i.e. the person who authorizes the payment, the person in charge of making the payment and the person in charge of the control) are clearly identified and have the necessary powers in accordance with the system of delegated authority and powers of attorney;
- the General Manager of *Finance* ensures that the signing powers on file with the banks are up to date with respect to the corporate powers of attorney as communicated by the *Legal & Governance* Office, requesting the appropriate changes;
- any change in the attorneys-in-fact and persons authorized to intervene in the process is communicated to the *ICT/Process Digitalization* Office so that it may also change the rules of the IT system used accordingly.

The management of cash flows derives from the setting of annual budgets (general and by sector), in compliance with the following:

- indication, through the inclusion in the information system, of the needs of each Unit by its Manager, in compliance with the guidelines issued by the *Management Team (IMT)*, which also take into account any instructions provided at Group level;
- discussion, in the context of specific meetings, of the actual needs of the various Units in order to resolve any interactions and/or allocation needs;
- review of the budget plan by the General Manager of *Finance*, the *Accounting /Controlling Manager* and the *CEO*;
- formalization of the annual budget by the Board of Directors;
- verification and monitoring of the performance of the general *budget* and that attributed to each Organizational Unit by the *Controlling/Reporting* Unit;
- possibility of exceeding the budget only with the authorization of the *CEO* and the General Manager of *Finance*.

The payment management follows the rules formalized within the Instructions, Policies and Operating Manuals referred to above and, in any case, the following control elements:

- the prohibition of making payments in cash (the Company does not have a small cash register) or by similar means of payment (in any case, any cash payments, which are completely residual, require compliance with the limits laid down by the legislation in force);
- payments by bank transfer only by persons holding the relevant power of attorney according to the system of delegated powers and powers of attorney;
- implementation of controls aimed at ensuring that the name of the supplier to whom the payment is made always fully matches the holder of the current account to which the

- payment is sent (payments may not be made to "numbered accounts");
- suppliers are required to register on a dedicated portal implemented by the Company continuously monitored by the Purchasing Department and equipped with an interface with the ERP management system;
 - without prejudice to the competence and responsibility of the Purchasing Department regarding the supplier qualification process, the General Ledger Unit carries out initial and constant monitoring of the master data of qualified and registered suppliers, who directly update (under their own responsibility) the master data: these, in fact, fill in a form containing essential personal and accounting information (including bank details), signed and stamped by their legal representative;
 - upon check on the completeness of the data contained in the form, General Ledger places a flag on the ERP interface relating to the supplier, to subsequently allow the Payable Accounts Unit to record and pay the invoices;
 - possibility of modifying the data of the supplier's personal data only following communication on headed paper and signed by the legal representative of the counterparty;
 - impossibility of registering invoices issued by subjects not registered in the registry and, consequently, impossibility of making payments to subjects other than those entered and contracted;
 - in the event that the beneficiary of the payment is different from the supplier, the Accounts Payable Unit, upon receipt of a specific communication by certified email from the supplier, requires the reason of such this circumstance, the existing relationships between the supplier and the beneficiary of the payment in its place and appropriate documentation proving the underlying agreement;
 - prohibition against payments to a country different from that where the supplier has its registered office or where the service has been rendered. In the event that a location emerges in a country belonging to the so-called "*Black List*", the payment is blocked.; Where the supplier requests to be paid in a country other than the one in which it is based, the Accounting Specialist Team Leader requires a specific reason under such the request, which is also evaluated considering the blocks related to the countries on the Black List;
 - prohibition against carrying out transactions involving the use or utilization of economic or financial resources in the event that they do not bear an express cause and are not documented and recorded in accordance with company procedures;
 - the need for prior verification of the existence in the system of a record of entry of goods or progress of the service received in order to be able to pay the invoice issued by the supplier;
 - formalization, including for *intercompany* cash flows, of specific agreements/contracts/orders that describe in sufficient detail the activities and services received and the methods for setting the consideration;
 - issuance of credit notes or transfer of invoices only by persons holding the relevant power of attorney according to the system of delegated authority and powers of attorney and verification by the Head of Accounting/Controlling and/or the *Accounting specialist Team Leader*;
 - adequate recording of each transaction and archiving of the documentation.

In summary, from an operational point of view, the payment process follows the following steps:

- issuance of the purchase order with simultaneous registration in the system by the Purchasing Department, once the process of approval of the expense and selection of the supplier has been completed, according to the procedures in force;
- registration in the ERP system by the Logistics & Warehouse *Unit*, of the transport document, in case of purchase of goods; if, on the other hand, the purchase concerns services, the requesting entity records in the ERP system the technical approval/progress of work related to the service purchased;
- prior setting by the *Finance Office* of the quarterly payment schedule, reported to all first level *managers*, which provides for a double flow for each month, except for any exceptions (e.g. F24) which must be authorized in advance by the *Head of Accounting/Controlling* and are arranged by hand;
- payments may be made outside the defined schedule only for justified reasons, subject to authorization from the *Head of Accounting/Controlling*; upon receipt of the supplier's invoice, the *Payable Accounts Unit* verifies its completeness and correspondence with the order and the goods entry document, already uploaded to the system in the case of goods (three way match). In case of an invoice relating to services and consultancy, the existence of a record of the progress of the service/consultancy is verified in the system, which is entered by the entity requesting the purchase as confirmation of the effectiveness of the service the invoice refers to.
- The system automatically matches the invoice to the purchase order and, therefore, with the payment terms established with the supplier in the contract and set out in the respective registry, and enters it among those to be settled on the first available date after the due date;
- with reference to invoices not delivered to the Company via SDI, the *Accounts Payable Unit*, through a specific *tool* for OCR reading, digitalizes the invoices, imports them into the ERP system and carries out the checks mentioned above;
- the *Payable Accounts Unit* carries out specific checks to ensure that the VAT treatment shown on invoices is consistent with the provisions of Italian and foreign legislation, if applicable;
- the *Accounts Payable Unit* verifies that the *automatic matching* between invoice and purchase order has been carried out correctly; if there are discrepancies between what is reported in the ERP and the purchase order, the *Accounts Payable Unit* carries out a manual check;
- according to the established schedule, the *Treasury & Insurance Specialist* extracts the list of expired invoices through the information system in use and prepares the payment batch;
- the payment batch is verified by the *Head of Accounting/Controlling*, who carries out sample checks to ensure that there are no anomalies and that the three way match has been carried out correctly;
- in the event of a positive outcome of the checks, the *Treasury & Insurance Specialist* enters the payment order via home banking, and the order is then authorized electronically by the *Head of Accounting/Controlling* via a personal OTP key. Authorization is also provided by a

second attorney-in-fact of the Company, where possible belonging to an office other than *Finance* (e.g. *Purchasing* Director). In the absence of the *Head of Accounting/Controlling*, the authorization of two attorneys-in-fact is required;

- if the agreement with the supplier provides for the payment of specific bonuses, the *Payable Accounts* Unit checks the relative credit notes received to verify their adequacy with respect to the provisions of the agreements. Where the supplier's accounts do not coincide with those on record with the *Payable Accounts* Unit according to the contractual agreements, the *Purchasing* Office is involved to verify the correctness of the calculations and agreements;
- advances and prepayments are not allowed (prior to the complete delivery of the goods or provision of the service/consultancy by the supplier), save for exceptions that must be previously authorized by the *Head of Accounting/Controlling*.

The Company also has company credit cards assigned to the *Head of Purchasing* and the *Head of Accounting/Controlling*, authorized to use them by the *CEO* (considering their level and job performed).

These payment instruments can only be used for work-related expenses (mainly online purchases), in compliance with ordinary company purchasing procedures.

For the use of credit cards, at first is required that the flow that leads to the issuance of a purchase order has been completed; after that, the payment is overseen by a double authentication system using an OTP mechanism, which makes it possible to ensure that the card is used by the legitimate holder.

The *Finance* Office periodically verifies the charges and the related reasons and, where personal or unjustified/unjustifiable expenses are identified, requests information from the user and, where appropriate, involves the *HRO* Office so that the necessary deductions from remuneration are made and any disciplinary proceedings are evaluated.

The following controls are observed with regard to the management of receipts:

- exclusive use of the banking system;
- Prior checks during the qualification phase of the customer, with particular reference to:
 - acquisition and verification of personal data, through the use of a specific form. In the case of a legal person, the *Business Development* Office may request a copy of the Chamber of Commerce certificate or similar document depending on the country of origin, a copy of the articles of association and/or evidence of the internal documents with which the powers to sign the contract/agreement/order are assigned and it sends this documentation to the *Finance* Office/Accounts Receivable Unit, which carries out audits in consultation with:
 - Reliable, independent sources with public access or through authentication credentials (Chambers of Commerce/Business Register, *Dun&Bradstreet* services, information providers on Italian/foreign companies that provide specific reports and information on property and any corporate links and solvency conditions);
 - lists of persons and entities associated with terrorist financing activities or

- subject to freezing measures, where applicable;
 - Web pages and press releases relating to any investigations involving the customer and/or legal representatives;
- the above verifications are modulated according to the level of risk identified by the *Finance Office/ General Ledger Unit* taking into account: *i)* the legal nature of the customer; *ii)* the prevailing activity carried out, also as resulting from the corporate purpose in which it is a legal person; *iii)* the behavior engaged in at the time when the documents and information were requested and, in general, in relations with the Company; *iv)* the geographical area of origin of the customer (e.g. tax havens, embargo lists);
- after checks, the *Head of Accounting/Controlling* assigns a *rating* to the customer, considering its reputational reliability and the risk of insolvency;
- when the order is opened, the *Finance Office*, through the *Accounts Receivable Unit*, records the customer data , together with related rating, and the contract in the management system, respectively;
- any changes to the value of the contract initially defined with the customer must be provided for by a specific *addendum*, recorded in the management system;
- Where the person who makes the payment differs from the customer, the *Accounts Receivable Unit* requires that the customer provide appropriate documentation proving the assumption of its debt by the person who makes the payment in its name and on its behalf and/or the existing relationships between these parties (e.g. the customer may be a natural person and pays its debt through the company of which it is the owner and/or sole director, or with which it has additional credit relationships);
- the *Accounts Receivable Unit* proposes a payment plan for each offer/contract proposed, to be agreed with the *Business Development Department* before sending it to the customer with the aim of having, during the execution of the contractual activity, an invoicing/payment plan always in advance with respect to the W.I.P. provided for according to the "*stay in the money*" principle;
- according to the payment plan contractually set with the customer, the *Accounts Receivable Unit* issues invoices, subject to confirmation of the possibility of proceeding with issuance by the *Project Manager* or the sales representative of reference, which sign specific approval for invoicing;
- where the customer has submitted a declaration of intent, before the invoice is issued, it is verified and the capacity of the maximum amount envisaged is checked;
- upon receipt of each receipt, its correspondence with the supporting accounting and contractual documentation is verified;
- in the event the proceeds received does not show the details of the active invoices paid, the *Accounts Receivable Unit* reconciles the amount collected with the *Aging Client* and provides the *Treasury Specialist with* the specifications of the reference documents
- Receipts deemed abnormal (with regard to counterparty, amount, type, object, frequency or entity) are subject to identification and analysis and are reported to the *Head of Accounting/Controlling*, the CFO and the *AML Contact Person*, who assess whether to also involve the *CEO*;
- in the case of the provision of a service, the competent *Project Manager* checks the

- progress of the work and, at the end, declares the conclusion of the project;
- in the case of a sale of a vehicle, the effectiveness of the service to which the invoice relates is proved by the issue of the relevant transport document by the warehouse.

In addition, in order to ensure compliance with anti-money laundering legislation and prevent the risk of illicit proceeds being introduced into the Company's economic circuit, the Company has adopted *Policy P_008 "Prevention of money-laundering"* and appointed an *AML Contact Person* who:

- monitors the status of national and European legislation with reference to anti-money laundering regulations and, in the event of changes (e.g. To the limits of the use of cash), promptly informs the relevant corporate bodies;
- is responsible, in coordination with the *HRO Office*, for the training of the Company's personnel on *AML* matters;
- is the recipient of periodic information flows from the Finance Department;
- is informed in the event of risk situations and periodically reports to the *CEO*, the General Manager of *Finance* and the Oversight Body on the status of implementation of measures to prevent money laundering phenomena.

In the event that there are unpaid receivables, the internal rules provide for:

- Identification of the outstanding amount in the company management system (ERP) by the *Accounts Receivable* Unit, which drafts a summary *report* on the receivables due from *Open Market* customers, including all invoices issued and not yet paid on that date, divided according to the due date and dividing these receivables according to the due date;
- transmission of the *report* to the CFO, the *Business Development* Office, Finance Department and, for information, Project Management;
- on a weekly basis, the *Accounts Receivable* Unit sends an *e-mail* to the *Business Development* and *Finance* Departments and, for information, to the *Project Management* Department, an update of the "*Customer aging analysis*" which provides an indication for each customer of how much:
 - paid during previous week;
 - paid cumulatively during the month;
 - still present as expired on the date of publication of the update, broken down by expiry;
- Monthly meeting organised by the *Accounts Receivable* Unit attended by the *Finance and Business Development* Departments in order to:
 - obtain information from the various bodies about any critical issues relating to overdue invoices, by including appropriate notes in the *report*;
 - decide what further actions take in order to solicit payment of overdue invoices;
 - indicate the person responsible for carrying out such further actions;
- sending of two goodwill reminders (at fixed deadlines based on the *age* of the credit), prepared on a format defined by the *Finance* Office together with the *Legal & Governance* Office and signed by an attorneys-in-fact of the Company on the basis of the current system

- of delegated authority and powers of attorney;
- on the second unsuccessful attempt, the *Accounts Receivable* Unit shares the file with the *Legal & Governance Office*, which sends a third ("1st *Legal Demand letter*") and possibly a fourth ("2nd *Legal Demand letter*") reminder with warning value;
 - in the event the fourth reminder is unsuccessful, *Legal & Governance Office* initiates the procedure for the judicial recovery of the debt;
 - in the event that the judicial recovery is not successful or it is decided not to proceed (for example, the cost of the legal action would be higher than the value of the outstanding exposure), the decision on the closure of the loss-making customer account is referred to the *Head of Accounting/Controlling*.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

The traceability of cash inflows and outflows is implemented through the archiving and sharing of contractual documentation signed with customers and suppliers, the use of traceable means of collection and payment and through records on banking systems and internal software (ERP), which allow automated operating procedures.

The "*Financial Principles*" Policy expressly provides that payments are only possible on the basis of a valid order/contract and a valid delivery/receipt of the service (provided by the Office that receives the goods/services) and corresponding invoice, requesting the filing of such documentation. In addition, the management system used keeps track of all the records made (including those relating to the effectiveness of the service received) and the approval process.

All documentation relating to the checks carried out in relation to each transaction (also with reference to counterparties) is archived by the *Finance Office*.

Special reports are prepared *that provide a summary of the receivables due from Open Market customers* and which are shared with the CFO, the *Finance Department*, the *Business Development department* and the *Legal & Governance Office*.

Separation of tasks

With reference to the budget definition activities, the segregation of tasks is implemented through the distinction between: *i)* the operational activities for the definition of the budget items carried out by the Heads of each Unit; *ii)* the controls carried out by the General Manager of *Finance* and the *CEO*; *iii)* the formalization of the competence of the Board of Directors.

With reference to payments, the separation is ensured between: *i)* the executive activities carried out by the *Payable Accounts Unit* and the *Treasury Unit*; *ii)* the controls pertaining to the General Ledger Unit, the *Head of Accounting/Controlling* and the *AML Contact Person* in the event of anomalies; *iii)* the approval role of the Office that made the purchase – which confirms the object of the supply - and the authorization role of the *Head of Accounting/Controlling* and other attorney-in-fact of the Company for the payment instruction.

If it is necessary to request a service within the *Finance Department*, the activity of requesting a purchase and subsequent monitoring of the progress of the service is under responsibility of the

General Ledger Unit and not of the *Payable Accounts* Unit so as to ensure segregation in the subsequent flow of verification and payment of invoices.

Similarly, for the collection management process, the principle of segregation is implemented by providing that: the executive activities of issuing invoices are entrusted to the *Accounts Receivable Unit*; ii) the *Head of Accounting/Controlling* has a supervisory and control role; iii) the *Project Manager* is responsible for confirming the possibility of issuing the invoice in compliance with the payment plan and, at the end of the project, the declaration of closure; iv) the authorization must be issued by the *Accounting /Controlling Manager*, the CFO and the *AML Contact Person* and possibly by the *CEO* depending on the decision to be taken (e.g. reclassification to loss of an account receivable, management of anomalies and different levels of risk, etc.).

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

In particular, the signing of contracts is the responsibility of the Company's attorneys, in compliance with the rules and provisions included the *Policy P_003 - Representation of Italdesign in business dealings*; signatory authorizations.

4.8 Acquisition of public funds/grants

Relevant offenses

Offenses against the Public Administration

Offenses of money laundering and use of money, goods or benefits of illegal origin and self-laundering

Tax offenses

Offences relating to non-cash payment instruments and fraudulent transfer of value

Cyber-crimes and unlawful data processing

Organized crime offenses

Company or Group roles involved

Interested office

Finance Office – CFO

CEO

HRO

Regulation of the process and existence of formalized procedures/guidelines

The methods for evaluating, requesting and using public grants and funding (for example for training activities or for conducting research and development projects) are governed by operating practices that involve the following steps and controls:

- identification of the possibility of requesting a grant or public funding from the Manager of the Office concerned, including through the use of external consultants;
- verification of the actual existence of the requirements for access to the public grant or funding by the Manager of the Office concerned, who, if he/she considers the tender to be interesting, submits it to the CFO and the *CEO* for evaluation for authorization to participate;
- the necessary documentation is prepared internally under the coordination of the Manager of the Office concerned, with the support of the *TAX & Custom Specialist* and/or the other corporate bodies in possession of the data/documents required by the tender (e.g. *Finance Office, HRO, Technical Departments*) and external consultants;
- the documentation to be submitted to the funding office is signed by the Company's attorneys-in-fact in accordance with the signing powers granted;
- where the funding is obtained, the sums disbursed are used exclusively for the purposes for which they were granted;
- the Manager of the Office concerned ensures that the disbursements received are timely and accountable, in compliance with current regulatory requirements and on the basis of appropriate documentary records;
- the reporting of staff costs and costs incurred for consultancy and supplies is properly tracked and documented;
- accounting entries are made exclusively by personnel with specific access rights to company information systems and in a way that allows the timely identification of the execution of each individual record.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

All documentation concerning the application and obtaining of financing, as well as that proving the expenses incurred and the methods of use of the resources, is kept by the Office that took the initiative and uses the resources in a specific paper and computer archive. Filing is also carried out by *Finance Office*, for the aspect within its purview.

Separation of tasks

The segregation of duties is ensured by distinguishing between: *i)* the Office concerned, which identifies the publication of a public financing tender to which the Company may have access; *ii)* the Manager of the Office concerned, who carries out a preliminary verification of the satisfaction of the requirements for participation; *iii)* the CFO and the *CEO*, who authorize participation in the tender; *iv)* the Office concerned and the other company offices in possession of the necessary data, which prepare the documentation under the coordination and control of the Manager of the Office concerned and with the support of external consultants; *v)* the Company's attorneys-in-fact, who sign the application and the documentation, where required; *vi)* and the Manager of the Office

concerned, who verifies the correct reporting of the project and the resources used.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

4.9 Management of gifts, invitations, donations and sponsorships

Relevant offenses

Offenses against the Public Administration

Tax offenses

Corporate offenses and corruption between private parties

Offenses of receipt of stolen goods, laundering and use of money, goods or benefits of illegal origin and self-laundering

Organized crime offenses

Company or Group roles involved

Compliance, Integrity & Risk Officer

Director of the Office concerned

Public Relations, Communications Unit

Legal & Governance Office

Finance Office - CFO

CEO

Management Team (IMT)

Audi Sponsorship Forum (ASF)

Regulation of the process and existence of formalized procedures/guidelines

The management of presents (including gifts and invitations both), received or made is governed by Policy P_023 - "*Policy on Gratuities for the Avoidance of Conflicts of Interest and Corruption*" which, in compliance with the corresponding Group Policies and Procedures:

- identifies the criteria for assessing the appropriateness of gift/invitation considering: *i)* their purpose; *ii)* their consistency with the business; *iii)* their timing; *iv)* their value, by identifying reference thresholds; *v)* their frequency; and *vi)* their transparency;
- defines the approval process that the employee must activate in the event that the gift/invitation exceeds the reference threshold provided for by the Policy, requesting the approval by the hierarchical superior;
- identifies specific categories of gifts that cannot be offered or accepted regardless of value

- (i.e. in cash or in comparable forms, involving goods that conflict with the ethical principles of the Company, illegal goods, invitations to events that do not have a business content, but only or mainly of entertainment, etc.);
- identifies the methods for managing gifts/invitations/invitations to business lunches/dinners that must be rejected, providing that, in the event of an impossibility of return, the goods must be delivered to the *Compliance, Integrity & Risk Officer*;
 - identifies the holders of the power to authorize the offer and/or acceptance of gifts/invitations when they are not among those certainly eligible. The authorization power is in charge of subject of superior level with respect to the employee who has received the gift/invitation;
 - for gifts/invitations intended for or from representatives of the Public Administration, it provides for an enhanced process. In particular, it provides for the necessary and prior assessment by the *Compliance, Integrity & Risk Officer* and requires, in the event that the employee decides to deviate from the instructions received, that the decision be adequately justified and that the justification be reported to the *Compliance, Integrity & Risk Function*. This is in addition to the ordinary approval process in the event that the reference values are exceeded; it governs the registration methods that each Entity must observe to track the gifts/invitations given and received for values greater than the benchmarks.

The rules to be followed where a donation is made to third parties are set in Policy P_029 – “*Donations and Sponsorships*” which, in particular, provides for the following control elements:

- the donation can only be made to legal persons, associations or entities with certain corporate purposes consistent with the Code of Conduct of the Company and in any case not to individual natural persons; any exceptions require the approval of the *Management Team (IMT)*;
- the Head of the Office concerned makes the request to the *Finance and Compliance, Integrity & Risk Offices* indicating the beneficiary and the purpose;
- the request for authorization to donate is formulated by the Requesting Office through the compilation of a specific form containing: *i)* the indication of the Requesting Office, the Proposing Office (if different) and the cost center; *ii)* the personal data of the recipient of the donation (including an indication of the IBAN and the Bank to which to make the payment); *iii)* the purpose and frequency of the donation and the type of donation (in cash or non-monetary form, indicating in this case the value of the asset to be donated); *iv)* the response to a short compliance questionnaire, which includes questions about the prior verification of the beneficiary as described by *Policy P_044 "Export Control"*; *v)* statements about the fact that the people involved in the donation process are not negotiating a contract with the recipient of the donation and that there are no identifiable conflicts of interest, even of a potential nature; *vi)* Statements about the fact that the beneficiary entity cannot raise suspicions of incurring risks related to human rights or environmental violations, nor doubts about its integrity;
- the completed form is sent to the *HR Director* and the *CFO*, who are responsible for issuing the authorization if the donation does not exceed a predefined threshold (currently €5.000). Authorization takes place by signing the form;
- for donations exceeding the above threshold, authorization of the *Management Team (IMT)*

- is also required and, upon reaching further thresholds and increasing amounts, and also of:
- i) AUDI AG Donation Committee as well as the Relevant Board Member of AUDI AG; ii) the AUDI AG Board of Management; iii) the VW Board of Management.* The approval flow is defined precisely by Policy P_029 – “*Donations and Sponsorships*”;
 - the donation is disbursed by the *Finance* Office at the end of the authorization flow after verifying the applicable tax regime and in compliance with the rules on the management of financial flows;
 - the receipt issued by the recipient of the donation is acquired and kept to verify the destination of the contribution paid.

Specific rules are also laid down for sponsorship activities:

- the establishment of a pre-established budget for the management and approval of sponsorships;
- the formal definition of the authorization process relating to the organization and management of sponsorships;
- the preliminary performance of checks on the recipient of the sponsorship, carried out by the *Compliance, Integrity & Risk Department* through specific *due diligence tools*, also including *integrity* checks;
- verification of the adequacy of the economic consideration agreed in relation to the sponsorship to be carried out and the expected image/benefit return. This analysis can also be carried out using external consultants;
- prior examination of the contract by the *Legal & Governance* Office and its signing by the Company's attorneys-in-fact according to their respective powers;
- the execution of payments by the *Finance* Office in compliance with expenditure processes;
- the archiving of the sponsorship contract and documentary and/or photographic evidence of the service performed by the requesting Office (normally *Public Relations & Communications*).

The process is also governed by the provisions of the “*Policy P_029 Donations and Sponsorship*”. In particular, it is provided that all sponsorships follow a predetermined and distinct authorisation flow on the basis of specific economic values, in compliance with the company expenditure procedure, on the basis of adequate assessment and that, for amounts exceeding a defined threshold, the approval of the Audi Sponsorship is also required. The authorization process is managed through the completion by the requesting Office of a thorough questionnaire in which it is necessary to:

- i. indicate the details of the recipient of the sponsorship;
- ii. state the economic data of the sponsorship, both with reference to the sums disbursed, and to the *ROSI – Return on Sponsorship Invest* (also indicating the calculation methods applied);
- iii. answer multiple *Compliance* questions aimed at excluding situations of possible conflict of interest and possible negative consequences for the Company and the Group deriving from the start of a relationship with the recipient of the sponsorship (e.g. due to news on the *partner's profile*, integrity concerns, etc.).

The form, completed in its entirety, is signed by the Head of the Requesting Office, the *CFO* and *Controlling* with a digital signature, for approval of the contents and confirmation of the truthfulness

of the data and the answers provided. It is therefore subject to the ASF.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

Traceability in the management of gifts and invitations is implemented by requiring that: *i)* the employee receiving or offering a gift/invitation keep track of it and, if required pursuant to company procedures, request prior approval from the responsible with superior level or in any case from the competent party. In particular, all employees are required to use the *Audi Guide tool* for both documentary and authorization purposes. If the employee receives a gift at an address other than the company address, the *Compliance, Integrity & Risk Officer* must also be promptly informed thereof; *ii)* each business area is required to promptly record the gifts received and/or offered within the *Audi Guide tool*, through which the *Compliance, Integrity & Risk Officer* will periodically extract a report containing the description of the gifts and invitations offered or received during the period, their value, the beneficiaries and their classification with an indication, in the case of gifts for which a prior authorization is required, of the person who issued or refused it; *iii)* in the event that a public representative, as defined in the "P_023" Policy, is required the involvement of the *Compliance, Integrity & Risk Officer* is required and decisions that do not comply with the opinion received are traced, justified and reported to the *Compliance, Integrity & Risk Department*.

With regard to donations and sponsorships, traceability is implemented:

- through the completion and retention by the Requesting Office of the forms required for the start of the authorization process, together with any exchanges of correspondence between the parties involved in the approval process (e.g. for the better disclosure of certain information);
- the retention, by the *Compliance, Integrity & Risk Office*, of the results of the due diligence checks carried out on the beneficiaries; the filing by the *Finance Office* of all relevant documentation.

For sponsorships, the storage of the documentation acquired/evaluated is also ensured to determine the *ROSI* and the related documentation that proves the expected result (e.g. photographs, newspaper articles, etc. documenting the sponsorship), or documents the *KPIs* set in the contract.

Separation of tasks

The segregation of duties is implemented through the distinction between: *i)* the executive activities carried out by employees who receive or intend to give gifts and invitations and those entrusted to the *Purchasing Office* responsible for the purchase process and the *Finance Office*; *ii)* the authorization role of the hierarchical Manager in the case of gifts above the reference thresholds; *iii)* the control activities carried out by the *Compliance, Integrity & Risk Officer*; *iv)* the advisory and control role of the *Compliance, Integrity & Risk Officer* in the case of a public entity, as defined in the "P_023" Policy.

With regard to the disbursement of donations, the segregation of duties is implemented through the

distinction between: *i)* the executive activities of the Head of the interested Office that proposes the disbursement and of the *Finance* Office that arranges the payment; *ii)* the controls carried out by the *Compliance, Integrity & Risk Officer* and the *Finance* Office on the beneficiaries *iii)* the authorization role of the *CHRO* and the *CFO* in the event that the donation does not exceed a predefined threshold (currently equal to €5.000), as well as of the respective approving bodies responsible from time to time based on the value of the donation.

In the process of managing and approving sponsorships, the separation of tasks requires that: *i)* the executive activities be entrusted to the requesting Office; *ii)* the *Compliance, Integrity & Risk Officer*, the *Finance* department, the *Legal & Governance* Office, the *CFO* and the *Controlling* Officer carry out the controls for which they are responsible; *iii)* the authorization must be issued by the Company's attorneys-in-fact, who sign the contracts and by the *Audi Sponsorship Forum*, as well as by the respective responsible approval bodies on the basis of the value of the sponsorship.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force. The approval flows see the involvement of the competent group functions and bodies identified on the basis of the value of the transaction.

4.10 Management of intercompany transactions

Relevant offenses

Corporate offenses

Tax offenses

Offenses of money laundering and use of money, goods or benefits of illegal origin and self-laundering

Offences relating to non-cash payment instruments and fraudulent transfer of valuables

Crimes against industry and commerce

Organized crime offenses

Associative crimes of a transnational nature

Company or Group roles involved

Finance Office (*Head of Accounting/Controlling; Controlling/Reporting* Unit)

Project Management

Legal & Governance Office

Purchasing Office

Attorneys-in-fact of the Company
Board of Statutory Auditors
Auditing Firm

Regulation of the process and existence of formalized procedures/guidelines

Intercompany transactions are managed in compliance with the arm's-length principle, so that the price established in commercial transactions between Italdesign and other Group companies corresponds to that which would be agreed between independent companies, under similar conditions, on the free market.

To this end, with specific reference to purchase of Italdesign's products and services to other *legal entities* of the Group, the process flow described by the SP_IGGT_0001 about issuance of offers is observed both in the event that the order is assigned by the Group through a tender and in the event of absence of a tender.

Compliance with the following control elements is ensured:

- the involvement of the *Project Manager* and the Business Units for the evaluation of the skills and competences necessary to carry out the order and for the formulation of technical estimates;
- the approval of the business case by the *Head of Accounting/Controlling* together with the CFO and the Head of the Business Unit whose costs have the greatest impact, at least when margins are below *the target*;
- the preparation of the intercompany agreement (or the final offer in the event of a tender) – with indication of the rates with identification of the fees - by the *Project Management*, together with the business unit concerned;
- the signing of contracts by persons with adequate powers in accordance with the system of delegated authority and powers of attorney;
- the insertion of the order in the ERP management system reporting: i) estimate of expenses and ii) allocation of revenues;
- adequate archiving of the reporting tools adopted (e.g. timesheets);
- compliance with the general rules for managing payments, with the possibility of offsetting in accordance with the provisions of the *Policy P_009 "Financial Transactions/Financial Risks"* which provides for the following controls:
 - the existence of a centralized Group treasury system with a cash pooling system, formalized under a special contract concluded between the Group companies;
 - the preparation of the documentation required by the reference legislation, consisting of the masterfile, which collects the information relating to the Group and the National Documentation that sets out the information relating to the resident companies by the Parent Company and the *Head of Accounting/Controlling*, respectively, with the support of external consultants for the setting of benchmarks;
 - the indication, within the tax return, of the correct preparation of such documentation;
 - the control and verification of the documentation relating to intragroup transactions by the external tax consultant and the verification of the financial statements by the Board

of Statutory Auditors and the Independent Auditors.

In addition, the IT system used by the VW/Audi Group is structured in such a way as to automatically reject any invoice that does not perfectly match the documents already present in their respective systems. Therefore, Italdesign can issue invoices for intragroup contracts only if they are based on previously approved contracts and according to the deadlines and systems for calculating the agreed remuneration.

This safeguard is aimed at avoiding, as far as possible, the need to resort to credit notes which, moreover, are subject to timely control by the Independent Auditors (which mainly verifies the overall volume and time frame of any concentration).

With reference to other intragroup contracts (for example, for the purchase by IDG of services from other companies), the following control principles are observed:

- the clear identification of the subject of the intercompany agreement, the prices applied and the methods of calculating the fees within written contracts, subject to review by the *Legal & Governance Office*, the *Controlling/Reporting Unit*, the *Head of Accounting/Controlling* and finally the CFO;
- the signing of contracts by persons with adequate powers in accordance with the system of delegated authority and powers of attorney; the contracts include
 - o a clear, precise definition of the nature of the intragroup services with a statement of the activities (description of the service, method of delivery, quality of the service to be provided or received, etc.);
 - o an identification of the price or the methodologies for identifying it (e.g. setting of the rate, the applicable units of measure, the frequency of recalculation, etc.);
 - o the obligation for the company performing the intragroup service to carry out these activities with the utmost professional diligence and according to quality levels not lower than those indicated in the agreement/contract;
 - o a specific information on the behavioral rules adopted by the Company in relation to the Model pursuant to Italian Legislative Decree 231/2001;
 - o a commitment to comply with the regulations and the Code of Conduct, as well as to require compliance with the laws and regulations also by third parties on which the company providing the service may rely for the performance of the outsourced activities, with specific penalties for the cases of violations (i.e. penalties and/or termination of the contract);
 - o the powers of verification and control vested in the Company requesting the intragroup service in relation to the actual fulfillment and adequacy of the activities provided by the company performing the requested service;
 - o appropriate reporting systems;
- adequate recording of orders in the IT system and archiving of the reporting tools adopted (i.e. timesheets);
- on invoices, a detailed indication of the purpose and services to which the compensation requested refers;
- the payment or issuance of invoices follow the ordinary company procedures and control

principles formulated for the "*Management of cash flows*". In this regard, the "*Financial Principles*" Policy expressly provides that invoices for intragroup services can only be issued if there is a corresponding purchase order and if the service has been completely rendered. The possibility of partial invoicing – for example with reference only to the part of the work already performed – must be agreed in writing;

- intragroup transactions are verified by the Independent Auditors on a spot basis;
- where, at the end of the tax period, year-end adjustments must be made, aligning the criteria for determining the transfer prices adopted in the tax year with the final values to make them consistent with the arm's length principle based on the comparisons and the results of the reference market, the calculations are verified by the *Tax & Customs Specialist* together with the external consultants and under the supervision of the *Head of Accounting/Controlling*;
- any discrepancies between the final calculation and the interim invoicing (change notes for transfer pricing adjustments) are settled through the issuance of credit or debit notes by the *Accounting/Controlling* Unit, with archiving of the underlying documentation and subsequent checks by the Independent Auditors;
- the preparation of the documentation required by the reference legislation, consisting of the masterfile, which gathers together the information relating to the Group, and the National Documentation that sets out the information relating to the resident companies by the *Accounting/Controlling* Unit with the support of external consultants for the setting of the benchmarks (and after agreeing the principles with the Parent Company);
- the indication, within the tax return, of the correct preparation of such documentation;
- the final validation of the masterfile and country file (national documentation) relating to intragroup transactions by the external tax consultant and the verification of the financial statements by the Board of Statutory Auditors and the Independent Auditors.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

All intercompany activities are documented through the conclusion of specific contractual agreements and the recording of transactions in the computer system in use.

Commercial offers are marked with a protocol number and with the insertion of the order in the ERP management system to keep expenses and the correct allocation of revenues monitored.

The trend is monitored by the periodic analysis of the relationship between offers issued and projects acquired.

From a tax standpoint, traceability and transparency are ensured by the preparation and filing of the masterfile and the National Documentation, as required by art. 26 of Italian Legislative Decree no. 78 of May 31, 2010 converted, with amendments, by art. 1 of Law no. 122 of July 30, 2010.

The general rules for the management of cash flows are followed as regards the registration in the system of personal data, contracts and the subsequent issue of invoices and control of receipts.

Separation of tasks

The segregation of roles is ensured between: *i*) the executive activities entrusted to the *Project*

Management and the *Business Units* involved in defining the *business case*, the Head of *Accounting/Controlling* and the tax consultant in the various phases of the process and according to the different type of relationship within the Group; *ii*) the control carried out by the Head of *Accounting/Controlling*, the *Legal & Governance Office*, the *Purchasing Office*, the Board of Statutory Auditors and the Independent Auditors, each for the part of within its purview; *iii*) the authorization issued by the Company's attorneys-in-fact in compliance with the signing powers in force.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

In particular, the signing of contracts is the responsibility of the Company's attorneys, in compliance with the rules and provisions included the *Policy P_003 - Representation of Italdesign in business dealings*; signatory authorizations.

4.11 Preparation of the financial statements and communication to stakeholders and/or third parties of data and information relating to the Company's income statement, balance sheet and financial position

Relevant offenses

Corporate offenses

Tax offenses

Offenses against the Public Administration

Offenses of money laundering and use of money, goods or benefits of illegal origin and self-laundering

Organized crime offenses

Company or Group roles involved

Finance Office (CFO; Accounting/Controlling Unit; Head of Accounting/Controlling)

Project Management

Board of Statutory Auditors

Auditing Firm

Board of Directors

Shareholders' Meeting

Legal & Governance Office

Regulation of the process and existence of formalized procedures/guidelines

The activities related to the collection and processing of period-ed accounting data, the preparation

of the financial statements, as well as the preparation of the reporting package for the Parent Company are governed by the Manual MN_IG-F-11_001, as well as by Group policies and guidelines according to which:

- the CFO oversees the preparation of the annual financial statements, together with the *Head of Accounting/Controlling*, and is responsible for preparing suitable processes capable of guaranteeing the correctness and reliability of the data used in this activity;
- at the end of each financial year, the *Accounting/Controlling* Unit carries out the closing operations necessary to prepare the financial statement file. Where necessary, the individual data are verified and shared by the *Reporting* Unit with the *Head of Accounting/Controlling*, before being included in the draft financial statements;
- the draft financial statements are prepared by the *Accounting/Controlling* Unit on the basis of the records extracted from the IT system in use and the data reported by the various entities involved in the process (in particular, *Reporting*, in coordination with the *Head of Accounting/Controlling*, the *Head of Project Management* and the different functions) according to the established and widespread calendar;
- the IT system does not allow entries to be made after the closure of the accounting period, to ensure the allocation of entries to the correct accounting period (automatic association of transactions with the reference accounting periods);
- the annual financial statements are prepared in accordance with the International Financial Reporting Standards by the *Accounting/Controlling* Unit, under the supervision and control of its Manager who is responsible for ensuring the formal correctness of the process; in the event of a deviation from these Standards, clear and reasoned disclosure is given in the financial statements;
- the reported data and financial statements results are shared with the *Head of Accounting/Controlling*, who verifies them and authorizes any changes;
- the draft financial statements are subject to further verification by the CFO;
- the draft financial statements – consisting of the balance sheet, the income statement and the explanatory notes, as well as the report on operations – are approved by the Board of Directors;
- the Board of Statutory Auditors and the Independent Auditors carry out the checks required by law, also concerning the report on operations, and issue the relevant reports at least 15 days before the shareholders' meeting;
- the financial statements, accompanied by the reports of the Board of Statutory Auditors and the Independent Auditors, are approved by the Shareholders' Meeting;
- all accounting documentation and that relating to the preparation of the financial statements are filed with the *Accounting/Controlling* Unit;
- the financial statements are filed with the Register of Companies through a specific electronic procedure by the *Legal & Governance* Office.

The CFO also oversees the drafting of the monthly reporting package (VoKus) for the Parent Company, together with the *Head of Accounting/Controlling*, and is also responsible for preparing suitable processes capable of ensuring the correctness and reliability of the data used in this activity:

- the reporting package is drawn up monthly, through the simulation of the closing process, according to the deadlines set by the calendar defined by the Parent Company;
- the year-end package is subject to audit by the Independent Auditors;
- The Parent Company carries out audits periodically in order to verify the functionality of the process and the correctness of the resulting data.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

Traceability is implemented through entries into the IT system and the filing of relevant documentation at the *Accounting/Controlling* Unit.

In addition, the traceability of the process of defining the calculation of valuation items is ensured through the express indication of the accounting principles applied (and the reasons why, if necessary, different criteria should be chosen).

The traceability of all corrective transactions (in the event of abnormal squaring or balances) and of any adjustment/integration/adjustment entries, as well as the calculations underlying the determination of the value of the same, is guaranteed.

Separation of tasks

The segregation of duties is implemented through the distinction between: *i)* the executive activities carried out by the *Accounting/Controlling Unit*; *ii)* the control entrusted to the Head of *Accounting/Controlling*, the CFO, the Board of Statutory Auditors and the Independent Auditors; *iii)* the approval of the financial statements by the Board of Directors and the Shareholders' Meeting.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

The approval of the financial statements is decided by the Shareholders' Meeting.

4.12 Management of tax and social security obligations

Relevant offenses

Tax offenses

Offenses against the Public Administration

Offenses of money laundering and use of money, goods or benefits of illegal origin and self-laundering

Corporate offenses

Cyber-crimes and unlawful data processing

Organized crime offenses

Company or Group roles involved

Finance Office (CFO; Head of Accounting/Controlling; Tax Function; Reporting Function)

Personnel Management/General Services Unit

Board of Directors

Regulation of the process and existence of formalized procedures/guidelines

The correctness and reliability of the data necessary to determine current, prepaid and deferred taxes is ensured by compliance with the Policy "*Taxation*" and the operating rules set out in the *Manual MN IG/F- 11_0003 Taxes*, applied under the responsibility of the *Head of Accounting/Controlling*.

The *Policy* and any further procedure or guidelines on this subject are adopted and updated in accordance with the AUDI/VW M_031 Group Corporate Policy, which describes in detail the responsibilities and methods of communication and collaboration between the parties involved, in order to guarantee order, reliability, effectiveness and cost-effectiveness in carrying out activities in the tax field and ensure compliance with tax legislation and regulatory regulations applicable to the Audi Group.

Specifically, the Corporate Policy sets out:

- the definition in Italdesign Giugiaro S.p.A. of internal structures and processes designed in such a way as to allow the orderly and timely submission of all tax returns with the necessary documentation and to reasonably ensure that taxes are figured and reported correctly, in accordance with the law and in accordance with the deadlines, and paid to the competent Authorities in compliance with local tax legislation; the responsibility lies with the CFO;
- the definition, in the subsidiaries of Italdesign-Giugiaro S.p.A., of the implementation of *Policies* on the management of tax obligations in order to allow the coordination of all tax declarations (and, more generally, of the documentation);
- in case of doubts on tax issues and topics (e.g. uncertainty on the application of tax legislation, uncertainty on the interpretation of tax legislation, absence of tax rules) the *Finance Operations & Taxation* Department or the *Audi Tax Department* must be consulted in advance;
- depending on the complexity of the questions submitted, the exchange of information (so-called *one shot*) can be documented by e-mail or, in the event that it concerns more operational/precise aspects, by presentations to illustrate any process changes;
- the obligation to cooperate openly with the authorities involved in tax controls ("*Good Corporate Citizenship*"), providing a timely response to audit requests, including the presentation of supporting documents and the required documentation;
- the implementation of an effective tax risk monitoring system under the responsibility of the CFO;
- the obligation to document the main processes relevant for tax purposes, to trace responsibilities (also including cases of cooperation and involvement of external consultants)

- and allow the identification of controls within the processes;
- the obligation to ensure adequate training of the personnel involved in the management of tax obligations, so that they can carry out their tasks in a correct and efficient manner; in particular, in order to ensure a wider training coverage, these training programs do not involve the entire *Finance* Department and, if necessary due to the subject matter, also other departments/Functions;
 - to ensure that changes to the tax legislation are communicated to all interested parties;
 - that for tax advisory services that exceed a predetermined amount, the *Finance* Office must consult with the tax department of the Audi Group and the Volkswagen Group before granting the assignment.

In summary, the activities are carried out in compliance with the following control elements:

- the monitoring of tax deadlines and any new regulations by the Tax & Customs Specialist, including using external consultants (in particular, *PwC*), the periodic consultation of institutional sites (e.g. the Revenue Agency and the Customs Agency) and newsletter services, including in particular that provided by Volkswagen Group Italia with the press review taken from "Il Sole24Ore". Refresher training and review of the legislation is guaranteed by the participation of the Tax & Customs Specialist in training courses organized by external bodies;
- in the event that there are new supranational regulations in the tax field that may impact the Company's operations (e.g. directives or regulations issued in the context of the European Union), the Parent Company organizes ad hoc regulatory meetings with the *legal entities* involved, in which the *Tax & Customs Function* participates;
- the collection of the data necessary for the calculation of current, prepaid and deferred taxes by the *Tax and Customs specialist* with the collaboration - requested and verified by written communication or in any case guaranteeing the traceability of the flow - of the other corporate entities involved, for the relevant data (where the data cannot be downloaded through the management systems in use); for this purpose, the entities that are required to transmit the data they receive in advance the schedule of deadlines;
- *Tax and Customs specialist*, supported by an external tax consultant, carries out the calculation (and, at the same time, a check) of current taxes at three different times: at the end of the balance sheet (i.e., at December 31st), at the first advance payment in June and at the submission of the tax return. To this end, *reports* processed in an automated manner through the ERP system are used, on which checks are carried out on individual data, which - especially with reference to *non-financial* data not included in the financial statements - must be documented and documentable;
- the use of offsetting and/or the possibility of using tax credits for different taxes is subject to prior in-depth verification, including through recourse to tax consultants;
- calculation schemes for current, prepaid and deferred taxes are prepared by the *Tax and Customs Specialist* and the *Head of Accounting/Controlling*;
- the *Head of Accounting/Controlling* oversees the calculation and verifies that the data faithfully reflects what is reported in the documentation below and carries out a second level check on the calculation schemes of the returns prepared;

- the calculation forms are sent to the external tax consultant, together with the supporting documentation, for further control and for the compilation of the related tax returns. Any corrections or variations and the positive outcome of the checks are transmitted by the external consultant in writing;
- the signing of the returns (which flow into the Group's tax and VAT filing system) by the CFO;
- the forwarding of the returns to the Revenue Agency by the external tax consultant, who sends the final documents and the relative receipts to the *Finance Office* for filing;
- any tax liabilities, or, in the case of tax credits, concerning income taxes ("IRES"), are settled with the Lamborghini Parent Company, according to the deadlines agreed for the National Consolidation, in which the Italian companies of the Group participate;
- with reference to the payment of municipal taxes (i.e. TARI and ICP), upon receipt of the payment notice and before it is actually paid, *the Tax and Customs specialist* carries out, together with the external tax expert, a specific check;
- with reference to the payment of the IMU, after checking with the *Property & Facility Manager* (or with consultants indicated by the latter) about any changes in the cadastral income of the properties owned, *the Tax and Customs specialist* submits the calculations made internally to the external consultant so that it can verify their correctness and draft F24, which is then sent for payment;
- *the Tax and Customs specialist* monitors all payments related to tax compliance.

With regard to the tax obligations relating to employees, operating rules are observed according to which:

- the *Personnel Management/General Services Unit* within the *HRO Office* extracts from the presence detection system the data necessary for the preparation of the pay slips and the calculation of the relative functional withholdings;
- the external consultant calculates the substitute tax and the contributions to be paid and compiles the F24 authorizations for the payments; the said consultant also sees to the reconciliation of the taxation with reference to the employees posted abroad;
- the *Personnel Management/General Services Unit* carries out a sample check on what has been prepared and prepared by the external consultant;
- transmission of data to the *Finance Office*, which sees to the payments.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

Traceability is implemented through the filing at the *Finance Office* of the tax documentation prepared and sent on behalf of the Company. The supporting documentation is stored in the information system together with the communications exchanged with the external consultant.

The *P_012 "Taxes" Policy* provides that all written agreements, contracts or purchase orders and in general documents with tax relevance are electronically archived in a version signed by the competent Department.

In addition, the traceability of the users who make the accounting entries is ensured through the

information system.

The calculations are prepared starting from *reports* generated by the ERP system.

On a residual basis, for data that cannot be automatically processed by the computer system, the reconstruction of the criteria used and the reasons for the choices made is ensured by the archiving and storage of the communication flows coming to the Function from time to time involved in estimates and corrections, as well as calculation and support documentation also produced on paper, electronically or electronically.

For tax obligations relating to Italdesign personnel, the filing is carried out by the *HRO* Office.

Separation of tasks

The segregation of duties is implemented through the distinction between: *i)* the executive activities of calculation of taxes by the *Tax and Customs Specialist* with the support of external consultants; *ii)* the controls carried out by the *Head of Accounting/Controlling*, the CFO and the external consultant; *and iii)* the authorization of electronic filing and payment issued by the CFO, who signs the returns.

With regard to the tax obligations relating to Italdesign personnel, separation is ensured between: *i)* the executive activities carried out by the *Personnel Management/General Services* Unit that collects the necessary data and by the external consultant who processes the pay slips; *ii)* the control carried out by the *Personnel Management/General Services* Unit; *iii)* and the *Finance* Office, which makes the payments.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force. In particular, the signing and submission of the declarations to be made to the authorities are the responsibility of the CFO, in compliance with the specific power of attorney assigned.

In case of electronic transmission, the transmission takes place through certified electronic mail (PEC) by subjects to whom the credentials for access to the portals of the Public Administration have been formally assigned.

4.13 Management of import and export operations

Relevant offenses

Smuggling offenses

Offenses against the Public Administration

Offenses against industry and trade

Offenses of receipt of stolen goods, laundering and use of money, goods or benefits of illegal origin

and self-laundering
Tax offenses
Organized crime offenses (including transnational offenses)

Company or Group roles involved

Finance Office - Tax & Customs Function
Logistics & Warehouse Unit
Purchasing Office
Requesting offices

Regulation of the process and existence of formalized procedures/guidelines

Imports and exports outside the European Union according to a process governed by *Policy P_021 "Customs and Excise Duties"* and *P_044 "Export Control"*, which provides:

- in the case of imports, the *Tax & Customs specialist* responsible for this matter already carries out a check on the *sanction lists* during the contracting phase using a specific *tool* made available by the Group;
- in case of imports linked to projects of particular business importance, the *Purchasing Office*, after concluding the contract with the supplier and when it receives notifications of the shipment of the goods, informs the *Finance Department – Tax & Customs Function* which takes action to prepare the filings necessary for the rapid, correct performance of customs operations. For this purpose, the *Finance Office* acquires the necessary information to be included in the filings from the corporate office receiving the purchased goods;
- where not notified in advance by the *Purchasing Office*, the *Finance Department – Tax & Customs Function* is activated when it receives notification from the courier in charge a shipment requiring a customs declaration is arriving at the competent Customs Offices; the *Finance Department – Tax & Customs Function* then interacts with the appointed courier, providing the documents necessary for customs clearance and paying any customs charges; once importation has been completed, it notifies the *Logistics & Warehouse Unit* so that it can prepare to receive the goods;
- in the case of exports, the office that needs to carry out the transaction ("applicant") sends to *Logistics & Warehouse Unit*, with a copy to the *Finance Department – Tax & Customs Function*, a request by filling out a form defined in accordance with the quality system pursuant to UNI ISO standards, in which all the information relevant for the issuance of the transportation document must be included;
- the *Logistics & Warehouse Unit* prepares the documentation for the sending of samples of modest value to non-EU recipients and forwards them to the *Finance Department – Tax & Customs Function* for supervision and signature by the attorneys-in-fact; once the signed documents are received, the *Logistics & Warehouse Unit* provides them to the courier chosen for shipment so that they can make the necessary Customs filings;
- the *Finance Department – Tax & Customs Function* prepares all the documentation

necessary for customs filings for other types of goods, not managed by the *Logistics & Warehouse* Unit in compliance with customs rules and after agreement with its customs freight forwarder;

- relations with the Customs Office are managed by the *Accounting/Controlling* Unit with the support of a specialized customs broker, which prepares and verifies the correctness of each customs transaction that falls within the purview of the Customs Office in Turin (e.g. completion of customs export bills, import, A.T.A. carnet, temporary exports);
- for the management of hazardous goods (e.g. batteries and paints), an external consultant is contacted, who, under his own responsibility, signs the "*shipper's declaration*" since he is a person with expertise in analytical chemistry, chemical engineering, toxicology and eco-toxicology, essential for the proper management of the transportation of hazardous goods of all hazard classes and all modes of transportation, the classification of hazardous substances/mixtures and the registration of hazardous products/preparations;
- in the case of an inspection by the Customs Agency when a customs filing is made for any type of customs transaction, the official is accompanied on the visit to the goods to be shipped by the *Tax & Customs Specialist* and a representative of the customs broker. The rules that govern the management of each inspection visit are observed, as described in Operating Instruction IO_IGF_0001 "*Investigations by the Public Administration*";
- in line with the provisions of the Policy P_044 "Export Control", the *Tax & Customs Function* carries out specific controls using *checklists and tools*, maintaining the principles of the *Three Lines Model* (TLM); in particular, for new commercial counterparties, during the assessment phase prior to the contract, the *Tax and Customs specialist* carries out a check on the presence of the new entity (natural or legal person) on the *sanctions lists* using a specific *tool* made available by the Group.

To ensure compliance with customs legislation, an organizational structure based on the clear definition of roles and responsibilities is defined.

In particular,

- the Audi Group Customs Office performs a central, global function in all activity that involves relations with the Customs Agency, the application of the excise legislation and the requirements necessary for foreign trade. For Group companies, including Italdesign, it establishes organizational, procedural and IT standards, monitors compliance and provides assistance. It provides advice on specific customs matters (also by providing specific *newsletter* services) and monitors, including through audits, the level of risk management in customs, excise and foreign trade law;
- CFO of Italdesign is responsible for compliance with customs, excise and foreign trade regulations and compliance with the standards required by Group policies. The CFO, in particular, is responsible for the timely submission of customs filings and excise duties, the necessary supporting documents and managing any audits by Customs (if necessary, with the involvement of external consultants). The CFO, in agreement with the Audi Group's Customs Office, may delegate these obligations to a local Function, establishing appropriate procedures and organizational controls;
- the *Finance Office – Accounting/Controlling* is responsible for managing VAT aspects

related to *import/export* operations, entering the related data into the accounts and managing any administrative penalties applied by the competent Authorities.

In addition, according to the control standards set at Group level:

- the *Finance Office Tax & Customs Function* are involved from the outset in all transactions and projects involving the application of customs, excise and foreign trade legislation; in this regard, the "*Financial Principles*" Policy provides that all customs transactions require the prior involvement of Finance department;
- contracts relating to the export or import of goods or support services (i.e. customs agents, consultants) expressly provide for the obligations of the contractor in relation to customs duties, excise duties and foreign trade;
- managers within the *Tax & Customs Function* are assigned on the basis of a precise description of the applicable tasks and requirements (including training, education and professional experience) and the scope of the employee's responsibility, previously shared with the Audi Group Customs Office (which may intervene in such decisions concerning the definition of objectives and in the evaluation of the performance of the personnel employed in the Function);
- likewise, for customs consultancy services assignment over a predetermined amount, the Group competent function is also involved;
- Continuous, adequate qualification of the personnel involved in the management of customs formalities (for example through training activities, involving the *Finance Department* and the *Logistics & Warehouse Unit*) must be carried out so that they can carry out their tasks in a correct, efficient manner;
- changes in customs legislation, excise duties and foreign trade are monitored and forwarded to all interested parties;
- specific lists are drawn up in relation to the countries subject to embargo, with provision for cases in which the Audi Customs Office must be involved;
- systems, including computer systems, are implemented to update the aforementioned lists and constantly monitor and keep up-to-date the *Black Lists* relating to specific export restrictions, such as transactions involving certain countries (e.g. Iran, Syria, etc.) and/or to certain parties (in addition to the lists of national sanctions, where present, a systematic check of all recipients of services against the UN, EU, UK and USA lists must be carried out);
- before each export operation, checks are implemented with the involvement of the *Quality, Engineering* and *Pre-Series & Production* offices, to identify any goods subject to dual-use legislation (in the event that the operation falls within the scope of application), in order to allow the allocation of the correct customs codes, correctly fill in the free export filings or submit the application for an export authorization to the Ministry of Economic Development;
- the list of customs codes and tariffs is recorded in an excel file periodically verified (also through consultation of the website of the Customs Agency – TARIC, which is also used to verify the presence of restrictions with respect to the individual codes);
- the preferential or non-preferential origin of the goods is assigned through specific control procedures and is shown on the invoice accompanying the shipment;
- the correspondence between the value stated in the customs filings and the actual value

- of the transaction is ensured through appropriate supporting documentation;
- acts and transactions before Customs Offices and with freight forwarders may only be carried out by persons with specific powers in accordance with the system of delegated authority and powers of attorney;
 - the *Finance Department* checks the documents drafted and compiled by the *Logistics & Warehouse Unit*;
 - the documentation relating to import and export transactions is signed by persons with appropriate powers;
 - in the event of a dispute and the application of sanctions by the Customs Agency, the *Finance Department* activates a root cause analysis, identifying any corrective actions to be taken to prevent the recurrence of the problem;
 - there are adequate systems for storing customs bills and the related "Exit Visas" for the correct closure of exports, together with all the filings submitted and the documentation relating to customs charges by the *Finance Office*.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

The documentation relating to customs formalities is archived by the *Finance Office*, the *Purchasing Office* and the *Logistics & Warehouse Unit*, each for the aspect within its purview.

Separation of tasks

The segregation of tasks for import activities is implemented through the separation between: *i)* agreements with suppliers taken by the *Purchasing Office*, involving the *Finance Office*, where necessary; *ii)* the performance of controls by the *Finance Department*; *iii)* the compilation of the documentation necessary for customs clearance by the *Finance Office*, based on the information provided by the different corporate offices involved and the payment of the fees always due from the *Finance Office*; *iv)* the signing of the documentation by the Company's attorneys-in-fact; and *v)* the operational activities of receiving the goods entrusted to the *Logistics & Warehouse Unit*.

For export activities, segregation is implemented through the distinction between: *i)* the preparation of the documentation relating to the object of export and necessary for the passage to Customs by the *Logistics & Warehouse Unit* on the basis of the information provided by the office requesting the export; *ii)* the controls implemented by the *Finance Department*; *iii)* the preparation of A.T.A. carnets and the notice to the Customs Agency by the *Finance Office* with the support of a specialized external agency; *iv)* for the management of dangerous goods, the signing of a specific ship declaration by an external consultant meeting adequate requirements; *v)* the signing of customs filings by individuals with appropriate powers according to the system of delegated authority and powers of attorney; *vi)* the management of relations with the Customs Agency by the *Accounting/Controlling Unit*.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force. In particular, the signing of contracts is the responsibility of the Company's attorneys, in compliance with the rules and provisions included the *Policy P_003 - Representation of Italdesign in business dealings; signatory authorizations.*

4.14 Personnel selection, recruitment and management

Relevant offenses

Offenses against the Public Administration

Corporate offenses and corruption between private parties

Employment of illegal immigrant third-country citizens

Illegal brokering and exploitation of labor

Offenses of money laundering and use of money, goods or benefits of illegal origin and self-laundering

Offenses committed in violation of workplace health and safety legislation

Organized crime offenses

Company or Group roles involved

HRO Office (CHRO; Personnel & Organization Development Unit; Personnel Management & Industrial Relations Unit)

Manager of the organizational unit concerned

CFO

CEO

Parent Company

Regulation of the process and existence of formalized procedures/guidelines

Personnel selection, recruitment and management activities are defined by Operational Manual MO_IGS_2006 "*Personnel selection*" and governed by operating rules according to which:

- there is a clear definition of the budget to be allocated to the recruitment of new resources and any exceptions require the prior authorization of the *Finance Office* and *CEO*;
- the Manager of the Office/Unit concerned reports the need for the new hire to the *CHRO*, filling in the "*Authorization form*" and specifying the required task, the type and duration of the contract, the qualification, classification and timing;
- the form is signed in authorization by the First Level Manager of the Office/Unit concerned, the *CHRO* and the *CFO* for hiring not provided for in the budget; any deviations from the

budget or the proposal to move a resource already in the company from one Entity to another require the additional signature of the *CEO*;

- the Parent Company must be notified in advance for the recruitment of first-level hierarchical managers, which it authorizes;
- once the authorization process has been completed, the search and selection process is started. The *Personnel & Organization Development* Unit thus publishes specific announcements on the *Jobways* portal (for applications by employees), on the "work with us" page and/or on social networks;
- a first selection takes place through the analysis of *curricula* by the *Personnel & Organization Development* Unit, which draws up a short list of candidates to be invited to the next phase; possible conflict profiles with the Italdesign Code of Conduct are also considered;
- *Head of Personnel & Organization Development* conducts an exploratory interview with the candidate; a second interview, of a technical nature, is carried out by the Manager of the requesting Office/Unit;
- for roles of greater responsibility/professionalism, the participation of the *Manager* of the Unit involved in the inclusion is also required; for managerial roles, the participation of the Director of the Office that requested the hiring is required, the CHRO as well as that the *CEO* in the case of key roles;
- if the interviews are passed, the *Personnel & Organization Development* Unit conducts a first economic negotiation and formulates the remuneration package;
- for managerial roles, recruitment is subject to the positive outcome of an assessment designed to establish the candidate's skills. The assessment requires the presence of at least three certified observers and a Group certified consultant;
- candidates are evaluated according to objective requirements of competence and previous experience;
- no paid assignments are given to employees of a Public Administration who have exercised authoritative powers over the Company or Group Companies over the last three years;
- there are special procedures for the selection of recent graduates, specifically governed by the Selection Procedure;
- the letter of hiring is signed by the *CHRO*, after explaining the reasons for the choice by the *Personnel & Organization Development* Unit Contact Person who monitored the selection process;
- the company onboarding phase takes place in compliance with the provisions of Operational Manual MO_IGS_2015 "Onboarding of new personnel", under the responsibility of the *Personnel Management & Organization Development and Security & General Services Units*;
- when a new resource is hired, a copy of their identification document and, where necessary, residence permit is acquired, the expiry of which is monitored through the updating of a specific schedule by the *Personnel & Organization* Unit;
- the *HRO* creates the digital identity of the new employee by entering it in the company database and delivers the relevant badge to the employee; the authorizations and profiles of the employee are the responsibility of the Manager of the Office/Unit concerned or of the Project Manager, as the data owner, to whom the resource is assigned;
- the employee is informed of the existence and content of the rules of conduct to be

followed, including in relation to health and safety in the workplace, and is required to sign the acknowledgment of the Code of Conduct and the Organization, Management and Control Model adopted by Italdesign, in addition to undertaking to comply with its provisions;

- the economic treatment of the new resource is formulated on the basis of the provisions of the internal operating guide and with reference to top management figures in accordance with the standards dictated by the Parent Company;
- the *Personnel Management & Industrial Relations* Unit ensures compliance with the legislation governing salary schedules, working hours, rest periods, weekly rest, compulsory leave and holidays;
- the planning of training activities for the development and enhancement of skills is managed by the *Personnel & Organization Development* Unit, in compliance with the provisions of Procedure PS_IGS_2008 "*Training*". All training activities and on-the-job training are properly recorded;
- the planning and organization of training courses on occupational health and safety, the maintenance of qualifications for the use of machinery and, in general, the correct manner of performing work activities are the responsibility of the Safety Officer, who coordinates with the *Personnel & Organization Development* Unit;
- the formulation of specific rules for the management of business assets (PCs, company telephones, etc.);
- The Company has adopted a specific *Policy* with particular reference to the allocation and use of cars in the company fleet, which, in short, provides for: *i)* the preparation of a form for each vehicle to be used in a pool, to be completed by the employee who picks up the car; *ii)* the recording on the card of the date of use, the departure and entry time and the reasons for use; and *iii)* the storage of the forms by the Contact Center, which also keeps the keys of the vehicles;
- the following applies to cars individually assigned to Company's personnel: *i)* the prior identification of the contractual classification levels to which the assignment of a company car corresponds; *ii)* the inclusion of this assignment within the employment contract; *iii)* the keeping of a register of assigned cars; and *iv)* communication regarding the existence of a company policy on the methods of use of cars.

Compulsory recruitment, i.e. persons with disabilities and persons belonging to protected categories, is governed by operational rules according to which:

- the documentation necessary for hiring is prepared by the *HRO* Office, indicating the number of hires to be carried out by virtue of the basis of calculation and the criteria laid down in Italian Law 68/1999 and by virtue of the number of employees of the Company, to which apply the percentage set by law;
- filings with Provincial Offices are signed by persons with adequate powers according to the system of delegated authority and powers of attorney in force;
- the Mandatory Placement Service proposes the candidacies corresponding to the profile sought, which are evaluated in compliance with the ordinary procedures for the selection and recruitment of personnel, as compatible with, and without prejudice to, compliance

- with the lists of Placement Offices;
- people with disabilities can also be hired by concluding specific agreements with social work cooperatives, to which certain services are outsourced (e.g. digitization and document management) in compliance with internal procedures for the purchase of goods and services;
- in the event of difficulties in identifying candidates, in accordance with the provisions of Italian Law 68/1999, the *CHRO* assesses whether to enter into agreements with the competent Provincial Offices, setting up a program with recruitment times and methods;
- in the event of special conditions that prevent employment of the full percentage of disabled people, the *CHRO* assesses whether to request exemption from the obligation to hire, paying an exemption fee to the Regional Fund for the Employment of Disabled People; in the event of recourse to the payment of the exemption fee, the *Personnel Management & Industrial Relations* Unit determines the amount due and prepares the required documents; the authorization for payment is issued by persons with appropriate powers according to the system of delegated authority and powers of attorney and according to the normal payment process.

The bonus system, applicable to directors, executives and middle managers, is governed by Regulation RE_IG-S_0031 "*Performance and Objectives evaluation*", Regulation RE_IG-S0030 "*MBO*" and Regulation RE_IGS_0029 "*Remuneration Policy*", in compliance with the following control principles:

- the setting of objectives on the basis of company and individual criteria (personal bonuses and company bonuses), both objective and subjective, adequately monitored. The process is governed by internal guidelines and, for management figures, Group procedures;
- the *Personnel & Organization Development* Unit is involved in the preparation of the budget and bonuses;
- the Resource Manager identified in a hierarchical manner is involved in the evaluation of performance and achievement of objectives;
- calculation and payments, carried out by the *Personnel Management & Industrial Relations* Unit;
- the payment of the variable through the flow provided for the monthly payment of salaries.

The activities relating to the beginning of a disciplinary procedure against Italdesign staff:

- are governed by the *CHRO* in accordance with the provisions of the National Collective Bargaining Agreement applied;
- the Manager of the Unit/another employee reports the conduct of the employee to the *HRO* Office, so that it can assess whether to begin a disciplinary procedure;
- the *Personnel Management & Industrial Relations* Unit carries out the relevant checks and, if what is reported is well founded and effectively in conflict with a company rule or legislative provision, prepares the letter of charges in compliance with the provisions of the applicable National Collective Labor Agreement;
- the letter of charges and any subsequent notice of application of a penalty are signed by

the *CHRO*, with the appropriate power of attorney, and by the Manager of the Office/Organizational Unit to which the employee belongs;

- where necessary, the *Personnel Management & Industrial Relations* Unit involves external legal consultants in the process, selected in compliance with the general purchasing procedures;
- the documentation is archived by the *Personnel Management & Industrial Relations* Unit.

With reference to the reimbursement of expenses, the Company has adopted specific procedures that, in addition to identifying the maximum thresholds for the various types of payments (food, accommodation and travel expenses) provide that:

- reimbursement can only be arranged upon presentation by the worker of an expense report endorsed for approval by the Director of the office identified as the cost center;
- reimbursement can only be requested by attaching the original supporting documents to the expense report;
- for expenses incurred for dinners, exhibitions, fairs and conferences, documentation that allows the event to be properly defined must also be submitted. In particular, all the names of those who have used the services must be indicated;
- reimbursement takes place through payment via the payroll.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

The selection process is supported by an IT platform that allows the management of search listings, the extraction of process KPIs, candidate database search, the inclusion of any useful notes for those involved in the various phases of selection, in addition to extraction of a report on the process.

Traceability is also implemented through the filing of all relevant documents (*curricula*, evaluations carried out, documents acquired by the candidate, residence permit, etc.) with the *HRO* Office.

The traceability of the activities related to the recruitment of persons belonging to protected categories is ensured by the archival of the agreements and the exemption documentation by the *HRO* Office.

Disciplinary charges and measures and all documents relating to disciplinary procedures (e.g. exchanges of letters) are archived by the *HRO* Office.

The bonus process is traced through the inclusion of specific provisions within the employment contracts, the written assignment of objectives and the preparation of evaluation reports on the achievement of the objectives by the *HRO* Office.

In particular, the objectives and performance evaluation form is archived in electronic format by the *Personnel & Organization Development* Unit.

The use of company cars is traced through the keeping of a register/list for those assigned individually and the compilation of forms for those in pools.

Separation of tasks

The segregation of duties for the selection of staff is implemented by distinguishing between:

i) the executive activities carried out by the *Personnel & Organization Development* Unit; *ii)* control by the Manager of the Office/Organizational Unit concerned; *iii)* the authorization role of the *CHRO*, the First Level Manager of the Organizational Unit concerned and the CFO (for out-of-budget entries), the *CEO* (for *out-of-budget* entries or internal transfers) and the Parent Company (for first-level roles).

In the formulation and application of the reward system, there is a separation between: *i)* the executive activities carried out by the first-level *Manager* of the Unit to which the manager belongs; and *ii)* control by the *HRO* Office;
iii) the authorization role of the Director of the Office to which the manager belongs.

For disciplinary proceedings, segregation is implemented through the separation between: *i)* the executive activities carried out by the *HRO* Office; *ii)* the control carried out by the Manager of the Unit to which the employee belongs;
iii) authorization by the *CHRO*, who signs the letters of charges and penalties.

For the expense reimbursement process, the principle of segregation is implemented through the distinction between: *i)* the executive activities carried out by the individual worker requesting reimbursement; *ii)* the control entrusted to the Director of the cost center; and *iii)* the authorization by the *Finance* Office.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force. In particular, the signing of contracts is the responsibility of the Company's attorneys, in compliance with the rules and provisions included the *Policy* P_003 - Representation of Italdesign in business dealings; signatory authorizations.

4.15 Management of relations with corporate bodies

Relevant offenses

Corporate offenses

Tax offenses

Organized crime offenses

Company or Group roles involved

Shareholders' Meeting Board of Directors

Board of Statutory Auditors

Auditing Firm

Head of Accounting/Controlling;

Legal & Governance Office

Regulation of the process and existence of formalized procedures/guidelines

Relations with corporate bodies are maintained according to established practices that permit a transparent exchange of information and ensure compliance with the following controls:

- collaboration in the audits by the Board of Statutory Auditors and the Independent Auditors on the administrative and accounting structure of the Company. In particular, during periodic audits, the Company and the Statutory Auditors are supported by the Head of *Accounting/Controlling*;
- access by the Board of Statutory Auditors and the Independent Auditors to company accounts and to all information/documents necessary for evaluations;
- support by the *Legal & Governance Office* in the preparation and collection of documentation to be submitted to the Board of Directors as established in the agenda of the meetings;
- the recording of the meetings of the Board of Directors by the Manager of the *Legal & Governance Office*, who also acts as Secretary of the Board of Directors and is responsible for archiving the minutes and keeping the company books;
- the storage by the Head of *Legal & Governance Office* and the Manager of *Accounting/Controlling*, each for the aspect within his or her purview, of all requests for data and information, as well as of any findings, communications or assessments by the Board of Directors and the Board of Statutory Auditors.

The protocol also concerns the communication, execution and minute-taking of the sessions of the Shareholders' Meeting and the Board of Directors, with particular reference to: *i)* the existence of formal rules in the Company's Articles of Association for control of the exercise of voting rights and the collection and exercise of voting proxies; *ii)* the methods of communication and dissemination of the notice of convocation pursuant to the Company's Articles of Association; *iii)* the methods of holding meetings and preparation of the agenda; *iv)* minute-taking.

The process is conducted so as to ensure:

- the documentation to be submitted to the Corporate Bodies is clear, complete, timely and represents the actual economic/financial situation of the Company;
- the persons responsible for preparing the information and documents and delivering them to the Sole Shareholder comply with the times and methods prescribed in applicable legislation;
- the persons responsible for preparing the data and information requested guarantee the completeness, truthfulness, timeliness and correctness of the information and documents provided to the Independent Auditors and the Board of Statutory Auditors;

- collaboration is ensured by the contact persons identified at the various Departments responsible for requests for information/documents.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

Traceability is implemented through the filing of the documents and corporate deeds over which the corporate bodies can exercise their supervision, as well as the minutes of the meetings of the Board of Directors and the Shareholders' Meeting.

Separation of tasks

The process is carried out in accordance with the principle of separation of tasks between the parties involved and in particular: *i)* between the executive activities carried out by the *Head of Accounting/Controlling* and the *Legal & Governance Office*; *ii)* the control role attributed to the Head of *Legal & Governance Office*; and *iii)* the decision-making activities referred to the Board of Directors, the Board of Statutory Auditors, the Independent Auditors and the Shareholders' Meeting, each for its own area of responsibility.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

4.16 Transactions on share capital and extraordinary finance transactions

Relevant offenses

Corporate offenses

Offenses of receipt of stolen goods, laundering and use of money, goods or benefits of illegal origin and self-laundering

Offences relating to non-cash payment instruments and fraudulent transfer of valuables

Tax offenses

Organized crime offenses

Company or Group roles involved

CFO

CEO

Shareholders' Meeting Board of Directors

Legal & Governance Office

Board of Statutory Auditors

Regulation of the process and existence of formalized procedures/guidelines

The management of activities related to the conclusion of extraordinary transactions is governed by the Group "*Mergers & Acquisitions*" *Policy* (implemented by Italdesign as P_016 2.0), which lays down the principles, structures and responsibilities for the execution of *M&A* projects within the Audi Group and also at Italdesign.

The *Policy*, which is implemented locally, describes the guidelines, skills and responsibilities in the individual phases, providing that:

- Audi's *M&A* department has a control, advisory and supervisory function at the level of individual Group companies;
- only when requested (and documented) by the *Audi Group's M&A* department may the specifications of an *M&A* project be delegated and executed by the local *M&A* manager, who coincides with the *CFO* (or with local resources assigned to the project);
- the start of an actual *M&A* transaction is always preceded by a multi-level approval process;
- the relevant data and facts, such as the business plan, are always verified and validated through due diligence activities assigned to external experts and aimed both at carrying out checks on the counterparty and at assessing the impacts from a tax point of view (also with respect to the possible impact on guarantees) and evaluating the possible need to obtain independent opinions (legal opinions, tax opinions);
- the decision to proceed with the transaction is the responsibility of the Board of Management and the Shareholders' Meeting, after analysis of appropriate documentation on the economic, financial and regulatory impacts of the transaction and timely identification of any situations of conflict of interest. In addition, the preliminary assessment of the *CFO* and the *CEO* is required;
- a resolution of the *Board of Management of Audi AG* is necessary to approve and ratify the signing of the contractual documents;
- the non-disclosure of confidential information is guaranteed through the signing of specific *Non Disclosure Agreements*;
- the *Accounting/Controlling Unit* and the *Legal & Governance Office* are involved in the preparatory activities, which include the acquisition of data and the preparation of accounting situations and the obligations required by law, including assistance in the drafting of the notarial deed (deed of transfer/ merger, contract of sale of business unit, etc.);
- the *CFO* ensures that all impacts on financial performance and financial position of extraordinary transactions are correctly reflected in the accounts in compliance with the provisions of the relevant accounting standards;
- the management of negotiations with credit institutions for the purpose of obtaining any financing necessary for the transaction is entrusted to persons holding the relevant power as defined by the system of delegated authority and powers of attorney and subject to the authorization of the managers of the centralized cash pooling system;

- all relevant documentation is archived by Audi's *M&A* Department and by the *Finance* Office to the extent within its purview;

Transactions on share capital are regulated as follows:

- any distribution of the profits or reserves reported in the financial statements is proposed by the Board of Directors and subject to approval by the Shareholders' Meeting;
- the feasibility of a transaction with respect to accounting and financial statement data is assessed by the *Head of Accounting/Controlling* and the CFO;
- the Board of Statutory Auditors and the Independent Auditors verify the compliance of the transaction with the law and its adequacy in view of balance sheet items.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

The traceability of transactions is implemented through the filing of information documentation and shareholders' resolutions by the *Legal & Governance* Office, as well as the filing of documentation produced and exchanged (with the counterparty and with Audi's *M&A* department) by the *Finance* Office.

Separation of tasks

In the case of extraordinary transactions, the segregation of duties is implemented through the distinction between: *i)* the identification of the transaction, analysis and collection of information by the CFO and the *CEO*, with the support of the *Head of Accounting/Controlling* and the *Legal & Governance* Office; *ii)* decisions regarding transactions are taken by the Board of Directors and the Shareholders' Meeting, following the successful completion of the multi-level authorization process that initiates the transaction; and *iii)* control by the Board of Statutory Auditors and the Independent Auditors.

The segregation of process of managing transactions on share capital is implemented through: *i)* the feasibility analyses carried out by the *Head of Accounting/Controlling* and the CFO; *ii)* the decision-making role of the Board of Directors and the Shareholders' Meeting; and *iii)* the control activities carried out by the Board of Statutory Auditors and the Independent Auditors.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned. Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

4.17 Real estate asset management

Relevant offences

Crimes against Public Administration
Crimes against cultural heritage
Crimes relating to Health and Safety in the workplace
Environmental crimes
Employment of illegally staying third-country nationals
Tax crimes
Offences relating to non-cash payment instruments and fraudulent transfer of valuables
Organized crime crimes

Company or Group roles involved

CEO/Board of Directors
Property & Facility Manager
RSPP
OSH and Environmental Sub-Delegates
Legal & Governance
Project Manager
Governing Body / *Corporate Sourcing Committee*

Regulation of the process and existence of formalized procedures/guidelines:

The correctness of the process is guaranteed by compliance with the "*Real Estate Management Policy P_052*".

The *Policy* and any further procedures or manuals on the subject are adopted and updated in application of the *Corporate Policy* of the AUDI M_057, which, in turn, implements the VW KRL 52 Policy and regulates the management of the Group's real estate assets.

The process of "*Real Estate Asset Management*", based on a clear definition of roles and responsibilities, is described below:

- the *Property & Facility Manager* outlines the Company's real estate strategy, which includes real estate activities and investments to be carried out in line with the Group's objectives;
- the *Property & Facility Manager* classifies, on the basis of the criteria set out in the *Policy P_052 "Real Estate management"*, the objectives related to the real estate strategy and defines the timeline of the projects;
- The possible purchase of a new property requires a preliminary verification – documented and certified by an external professional – that the areas do not present environmental risks, that there are no spaces burdened by urban/landscape/cultural constraints and a cadastral survey is also carried out to ascertain that there are no critical issues. This is in addition to the provisions of par. 4.16 "*Transactions on the share capital and extraordinary finance transactions*";
- the company body that needs maintenance and/or improvement/ modernization intervention, makes a written report/request (by *e-mail*) to the *Property & Facility Manager*;

- the Property & Facility Organisational *Unit*, - except in the case of routine repair and maintenance interventions - together with the requesting body and, if necessary, external consultants, carries out an assessment of the needs to identify the best solutions and carry out a feasibility analysis;
- the *Property & Facility Manager*, identifies – together with the resources of the *team* and the applicant – the best solution for intervention and carries out a technical inspection using an external consultant;
- the external consultant draws up a report containing all the aspects of interest of the intervention (e.g. accessibility for the disabled, level of maintenance, etc.) and in which any critical issues are or are not reported;
- once the feasibility analysis has been carried out, the *Property & Facility Manager* initiates the approval process which – depending on the expenditure threshold – may consist of one or two phases, in line with the provisions of the "*Real Estate Management*" *Policy P_052*;
- the expenditure is approved – depending on the amount to be invested – by the Chief Executive Officer, the *Board of Directors* or the Group CSC (*Corporate Sourcing Committee*);
- where it is necessary, prior to the activities, to prepare documentation and transmit it to the competent Public Administration (e.g. SCIA), it is prepared by the external designer (also selected according to the *sourcing* procedures), signed by the CEO and transmitted to the competent public office by the same professional;
- In general, building practices are managed on behalf of the Company, also in relations with the public bodies in charge, by external consultants selected and qualified in compliance with ordinary procedures and on the basis of specific mandates and within the limits of the powers assigned;
- Once the intervention has been approved, the *Property & Facility Manager* plans the supplies necessary for its implementation and, involving the Purchasing Department, starts the selection of the supplier in accordance with internal procedures. In particular, the qualification of contractors includes the technical professional qualification pursuant to Legislative Decree 81/2008 and, where applicable, Law 56/2024 (points licence in construction);
- in the case of works that fall within the scope of Title IV of Legislative Decree 81/2008, the Employer appoints - in compliance with the qualification and selection procedures for professionals and consultants - the Works Manager (RL) who in turn identifies and appoints the Safety Coordinator in the design phase (CSP) and the Safety Coordinator in the execution phase (CSE);
- the subcontracting authorisation flow provides for the RL to be responsible for verifying the technical-professional suitability, reporting the results to the *Project Manager* who constitutes a first level of authorisation, while the second is made up of the *Purchasing Function* (which ensures checks on all the other areas of qualification provided for by the Group Policies and the IDG Procedure).
- the CSE ensures the verification of the completeness of the contractors' documents, including the documents of the personnel who access the construction site; the *Security & General Services Department* ensures that only previously identified personnel access the construction site;
- the RSP is always involved whenever it is necessary to monitor specific aspects to ensure the safety of the Company's personnel.

- the *Project Manager* also supervises the periodic site meetings, of which minutes are drawn up, which represent a moment of constant exchange of information between contractors and the client and also proceeds to carry out sample documentary checks.

With reference to ordinary maintenance /repair activities:

- the Employer's Delegate within whose scope of delegation the need for maintenance emerges uses a *ticketing* mechanism implemented in the CMS system managed by the *HSE & Facilities Management Organisational Unit*;
- the *Facility Manager*, having identified – together with the resources of his *team*, the applicant and, if necessary, making use of an external consultant – the best solution for intervention and initiates the approval process which – depending on the spending threshold – may consist of one or two phases, in line with the provisions of the "*Real Estate management*" *Policy P_052* and internal operating practices;
- where these are interventions required for safety and health reasons according to Legislative Decree 81/2008, or for compliance with environmental legislation, the power of the Delegates and Sub-Delegates is respected according to the transfer deeds;
- once the intervention has been approved, the *Facility Manager* plans the necessary supplies, involving the *Purchasing* Department for the selection and contracting of suppliers;
- once the supplier has been identified, the latter carries out the maintenance work under the supervision of the *Facility Manager*;
- the *Facility Manager* compiles the intervention registers and transmits them to the *Property & Facility Manager* for appropriate archiving;
- At the end of the works, the selected company draws up a special declaration of certification regarding the correct execution of the works.

In addition to the above, for the rules and controls provided for in the management of contracts and *sub- Procurement* must also refer to the provisions in par. 4.32 "*Management of occupational safety obligations*".

Traceability and ex-post verifiability of transactions through adequate documentary/IT supports

Maintenance activities are tracked through a *ticketing system* implemented by the Company through a CMS environment.

Apart from ordinary maintenance, for which traceability is guaranteed by the relevant plans according to the use and maintenance manuals of the machinery, the activities related to the management of the *real estate asset* are tracked on several occasions: *i)* reports/requests for intervention are made in writing (by *e-mail*); *ii)* where necessary, the external consultant draws up a report containing all the aspects of interest of the intervention and the related critical issues; *iii)* the Feasibility Analysis is carried out; *iv)* the CEO, the Board of Directors or the CSC approves the intervention by written resolution; *v)* the minutes of the periodic site meetings are drawn up and archived.

The Works Manager, the CSE and the CSP, where appointed in accordance with the regulations, ensure the filing of the documentation certifying the checks and the tasks carried out.

Entrances to the construction site areas are verified and tracked through specific *badges* and

registrations.

All documents are stored in a dedicated virtual environment.

Separation of duties

Segregation is guaranteed in these terms: *i)* the *Property & Facility Manager* outlines the Company's real estate strategy; *ii)* when an Entity deems it necessary to intervene, it makes a written report/request; *iii)* the *Property & Facility Organisational Unit*, together with the requesting body, the competent bodies and, if necessary, external consultants, carries out, after a feasibility analysis, an assessment of the needs to identify the best solutions; *iv)* the Chief Executive Officer, the Board of Directors or the Group CSC (*Corporate Sourcing Committee*) approve the investment. Where these interventions are required for safety and health reasons according to Legislative Decree 81/2008, or for compliance with environmental legislation, the power to order the expenditure belongs to the Delegates and Sub-delegates according to the acts of delegation and sub-delegation; *v)* RL, CSP and CSE, where appointed, exercise the roles and responsibilities in terms of control and verification assigned by law; *vi)* the *Project Manager* follows the activities and is constantly informed; *vii)* the RSPP is involved in the event that the execution of the works may cause interference.

Existence of a system of delegations consistent with the organizational responsibilities assigned

Those who intervene in the activity operate within the scope of their duties on the basis of the role held within the company organization. In particular, the signing of contracts is the responsibility of the Company's attorneys, in compliance with the rules and matrices provided for in *Policy P_003 - Representation in commercial relations and signing powers*.

Where these interventions are required for safety and health reasons according to Legislative Decree 81/2008, or for compliance with environmental legislation, the power of the Delegates and Sub-delegates remains unchanged according to the acts of delegation and sub-delegation.

For the management of construction sites according to the regulations referred to in Title IV of Legislative Decree 81/2008, specific assignments are formalized for the roles of Works Manager, CSP and CSE and other legal roles.

4.18 Stipulation of insurance coverage and claims management

Relevant offences

Offences of fencing, money laundering and use of money, goods or utilities of illegal origin, as well as self-laundering

Tax crimes

Corporate crimes and corruption between private individuals

Organized crime crimes

Crimes with terrorist purposes (criminal code and special laws) and associative crimes of a transnational nature

Company or Group roles involved:

Finance Department (*Accounting specialist* responsible for *Treasury & Insurance*, *Head of Accounting*

& Financial Dept.)

CEO

CFO

Human Resources & Organization

Company Attorneys

Regulation of the process and existence of formalized procedures/guidelines

The Company strives to ensure adequate insurance coverage to protect its assets, employees and activities.

To this end, the Company ensures the stipulation of insurance policies, which include, but are not limited to:

- personnel related policies, managed by the *Human Resources & Organization Department*.
- risk coverage at *industrial level* (e.g., all-risk property policies, product liability, professional liability, etc.) *Accounting specialist* responsible for *Treasury & Insurance*, under the supervision of the *Head of Accounting/Controlling*.

With particular reference to the last case report, the personnel involved operates in compliance with the following guidelines:

- approval of the *annual budget* by the Board of Directors;
- revision of the *budget plan* by the *Head of Accounting/Controlling*, in agreement with the *CFO (and/or CEO)* where necessary due to significant deviations in pricing or in the type of coverage envisaged;
- in the face of a new need for insurance coverage, the *Accounting specialist* responsible for *Treasury & Insurance* and the *Head of Accounting/Controlling*, interface with the requesting bodies, to obtain essential information about the main characteristics related to the insurance need;
- the result of these discussions is used by the *Accounting specialist* responsible for *Treasury & Insurance* to fill in the questionnaires for the assessment of insurance requests and needs, which are examined by the *Head of Accounting/Controlling* once the technical data in the questionnaires have been confirmed by the respective responsible bodies and finally validated by two of the Company's attorneys (including the *Head of Accounting/Controlling*) for sending the same externally;
- the *Accounting specialist* responsible for *Treasury & Insurance* and the *Head of Accounting/Controlling*, transmit the questionnaire to the *broker*, previously qualified and selected, with a tender, at Group level;
- the *broker*, depending on the needs, proposes insurance product options, preferring Group policies where possible; in order to help the Company in choosing the insurance product, the *broker* reports in writing the outcome of its market research and highlights the main differences between the various products offered;
- the *Accounting specialist* responsible for *Treasury & Insurance* and the *Head of Accounting/Controlling*, they evaluate together with the *broker* the most convenient product for the need, which is then proposed to the *CFO*, who initiates the subscription process based on the current power of attorney system;
- the Company's Attorneys sign the policy.

The following controls are observed with regard to claims management:

- the competent body reports the claim to the *Accounting specialist* responsible for *Treasury & Insurance* matters and, if possible, provides some accompanying information;
- the *Accounting specialist* responsible for *Treasury & Insurance* communicates the information received to the broker;
- the *broker* takes charge of the management of the file;
- the *Accounting specialist* responsible for *Treasury & Insurance* oversees operational management;
- In support of the request for settlement, the documentation required by the insurance company is produced, complete and accurate, including all the evidence and data necessary to demonstrate the validity of the damages reported.
- in the event that the assessment of the damage requires the performance of an appraisal, the activities are followed by *the broker*, the *Accounting specialist* responsible for *Treasury & Insurance* matters and the Entity where the accident occurred.

Traceability and ex-post verifiability of transactions through adequate documentary/IT supports

The traceability of transactions is guaranteed by the completion of insurance questionnaires by the *Accounting specialist* responsible for *Treasury & Insurance* and by written reporting by the *broker*, on which the choice of insurance product is based.

To support the request for settlement, the documentation required by the insurance company is produced, complete and accurate, including all the evidence and data necessary to demonstrate the validity of the damages reported.

Separation of duties

With reference to the activities of stipulating insurance coverage, the segregation of tasks is implemented through the distinction between: *i)* the operational activities of defining budget items carried out by the Board of Directors and reviewed *by the Head of Accounting/Controlling* and the CFO/CEO; *ii)* the *Accounting specialist* responsible for *Treasury & Insurance* and the requesting body define the insurance needs; *iii)* the *broker* offers product options; *iv)* the CFO authorizes; *v)* the Company's Attorneys subscribe to the Policy.

With reference to the management of claims, the separation between *i)* the communication of the claim by the competent body is *ensured*; *ii)* the management of the file by the *broker*; *iii)* the operational supervision of the *Accounting specialist* responsible for *Treasury & Insurance* and the participation in the appraisal activities by several Departments.

Existence of a system of delegations consistent with the organizational responsibilities assigned

Those who intervene in the activity operate within the scope of their duties on the basis of the role held within the company organization and in compliance with the system of powers of attorney and internal delegations in force. In particular, the signing of contracts is the responsibility of the Company's attorneys, in compliance with the rules and provisions included the Policy P_003 - Representation of Italdesign in business dealings; signatory authorizations.

4.19 Management of relations with Public Authorities to obtain/renew authorizations, concessions and licenses, including in the field of environment and safety

Relevant offenses

Offenses against the Public Administration
Corruption between private parties
Cyber-crimes and unlawful data processing
Organized crime offenses

Company or Group roles involved

Health, Safety & Environment Unit
Property & Facility Unit

Interested office

Head of of the *Legal & Governance Office*

Attorneys-in-fact of the Company

Regulation of the process and existence of formalized procedures/guidelines

The requirements for obtaining / renewing authorizations, concessions and licenses are managed in accordance with company procedures and the following control elements:

- precise indication of the authorizations relevant and pertinent to Italdesign's facilities in a specific schedule of obligations, equipped with an automatic warning system, managed by the HSE Unit;
- the deadlines are reported by the HSE Unit to the Head of the relevant department/Unit for the activation of the application preparation process;
- preparation of the application to be submitted to the Public Body with the technical support of the HSE Unit and the possible support of the *Legal & Governance Office* and/or external consultants;
- verification of the documentation prepared by the Head of *Health, Safety & Environment/Property & Facility Manager* / Head of the *Legal & Governance Officer*, depending on domain;
- signing of the request for obtainment/renewal by persons with appropriate powers according to the system of delegated authority and powers of attorney in force;
- preservation of the originals of the authorizations at the Office concerned;
- monitoring of compliance with the requirements set by the Authority by the Delegates and Sub-Delegates on health and safety at work and in environmental matters, also through the *Health, Safety & Environment Unit*, which carries out audit activities and acts as a "second line of defence".

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

Traceability is implemented through the storage of authorizations and related documentation at the *Health, Safety & Environment Unit/Legal & Governance Office/Office* to which the authorization refers, depending on the type of authorization.

Communications and exchange of documents with external consultants who may be appointed to support the Company in the request for authorization or renewal are in writing.

In addition, a specific scheduler, which allows the management of the authorisation process to be promptly detected and then directed to the internal subject responsible for the procedure, is adopted and kept up to date.

The scheduler is kept by the *HSE Manager*.

Separation of tasks

The separation of tasks is ensured through the distinction between: *i)* the executive activities carried out by the staff of the Office concerned, which prepares the documentation with the possible support of external consultants; *ii)* the controls carried out by the *HSE Unit*, which monitors the deadlines and ensures the correct drafting of documents and applications before their submission, together with the checks carried out by the Head of the *Legal & Governance Office*; *iii)* the authorization role of the Company's attorneys-in-fact, who sign the request for authorization, concession or license in compliance with the system of delegated authority and powers of attorney in force.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

The power to represent the Company and carry out all the deeds and operations necessary to obtain concessions, licenses and authorizations with the Public Administration and public bodies and offices falls to the identified proxies, who sign the applications.

4.20 Management of warehouse

Relevant offences

Tax crimes

Corporate crimes and corruption between private individuals

Offences of receiving stolen goods, money laundering and use of money, goods or utilities of illegal origin, as well as self-laundering

Offences committed in violation of workplace health and safety legislation

Environmental crimes

Organized crime crimes

Company or Group roles involved

Logistics & Warehouse *Unit*

Purchasing Department

Quality Department

Requesting departments

Finance department

Regulation of the process and existence of formalized procedures/guidelines

Management of the warehouse is the responsibility of the *Logistics & Warehouse Unit* and includes:

- for goods linked to specific projects: *i)* a bill of materials is drawn up for all the elements, each of which is associated with a unique *QR Code*; *ii)* each incoming product is scanned and recorded in the specific management system; *iii)* the *Logistics and Warehouse Unit* collects the goods from the warehouse, identifies the destination cell of the goods by scanning the relevant *QR code*, distributes the elements in the assembly stations via trolley and enters the new location into the system;
- for the production of one-off models, the goods ordered and placed in the warehouse are recorded through the accompanying delivery note in the ERP computer system;
- in both cases, upon arrival of the goods: *i)* the integrity of the box is verified; *ii)* depending on the type of materials, the *QR Code* is scanned or it is verified that the quantity actually received corresponds to that indicated in the delivery note; *iii)* it is verified that it is not damaged and that the goods do not present evident discrepancies (more precise controls are the responsibility of the *Quality Office*; and *iv)* it is stored in warehouse;
- each material movement is tracked in the computer systems; the goods stored in the warehouse are delivered to the requesting Unit on the basis of a specific withdrawal voucher;
- each picking of the goods from the warehouse is recorded on the system;
- checks are carried out on any mismatch between what is recorded in the system and the goods in the warehouse;
- an annual inventory is taken;
- the *Finance Office* extracts the data entered into the ERP system for the purposes of entry in the accounts;
- as regards the disposal of materials in inventory: *i)* for goods subject to inventory (e.g. paints), an automatic withdrawal from the warehouse is carried out on the basis of the scrapping/inventory modification transaction recorded by the *Logistics & Warehouse Unit*, notifying the *Finance Department*, where depreciable assets are involved; *ii)* for goods linked to projects, where they go unused for a significant period of time (on average, 2-5 years), the relevant *Project Manager* is involved and, after verification, gives authorization for disposal;
- the collection and disposal of waste is carried out by qualified companies, with the necessary legal authorizations. For the qualification process and choice of supplier, the provisions of paragraph 4.3 apply. "*Management of the procurement process of goods, services and consultancy*".

The Logistics & Warehouse Unit also handles the containers which are registered within a Group system. Annually it is required to verify that what is in the system is actually present on Italdesign premises and the data reported to the Group. In the event of container shortages/losses, the related cost is charged to Italdesign.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

The traceability of operations is implemented through the archiving of documentation by the *Purchasing Department*, the *Logistics & Warehouse Unit* and the *Finance Department*, each for the part of competence.

The movement of goods is tracked through the use of the computer management system and withdrawal vouchers.

Periodic inventory activities (verification of the correspondence of the accounting quantity in stock with the actual physical quantity in stock) are recorded and allow any deviations to be tracked, also in order to identify the reasons.

Separation of tasks

With reference to extraordinary transactions, the segregation of duties is implemented through the distinction between: *i)* the management of incoming and outgoing goods by the *Logistics & Warehouse Unit*; *ii)* the checks on incoming goods carried out by the Quality Department; *iii)* warehouse controls and the correct recording in the accounting records by the Finance Department

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

4.21 Management of inspections by the Public Administration, certification bodies or customers

Relevant offenses

Offenses against the Public Administration

Corruption between private parties

Offenses of money laundering and use of money, goods or benefits of illegal origin and self-laundering

Tax offenses

Smuggling offenses

Organized crime offenses

Company or Group roles involved

Reception

Head of the Office/Unit involved in the inspection

Legal & Governance Office

Management Team (IMT)

Certified management system managers (for Certification Bodies)

Regulation of the process and existence of formalized procedures/guidelines

All inspections, carried out by Public Authorities at Italdesign's offices/plants, are governed by Operational Instruction IO_IGF_0001 "*Public Administration Investigations*" and in any case by the following controls:

- the inspectors are identified by the *Reception* service;
- the *Receptionist* informs the *Legal & Governance Office*;
- once the scope of verification has been identified, the *Legal & Governance Office* contacts the Manager of the Organizational Unit involved (e.g. the *Head of Accounting/Controlling* for tax audits, the *CHRO* for any checks on personnel management) who, if not present in the company, identifies a delegate;
- the competent Manager directly supervises the inspection activities and is always supported by at least one other Company resource, where possible related to a different Office/Unit, except in cases where public officials request direct interviews with specifically identified personnel;
- in the case of checks of particular importance, the Head of Legal & Governance Office also participates in the visit;
- in the case of inspections relating to taxes and duties, even before the conclusion of the inspection the *Legal & Governance Office* informs the relevant tax consultant for support in the management of the inspection visit, in the dialog with the tax authorities and for the production of any useful documents and/or requests, as well as for the evaluation of the possible adherence to the special conciliation procedures, of acceptance of the assessment provided for by the tax regulations as well as for adjusted filings; where possible, the legal consultant is also informed and involved; at the end of the inspection, the Manager of the Office involved verifies the correctness of what is stated in the minutes prepared by the inspectors, requesting that any comments or changes be noted;
- in the event of a document request, the Manager of the Unit involved takes action to find what is requested and performs a check on the completeness and correctness before handing it over to the inspectors;
- at the end of the inspection, the Manager of the Unit involved (and/or those who took part) verifies the correctness of what is stated in the minutes prepared by the inspectors, possibly requesting the addition of comments or changes;
- the minutes are signed by the persons who took part in the verification and in any case by two Company attorneys-in-fact and are filed by the Manager of the Unit involved together with the list of any documents acquired by the Authority;
- the Manager who participated in the activities draws up a report on the outcome of the

inspection, describing the inspection carried out and the communications with public entities. This report is forwarded to the *Legal & Governance Office*, OB and *Management Team (IMT)*;

- the Manager who followed the inspection monitors over time that any requests for documents or clarifications by the inspectors are fulfilled and, together with any other Offices involved, and in particular together with the *Legal & Governance Office*, verifies that any instructions given are implemented.

The Procedure PS_QMS_0004 "*Second and third party audits*" governs cases of an audit carried out by a Certifying Body at the request of the Company, as well as an audit carried out by the customer, or by the office in charge of the customer, aimed at verifying the compliance of the quality management system with the customer's specific requirements.

Similar procedures are provided for checks on compliance with regulatory requirements or for checks carried out by the customer that are not related to the Quality System.

These audits are subject to controls similar to those provided for the investigations carried out by the Public Administration, under the coordination of the department Manager subject to inspection.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

Traceability is guaranteed through: *i)* the preparation of a report by the Manager who participated in the assessment; *ii)* the compilation, updating and sharing with the *Legal & Governance Office* of a specific register, in which the essential elements of the assessment are noted; and *iii)* the archiving of the documentation (minutes, report and register) within a specific file, at the offices of the Unit involved.

Separation of tasks

The segregation of duties is implemented through the distinction between: *i)* the executive activities carried out by the *Reception* and by the personnel participating in the inspection, as well as by the Manager of the Unit involved; *ii)* the control entrusted to the Head of *Legal & Governance Office* and to the *Management Team (IMT)*, or to the certified system Manager for the verifications of the Certification Bodies; and *iii)* the signing of the assessment minutes by two attorneys-in-fact of the Company (Manager who took part in the inspection with a joint signature based on the current system of powers of attorney).

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

Specifically, the power to represent the company in relations with public entities and any PA body responsible for the exercise of supervisory, verification and control functions, lies with the Managers of the *HRO*, *Finance*; *Accounting/controlling*; *Quality*; *Purchasing*, *Operation*; *Legal & Governance*;

HSE and Facilities Management; Assembly; Public Relations & Communications and Industrial Design Offices/Units.

4.22 Management of judicial and out-of-court disputes or arbitration proceedings

Relevant offenses

Offenses against the Public Administration

Offense of inducement not to make statements or to make false statements to the judicial authority

Corruption between private parties

Tax offenses

Organized crime offenses

Company or Group roles involved

Legal & Governance Office

Manager of the Office/Unit involved

CEO

Attorneys-in-fact of the Company

Regulation of the process and existence of formalized procedures/guidelines

The management of proceedings and disputes both in the extrajudicial and judicial phase is governed by shared operating rules, which provide for the following control elements:

- the relationship with the Judicial Authority and its auxiliaries, also in the context of participation in the hearings, is managed, directly or through the appointment of lawyers and external consultants, by the *CEO* or by another person with the proper power of attorney to represent the Company before the Judicial Authority;
- the Managers of the various Company Offices/Units promptly send the *Legal & Governance Office* any notices and/or communications of a judicial nature addressed to them or to the Company, from which it can be inferred that there is or is likely to be a dispute related to business activities;
- similarly, they submit to the *Legal & Governance Office* any matter arising in relations with consultants/suppliers/business partners and third parties in general that could require the initiation of legal action to protect the Company;
- the Manager of the Company Office/Unit directly involved examines the documentation together with the *Legal & Governance Office*, in order to adequately reconstruct the matter and collect any relevant information or documentation;
- assignments to external professionals are granted in writing by attorneys-in-fact with adequate powers according to the system of delegated authority and powers of attorney. The remuneration, fees or commissions of external professionals are determined in a manner commensurate with the services rendered and in accordance with the assignment

given, in accordance with the conditions or practices existing on the market, taking into account the professional rates in force;

- for the management of tax disputes, in cases of particular complexity and where possible, the *Head of Accounting/Controlling* informs the *Legal & Governance Office* and involves the external legal adviser as early as the tax and duty inspection phase, in order to possibly assist the Company in the management of the inspection visit (including the reporting activity), in the dialog with the Financial Administration and in the production of useful and/or required documents, as well as for the evaluation of any adherence to special conciliation procedures;
- for tax disputes, the *Legal & Governance Office* together with the *Accounting /Controlling* Manager constantly monitors the development of disputes, also for the purpose of timely assessment of the opportunity to reach settlement agreements, as well as, for the purpose of evaluating possible adoption of special conciliation procedures and acceptance of the assessment provided for by tax rules and adjusted filings;
- relations with the external lawyer are managed by the *Legal & Governance Office*;
- the relevant decisions in the case are taken and authorized by the *CEO and CFO*;
- the documentation is kept, depending on the subject by the *Legal & Governance Office*, by the *HRO Office* or by the *Finance Office* in a specific archive, so as to prevent subsequent modification and in order to allow the correct traceability of the entire process, as well as to facilitate any subsequent checks;
- An update on the main disputes is provided periodically by the Head of the *Legal & Governance Office/CFO/CHRO*, each for the aspect within his or her purview, to the *CEO*, the Oversight Body, the Board of Statutory Auditors and the Independent Auditors;
- the decision on whether to proceed actively to initiate a dispute with third parties/formulate or accept a settlement proposal is taken by the Head of the *Legal & Governance Office* with the agreement of the *CEO and the CFO*;
- in the event that the Company is subject to criminal proceedings pursuant to Legislative Decree no. 231/2001 for which also the legal representative is investigated/accused, the power to appoint a lawyer for the Company does not belong to such legal representative, but to the Company's attorneys, in compliance with the rules and provisions included the *Policy P_003 - Representation of Italdesign in business dealings; signatory authorizations.*

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

Traceability of the status of proceedings and disputes is implemented through the filing of relevant documentation with the *Legal & Governance Office* and/or with the company office involved (for example, documentation relating to litigation with personnel is filed by the *HRO Office*, while disputes regarding tax aspects are the responsibility of the *Finance Office*).

Separation of tasks

The segregation of tasks in the management of disputes is implemented through the distinction between: *i)* the operational activities of collecting the documentation carried out by the Head of the Office/Unit directly involved and/or by the *Legal & Governance Office*; *ii)* the role of control,

evaluation and support in the identification of the choices to be implemented by the Head of *Legal & Governance/CFO/CHRO*; *iii*) the granting of the assignment to external lawyers and/or the signing of settlements by the Company's attorneys-in-fact in compliance with the powers attributed to them; *iv*) the adoption of the relevant decisions by the *CEO*; and *v*) the monitoring by the *CEO*, the Oversight Body, the Board of Statutory Auditors and the Independent Auditors, which are periodically updated on the status of the dispute.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

With specific reference to any proceedings pursuant to Legislative Decree no. 231/2001 against the Company, the proxies and powers of attorney system is defined by taking into account the possible situations of conflict of interest of the legal representative under investigation for the predicate offence. In particular, the power to appoint the entity's counsel is attributed to several attorneys who are not members of the Board of Directors and the rules for the exercise of the power are set out in the *Policy P_003 - Representation of Italdesign in business dealings; signatory authorizations*.

4.23 Management of workplace safety obligations

Relevant offenses

Offenses committed in violation of workplace health and safety legislation

Employment of illegal immigrant third-country citizens

Illegal brokering and exploitation of labor

Offenses against the Public Administration

Organized crime offenses

Company or Group roles involved

Employer

Delegates and sub-delegates pursuant to art. 16 of Italian Legislative Decree 81/20

Executives and Officer Managers

Health, Safety & Environment (HSE) Unit

Safety Officer (RSPP)

Company Physician (MC)

Worker Safety Representatives (WSR)

First aid and fire-fighting team

Facilities & Property Management Unit

The management of activities related to the prevention and protection of accidents at work complies with procedures and operating rules developed by the Company in compliance with the provisions of art. 30 of Italian Legislative Decree no. 81/2008, in order to reduce the risk of the occurrence of the crimes of manslaughter and serious and very serious bodily injury.

The individual work activities at potential risk of commission of an offense in relation to the cases referred to in Article 25-septies of the Decree are identified and assessed in the context of the company's risk assessment documents, prepared in accordance with the relevant legislation and constantly updated in relation to the development of the characteristics of the work activities carried out, the law, the needs of the Company and the best practices applied.

This Special Part identifies and describes the methods, procedure control and operating rules applied by the Company according to the following four phases for the continuous improvement of the measures for the protection of worker health and safety:

- 4.1 PLANNING** – Activities aimed at setting goals consistent with the Policy laid out in the Integrated Quality, Safety and Environment Manual, establishing the processes necessary to achieve them, identifying and assigning adequate resources, and formulating the principles of document management;
- 4.2 IMPLEMENTATION and OPERATION** – Activities aimed at setting up organizational structures and responsibilities, training, information and training methods, consultation and communication, the record management process (documents and data), operational control methods, management of relations with suppliers and emergency management;
- 4.3 CONTROL and CORRECTIVE ACTIONS** – Activities aimed at implementing methods of measuring and monitoring performance, recording and monitoring injuries, incidents, near misses, non-conformities, corrective and preventive actions, reporting methods and methods of carrying out periodic checks;
- 4.4 MANAGEMENT REVIEW** – Activities aimed at the periodic review of the management system that allows the Employer to assess its adequacy in ensuring the achievement of the objectives in this area and setting up adequate programs for continuous improvement.

PLANNING – Activities aimed at setting goals consistent with what is set out in the Company's Integrated Quality, Safety and Environment Manual, establishing the processes necessary to achieve them, identifying and assigning adequate resources and formulating the principles of document management

Policy and goals

Italdesign's Code of Conduct expressly includes occupational safety and health protection among the Company's primary objectives.

In addition, in November 2021 the Company implemented an Integrated Policy Document on the environment and safety, published on the Company's website, which defines the Protection of Health and Safety in the Workplace as an integral part of the company's results, inspired by the *UNI EN ISO 45001* standards.

These principles are reflected in the Risk Assessment Document, which describes in detail the activities and processes at risk and in which the commitment to protect health and safety in the workplace is expressed, promoting a plan to improve safety levels over time.

It defines the general guidelines and objectives that the Company aims to achieve, providing for the commitment to the prevention of accidents and occupational diseases and the continuous improvement of the management and performance of the occupational health and safety protection system.

Annual and multiannual plans

When determining its annual budget, the Company sets a capital budget for investments and a budget for current expenses, expressly providing for cost items for health, safety and the environment.

The formulation of the aforementioned budgets is the responsibility of the Facilities & Property Management *Unit*. The proposal is submitted to the Employer in order to be evaluated together with the *CFO*. After this is done, the budget is submitted to the competent corporate bodies for final approval.

Once approved, the budget is managed independently by the *Health, Safety & Environment* Manager in compliance with the company's spending procedures and the involvement of the departments concerned from time to time, with particular reference to those in which it is necessary to make the investment, as well as the *Facilities & Property Management Unit* as far as it is concerned.

In addition, each Delegate, according to the provisions of the delegation conferred by the Employer, may exercise an autonomous power of expenditure for interventions necessary to guarantee health and safety in competence area.

Changes in the law

The updating of the legislation on health and safety is carried out by the Health, Safety & Environmental Manager, including through consultation of newsletters (e.g., *Unione Industriale Torino*) to which the Company subscribes, which report the relevant changes in the law.

The Health, Safety & Environmental Manager carries out a preliminary analysis and, where he or she considers that the changes in the law are applicable and relevant to *Italdesign*, prepares and distributes via e-mail an information notice to the internal parties concerned (with particular reference to the holders of delegated and sub-delegated powers pursuant to Italian Legislative Decree no. 81/2008) and offers his or her support both for correct interpretation and evaluation of the actions to be taken to ensure timely alignment.

IMPLEMENTATION and OPERATION – Activities aimed at setting up organizational structures and responsibilities, training, information and training methods, consultation and communication, the record management process (documents and data), operational control methods, management of relations with suppliers and emergency management

System policy and documentation

The Company has adopted for each plant the Risk Assessment Document (DVR), which identifies the specific risks connected to the various company activities and workplaces and the related prevention tools and the subjects with accident prevention attributions within the company.

The DVR references further documents relating to the safety management system and, in particular, the guidelines and operating instructions introduced for the reduction of the risks identified.

The guidelines and operating instructions adopted by the Company are published on the company intranet and are available to all personnel. The DVR is available to the Managers of Offices, including the Environmental Management System adopted by the Company taking into account the *UNI EN ISO 45001 control* standard.

The DVR, the guidelines and the operating instructions adopted by the Company are published on the *company intranet* and can be consulted by all personnel.

The DVR of each seat is updated continuously and in any case whenever new legislation, new activities, new machinery, changes in time or working methods are introduced, or events or quasi-events that require a review of the prevention measures occur.

Organization and responsibilities

The Employer, pursuant to Italian Legislative Decree 81/2008 and subsequent amendments, has been identified in the person of the Company's *CEO*, as the person responsible for the organization and the holder of the power to carry out all acts of ordinary and extraordinary administration.

The Employer has appointed the *Health, Safety & Environment Manager* as Head of Prevention and Protection (RSPP) and has also appointed the Company Doctor (MC).

The appointment of such persons is preceded by verification of their possession of the legal requirements for the performance of their respective duties.

Workers' Safety Representatives were elected and the persons in charge of emergency management and first aid were appointed.

The Safety Officer keeps a copy of the aforementioned appointments and monitors their validity, indicating any need for renewal.

The same documentation, in the original, is filed with the *Legal & Governance Office*.

All those involved in health and safety management are named in the DVR and have been adequately trained in accordance with the provisions of the State-Regions Agreement.

In addition, the Company – again in order to clarify the role and responsibilities of individuals in the field of occupational health and safety – has adopted specific procedures for the management of activities to be carried out off company premises, providing that in such cases the Director of the Office that needs to organize an external activity (e.g. vehicle testing) must identify the *Head of Mission*, who assumes responsibility for the organization and management of the activities and personnel involved (corresponds to the figure of the supervisor). The procedures provide for the joint compilation and signing between the *Head of Mission* and the *Manager* Responsible for the Unit to which the individual worker involved belongs of a form with an indication of the data relating to the job and training of the latter as well as the activities to be carried out in the mission.

Function delegation system

On the basis of the corporate organization, pursuant to art. 16 of Legislative Decree 81/2008 the Employer has conferred delegated authority on health and safety in the workplace to its first reports and in particular to:

- i) *Head of Pre Series & Production;*
- ii) *Head of Engineering;*
- iii) *Head of Design;*
- iv) *Head of Quality;*
- v) *CHRO;*
- vi) *Head of Business Development.*

According to the complexity of the respective organizations and after agreement with the Employer, the delegates identify their sub-delegates, to whom specific functions are transferred.

The acts of delegation and sub-delegation clearly and precisely define the areas of responsibility of each delegate, while attributing all the powers, including spending, necessary for the effective performance of the responsibilities and tasks transferred.

An adequate *reporting* system is also structured that allows the Employer to supervise its delegates and the latter to supervise their sub-delegates.

In particular, each Employer's delegate ensures supervision of its sub-delegates through: *i)* an immediate discussion, in the event that particular problems arise for which the delegate requests the support of the delegator; *ii)* the organization of weekly meetings called staff meetings in which the most relevant issues for the Office are discussed and in which the sub-delegates can also report on aspects of workplace health and safety; and *iii)* with a frequency defined by the delegator, the inclusion in the aforementioned meetings of a specific point of discussion on the activities carried out by the sub-delegates pursuant to Italian Legislative Decree no. 81/2008.

The meetings are recorded in minutes and the contents of this report are used by the delegates to report to the Employer.

In fact, every six months (or according to the different periodicity requested by the Employer), the Delegates, on the basis of a *checklist* of checks defined with the support of the RSPP and which includes all aspects of the delegation received, report to the Employer on the activity carried out.

The system of delegated powers and sub-delegations is re-evaluated periodically and in any case in the event of organizational or business changes, in order to ensure that there is always a clear identification of the areas of responsibility and that the areas of activity that present the greatest risks are adequately supervised.

The inclusion of the *Health, Safety & Environment Manager* and RSPP reporting to the HRO body and the direct relationship with the Employer ensure constant monitoring and timely evaluation.

Risk Assessment Document

The Company has a Risk Assessment Document prepared by the Employer with the help of the Safety Officer, the Company Doctor and with the involvement of the Workers' Safety Representative. Each Risk Assessment Document is divided into sections, each of which identifies the specific risks

associated with the different business areas and different tasks and contains a safety organizational chart that identifies the people who play a role in managing the different occupational health and safety obligations.

The Risk Assessment Document of each plant is subject to periodic updating, promoted by the Safety Officer.

In the case of works entrusted to third parties (e.g. plant maintenance, reception, cleaning of the premises), a special Single Interference Risk Assessment Document (DUVRI) is drawn up and Prevention and Protection Service personnel are also called on to participate in assessing interference risks.

The DUVRI is compiled by the Company and the contracting company, exchanged, signed and stored on the contracting portal.

Assignment of tasks and duties and assignment of PPE

The Risk Assessment Document contains sheets describing the various tasks and identifies the personal protection equipment necessary for the correct and safe execution of each work process. The Employer assigns the tasks and tasks on the basis of the psychological attitude and the results of the fitness examinations carried out by the Company Doctor.

The PPE is delivered to individual workers at the time of hiring, with the signing of a specific form, kept by the *Logistics and Warehouse Unit*.

Workers are obliged to use PPE, to check it and to report to their Managers any defects found and any need for replacement.

In the event of an accident, a special form is completed to assess the suitability of the PPE and, if necessary, where a possible causal link emerges between the event and the type/use of PPE, the Safety Officer proceeds to re-evaluate it, proposing the most appropriate changes, where appropriate, including the updating of the Risk Assessment Document.

Emergency Management

The Company has adopted and formalized a separate emergency plan for each property in which its business is conducted and containing instructions for vacating company areas in the event of an emergency.

With respect to the spaces in which the Company operates on a lease basis, the obligations related to the management of emergencies are carried out jointly with the owners, who guarantee – through specific communications – a constant exchange of information with the Company (towards the HSE Unit) on the results of the exercises.

Evacuation tests are planned and recorded and are carried out at least annually. The test reports are archived at the *Health, Safety & Environment Unit* by the Safety Officer.

Workers have been fitted with the necessary equipment to prevent this risk and have received specific information on how to leave the workplace in case of serious danger.

As regards first aid, there are special kits at the Company containing what is indicated by the Italian Ministerial Decree no. 388/2003.

The emergency and first aid officers have attended special courses, as required by the relevant regulations and are included in the training update plan according to PS_IGS2_0008.

Fire risk management

The Employer has complied with legal obligations regarding fire prevention by verifying the Company's compliance with the provisions of Italian Presidential Decree 151/2011, preparing the documentation necessary to obtain the Fire Prevention Certificate and carrying out the fire risk assessment.

The renewal process is managed in compliance with the provisions of par. 4.19 "*Management of relations with Public Authorities to obtain/renew authorizations, concessions and licenses, including in the field of environment and safety*". With the support of the delegates, the *Health, Safety & Environment Manager* and external consultants, the Employer has also:

- provided workers with adequate fire-fighting equipment;
- identified the necessary measures so that workers, in cases of serious danger, can leave the workplace and stay safe;
- ensured that any worker, in the event of serious danger, if unable to contact their competent superior, can take appropriate measures to avoid the consequences of the danger.

Firefighting equipment is periodically inspected by a specialized external company, under the supervision of the Safety Officer.

The fire-fighting team is made up of an adequate number of employees, adequately trained according to the provisions of Ministerial Decree 2/9/21 and whose names are circulated within the company, through publication on the company intranet, accessible to all workers.

Consultation and communication

At least annually, the Employer convenes periodic meetings to verify the status of implementation of measures for the prevention and protection against risks and improvement actions. These meetings are attended by the Employer (or its representative), the Safety Officer, the Company Doctor, the Workers' Safety Representative and the company representatives responsible for the matters discussed from time to time.

On these occasions, the Risk Assessment Document is examined and, if necessary, updates are proposed, the selection criteria, the technical characteristics and the effectiveness of the PPE are discussed and adopted, and the information and training of managers, supervisors and workers is planned for the purposes of safety and the protection of their health.

The minutes of the periodic meetings are filed by the Safety Officer.

There is also a trade union committee dedicated to safety that meets on a quarterly basis and in which the RSPP, the *CHRO* and the RLS intervene to discuss the possible need to implement the health and safety system.

In addition, the Employer convenes *Safety-Quarterly meetings every six months*, during which it discusses with the RSPP the main issues related to the *Health, Safety and Environment system* implemented by the Company.

Information and training

The RSPP formulates and updates the training plan for all Company's personnel and constantly monitors the deadlines, in accordance with the provisions of Procedure PS_IGS2_0008.

Workers are provided training and information according to the provisions of the State-Regions Agreement for low risk with reference to work activities via video terminal and high risk for all other tasks.

The Company has established specific training for the use of forklifts/platforms.

The training is provided to the staff of each Office through internal and external teachers and concerns the specific risks identified in the Risk Assessment Document: all workers do the same basic training and, then, based on the specific risks of the task, other specific training courses.

The training is provided to new recruits under the terms of the State-Regions Agreement: in these cases it is the *HRO* Office that, at the time of recruitment, arranges courses through an external, qualified supplier following the procurement procedure and with the involvement of the Safety Officer.

The delivery of the courses and participation in them, the progress of which is reported during staff *meetings*, *Quarterly meetings* and the Periodic Meeting, is tracked through a specific IT application that guarantees the data is not editable.

Likewise, the training activities carried out for the roles and in the manner provided for by company procedures are also tracked and documented.

Supervisors and executives, pursuant to Italian Legislative Decree no. 81/2008, are identified and receive specific training. In accordance with the provisions of Legislative Decree no. 81/2008, a written communication, which formally confirms the identification and contributes to strengthening full knowledge of the tasks related to the role, is issued to the supervisors.

The Managers of each Office/Organizational Unit report the presence of a new or different person in charge of security and the need to provide a specific training session to the RSPP. The identification of the persons in charge also takes place in coordination with the *HRO Office*.

In the case of workers on secondment to the plants of other Group companies (including abroad), the Company provides training on the typical risks generally associated with the performance of the tasks for which the worker is seconded. To this end, the Safety Officer is notified by the *HRO Office* and/or the Manager of the person to be seconded of the conclusion of a secondment agreement and, therefore, the need to provide the training obligations for the home company.

Where employees of other Group companies work on secondment at the Company, the Safety Officer includes them in the training plan, treating them like the Company's employees.

Evaluation and qualification of suppliers

The selection and qualification of suppliers of goods or services relevant to occupational health and safety aspects (e.g. suppliers of PPE, chemicals, machinery, etc.) are the responsibility of the Purchasing Office, which involves the Safety Officer for technical aspects.

For the supply of PPE, the Safety Officer requires the buyer to acquire sample products from each possible supplier which, once a technical check has been carried out, are tested by the workers and the assessments recorded. If technical quality is equal, the equipment that received the best rating from the workers is chosen. On this point, the Safety Officer discusses with the Workers'

Safety Representatives.

After the choice has been made, the purchasing process follows the ordinary procedures.

Contracting

In case of assignment of works under contract, the Safety Officer carries out the evaluation of the supplier, acquiring the documentation required by law (art. 26 of Italian Legislative Decree no. 81/2008 and Law no. 56 of April 29th, 2024).

In particular, the contractors, once selected by the *Purchasing* Office according to company procedures, access a dedicated IT portal which, for each type of contract, lists the information and documents that the contractor must provide before signing the contract (the list of these documents is also reported in the Portal Use Manual).

The computer system automatically reports if there are missing or incomplete documents and, in this case, prevents the procedure from proceeding.

The documents, including the S-Rating questionnaires completed by potential suppliers falling within the scope of application of the relevant procedure, are examined by different Offices, depending on the content to be verified (*Finance* for the administrative part; HSE for risk assessment and *Purchasing* for the evaluation of the technical and professional skills of the contractor).

For each contract, the Interference Risk Assessment Document is prepared and exchanged with the contracting company. The Document is prepared by the department requesting the contract (under the responsibility of the competent Delegate *pursuant to* Legislative Decree no. 81/2008), with the support of RSPP, considering the specific contracted activity, its risks and the methods of preventing interference.

In the case of works pursuant to Title IV of Italian Legislative Decree 81/2008, the internal manager of the activity, following the indications of the Safety Officer, assesses whether it is necessary to identify an external consultant as the Works Manager.

The Works Manager fulfils the obligations and responsibilities of the Client pursuant to and within the scope of the provisions of Article 90 of Legislative Decree no. 81/2008; in addition, it carries out all the checks required by art. 89 of Italian Legislative Decree no. 81/08 and proceeds to appoint the Safety Coordinator in the Design phase (SCD) and the Safety Coordinator in the Execution phase of the works (SCE).

The Operational Safety Plans (OSPs) are drawn up by each executing company. The designated Coordinators draw up the Safety and Coordination Plan (SCP).

The activity of the contractor is continuously verified by the SCE and by the Works Manager (if appointed) who, if they detect violations with respect to the legislation or rules relating to safety measures, proceed with the reprimand/objection according to the provisions of the contract, also informing the *Purchasing* Office.

Furthermore, with reference to works that do not fall under the so-called Title IV of Legislative Decree no. 81/2008, the Supervisors have been specifically trained on the checks within their competence with reference to the works entrusted under contract (in particular with reference to contracts concerning the implementation of one or more phases of Italdesign's production process). Regularly, coordination meetings are held in which all the parties involved in the management of health and safety and in the implementation of the work to which the site refers, as well as the

Property Manager and any *Project Manager* involved in the activity, and the related minutes are archived by the internal manager of the activity.

Subcontracting is possible up to the first level and requires written authorization from the *Purchasing Office*, after all the qualification documents have been uploaded and approved by the RSPP, *HRO*, *Purchasing* and *Finance* Offices, each for its part.

Specific rules may be provided for in case of construction site activities, where the appointed Works Manager is responsible for the technical and professional qualification of the companies and without prejudice to compliance with the internal authorization process for the verification of the additional qualification requirements of the suppliers required by company procedures.

Determining any safety costs is the responsibility of the Safety Officer and other professionals who may be appointed with reference to the work to be carried out.

The *Legal & Governance* Office provides specialist assistance in the preparation of contracts; in particular, specific clauses are inserted that allow the termination of the relationship or the application of sanctions in case of violation of the Code of Conduct or of the legislation referred to in Italian Legislative Decree 231/2001 and the provisions of Italian Legislative Decree 81/2008 (e.g. failure to bear the declared interference costs, and/or the procedures and regulations adopted by Italdesign in the workplace as well as, in general, in the prescriptions provided for by current legislation to protect the health and safety of workers).

The Safety Officer also identifies adequate tools for monitoring the activities of contractors (for example, through the contractual provision of the possibility of carrying out checks, or an obligation for the contractor to provide certain information, especially with reference to any accidents).

The *Security* Office ensures the correct management of accesses and, in particular, that only workers indicated by previously qualified and authorized companies actually have access to the Company's premises.

Asset Management

Routine maintenance of company assets is ensured, as far as the buildings are concerned, by the *Property & Facility Manager*; while, with reference to the plants and equipment, it is ensured by the user departments of the same plant (with the technical support of the *Facility Manager*) and is planned according to the machinery's use and maintenance manuals.

With reference to the properties rented, the relevant contract clearly states the obligations of both parties (owner/lessor and Company/tenant) regarding maintenance and the methods with which to carry out the interventions.

In such case, however, the owner of the property has to notify in advance to Italdesign (to the *Facility Manager* who, if necessary, can make use of the technical support of the HSE Office) of the interventions by external companies, to allow the coordination or correct management of interferences.

With reference to equipment and installations, where provided for in the purchase contract, maintenance is carried out by the supplier of the good itself. Otherwise, where maintenance cannot be carried out by internal personnel, the procedure for the selection of an external supplier by the *Purchasing Office* is initiated, in compliance with the qualification rules.

The maintenance of fire-fighting devices (e.g. fire extinguishers) and other equipment/devices directly related to occupational health and safety requirements (e.g. emergency exit doors) is directly supervised by the *Facility Management and Health, Safety & Environment* Units through the use of specialized, qualified external suppliers.

The Company ensures a complete, up-to-date inventory of all machinery in use, also relying on external consultants who also issue an opinion on the level of safety of each machine and identify the most appropriate implementation actions.

The documentation relating to each machine is kept by the Unit that makes use of it.

In the case of internally constructed machinery (an entirely residual hypothesis and only provided for here to regulate its commissioning, with a view to maximum precaution), the RSPP together with the Unit that owns the machinery starts the activities necessary to obtain the CE certification according to the Machinery Directive.

CONTROL and CORRECTIVE ACTIONS – Activities aimed at implementing methods of measuring and monitoring performance, recording and monitoring injuries, incidents, near misses, non-conformities, corrective and preventive actions, reporting methods and methods of carrying out periodic checks

Surveillance, monitoring and corrective actions

The Company conducts periodic assessments of the working environment and compares them with the data emerged in regular *briefing* meetings (e.g. *Quarterly meetings* or periodic meetings) to identify potential work-related risks.

An accident register is kept through the specific INAIL portal, compiled by the *HRO* Office.

Over the years, the Company has also introduced various procedures for monitoring accidents, micro-accidents and near misses.

In particular, in the event of an accident, a special form is completed, containing the essential data of the event, also necessary to understand its causal origin.

Where a deficiency in the prevention and protection system is identified, the Safety Officer initiates a project to update the Risk Assessment Document.

If the accident is caused by a violation by the worker of company rules and regulations on occupational health and safety, the Manager of the Office in which the worker operates is informed for the activation of the disciplinary procedure.

The accident report to the competent bodies is made by the *HRO* Office.

Injuries involving workers employed by suppliers/contractors are also subject to monitoring. To this end, the Safety Officer, together with the *Legal & Governance* Office, identifies the most appropriate contractual clauses to be included in the procurement contracts.

Health supervision and medical first aid activities are guaranteed, according to the procedures provided for in the Risk Assessment Document, by the Company Doctor and, to the extent of their competence, by the first aid team.

The Company Doctor is also required to periodically update the workers' health records and inform them of the results of the examinations carried out.

Measurement and monitoring of performance – other data (in addition to accidents and incidents)

The Company Doctor, in agreement with the Prevention and Protection Service and the Workers' Safety Representative, draws up a health surveillance plan. This plan provides that preventive checks be carried out to identify the worker's suitability for carrying out a specific task, as well as periodic checks on the health of the workers.

The documentation relating to this periodic control activity is stored on the premises of the *HRO* Office. The Company Doctor also periodically updates the workers' health records and informs them of the meaning and results of the examinations carried out.

The files are kept in a confidential archive. A copy of the file is given to the employee at the time of termination of the employment relationship with the Company.

The *HSE* Office promptly informs the supervisors of the results of the visits carried out by the Company Doctor with reference to the workers who report to them, as well as of the possible prescription of specific PPE (e.g. hearing protectors).

Measurement and monitoring of performance – cases/disputes

The monitoring of accidents and disputes that may arise from them is the responsibility of the Safety Officer together with the *Legal & Governance Office/HRO* Office for the various aspects within their purview, as well as of the Employer. They also provide for the updating of the Risk Assessment Document where deficiencies or in any case areas of improvement in the prevention system are identified.

Audits

The Safety Officer periodically carries out checks on occupational health and safety, including with regard to the application and effectiveness of the procedures adopted.

The Safety Officer formulates an annual audit plan, which provides for audits in the different Offices/Departments in relation to the activities carried out there. The checks are carried out by the *Health, Safety & Environment* Unit, also using external suppliers, and include a check on the state of the workplaces and the assessment of any changes (e.g. organizational, operational, in the configuration of the work environments, in the equipment and in the machines used).

The verification activity carried out is formalized in specific reports, signed by the head of the relevant Office, who takes charge of the implementation of any corrective actions to which the *Health, Safety & Environment* Unit subsequently returns to carry out checks.

In addition, the Company uses external consultants who, from time to time, are appointed to carry out checks on specific areas and aspects (for example, on the state of the machinery) and who, at the end of their work, issue a report indicating the overall assessment and any suggestions to increase the level of safety.

The implementation of the improvement plan is handed off to the Safety Officer, which involves the Employer's delegates pursuant to Italian Legislative Decree no. 81/2008 and the Managers of the corporate offices concerned, establishing the timing for the implementation of the interventions.

Management Review

The status of implementation of prevention and protection measures and related improvement actions is discussed in the context of the periodic meeting pursuant to art. 35 of Italian Legislative Decree no.81/2008, which examines what has been done in the course of the year on health and safety and presents proposals for the following year.

Additional opportunities for review are represented by the meetings that are periodically organized by the Employer's delegates with their respective sub-delegates.

There is also a trade union committee dedicated to safety that meets on a quarterly basis and in which the Safety Officer, the *CHRO* and the Workers' Safety Representative participate to discuss the possible need to implement the health and safety system.

In addition, in order to ensure the continued suitability, adequacy and effectiveness of the health and safety management system, *Quarterly meetings* have been set up to summarize and analyse the main safety issues on an ongoing basis.

The review process leads, where deemed necessary, to the updating of the Risk Assessment Document by the Employer.

Organisational and prevention measures necessary to deal with pandemic emergencies

The Company has adopted a general Pandemic Plan updated over time, for which in health emergency situations it is up to the Employer to assess the risk to which workers are exposed in connection with work and, also taking into account any emergency legislation issued at national or local level, to evaluate the establishment of an internal body (*Task Force Team*) with responsibility for defining mitigation measures for identified risks.

The *Task Force Team* can also involve the RLS and RSUs in the working table to achieve the adoption of specific contrast measures, which, in any case, are ultimately decided and issued by the CEO as Employer and communicated to workers by *e-mail* and appropriate posters in the company.

Prevention of violence and harassment at work

The Company has implemented the *P_035 - Occupational Health Policy* defined by the Audi Group on health protection also from a psychosocial point of view.

The *Policy* provides for the provision of specific reporting channels, the first of which is represented by manager of superior level, followed by the HRO Office, the Company Doctor (bound by professional secrecy), a listening desk managed by an external professional without connection with company bodies (to ensure independence) and finally the reporting channels according to the *Whistleblowing System*.

The *Policy* is published on the *intranet* and appears as *news* with each update.

The HRO Office deals with the organization of training courses for *Managers* and having as content also the management of its resources. In addition, the Group requires the completion of a questionnaire annually to survey the so-called corporate climate.

On the basis of the results of the climate survey, it is possible to design specific improvement actions, such as training courses, analysis of organisational processes, review of internal communication channels, introduction of new practices, etc.

4.24 Management of environmental requirements

Relevant offenses

Environmental offenses

Organized crime offenses

Company or Group roles involved

CEO

Delegates and sub-delegates in environmental matters

Health, Safety & Environment Manager (Head of EMS and Safety Officer)

HRO Office

Emergency Team

The Company has identified the sensitive activities in the context of which the offenses referred to in Art. 25-*undecies* of Italian Legislative Decree no. 231/2001 may be committed in the abstract. Specifically, the following sensitive activities have been identified:

- *Waste generation, temporary storage at the production site and transfer of waste to third parties for transport/disposal/recovery (also in case of construction site works);*
- *Management of plants that generate atmospheric emissions, authorization requirements and emission monitoring;*
- *Management of plants that generate wastewater, authorization requirements and monitoring of discharges;*
- *Management (storage/handling/use) of chemical substances that could result in contamination of soil, subsoil and surface or groundwater;*
- *Communication to Offices in case of a potentially contaminating event;*
- *Management of the process of characterization/safety/reclamation/environmental restoration;*
- *Management of assets containing ozone-depleting substances;*
- *Emergency management.*

The list of activities is updated in relation to changes in the characteristics of the work activities carried out and their environmental risk profile.

The Company promotes and applies operating methods for the continuous improvement of environmental protection measures, in compliance with the provisions of the Code of Conduct and in compliance with the Environmental Regulations of the Industrial Union of Turin which lays down the essential features of the obligations and environmental deadlines for business activities, with particular attention to the obligations and formalities applicable to industrial companies.

In addition, the Company is certified in accordance with the standard UNI EN ISO 14001:2015. The environmental protection system is organized into the following four phases:

1. PLANNING – Activities aimed at setting objectives consistent with the general principles underlying the Company's activity, establishing the processes necessary to achieve them, identifying and allocating adequate resources, and formulating document management principles;
2. IMPLEMENTATION and OPERATION – Activities aimed at setting up organizational structures and responsibilities, training, information and training methods, consultation and communication, the record management process (documents and data), operational control methods, management of relations with suppliers and emergency management;
3. CONTROL and CORRECTIVE ACTIONS – Activities aimed at implementing methods of measuring and monitoring performance, recording and monitoring injuries, incidents, near misses, non-conformities, corrective and preventive actions, reporting methods and methods of carrying out periodic checks;
4. MANAGEMENT REVIEW – Activities aimed at implementing methods of measuring and monitoring performance, recording and monitoring injuries, incidents, near misses, non-conformities, corrective and preventive actions, reporting methods and methods of carrying out periodic checks;

Environmental policy

Italdesign has adopted a Policy for the Environment and Health and Safety at Work (hereinafter also the "Policy") aimed at the reasonable, constant improvement of prevention and protection activities in environmental matters, suited to identifying possible development opportunities while maintaining a high standard of quality in the production it offers.

The *Policy* is adopted by the *CEO* and demonstrates the commitment to create, adopt and maintain an efficient environmental management system, designed to comply with the regulations and improve the performance of the environment as a whole, a common objective for the entire Group. To ensure maximum dissemination, the *Policy* is circulated to all employees and made available to all through publication on the Company's website and intranet.

The Parent Company periodically defines and formalizes its environmental mission, which includes four areas of action relating to climate change, resources, air quality and environmental compliance and requires all Group companies, including Italdesign, to set the same objectives at local level.

In addition, the Code of Conduct adopted by the Company, the principles of which form the basis of the company's culture, establishes that the environment is a primary good that the Company undertakes to safeguard; to this end, Italdesign plans its activities by seeking a balance between economic initiatives and environmental needs, developing its business in maximum compliance with current environmental regulations.

The Company also promotes behavior and activities aimed at reducing environmental impacts and is committed to constantly adapting its production sites to the applicable best practices.

More specifically, the Company's objectives include:

- the reduction of the environmental impacts of its activities through the optimal use and/or reduction of resources and raw materials used, the adoption of appropriate technical-management procedures, the search for greater energy efficiency and optimization of the waste cycle;

- the assignment of precise management responsibilities for the environment in the business activities involved;
- greater awareness of all employees of individual responsibilities, while providing effective information for an ever-increasing involvement of all people as an active part of the process;
- involvement of customers, suppliers and employees on environmental issues with actions aimed at continuous improvement;
- assessment of the environmental risks of new processes and modifications of existing plants.

Identification and assessment of environmental aspects

The Company has established, implemented and maintains a management procedure for:

- identifying the direct and indirect environmental aspects of the activities and products within the scope set for the environmental management system;
- determining the aspects which have or may have a significant impact on the environment (significant environmental aspects).

The assessment of environmental aspects and their impacts is promoted by the *CEO* with the involvement of the *Health, Safety & Environment Manager* and delegates in environmental matters (who are also responsible for reporting any new risks) and is reviewed periodically based on regulatory changes and company operational changes.

The organizational system implemented provides for delegates to keep environmental documentation with the help of the *Health, Safety & Environment Manager*, which includes documents relating to the analysis of the risks inherent in the activities carried out by the Company and the measures adopted to deal with the identified environmental impacts.

Regulatory and authorization requirements

The update in relation to regulatory changes in environmental matters and the filing of related documentation are managed by the *Health, Safety & Environment Manager* in compliance with the provisions of the Procedure "Assessment and dissemination of legislative requirements".

The applicable regulatory provisions are collected and updated through:

- the purchase of updated editions of codes, laws and regulations of particular relevance to the Company;
- the collection and archiving of changes and updates to the laws and regulations in force, through the communication thereof to the Company by legal advisors;
- the search for new laws and regulations through the continuous monitoring and consultation of communications received through specialized magazines and the Industrial Union of Turin;
- discussion with the environmental managers of the other Italian companies of the Group and with the Group itself.

The *Health, Safety & Environment* Manager verifies the applicable regulatory requirements, maintains a register with a timetable of the expected obligations, including with reference to the maintenance and renewal of the authorizations.

Roles and responsibilities for the implementation of regulatory and authorization requirements are formally defined.

Objectives, goals and programs

The objectives and targets are defined taking into account the Policy, best practices (which can also be identified in comparison with the certification body) and the results of the assessment of risks and environmental impacts, as well as considering the objectives set by the Group with its mission (Mission:Zero program).

More precisely, in establishing and reviewing environmental objectives and targets, the Company takes into account the following aspects:

- regulatory requirements;
- significant environmental aspects;
- the available technological options;
- financial needs;
- operational needs;
- commercial needs;
- stakeholders' views.

These elements are also considered for the purpose of updating the analysis of the context in which the Company operates and the expectations of interested parties, in order to identify the factors able of influencing, positively or negatively, the achievement of corporate objectives.

Interventions are proposed by the *Health, Safety & Environment Manager* who for each objective identifies the relevant environmental aspect, the necessary actions, the company department responsible for implementing them and achieving the goal, as well as the timing. The planning is submitted to the *CEO* to initiate the investment approval process, where necessary.

The *Health, Safety & Environment Manager* monitors the progress of the individual actions.

In order to achieve the objectives, key environmental indicators (KPIs) are monitored annually to transparently report the progress of the EMS.

In addition, even beyond the objectives and, therefore, the planned investments, if necessary, the Company acts promptly to resolve any situations that, if not managed, could result in a risk or, in any case, a worsening of the EMS or call into question the achievement of the objectives. Again, each delegate has an appropriate spending budget.

Roles and responsibilities

The Company ensures the availability of the necessary resources and defines roles and responsibilities in an effective manner to ensure the correct management of environmental impacts. Resources which include dedicated staff and specialist skills, organizational infrastructures,

technologies and financial resources. In order to facilitate effective environmental management, the company structure is formulated, documented and communicated through the "Company Organizational Chart".

In particular, as the person responsible for the implementation of environmental legislation, the *CEO* has identified as his delegates:

- *Head of Engineering;*
- *Head of Pre-Series & Production;*
- *Head of Quality;*
- *CHRO.*

All environmental tasks and responsibilities originally incumbent on the *CEO* are transferred to each delegate, with particular reference to the personnel working for them, the plants and machinery and the areas of their competence. The perimeters of the delegated powers can thus be said to have been clearly identified.

Each delegate is expressly granted the right to sub-delegate, by agreement with the *CEO*, specific activities and responsibilities within the scope of the delegation to one or more of their direct reports, Unit Managers.

The acts of delegation and sub-delegation clearly and precisely define the areas of responsibility of each delegate, while attributing all the powers, including spending, necessary for the effective performance of the responsibilities and tasks transferred.

In addition, the *Health, Safety & Environment Manager* is always involved in the evaluation and management of choices and processes that may have an environmental impact and offers support and specialist advice to the various corporate bodies.

To empower each employee with regard to their active role in ensuring compliance with environmental regulations and the achievement of the objectives of the EMS, the *HRO* Office ensures that each employee's *job description* always contains an express reference to environmental matters.

With particular reference to construction site activities referred to in Title IV of Legislative Decree no. 81/2008, specific roles are also identified, in line with sector regulations, with specific reference to Annex XV to Legislative Decree no. 81/2008 ("Minimum contents of safety plans in temporary or mobile construction sites"):

- The Client (who is usually the *CEO*), selects and appoints the Works Manager, making use of the *Purchasing Department* for qualification processes in compliance with company procedures;
- the SCD (appointed by the Client or by the Works Manager where identified) verifies that the PSC identifies the areas for the storage of equipment and the storage of materials and waste;
- in line with the most recent case law²³, the contractor is responsible for identifying all types of waste and assigning the EWC code and any hazardous characteristics, including, if necessary, through the use of laboratory analyses;

²³ Cass. Pen., Section III, 09/01/2018, Sentence no. 223

- the SCE carries out an initial and periodic verification of the possession of the registrations/communications/authorizations required by the legislation for waste management by third parties (intermediaries, transporters, recoverers, disposers) to whom the waste produced is delivered (including the verification of vehicle number plates);
- the SCE verifies receipt of the fourth copy of the form within the time limits provided for by the regulations and, if not, defines, together with the *Project Manager* and the Works Manager, actions to be implemented in the event of non-receipt.

Training in environmental matters

The training processes of employees vary according to the different skills required by the various tasks.

In any case, the Company ensures that all those performing tasks that may have one or more significant environmental impacts have acquired the necessary competence through appropriate education, training or experience, and keeps the relevant records.

The procedure "*PS_HSE_0009_Training Management*" is established, implemented and maintained. It defines the criteria and the means whereby personnel (whose work may have a significant impact on the environment) are appropriately trained, prepared and informed.

In summary, the *Health, Safety & Environment Manager*, with the support of the *HRO Office*, ensures and guarantees the adequate information and training for all those who do work for Italdesign through:

- communication of environmental guidelines to all employees;
- publication of the relevant documentation on the Company's intranet, accessible to all employees;
- provision, as part of the training provided for executives, supervisors and workers, of specific modules relating to the management of environmental risks.

In particular, the *Health, Safety & Environment Manager*, in coordination with the *HRO Office* and the delegates in environmental matters, annually proposes a training plan, identifying the training initiatives to be provided, the reason they must be implemented and the personnel who must be involved in view of the various areas and tasks.

The Training Plan and its implementation are evaluated during the annual review.

Communications

In relation to its environmental aspects and Environmental Management System, the Company has adopted the Procedure "*PS_HSE_0002_Internal and external communications management*" the implementation of which ensures internal communication between the various levels and corporate bodies.

The Company adopts channels for the internal circulation of environmental information that vary in relation to the content of the information and the number of recipients (e.g. communications attached to payslips, written communications, meetings, posting of notices on the company intranet).

The specific identification of the most suitable tool for achieving the best disclosure of information is the responsibility of the *Health, Safety & Environment Manager* with the involvement of the *HRO*

Office and delegates on environmental matters.

In addition, the training courses for workers, supervisors and managers organized by the Company also illustrate the ways in which each worker can make reports and/or suggestions or propose observations that allow the environmental management system to be improved.

Communication regarding all emergency situations and the rules to be observed (including the possible suspension of activities) is handled by the *HSE Office* with the authorization of the *Health, Safety & Environment Manager*.

Archiving of documentation

The *Health, Safety & Environment Manager* is responsible for archiving the documents concerning the environmental risks that occur in the performance of the Company's activities and, in general, the relevant documents in environmental matters (EMS documents), reviewing and updating them, where necessary.

These documents are made available on the company intranet.

The documentation relating to environmental management includes, but is not limited to:

- regulations, concessions, authorizations and communications with the authorities and control bodies;
- measurement and technical reports;
- supplier certifications;
- reports from external organizations;
- EMS documents;
- safety data sheets for plants, products, etc.

Operational Control - Managing waste

The Company has adopted and observes the Procedure "*PS_HSE_0013_Waste management*" which ensures proper waste management by providing for a series of specific controls to mitigate the characteristic risk factors, such as:

- the formal definition of roles and responsibilities, authorization powers, controls to be carried out and procedures for archiving the documentation;
- the adoption of specific procedures that identify the methods to be followed for the classification of waste or scrap from processing into by-products or waste, specifying roles and responsibilities, the methods of storage, accounting and recording, classification and identification of the destination, ensuring full control over the material used by the company offices (in particular with regard to production);
- the identification of the waste, its classification and the recording of its movement on the appropriate registers;
- the storage and temporary deposit of waste according to its specific nature and for homogeneous groups in the appropriate areas, with the supervision of persons expressly appointed for this purpose; to this end, the Company has adopted GL_ENVIRONMENT_0001 – Waste management, which, accompanied by the attachments, identify and circumscribe, waste disposal areas at each plant;

- segregation, packaging and labeling for the identification of hazardous waste containers;
- the transfer, to authorized companies only, in accordance with current national and regional regulations, of waste for disposal and transportation; to this end, specific procedures for the selection and qualification of suppliers are observed and kept up to date;
- verification of the completion of all parts of the transportation identification form, the waste register and any other documentation and the archiving thereof;
- verification of the obligations inherent in the traceability information system, according to the methods provided for by law;
- verification of the authorization of the means of transport of waste, as well as the correspondence of the data contained in the authorization documents.

In accordance with the Group Policies, the Health, Safety & Environment Manager, through the resources of its Office, acts as a "second line of defence" with respect to the implementation of the different tasks and controls by the Delegates and sub-Delegates and without prejudice to the duty of vigilance of the delegating party.

At all the plants waste collection areas are identified and organized with containers suitable for separate collection – including for waste deriving from industrial activities – marked with specific signs.

Within the construction site areas, the above obligations are the responsibility of the contractor, who is previously (and continuously) qualified by the SCE.

The proper management and sorting of waste is the subject of particular in-depth research in the field of communication and training.

Operational control_ Atmospheric emissions

The Company ensures the correct management of plants and activities that generate emissions into the atmosphere in order to ensure compliance with applicable emission limits and, in particular:

- the identification of the points of emission into the atmosphere (point and diffuse) active within the activities carried out by the organization;
- the timely identification of the need to activate new points of emission into the atmosphere/modify existing emissions so that any necessary authorization requests/modifications may be prepared; the implementation of the requirements of the applicable authorization acts, with particular regard to the frequency and methods of emission monitoring and periodic verification of compliance with the requirements;
- the conduct of emission monitoring in accordance with the applicable authorization acts, including sampling and analysis methodologies and techniques;
- the verification of the results of the monitoring of atmospheric emissions, comparison with the applicable emission limits and archiving of the internal communication documentation of the results;
- the implementation of the necessary measures, in the event warning thresholds or emission limits are exceeded, to ensure the timely return to within the thresholds or limits;
- calibration and maintenance of measurement instruments;
- the traceability of all activities related to the management of atmospheric emissions.

In accordance with the Group Policy, the Health, Safety & Environment Manager, through the resources of its Office, acts as a "second line of defence" with respect to the implementation of the different tasks and controls by the Delegates and sub-Delegates and without prejudice to the duty of vigilance of the delegating party.

It is then up to the individual environmental delegates, with support of the *Health, Safety & Environment Manager* and the *Property & Facility Manager*:

- the operation and maintenance of the plants/activities that generate/treat emissions into the atmosphere (e.g. operation of emission abatement systems, maintenance plans, verification of the efficiency of the systems) in order to avoid malfunctions/failures/human errors that may cause failure to observe warning thresholds or emission limits.

Operational control - Waste water

The Company ensures the correct management of plants and activities that generate wastewater in order to ensure that water is discharged in compliance with applicable regulatory and authorization requirements and, in particular:

- the identification of waste water discharge points, with particular regard to industrial waste water;
- the timely identification of the need to activate new wastewater discharge points/modify existing discharge points so that the necessary authorization request/modification is prepared;
- the request, modification and/or renewal of authorizations for the discharge of waste water, with particular regard to: *i*) verification of the time necessary to obtain the authorizations; *ii*) verification of the expiry of the authorizations; *iii*) preparation of the documentation necessary for the authorization process; and *iv*) internal communication to the functions concerned of the progress of the authorization process and the obtaining of the authorizations;
- the implementation of the requirements laid down in the applicable authorization acts, with particular regard to the frequency and methods of monitoring the quality of discharged industrial waters (hazardous substances) and periodic verification of compliance with those requirements;
- monitoring of waste water discharged (hazardous substances) in compliance with the provisions of the applicable authorization acts, including sampling and analysis methods and techniques;
- verification of the results of the monitoring of the waste water discharged (hazardous substances), comparison with the applicable limits, archiving of documentation and internal communication of the results;
- the operation and maintenance of the plants/activities that generate/treat waste water (e.g. operation of purification plants, maintenance plans, verification of the efficiency of the plants) in order to avoid malfunctions/failures/human errors that may cause failure to observe warning thresholds or discharge limits;
- the implementation of the necessary measures, in the event warning thresholds or discharge limits are exceeded, to ensure the timely return to within the thresholds or limits;

- calibration and maintenance of measurement instruments;
- the traceability of all activities relating to the management of water discharge.

In accordance with the Group Policy, the Health, Safety & Environment Manager, through the resources of its Office, acts as a "second line of defence" with respect to the implementation of the different tasks and controls by the Delegates and sub-Delegates and without prejudice to the duty of vigilance of the delegating party.

Operational control – Ozone-depleting substances

The Company ensures the acquisition, installation, use, maintenance and/or disposal of plants containing ozone-depleting substances in accordance with current regulatory requirements. Specifically, roles, responsibilities and operating methods are formulated for:

- the identification of all the systems/machinery/equipment/devices potentially containing ozone-depleting substances (e.g. air conditioning and refrigeration systems, heat pumps, fire-fighting systems) used in the context of the activities carried out and registration of the type and quantities of the substances contained therein (e.g. CFCs, Halon, HCFCs, HBFCs);
- verification that the substances present are not among those for which there are prohibitions/restrictions on use and possible disposal of the assets and/or substitution of the prohibited substances;
- periodic updating of the inventory of the aforementioned assets;
- the formulation of scheduled maintenance plans (e.g. verification of gas leaks) of the aforementioned assets in compliance with current legislation (semi-annual/annual checks according to the quantities of gas contained, use of gas leak detection instruments compliant with the requirements);
- traceability of all activities related to the management of assets containing ozone-depleting substances.

In accordance with the Group Policy, the Health, Safety & Environment Manager, through the resources of its Office, acts as a "second line of defence" with respect to the implementation of the different tasks and controls by the Delegates and sub-Delegates and without prejudice to the duty of vigilance of the delegating party.

Emergency preparedness and response

The Company establishes, implements and maintains the "*PS_HSE_0003_Gestione Emergency*" Procedure, which makes it possible to identify potential emergency situations and accidents that may have an impact on the environment (e.g. spills of hazardous chemicals on the ground, operational accidents that may cause exceedances of the limits on emissions into the atmosphere and water discharges) and the methods of response to them.

This Procedure is subject to periodic review and, in any case, after accidents or emergency situations have occurred. Potential emergency situations and rationally conceivable accidents are identified taking into account:

- the results of environmental analyses;

- Risk Assessment (Legislative Decree 81/2008 and subsequent updates);
- the historical analysis of accidents in the company.

Specifically, the measures have been identified according to the following principles:

- prevent and contain environmental damage and also allow the safety of individuals in the event of any emergency situation;
- identify potential emergency situations and potential accidents in order to prevent them
- identify the activities to be implemented in the event that, despite the prevention carried out, an emergency situation and/or an accident arises;
- deal with the emergency from the outset to contain the effects, injuries and possible illnesses arising and quickly bring the situation back to normal operating conditions;
- plan the actions necessary to protect people both inside and outside production units.

Consistently, on the basis of the analyses thus carried out, the Company has taken steps including, but not limited to:

- the training of management personnel and specific training on the Emergency Management Procedure for operating personnel;
- the verification of existing plant adoptions, planning, where necessary, the improvement or introduction of new alarm or safety systems with the aim of reducing the probability of the event occurring and, in any case, containing them as much as possible;
- information, education and training of personnel (theoretical course on prevention fire prevention, first aid measures, classification and labeling of chemicals, handling of chemicals, handling of loads, etc.);
- emergency evacuation drills testing emergency procedures at least once a year.

Waste transporters and disposers/analysis laboratories/third parties carrying out environmentally relevant activities

The procedures for the procurement of services in force govern the selection of waste transporters/disposers, including checks on the existence and validity of the registrations/communications/authorizations required by the regulations for waste management activities.

In particular, the procedures followed, the implementation of which is ensured by the *Purchasing Office*, provide for the initial qualification and periodic requalification of waste recoverers/disposers/intermediaries/transporters for the verification of compliance with the regulatory requirements applicable to them and their environmental performance through: *i)* acquisition of the full copy of registrations/communications/authorizations, all documentation demonstrating compliance with administrative requirements and copies of all certification certificates according to international standards; *ii)* initial and periodic verification of the documentation received (e.g. registration in the National Register of Environmental Managers, verification of authorized EWC codes, verification of the means authorized for each type of waste); *iii)* definition of a list of recoverers, disposers, intermediaries, qualified transporters; *iv)* monitoring

(e.g. computer *software*) of the deadlines for registrations/communications/authorizations; v) formulation of contractual clauses that require the intermediary to provide, in addition to the documents certifying its authorization, the registrations/authorizations relating to the transporters used and the plants for which the waste will be destined; vi) inclusion of specific clauses with which the supplier certifies that it is familiar with the Code of Conduct adopted by the Company and undertakes to comply with it, with provisions for penalties in case of violation; and vii) traceability of all activities related to the selection process for waste collectors/disposers/intermediaries/transporters and subsequent award of contracts.

Surveillance and measurement

The *Health, Safety & Environment Manager* ensures the planned verification of environmental performance and related indicators, monitoring the performance of the applicable operational controls and compliance with the organization's environmental objectives and goals; the results of the controls carried out are archived as evidence of the prevention activities.

The results of the monitoring carried out on the performance, in relation to the various environmental matrices, are subject to evaluation by the *Health, Safety & Environment Manager*, the *CEO* and the Delegates on environmental matters as part of periodic reporting and review activities.

Internal audits/reporting

The Company has formulated the criteria and operating methods followed for the management (planning, preparation, execution, documentation and conclusion) of internal audits.

In particular, the Procedure "*PS_HSE_0006_System Audit*" indicates:

- the responsibilities and requirements for planning and conducting the audits, for reporting the results and for keeping the related records;
- the determination of the criteria, field of application, frequency and methodology of the audit;
- the selection of the Auditors and the conduct of the audits ensure the impartiality and objectivity of the audit process.

The annual audit program is proposed by the *Health, Safety & Environment Manager* and implemented by the HSE Office, using external auditors, if necessary.

At the end of the inquiry, the *Audit* Group analyses the data and information collected and draws up the final report, signaling any non-compliance/observations found.

The minutes are kept by the *Health, Safety & Environment Manager*.

Non-conformity, corrective actions and preventive actions

The Company applies the Procedure "*PS_HSE_0007_NC and CA Management*", which sets out how to implement and maintain the procedures to detect and manage non-conformities and to take corrective actions. The procedures lay down the requirements for:

- reacting to non-conformities and taking action to keep them under control and correct them, addressing the consequences, including mitigation of negative environmental impacts;
- assessing the need for actions to eliminate the causes of nonconformities so that they do not recur and do not occur elsewhere (reviewing the nonconformities, determining the causes, determining whether similar nonconformities exist or could occur);
- implementing any necessary action;
- reviewing the effectiveness of any corrective action taken;
- making changes to the EMS, if necessary.

A problem or non-conformity may arise:

- during the performance of audits (of customers, bodies responsible for Official Control, Health Authorities, Certification Bodies, internal, etc.);
- during the normal course of work, when irregularities occur, inherent both to the product and to the activities or process and related documentation (repetitive non-conformities);
- following complaints from customers or interested parties;
- following reports of other functions involved in the implementation of the EMS;
- following the Management Review.

The *Health, Safety & Environment Manager*, through the forms provided for this purpose, records the categories of non-conformities found during the verification activities as well as the methods of managing them.

The time needed to close the corrective actions is agreed with the Manager of the Office where the verification was carried out, ensuring compliance with the provisions of Procedure PS_HSE_0007 and considering the incidence of the non-compliance found with respect to the effectiveness of the organizational system for environmental compliance.

The Managers of the individual Offices/Units, insofar as they are responsible, are required to implement the corrective measures identified.

During the reporting/reviewing process for the *CEO*, the *Health, Safety & Environment Manager* presents and discusses the results obtained in the application of verification activities, with evidence of the major critical issues encountered and the effectiveness of the activities implemented to resolve them.

Review

Periodically (at least annually) the Management reviews the Environmental Management System, as provided for by Procedure PS_HSE_0014 "Management Review".

Reviews include:

- the status of actions deriving from previous management reviews;
- changes in external and internal factors relevant for the Environmental Management System, in the needs and expectations of stakeholders (including compliance obligations), their respective significant environmental aspects and risks and opportunities;
- the degree of achievement of environmental objectives;

- information on the organization's environmental performance, including non-conformity trends, corrective actions, monitoring, measurement, compliance with its conformity obligations and opportunities for continuous improvement.

The review activity is carried out by the *CEO* as responsible for the implementation of environmental legislation, who, for this purpose, uses the data and information coming from the organization and in particular, those provided by the Environmental Delegates.

In particular, deviations from the guidelines and objectives set are analyzed in order to assess the effectiveness of the management system and identify the changes to be made to ensure its improvement and greater effectiveness.

Following the checks, the new objectives are set, any opportunities for improvement are identified and the necessary resources are formulated to achieve the goals.

In addition, each Environmental Delegate periodically reports on the outcomes of the activities carried out in implementation of the delegation to the CEO, while also supervising the work of his or her its sub-delegates.

Reporting and dialog are appropriately recorded in writing in order to ensure the traceability of the process.

Finally, the Company ensures the extraordinary review of the Environmental Management System whenever environmental non-conformities of particular severity and scope emerge, or significant changes occur in the organizational structure and company activities.

4.25 Use and management of IT resources

Relevant offenses

Cyber-crimes

Offenses related to copyright infringement

Offenses of market abuse

Offences relating to non-cash payment instruments and fraudulent transfer of valuables

Organized crime offenses

Company or Group roles involved

ICT /Process Digitalization

IT Manager

Group CERT

System Administrator

HRO Office

Manager of the Office-Unit/*Process Owner*

Regulation of the process and existence of formalized procedures/guidelines

Italdesign has obtained certification according to the *ISO/IEC 27001 standard* (Information Technology - Security Techniques - Information Security Management Systems - Requirements) which lays down the requirements for setting up and managing an information security management system and includes aspects related to logical, physical and organizational security. In this context, Italdesign has adopted and observes the following Guidelines:

- Guidelines for management
- Safety Guidelines for External Companies
- Personnel Safety Guidelines
- Information Security Organization Security Guidelines
- Safety Guidelines for System Operators and Administrators
- Developer Safety Guidelines

Security Policies

The security of company IT systems and devices is a fundamental element of Italdesign's management system and of the entire Audi/VW Group and as such represents an important point of reference for the implementation and continuous improvement of business processes in a scenario of international competition.

Therefore, the Company has adopted an "*Information Security Policy*" document that sets out the main objectives, strategies and responsibilities needed to ensure the security of IT systems and their use.

The fundamental objectives that Italdesign sets for itself in the management of IT resources are as follows:

- **Confidentiality**: Ensuring that given data is protected against improper access and is used exclusively by authorized persons. Confidential information is protected both in the transmission phase and in the storage phase, so that the information is accessible only to those who are authorized to know it;
- **Integrity**: Ensuring that all data Company data is actually what was originally entered into the IT system and has only been modified in a legitimate manner. The information is processed so that it cannot be tampered with or modified by unauthorized parties;
- **Availability**: Ensuring the availability of data relating to Italdesign's activity according to the requirements of continuity of the processes and in compliance with the rules that require its historical conservation;
- **Verifiability**: access to sensitive information is registered and verified;
- **Authentication**: unique identification when accessing information.

Security organization for internal users

Access to the network, tools, applications and company data takes place in a controlled manner with secure, unambiguous identification of the user by means of credentials, as well as profiling of the user to establish access rights and the operations the user may perform.

The assignment of user accounts to employees/collaborators and their profiling is based on

principles of necessity in order to assign only the necessary authorizations to perform the corporate tasks for which the user is responsible and only for the time required to perform them.

According to specific company procedures, when there is a new hire or a change of duties that requires a change in the privileges of a user profile or a request by an employee, indicating an operational change, the *ICT* Office creates/modifies the digital identity of the user and the relative authorizations on the indication of the Manager of the Office/Unit to which the employee belongs, or of the Project Manager to whom the employee is assigned and who acts as data owner.

Specific identification devices (such as PKI cards) assigned to internal resources in a personal, properly recorded manner are also adopted.

Employee user profiles do not include system administrator functions and are used after entering unique, individual credentials (username and password, subject to periodic modification). The *ICT* Office monitors the status of the activation of the profiles over time and the inactive and unused accounts are blocked and disabled.

The Company also has strict restrictions on the use of devices and applications (including on mobile devices). According to consolidated operating rules, staff without a device must in fact make an express request, authorized by their Director, documenting that they need to do so for work requirements. This does not apply where this requirement is already connected to the job as defined during the hiring/internal rotation phase.

As for Web browsing, the Company has a system of general blocks for specific sites established by Italdesign and/or the Volkswagen Group.

The firewall is managed by experienced systems engineers from the Technical *ICT* team, who have a complete list of blocked sites.

All employees are adequately informed of the rules and principles governing the company's use of IT systems and devices. In particular, new recruits are instructed on the correct use of computer systems during *Induction Day*, organized on a monthly basis, whereas awareness campaigns are periodically organized for all employees and collaborators.

At any time, employees can consult the relevant policies and procedures through the company intranet, including the "*Personnel Security Guidelines*", which also describes the rules for use of company computers, e-mail and portable PCs and devices.

Security organization for external users

In general, external parties may only request access to the Internet, protected by a password, as an intranet guest.

Where, however, the performance of the activity entrusted to them requires access to company IT systems, this can only be enabled by the *ICT* Office, after verifying the actual need together with the Manager of the Office/Unit involved.

In this case, the *ICT* Office provides for the activation of *ad hoc* profiles with limited access to the network server, based on the services that the external party must perform for the Company.

Classification and control of assets

Company assets (hardware and software) are delivered to employees upon the issue of a delivery form, duly signed and stored at the HRO Office.

With regard to the installation and control of the use of software licenses, the *ICT* Office – after

having identified the business needs – identifies the most suitable technological solutions and starts the purchasing process in compliance with the business procedures that govern the search for and qualification of the supplier, managed by the Purchasing Office.

New software can only be installed by *ICT* Office users with system administrator privileges, whereas users with a standard business profile cannot do so. New or modified programs may only be used on existing systems if previously tested successfully and approved by information holders and system operators.

The staff of the *ICT* Office promotes the monitoring of the status of the installation of licenses and carries out checks of correspondence between the installed software and the license registry.

With regard to the management of data and information, the Company has defined the organizational structure of the parties with prerogatives pursuant to Italian Legislative Decree no. 196/2003 (Personal Data Protection Code), as amended by EU Regulation no. 679/2016 and Italian Legislative Decree no. 101/2018 implementing the Regulation.

Physical and environmental safety

According to consolidated operating rules, the staff at the *Reception* offices identifies the visitor and advises the employees affected by the visit who accompany the visitor/guest during their stay at the company premises.

All access by external personnel is recorded in a special computer log kept at the *Reception*.

Physical security measures are adopted for all company areas, which establish the protection tools most suited to the type and destination of the premises (e.g. burglar alarms and video surveillance systems).

The servers are hosted in special rooms, to which only authorized operating personnel are allowed access.

Cyber-security: data protection and incident resolution

In order to prevent data and document damage as well as to prevent external intrusions into the Company's computer system, the Company has a complete antivirus solution to protect against malware, spyware and emerging online threats.

This system allows constant monitoring of the progress of attempts by third parties, or through viruses, to exploit one or more vulnerabilities in order to obtain unauthorized access to the systems or affect their operation.

Specifically, periodic reports are generated by the system indicating the events detected and the computer on which they occurred.

This allows the *IT* Office to plan the actions necessary to block threats according to the times and methods set out in company procedures and to manage operationally the security incidents that occur and that are recognized as such.

The *IT* Office is supported by the Group CERT, which coordinates security incidents globally for all Audi – Volkswagen Group companies.

The person responsible for the entire antivirus management and incident handling process is the *Chief Information Security Officer* (CISO).

The use of company IT resources, in compliance with the provisions of *privacy legislation*, can be verified through log systems, functional for various purposes including:

- **Troubleshooting:** Logs can help identify and resolve technical issues by providing detailed information about errors and events that have occurred.
- **System monitoring:** Logs can be used to monitor system performance, identify anomalies, and prevent future problems.
- **Security analysis:** security logs can be used to analyze security events, identify threats, and improve system security;
- **AUDIT and Compliance:** Logs can be used to meet *audit* and compliance requirements, providing a track record of activities performed on the system.

Audits

Verification of the effectiveness and efficiency of IT systems and equipment is promoted by the *ICT* Office with the support of external consultants, where necessary. In addition, the management of IT resources and information is also audited by the Parent Company.

Human Resources and Security

As part of the recruitment procedures for new resources, the ability to use IT resources is also evaluated during the selection interviews: this evaluation is carried out with reference to the role that the candidate will fill.

The staff of the *ICT* Office informs all employees of any changes to the IT security rules through communications on the intranet, e-mail or training courses promoted in agreement with the *HRO* Office. In the event of termination of the employment relationship of an employee, he or she is obliged to return all the equipment received and the *ICT* Office, upon the report of *HRO*, removes the related rights of access to information and IT resources.

Documents with electronic or digital signature and access to third party portals

The management of documents with qualified or digital signatures (such as, but not limited to, smart cards, pseudo-random number generators, certified e-mail, etc.) is allowed only by persons expressly authorized to do so, in compliance with the powers of attorney and the powers conferred on them.

Similar principles govern the use of corporate accounts for access to computer portals managed by public bodies (e.g. for personnel obligations or tax practices): only expressly delegated parties can perform these operations, through the use of username and passwords that they undertake not to disclose.

Encryption

Network infrastructure communications are supported by cryptographic checks.

Cryptographic keys are protected from modification and deletion and are replaced if unauthorized persons gain access to them. The number of persons with access to the keys is kept as low as possible and such persons are recorded in a list.

The need to protect company data and information from unlawful acquisition by third parties also results in the prohibition of using cloud computing tools, accessing streaming transmission sites and making video calls and videoconferences with systems that are not protected and not authorized by the *ICT* Office.

Security in the acquisition, development and maintenance of information systems

The *ICT* Office promotes corrective and evolutionary maintenance on the intranet and network systems with the support of specialized suppliers.

Special non-disclosure clauses are included in contracts with external consultants and/or technicians. Software development or customization takes place after carrying out testing activities in separate environments with the identification of safety requirements calibrated based on the functions and uses of the technological solution to be developed.

Traceability and ex-post verifiability of transactions through adequate documentary/electronic media

The Company uses automated saving procedures, carried out through management systems that periodically make a copy of the data present in the systems and save them on secondary units at engine room.

For this purpose, the data should be stored on the assigned network storage devices and not on the local *hard drive* as automatic data *backup* is only guaranteed in such a way.

Logs are activated and recorded according to the various types of services and systems used: the system in use (SIEM) makes it possible to monitor access logs and, for specific applications, the operations carried out.

Checks on *the logs* are carried out by the *ICT* Office as part of periodic technical checks.

Separation of tasks

The segregation of duties is implemented through the distinction between: *i)* the executive activities carried out by the users, the *ICT* Office and the *HRO* Office; *ii)* the controls carried out by the *ICT* Manager and the Group CERT; and *iii)* the authorization role of the System Administrator and the Manager of the Office/*Process Owner* on which the resource depends for the definition of the profiles to be activated.

Existence of a system of powers of attorney consistent with the organizational responsibilities assigned

Those involved in the activity operate within the scope of their duties based on the role played within the company organization and in compliance with the system of powers of attorney and internal delegated powers in force.

Assignments as System Administrator are formalized.

5. INFORMATION FLOWS TO THE OVERSIGHT BODY

With reference to the sensitive activities reported in this Special Part, in addition to the information flows provided for in the General Part of this Model, the Oversight Body must be sent the further information provided for in the "*summary diagram of information flows*", approved and updated by the OB itself. In any case, the type and frequency of the information to be sent to the Oversight Body are agreed by the OB with the respective Managers, who adhere to the agreed procedures and timescales.



ORGANISATION, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE NO. 231/2001

Italdesign-Giugiaro S.p.A.

Annex 1 – List of offences provided for by Legislative
Decree no. 231/2001

INDEX

1	PREMISE.....	6
2	OFFENCES RELATED TO THE MANAGEMENT OF PUBLIC FUNDS.....	12
2.1	EMBEZZLEMENT OF PUBLIC FUNDS (ARTICLE 316-BIS OF THE CRIMINAL CODE).....	12
2.2	UNDUE RECEIPT OF PUBLIC FUNDS (ARTICLE 316-TER OF THE CRIMINAL CODE).....	13
2.3	AGGRAVATED FRAUD FOR THE ACHIEVEMENT OF PUBLIC DISBURSEMENTS (ARTICLE 640-BIS OF THE CRIMINAL CODE)	13
2.4	DISTURBED FREEDOM OF ENCHANTMENTS (ARTICLE 353 OF THE CRIMINAL CODE)	13
2.5	DISTURBED FREEDOM OF THE PROCEDURE FOR CHOOSING THE CONTRACTOR (ARTICLE 353-BIS OF THE CRIMINAL CODE)	13
3	CRIMES RELATED TO THE FALSITY OF VALUES, INSTRUMENTS AND IDENTIFICATION SIGNS....	14
3.1	COUNTERFEITING OF COINS, PUBLIC CREDIT CARDS AND REVENUE STAMPS (ART. 25-BIS OF LEGISLATIVE DECREE 231/01)	14
3.2	FORGERY OF INSTRUMENTS OR IDENTIFICATION SIGNS (ART. 25-BIS OF LEGISLATIVE DECREE 231/01).....	15
4	CRIMES IN RELATIONS WITH THE PUBLIC ADMINISTRATION AND THE EUROPEAN UNION	17
4.1	COMPUTER FRAUD TO THE DETRIMENT OF THE STATE, ANOTHER PUBLIC BODY OR THE EUROPEAN UNION (ARTICLE 640-TER OF THE CRIMINAL CODE).....	17
4.2	EMBEZZLEMENT.....	17
4.3	BRIBERY (ARTICLE 317 OF THE CRIMINAL CODE).....	18
4.4	UNDUE INDUCEMENT TO GIVE OR PROMISE BENEFITS (ARTICLE 319-QUARTER OF THE CRIMINAL CODE).....	18
4.5	CORRUPTION	18
4.6	TRAFFICKING IN ILLICIT INFLUENCE (ARTICLE 346-BIS OF THE CRIMINAL CODE)	20
4.7	FRAUD IN PUBLIC PROCUREMENT (ARTICLE 356 OF THE CRIMINAL CODE)	20
4.8	AGGRAVATED FRAUD TO THE DETRIMENT OF THE STATE OR OTHER PUBLIC BODY OR OF THE EUROPEAN COMMUNITIES (ARTICLE 640, PARAGRAPH 2, NO. 1, OF THE CRIMINAL CODE).....	21
4.9	FRAUD IN AGRICULTURE (ART. 2, LAW NO. 898 OF 23 DECEMBER 1986)	21
5	CORPORATE OFFENCES.....	22
5.1	FALSE CORPORATE COMMUNICATIONS (ARTICLE 2621 OF THE ITALIAN CIVIL CODE)	22
5.2	MINOR FACTS (ARTICLE 2621-BIS OF THE ITALIAN CIVIL CODE)	23
5.3	FALSE CORPORATE COMMUNICATIONS OF LISTED COMPANIES (ARTICLE 2622 OF THE ITALIAN CIVIL CODE).....	23
5.4	IMPEDED CONTROL (ARTICLE 2625, PARAGRAPH 2, OF THE ITALIAN CIVIL CODE, PARTIALLY AMENDED BY ARTICLE 37, PARAGRAPH 35, OF LEGISLATIVE DECREE 39/2010).....	23
5.5	CRIMES ON CAPITAL	24
5.6	UNLAWFUL INFLUENCE ON THE SHAREHOLDERS' MEETING (ARTICLE 2636 OF THE ITALIAN CIVIL CODE).....	24
5.7	RIGGING (ART. 2637 OF THE ITALIAN CIVIL CODE).....	24
5.8	FAILURE TO COMMUNICATE THE CONFLICT OF INTEREST (ARTICLE 2629-BIS OF THE ITALIAN CIVIL CODE).....	25
5.9	OBSTRUCTION OF THE EXERCISE OF THE FUNCTIONS OF PUBLIC SUPERVISORY AUTHORITIES (ARTICLE 2638, PARAGRAPHS 1 AND 2, OF THE ITALIAN CIVIL CODE)	25

5.10	CORRUPTION BETWEEN PRIVATE INDIVIDUALS (ARTICLE 2635, PARAGRAPH 3, OF THE ITALIAN CIVIL CODE).....	25
5.11	INCITEMENT TO CORRUPTION BETWEEN PRIVATE INDIVIDUALS (ARTICLE 2635 BIS, PARAGRAPH 1, OF THE ITALIAN CIVIL CODE) 26	
5.12	CRIME OF FALSE OR OMITTED DECLARATIONS FOR THE ISSUANCE OF THE PRELIMINARY CERTIFICATE, I.E. THE DOCUMENT ACCOMPANYING EXTRAORDINARY CROSS-BORDER TRANSACTIONS (ARTICLE 54 OF LEGISLATIVE DECREE 19/2023).	26
6	FEMALE GENITAL MUTILATION PRACTICES	27
7	OFFENCES FOR THE PURPOSE OF TERRORISM AND AGAINST THE INDIVIDUAL PERSONALITY. 28	
7.1	OFFENCES WITH THE PURPOSE OF TERRORISM OR SUBVERSION OF THE DEMOCRATIC ORDER	28
7.2	OFFENCES AGAINST THE INDIVIDUAL PERSONALITY (ARTICLES 600, 600-BIS/QUINQUIES, 601, 602, 603BIS AND 609-UNDECIES OF THE CRIMINAL CODE)	29
8	MARKET ABUSE OFFENCES	30
8.1	MISUSE OR UNLAWFUL DISCLOSURE OF INSIDE INFORMATION. RECOMMENDATION OR INDUCEMENT OF OTHERS TO THE COMMISSION OF INSIDER DEALING (ART. 184 OF THE CONSOLIDATED LAW ON FINANCE)	30
8.2	MARKET MANIPULATION (ART. 185 OF THE CONSOLIDATED LAW ON FINANCE)	31
8.3	ADMINISTRATIVE OFFENCES (ARTICLES 187-BIS, 187-TER, 187-TER.1 AND 187-QUINQUIES OF THE CONSOLIDATED LAW ON FINANCE) 32	
9	TRANSNATIONAL CRIMES	33
9.1	CRIMINAL CONSPIRACY (ARTICLE 416 OF THE CRIMINAL CODE)	33
9.2	MAFIA-TYPE ASSOCIATIONS (ARTICLE 416-BIS OF THE CRIMINAL CODE).....	34
9.3	CRIMINAL CONSPIRACY AIMED AT SMUGGLING FOREIGN MANUFACTURED TOBACCO (ARTICLE 291-QUARTER OF PRESIDENTIAL DECREE NO. 43/73).....	34
9.4	ASSOCIATION AIMED AT THE ILLICIT TRAFFICKING OF NARCOTIC OR PSYCHOTROPIC SUBSTANCES (ART. 74 DPR 309/90) 35	
9.5	PROVISIONS AGAINST ILLEGAL IMMIGRATION (ARTICLE 12, PARAGRAPHS 3, 3-BIS, 3-TER AND 5 OF LEGISLATIVE DECREE 286/98) 35	
9.6	INDUCEMENT NOT TO MAKE STATEMENTS OR TO MAKE FALSE STATEMENTS TO THE JUDICIAL AUTHORITY (ARTICLE 377-BIS OF THE CRIMINAL CODE).....	36
9.7	PERSONAL AIDING AND ABETTING (ARTICLE 378 OF THE CRIMINAL CODE)	36
10	CRIMES AGAINST THE PERSON COMMITTED IN VIOLATION OF ACCIDENT PREVENTION REGULATIONS AND ON THE PROTECTION OF HYGIENE AND HEALTH AT WORK.....	37
11	PROHIBITION OF ABANDONMENT (ARTICLE 192 OF LEGISLATIVE DECREE NO. 152 OF 3 APRIL 2006) 39	
12	RECEIVING STOLEN GOODS, LAUNDERING AND USE OF MONEY, GOODS OR UTILITIES OF ILLEGAL ORIGIN AS WELL AS SELF-LAUNDERING	40
12.1	RECEIVING STOLEN GOODS (ARTICLE 648 OF THE CRIMINAL CODE)	40
12.2	MONEY LAUNDERING (ARTICLE 648-BIS OF THE CRIMINAL CODE).....	41
12.3	USE OF MONEY, GOODS OR UTILITIES OF ILLICIT ORIGIN (ARTICLE 648-TER OF THE CRIMINAL CODE).....	41
12.4	SELF-LAUNDERING (ARTICLE 648-TER.1 OF THE CRIMINAL CODE)	41

13	OFFENCES RELATING TO NON-CASH PAYMENT INSTRUMENTS AND FRAUDULENT TRANSFER OF VALUABLES.....	42
14	COMPUTER CRIMES AND UNLAWFUL DATA PROCESSING.....	44
15	ORGANIZED CRIME CRIMES.....ERRORE. IL SEGNALIBRO NON È DEFINITO.	
15.1	MAFIA POLITICAL ELECTORAL EXCHANGE (ARTICLE 416-TER OF THE CRIMINAL CODE).....	50
15.2	KIDNAPPING FOR THE PURPOSE OF EXTORTION (ARTICLE 630 OF THE CRIMINAL CODE).....	51
15.3	ILLEGAL MANUFACTURE, INTRODUCTION INTO THE STATE, OFFERING FOR SALE, TRANSFER, POSSESSION AND CARRYING IN A PUBLIC PLACE OR PLACE OPEN TO THE PUBLIC OF WEAPONS OF WAR OR WAR-TYPE WEAPONS OR PARTS THEREOF, EXPLOSIVES, CLANDESTINE WEAPONS AS WELL AS SEVERAL COMMON FIREARMS EXCEPT THOSE PROVIDED FOR IN ARTICLE 2, THIRD PARAGRAPH, OF LAW NO. 110 OF 18 APRIL 1975 (ARTICLE 407, PARAGRAPH 2, LETTER A), NUMBER 5) OF THE CODE OF PROCEDURE. PEN.).....	51
16	CRIMES AGAINST INDUSTRY AND COMMERCE.....	53
16.1	DISTURBED FREEDOM OF INDUSTRY OR COMMERCE (ARTICLE 513 OF THE CRIMINAL CODE).....	53
16.2	UNLAWFUL COMPETITION WITH THREAT OR VIOLENCE (ARTICLE 513-BIS OF THE CRIMINAL CODE).....	53
16.3	FRAUD AGAINST NATIONAL INDUSTRIES (ARTICLE 514 OF THE CRIMINAL CODE).....	53
16.4	FRAUD IN THE EXERCISE OF TRADE (ARTICLE 515 OF THE CRIMINAL CODE).....	54
16.5	SALE OF NON-GENUINE FOODSTUFFS AS GENUINE (ARTICLE 516 OF THE CRIMINAL CODE).....	54
16.6	SALE OF INDUSTRIAL PRODUCTS WITH FALSE SIGNS (ARTICLE 517 OF THE CRIMINAL CODE).....	55
16.7	MANUFACTURE AND TRADE OF GOODS MADE BY USURPING INDUSTRIAL PROPERTY RIGHTS (ARTICLE 517-TER OF THE CRIMINAL CODE).....	55
16.8	COUNTERFEITING OF GEOGRAPHICAL INDICATIONS OR DESIGNATIONS OF ORIGIN OF AGRI-FOOD PRODUCTS (ARTICLE 517-QUARTER OF THE CRIMINAL CODE).....	55
17	OFFENCES RELATING TO COPYRIGHT INFRINGEMENT.....	56
18	CRIME OF INDUCING NOT TO MAKE STATEMENTS OR TO MAKE FALSE STATEMENTS TO THE JUDICIAL AUTHORITY.....	58
19	ENVIRONMENTAL CRIMES.....	59
20	EMPLOYMENT OF ILLEGALLY STAYING THIRD-COUNTRY NATIONALS.....	69
21	RACISM AND XENOPHOBIA.....	70
22	FRAUD IN SPORTS COMPETITIONS, ABUSIVE GAMBLING OR BETTING AND GAMES OF CHANCE CARRIED OUT BY MEANS OF PROHIBITED MACHINES.....	71
23	TAX CRIMES.....	72
23.1	FRAUDULENT DECLARATION THROUGH THE USE OF INVOICES OR OTHER DOCUMENTS FOR NON-EXISTENT TRANSACTIONS (ARTICLE 2, PARAGRAPHS 1 AND 2-BIS, LEGISLATIVE DECREE 74/2000).....	72
23.2	FRAUDULENT DECLARATION BY OTHER ARTIFICES (ART. 3 LEGISLATIVE DECREE 74/2000).....	73
23.3	UNFAITHFUL DECLARATION (ART. 4 OF LEGISLATIVE DECREE 74/2000).....	74
23.4	FAILURE TO DECLARE (ART. 5 OF LEGISLATIVE DECREE 74/2000).....	74

23.5	ISSUANCE OF INVOICES OR OTHER DOCUMENTS FOR NON-EXISTENT TRANSACTIONS (ARTICLE 8, PARAGRAPH 1 AND PARAGRAPH 2-BIS, LEGISLATIVE DECREE 74/2000)	74
23.6	CONCEALMENT OR DESTRUCTION OF ACCOUNTING DOCUMENTS (ARTICLE 10 OF LEGISLATIVE DECREE 74/2000)	74
23.7	UNDUE COMPENSATION (ARTICLE 10-QUARTER OF LEGISLATIVE DECREE 74/2000)	74
23.8	FRAUDULENT EVASION OF TAX PAYMENTS (ARTICLE 11 OF LEGISLATIVE DECREE 74/2000)	75
24	CONTRABAND	ERRORE. IL SEGNALIBRO NON È DEFINITO.
25	CRIMES AGAINST CULTURAL HERITAGE.....	77
26	CRIMES PURSUANT TO ARTICLE 23 OF LEGISLATIVE DECREE 231/2001.....	80

1 PREMISE

This document illustrates the types of offence (or administrative offence) whose commission by employees or external collaborators of the Company in the interest or to the advantage of the Company (the expression "employees or collaborators" must also refer to members of corporate bodies such as Directors, even without delegation, and Statutory Auditors) may determine, pursuant to Legislative Decree no. 231 of 8 June 2001 (hereinafter, the "**Decree**"), the administrative liability of the same.

The regulatory interventions that have led to changes in predicate offences (and administrative offences) relevant to the Decree are summarised below, in chronological order:

- Legislative Decree no. 231 of 8 June 2001 (in execution of the delegation referred to in Article 11 of Law no. 300 of 29 September 2000): offences committed in relations with the public administration (Articles 24 and 25 of the Decree);
- Law no. 409 of 23 November 2001, containing "Urgent provisions in view of the introduction of the Euro" (art. 6): offences relating to counterfeiting of coins, public credit cards, revenue stamps and identification instruments (art. 25-bis of the Decree¹);
- Legislative Decree no. 61 of 11 April 2002, containing "*Regulation of criminal and administrative offences concerning commercial companies, pursuant to Article 11 of Law no. 366 of 3 October 2001*" (art. 3), subsequently amended and supplemented by no. 262 of 28 December 2005: corporate offences (art. 25-ter of the Decree);
- Law no. 7 of 14 January 2003, on "*Ratification and execution of the International Convention for the Suppression of the Financing of Terrorism, done in New York on 9 December 1999, and rules for the adaptation of the domestic legal system*" (art. 3): crimes with the purpose of terrorism or subversion of the democratic order (art. 25-quarter of the Decree);
- Law no. 228 of 11 August 2003, subsequently amended by Law no. 38 of 6 February 2006 containing "*Provisions on the fight against the sexual exploitation of children and child pornography also through the internet*" (art. 10): crimes against the individual personality (art. 25-quinquies of the Decree);
- Law no. 62 of 18 April 2005, containing "*Provisions for the fulfilment of obligations deriving from Italy's membership of the European Communities*" and the transposition, therefore, of the legislation on "*market abuse*" in our legal system: crimes of abuse of privileged information and market manipulation (art. 25-sexies of the Decree and art. 187-quinquies of Legislative Decree no. 58 of 24 February 1998 – "**TUF**");
- Law no. 7 of 9 January 2006, containing "*Provisions concerning the prevention and prohibition of female genital mutilation practices*" (art. 8): crimes relating to the practice of mutilation of the female genital organs (added within art. 25-quarter.1 of the Decree);
- Law No. 146 of 16 March 2006 on "*Ratification and Implementation of the United Nations Convention and Protocols against Transnational Organized Crime, adopted by the General Assembly on 15 November 2000 and 31 May 2001*" (Art. 10):
 - transnational crimes²; paragraphs 5 and 6 were repealed from the original provision by Legislative Decree no. 231 of 21 November 2007 (art. 64) relating to the crimes of money laundering (art. 648-bis of the Criminal Code) and of the use of money, goods or utilities of illegal origin (art. 648-ter of the Criminal Code);

¹ The heading of art. 25-bis of the Decree – originally "*Counterfeiting of coins, public credit cards and revenue stamps*" – was amended by Law no. 99 of 23 July 2009.

² Criminal conspiracy (Article 416 of the Criminal Code); Mafia-type association (Article 416-bis of the Criminal Code); Criminal conspiracy to smuggle foreign manufactured tobacco (Article 291-quarter of Presidential Decree No. 43 of 1973); Association aimed at the illicit trafficking of narcotic or psychotropic substances (art. 74 Presidential Decree no. 309 of 1990); Smuggling of migrants (Article 12, paragraphs 3, 3-bis, 3-ter and 5, Legislative Decree No. 286 of 1998); Inducement not to make statements or to make false statements to the judicial authority (Article 377-bis of the Criminal Code); Personal aiding and abetting (Article 378 of the Criminal Code).

- including the crimes of obstruction of justice, for the crimes referred to in Article 377-bis of the Criminal Code of Inducement not to make statements or to make false statements to the judicial authority and for the crimes referred to in Article 378 of the Criminal Code Personal aiding.
- Legislative Decree no. 152 of 2 April 2006, containing "*Environmental regulations*" which, in art. 192, introduces the "*Prohibition of abandonment of [waste]*";³
- Law no. 123 of 3 August 2007, containing "*Measures on the protection of health and safety at work and delegation to the Government for the reorganisation and reform of the relevant legislation*" (art. 9), subsequently amended by Legislative Decree no. 81 of 9 April 2008, containing "*Implementation of article 1 of the law of 3 August 2007, no. 123, on the protection of health and safety in the workplace*" (art. 300): manslaughter or serious or very serious injuries, committed in violation of the rules on the protection of health and safety at work (art. 25-septies of the Decree);
- Legislative Decree no. 231 of 21 November 2007, on "*Implementation of Directive 2005/60/EC on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and of Directive 2006/70/EC on implementing measures*" (Article 63): offences of receiving stolen goods (Article 648 of the Criminal Code), money laundering (Article 648-bis c.p.) and the use of money, goods or utilities of illicit origin (Article 648-ter of the Criminal Code) (Article 25-octies of the Decree);
- Law no. 48 of 18 March 2008, on "*Ratification and execution of the Council of Europe Convention on Cybercrime, done in Budapest on 23 November 2001, and rules for the adaptation of domestic law*" (art. 7): computer crimes and unlawful processing of data (art. 24-bis of the Decree);
- Law no. 94 of 15 July 2009, containing "*Provisions on public security*" (art. 2): crimes of organized crime (art. 24-ter of the Decree);
- Law no. 99 of 23 July 2009, containing "*Provisions for the development and internationalisation of companies, as well as in the field of energy*" (art. 15): crimes against industry and commerce (art. 25-bis.1 of the Decree), crimes relating to copyright infringement (art. 25-novies of the Decree);
- Law no. 116 of 3 August 2009, on "*Ratification and implementation of the United Nations Convention against Corruption, adopted by the UN General Assembly on 31 October 2003 with resolution no. 58/4, signed by the Italian State on 9 December 2003, as well as internal adaptation rules and amendments to the Criminal Code and the Code of Criminal Procedure*" (art. 4): crime of inducement not to make declarations or to make false declarations to the judicial authority (art. 25-decies⁴ of the Decree);
- Legislative Decree no. 121 of 7 July 2011, on "*Implementation of Directive 2008/99/EC amending Directive 2005/35/EC on ship-source pollution and the introduction of penalties for infringements*" (art. 2): environmental crimes (art. 25-undecies of the Decree);
- Legislative Decree no. 109 of 16 July 2012 on "*Implementation of Directive 2009/52/EC introducing minimum standards on sanctions and measures against employers of illegally staying third-country nationals*" (art. 2): employment of illegally staying third-country nationals (art. 25-duodecies of the Decree);
- Law no. 172 of 1 October 2012, on "*Ratification of the Council of Europe Convention for the Protection of Children against Sexual Exploitation and Sexual Abuse, done in Lanzarote on 25 October 2007,*

³ For the sake of completeness, it should be noted that Law no. 6 of 6 February 2014 converting Decree-Law no. 136 of 10 December 2013, containing "Urgent provisions aimed at dealing with environmental and industrial emergencies and promoting the development of the areas concerned", has extended the disqualification sanctions referred to in art. 9, paragraph 2, of Legislative Decree 231/2001. This regulatory intervention raises interpretative doubts since, although not included in the catalogue of predicate crimes, the sanctioning regime of Legislative Decree 231/2001 applies to the crime in question, albeit with reference to disqualification sanctions.

⁴ Law no. 116 of 3 August 2009, in extending the liability of entities to the crime referred to in art. 377-bis of the Criminal Code (Inducement not to make declarations or to make false declarations to the judicial authority) provides for the introduction of the new article 25-novies in the Decree. Already art. 15 of Law no. 99 of 23 July 2009, however, had provided for the introduction into the Decree of art. 25-novies, entitled "*Crimes in the field of copyright infringement*". The described lack of coordination was corrected by the Legislator with Article 2 of Legislative Decree no. 121 of 7 July 2011 which, in addition to introducing the "Environmental Crimes" in the list of predicate crimes of the administrative liability of entities, renumbered the article governing the crime of "Inducement not to make declarations or to make false declarations to the judicial authority".

as well as rules for the adaptation of the Italian legal system" (arts. 24-ter and 25-quinquies of the Decree);

- Law no. 190 of 6 November 2012, containing *"Provisions for the prevention and repression of corruption and illegality in the public administration" (amendments to art. 25 and 25-ter of the Decree);*
- Legislative Decree no. 39 of 4 March 2014, on *"Implementation of Directive 2011/93/EU on combating the sexual abuse and sexual exploitation of children and child pornography, replacing Framework Decision 2004/68/JHA" (insertion of art. 609-undecies in Article 25-quinquies, paragraph 1, letter c));*
- Law no. 62 of 17 April 2014, concerning *"Amendment of art. 416-ter of the Criminal Code, on the subject of political-mafia electoral exchange";*
- Law no. 186 of 15 December 2014, containing *"Provisions on the emergence and repatriation of capital held abroad as well as for the strengthening of the fight against tax evasion. Provisions on self-laundering";*
- Law no. 68 of 22 May 2015, containing *"Provisions on crimes against the environment";*
- Law no. 69 of 27 May 2015, containing *"Provisions on crimes against the public administration, mafia-type associations and false accounting".*
- Legislative Decree no. 7 of 15 January 2016 containing *"Provisions on the repeal of crimes and introduction of offences with civil fines, pursuant to art. 2, paragraph 3, of Law no. 67 of 28 April 2014";*
- Legislative Decree no. 8 of 15 January 2016 containing *"Provisions on decriminalisation, pursuant to art. 2, paragraph 2, of Law no. 67 of 28 April 2014";*
- Law no. 199 of 29 October 2016 on *"Provisions on combating the phenomena of undeclared work, labour exploitation in agriculture and wage realignment in the agricultural sector";*
- Law no. 236 of 11 December 2016 on *"Amendments to the Criminal Code and Law no. 91 of 1 April 1999 on trafficking in organs intended for transplantation, as well as Law no. 458 of 26 June 1967 on kidney transplantation between living persons";*
- Legislative Decree no. 38 of 15 March 2017 on *"Implementation of Council Framework Decision 2003/568/JHA of 22 July 2003 on the fight against corruption in the private sector";*
- Legislative Decree no. 90 of 25 May 2017 on *"Implementation of Directive (EU) 2015/849 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and amending Directives 2005/60/EC and 2006/70/EC and implementing Regulation (EU) no. 2015/847 on information accompanying transfers of funds and repealing Regulation (EC) no. 1781/2006";*
- Law no. 161 of 17 October 2017 on *"Amendments to the code of anti-mafia laws and prevention measures, referred to in Legislative Decree no. 159 of 6 September 2011, to the Criminal Code and to the implementation, coordination and transitional rules of the Code of Criminal Procedure and other provisions. Delegation to the Government for the protection of work in seized and confiscated companies";*
- Law no. 167 of 20 November 2017 on *"Provisions for the fulfilment of the obligations deriving from Italy's membership of the European Union" (introduction into Legislative Decree 231/2001 of the new art. 25-terdecies "Racism and xenophobia");*
- Law no. 179 of 30 November 2017 *"Provisions for the protection of those who report crimes or irregularities of which they have become aware in the context of a public or private employment relationship";*
- Legislative Decree no. 21 of 1 March 2018 *"Provisions for the implementation of the principle of delegation of the code reservation in criminal matters pursuant to Article 1, paragraph 85, letter q), of Law no. 103 of 23 June 2017";*
- Legislative Decree no. 107 of 10 August 2018 on *"Rules for the adaptation of national legislation to the provisions of Regulation (EU) no. 596/2014 on market abuse and repealing Directive 2003/6/EC and Directives 2003/124/EU, 2003/125/EC and 2004/72/EC";*

- Law no. 3 of 9 January 2019 *"Measures to combat crimes against the public administration, as well as on the statute of limitations of the crime and on the transparency of political parties and movements"* (so-called *"Measures to combat crimes against the public administration"*, as well as on the statute of limitations of the crime and on the transparency of political parties and movements) (so-called *"Measures to combat crimes against the public administration"*, as well as on the statute of limitations of the crime and on the transparency of political parties and movements) (so-called *"Measures to combat crimes against the public administration"*, as well as on the statute of limitations of the crime and on the transparency of political parties and movements) (so- Spazzacorrotti Law);
- Law No. 39 of 3 May 2019 *"Ratification and Implementation of the Council of Europe Convention on the Manipulation of Sports Competitions, done in Magglingen on 18 September 2014"*;
- Law no. 43 of 21 May 2019: *"Amendment to Article 416-ter of the Criminal Code on political-mafia exchange voting"*;
- Legislative Decree no. 125 of 4 October 2019 implementing the Fifth Anti-Money Laundering Directive amending Legislative Decree no. 231/2007, which thus undergoes an update compared to the previous implementation in 2017 following the implementation of the Fourth European Directive;
- Law No. 133 of 18 November 2019 (*"Cybersecurity Law"*), which converted into law, with amendments, Decree Law No. 105 of 21 September 2019 (*"Cybersecurity Decree"*), containing *"Urgent provisions on the perimeter of national cyber security and the regulation of special powers in sectors of strategic importance"*;
- Legislative Decree no. 157 of 19 December 2019 which converted into law, with amendments, Decree-Law no. 124 of 26 October 2019, *"Urgent provisions on tax matters and for non-deferrable needs"*;
- Legislative Decree no. 75 of 14 July 2020 *"Implementation of Directive (EU) 2017/1371 on the fight against fraud affecting the financial interests of the Union by means of criminal law"*;
- Decree of the President of the Council of Ministers no. 131 of 30 July 2020 containing the *"Regulation on the national cyber security perimeter, pursuant to Article 1, paragraph 2, of Decree-Law no. 105 of 21 September 2019, converted, with amendments, by Law no. 133 of 18 November 2019"*;
- Law No. 82 of 4 August 2021, which converted into law, with amendments, Decree Law No. 82 of 14 June 2021, containing *"Urgent provisions on cybersecurity, definition of the national cybersecurity architecture and establishment of the National Cybersecurity Agency"*;
- Legislative Decree No. 184 of 8 November 2021 *"Implementation of Directive (EU) 2019/713 of the European Parliament and of the Council of 17 April 2019 on the fight against fraud and counterfeiting of non-cash means of payment and replacing Council Framework Decision 2001/413/JHA"*;
- Legislative Decree No. 195 of 8 November 2021 *"Implementation of Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law"*;
- Law no. 238 of 23 December 2021 *"Provisions for the fulfilment of obligations arising from Italy's membership of the European Union - European Law 2019-2020"*;
- Decree Law no. 13 of 25 February 2022 *"Urgent measures to combat fraud and safety in the workplace in the field of construction, as well as on electricity produced by renewable energy plants"* (repealed provision but the acts and measures adopted remain valid and the effects produced and the legal relationships arising on the basis of the same Law Decree remain valid);
- Law no. 22 of 9 March 2022 *"Provisions on crimes against cultural heritage"*.
- Decree Law no. 19 of 2 March 2023 *"Implementation of Directive (EU) 2019/2121 of the European Parliament and of the Council of 27 November 2019 amending Directive (EU) 2017/1132 as regards cross-border transformations, mergers and divisions"* (Art.55 adds letter s to art.25-ter).
- Law no. 17 of 03 March 2023 converted Decree-Law no. 2 of 5 January 2023 into law, and introduced urgent measures for plants of national strategic interest. Amendments have also been made, among others, to Legislative Decree 231/2001, in particular to Section IV Precautionary Measures, and precisely to articles 45.co3 and 53 1-ter.

- Decree Law No. 20 of 10 March 2023, converted into Law No. 50/2023 containing urgent provisions on the flow of legal entry of foreign workers and the prevention and fight against irregular immigration. It amended the Consolidated Law on the provisions concerning the regulation of immigration and rules on the condition of foreigners - Legislative Decree no. 286 of 25 July 1998. The amendments made to art. 12 and art. 22 have modified the description of the commission of crimes to which Article 25-duodecies applies.
- Legislative Decree no. 24 of 10 March 2023 "Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23.10.2019 on the protection of persons who report breaches of Union law and laying down provisions concerning the protection of persons who report breaches of national law. (Whistleblowing) Art. 6 paragraphs 2-ter and 2-quarter and paragraph 2-bis has been replaced.
- Legislative Decree no. 36 of 31 March 2023 "Implementation of Article 1 of Law 78/2022" introduced the Public Procurement Code. The provisions expressly link the exclusion of economic operators to the system of administrative liability 231/2001 of entities.
- Law no. 93 of 14 July 2023, containing "Provisions for the prevention and repression of the illicit dissemination of copyright-protected content through electronic communication networks", art. 3 added to paragraph 1 of article 171-ter of Law no. 633 of 22 April 1941, letter h-bis which integrates the content of article 25-novies "Crimes in the matter of copyright infringement".
- Law No. 137 of 9 October 2023 converted with amendments Legislative Decree No. 105 of 10 August 2023 containing "Urgent provisions on criminal proceedings, civil proceedings, forest fire fighting, recovery from drug addiction, health and culture, as well as on the personnel of the judiciary and public administration".
The following three have been included among the predicate offences pursuant to Legislative Decree 231/2001:
 - Article 353 of the Criminal Code "Disturbed freedom of enchantments" and Article 353-bis of the Criminal Code "Disturbed freedom of choice of the contracting party (in art. 24 "Undue receipt of disbursements, fraud to the detriment of the State, a public body or the European Union or to obtain public disbursements, computer fraud to the detriment of the State or a public body and fraud in public supplies"),
 - Article 512-bis of the Criminal Code "Fraudulent transfer of valuables" (in Article 25-octies.1 "Offences relating to payment instruments other than cash and fraudulent transfer of valuables").
In art. 25-octies.1 "Offences relating to non-cash payment instruments and fraudulent transfer of valuables", paragraph 2-bis has been added and paragraph 3 has been amended.
The two arts. 452-bis of the Criminal Code." Environmental pollution" and 452-quarter "Environmental disaster". Supplemented by increased penalties, these two offences are both referred to in art. 25-undecies in "Environmental crimes".
- Legislative Decree no. 152 18.10.23 "Implementation of Directive (EU) 2021/1883 of the European Parliament and of the Council of 20 October 2021 on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment, and repealing Council Directive 2009/50/EC". This decree in art.1 co.2 letters a) and b) amended art. 22 paragraph 11 of Legislative Decree 25.07.1998 n. 286 "Consolidated text of the provisions concerning the discipline of immigration and rules on the condition of the foreigner".
- Law no. 206 of 27.12.2023 Organic provisions for the enhancement, promotion and protection of Made in Italy. Among the main innovations introduced is the expansion of the scope of application of art. 517 of the Criminal Code "Sale of industrial products with false signs": now the law also punishes "anyone who holds for sale" and no longer only those who market, the counterfeit good. This amendment affected art. 25-bis.1 "Crimes against industry and commerce" pursuant to Legislative Decree 231/2001 and art. 12 "Liability of entities for administrative offences dependent on crime" Law no. 9/2013, which regulates the predicate offences for entities operating in the virgin olive oil supply chain.

- Law no. 6 of 22.01.2024 "Sanctioning provisions on the destruction, dispersion, deterioration, disfigurement, soiling and illegal use of cultural or landscape property and amendments to articles 518-duodecies, 635 and 639 of the Criminal Code". Among the main innovations introduced, through Article 2, paragraph 1, there is the modification of the descriptive part of paragraph 1 of Art. 518-duodecies of the Criminal Code "Destruction, dispersion, deterioration, disfigurement, soiling and illegal use of cultural or landscape property" to which the phrase "where applicable" has been added. This amendment concerned Article 25-septies-decies "Crimes against cultural heritage" pursuant to Legislative Decree 231/2001.
- Law No. 56 of 29 April 2024 on "Conversion into law, with amendments, of Decree-Law No. 19 of 2 March 2024, containing further urgent provisions for the implementation of the National Recovery and Resilience Plan (PNRR)" (PNRR Decree 2024), which amended Art. 512bis, of the Criminal Code, a predicate offence for the criminal liability of Entities pursuant to Article 25octies.1, Legislative Decree 231/2001, "Offences relating to payment instruments other than cash and fraudulent transfer of valuables".
- Legislative Decree No. 87 of 14 June 2024, on the "Revision of the tax penalty system, pursuant to Article 20 of Law No. 111 of 9 August 2023", which significantly amended the criminal-tax penalty system.
- Law no. 90 of 28 June 2024 on "Provisions on the strengthening of national cybersecurity and cybercrimes", in force since 17 July 2024, which provides for a tightening of the sanctioning system in the field of cybercrime by also intervening on the catalogue of predicate crimes.
- Legislative Decree no. 92 of 04/07/2024 (so-called "Legislative Decree no. Prison Decree), converted, with amendments, by Law no. 112 of 08/08/2024, containing "Urgent measures in penitentiary matters, civil and criminal justice and personnel of the Ministry of Justice", in force since 10 August 2024, which introduced the new offence of "Undue allocation of money or movable property" (art. 314-bis of the Criminal Code) and amended art. 25, paragraph 1, second part, of Legislative Decree 231/2001 by recalling the new provision among the predicate offences and eliminating the crime of "abuse of office".
- Law no. 114 of 9 August 2024 on "Amendments to the Criminal Code, the Code of Criminal Procedure, the Judicial System and the Code of Military Order" (so-called "Amendments to the Criminal Code, the Code of Criminal Procedure, the Judicial System and the Code of the Military System" (so-called "Amendments to the Criminal Code", the Code of Criminal Procedure, the Code of Criminal Procedure, the Judicial System and the Code of the Military System) (so-called "Amendments to the Criminal Code, the Code of Criminal Procedure, the Judicial System and the Code of Nordio Law), which came into force on 25.08.2024 which repealed the crime of "abuse of office", and amended the crime of "trafficking in illicit influence";
- Legislative Decree No. 141 of 26 September 2024 on "National provisions complementary to the Union Customs Code and revision of the penalty system on excise duties and other indirect taxes on production and consumption", which supplemented art. 25-sexiesdecies of Legislative Decree 231/2001 with the offences of the Consolidated Excise Tax Act (Legislative Decree 504/1995), in relation to the evasion of payment or assessment of excise duty and other indirect taxes on production and Consumption.

2 Offences related to the management of public funds

Article 24 of the Decree – Undue receipt of disbursements, fraud to the detriment of the State, a public body or the European Union or to obtain public disbursements, computer fraud to the detriment of the State or a public body and fraud in public procurement

The rules are aimed at repressing the phenomena of "fraud in subsidies", with reference to both cases of undue capture and those of illegal use of public resources. In particular, the phase of the investigation of the loan and its disbursement is protected, through the repression of conduct of undue capture of public disbursements, carried out through the exhibition of false documentation or the omission of due information (Article 316-ter of the Criminal Code), or through the fraudulent misleading of third parties (Article 640-bis of the Criminal Code), or the impediment or disturbance of the tender in public tenders or private tenders on behalf of Public Administrations with violence or threat or with gifts, promises, collusion or other fraudulent means is prevented or disturbed either by the removal of bidders from the same (Article 353 of the Criminal Code) or by disturbing the administrative procedure aimed at establishing the content of the notice or other equivalent act (Article 353-bis of the Criminal Code); as well as the phase following disbursement, punishing abuses consisting in the use of funds obtained from the State, other public bodies or the European Communities, for purposes other than those for which they were granted (Article 316-bis of the Criminal Code).

The articles of the Criminal Code referred to in this section concern public funding of sums of money of public origin (State, public bodies, EU).

Public funding means:

1. contributions, i.e. competitions in expenses for activities and initiatives aimed at achieving promotional and production objectives. They can be capital and/or interest payments: the former are non-repayable grants that are assigned to those who find themselves in certain conditions; the latter consist of the assumption by the State and public bodies of part of the interest due for credit transactions, sometimes of the entire amount;
2. grants, i.e. non-repayable pecuniary allocations (*i.e.* without obligation to return) on a periodic or *one-off basis*;
3. loans in the strict sense, i.e. contractual acts, credit transactions with which the State finances a subject who, in turn, undertakes to repay the sum disbursed to him in the medium or long term with payment in part, or in full, of interest by the State or other public body. The loans are characterized by the existence of an obligation to allocate the sums received to the specific purpose previously determined, by the existence of an obligation to repay, as well as by the existence of various other charges. All subsidized loans are also included in the concept of financing, while loans with an exquisitely private relevance are excluded.

Among the articles referred to, the following are particularly highlighted.

2.1 Embezzlement of public funds (Article 316-bis of the Criminal Code)

The crime of embezzlement consists in the use of funds provided by the State, by another public body or by the European Communities for the realization of works and activities of public interest, for purposes other than those for which they were disbursed. The criminal hypothesis is characterized by obtaining contributions, subsidies, loans, subsidized loans or other disbursements of the same type, in

a lawful manner and for the subsequent use of the same for purposes other than those underlying the disbursement.

The offence can be configured, for example, if public disbursements received with a destination constraint (for example, in order to provide for facilitated recruitment of staff or training activities for staff or auxiliaries), are unduly allocated to another purpose (for example, for the renovation of buildings or for the adaptation of security).

2.2 Undue receipt of public funds (Article 316-ter of the Criminal Code)

The crime of undue receipt of public funds punishes the conduct of those who, through the use or presentation of false declarations or documents or attesting to untrue things, or through the omission of due information, unduly obtain, for themselves or for others, contributions, subsidies, loans, subsidized loans or other disbursements of the same type, however denominated, granted or disbursed by the State, other public bodies or the European Communities.

2.3 Aggravated fraud for the achievement of public disbursements (Article 640-bis of the Criminal Code)

The crime of aggravated fraud for the purpose of obtaining public disbursements punishes fraudulent conduct consisting in the formation and use of false documents to capture, in favour of the Company or customers, contributions, subsidies, loans, subsidised loans or other disbursements of the same type, however denominated, granted or disbursed by the State, other public bodies or the European Communities.

The United Sections of the Court of Cassation held that aggravated fraud for the achievement of public disbursements constitutes an aggravating circumstance of the crime of fraud referred to in art. 640 of the Criminal Code. The placement of the rule in a particular article and above all the autonomous *nomen juris* would lead, however, to believe that the rule, introduced by art. 22 of Law no. 55 of 19 March 1990, outlines an autonomous figure of crime.

2.4 Obstructing the freedom to invite tenders (Article 353 of the Criminal Code)

The crime punishes those who, with violence or threats or with gifts, promises, collusion or other fraudulent means, prevent or disturb the tender in public tenders or private tenders on behalf of Public Administrations or remove bidders. If the offender is a person appointed by law or by the Authority to the aforementioned enchantments or tenders, the penalties are increased. The crime is also integrated in the event that the conduct is carried out in private tenders on behalf of private individuals but directed by a public official or legally authorized person, however, in this case, the penalties are reduced by half.

2.5 Obstructing the choice of contractor procedure (Article 353-bis of the Criminal Code)

The crime punishes those who, with violence or threats or with gifts, promises, collusion or other fraudulent means, disturb the administrative procedure aimed at establishing the content of the notice or other equivalent act in order to condition the methods of choice of the contractor by the public administration.

The offence can be configured if, for example, by means of gifts, the public official in charge of this is induced to include in the notice, as a requirement for access to the public tender, a characteristic or requirement aimed at favouring one of the participants.

3 Crimes related to the falsity of values, instruments and identification signs

3.1 Counterfeiting of coins, public credit cards and revenue stamps (art. 25-bis of Legislative Decree 231/01)

The articles of the Criminal Code referred to in Article 25-bis are as follows:

- Article 453 – *Counterfeiting of coins, spending and introduction into the State, after concert, of counterfeit coins;*
- Article 454 – *Alteration of coins;*
- Article 455 – *Spending and introduction into the State, without concert, of counterfeit coins;*
- Article 457 – *Spending of counterfeit coins received in good faith;*
- Article 459 – *Forgery of revenue stamps, introduction into the State, purchase, possession or putting into circulation of falsified revenue stamps;*
- Article 460 – *Counterfeiting of watermarked paper used for the manufacture of public credit cards or revenue stamps;*
- Article 461 – *Manufacture or possession of watermarks or instruments intended for the counterfeiting of coins, revenue stamps or watermarked paper;*
- Article 464 – *Use of counterfeit or altered revenue stamps.*

The conducts relating to the above-mentioned articles can be divided into:

1. counterfeiting of values: production of values, by those who are not authorized, in such a way as to deceive the public and therefore harm the interests protected by the law;
2. alteration of values: modification of the material or formal characteristics of genuine values, aimed at creating the appearance of a different monetary value;
3. introduction, detention, spending, putting into circulation counterfeit or altered values:
 - the introduction consists in bringing counterfeit values elsewhere into the territory of the State;
 - possession represents the disposal, for any reason, even temporarily, of counterfeit or altered values;
 - spending and putting into circulation, on the other hand, are respectively supplemented by using counterfeit or altered values as a means of payment or by taking counterfeit or altered values out of their sphere of custody, for any reason;
4. Purchase or receipt of counterfeit values by a counterfeiter or intermediary in order to put them into circulation:
 - the purchase represents a real buying and selling of values;
 - Receipt, on the other hand, is represented by simply becoming the recipient of the aforementioned values as a result of a transfer other than the sale. In order for the crime to exist, it is necessary that the subject acts with the precise purpose of putting the counterfeit or altered values into circulation.

Values include: coins, revenue stamps, watermarked papers, bearer cards and coupons issued by governments (i.e. banknotes, state tickets, bearer cards) and other values equivalent to these by special laws (such as, for example, insurance stamps, stamps of foreign countries, postcards, postal tickets, bulletins and parcel stamps issued by the State, stamps issued by other public or private bodies by concession of the State).

The survey is aimed at identifying any conduct that endangers the certainty and reliability of monetary traffic (so-called "forgery crimes"). Criminal conduct is indicated in art. 453 of the Criminal Code, while the following articles cited provide for similar hypotheses with some specific peculiarities.

3.2 Forgery of instruments or identification signs (art. 25-bis of Legislative Decree 231/01)

Article 25-bis of the Decree, as amended by Law no. 99 of 23 July 2009, extends to entities the liability for the crimes of forgery in instruments or signs of identification provided for by the following articles of the Criminal Code:

- Article 473 – *Counterfeiting, alteration or use of trademarks or distinctive signs or patents, models and designs;*
- Article 474 – *Introduction into the State and trade in products with false signs.*

Art. 473 of the Criminal Code punishes:

- counterfeiting or alteration:
 - of trademarks or distinctive signs, national or foreign, of industrial products;
 - patents, industrial designs, national or foreign;
- use, without complicity in counterfeiting or alteration:
 - trademarks or distinctive signs, counterfeit or altered, national or foreign, of industrial products;
 - patents, industrial designs, counterfeits or altered models, national or foreign.

For the purposes of the provision in question:

- "trademarks" means, pursuant to art. 7 of Legislative Decree no. 30 of 10 February 2005 (the "*Industrial Property Code*"), all signs that can be represented graphically and, in this case, words, including personal names, drawings, letters, numbers, sounds, the shape of the product or packaging, combinations and chromatic shades, provided that they are capable of distinguishing the products or services of a company from those of other companies;
- The expression "distinctive signs" refers to all the signs of industrial products and, therefore, also to the very concept of "trademarks". According to the prevailing doctrine, the reference to distinctive signs contained in the article in question is misleading in light of the consideration that the registered trademark represents the only distinctive sign protected by the law. In particular, according to the aforementioned doctrine, art. 473 of the Criminal Code does not protect: *i*) collective trademarks and designations of origin and provenance, since they are distinctive signs that cannot be attacked by counterfeiting or alteration conduct; *ii*) the company, the name, the company name, the sign and the emblem, considering that the third paragraph of the provision conditions the applicability of the provisions in question to compliance with the rules, domestic laws or international conventions on intellectual or industrial property, which, precisely, concern only registered trademarks;
- The terms "patents, industrial designs" refer respectively to:
 - patents for industrial invention. Pursuant to art. 45 of the Industrial Property Code, these patents concern new inventions that involve an inventive step and are suitable for industrial application;
 - patents for utility models. Pursuant to art. 82 of the Industrial Property Code, these patents concern new forms of a given industrial product such as to give the product itself a particular effectiveness or a particular ease of application or use;
 - registrations for models and ornamental designs. Pursuant to art. 31 of the Industrial Property Code, these registrations concern the new appearance of a given product, in whole or in part, as may result, in particular, from the lines, contours, colors, shape of the surface structure, materials or ornaments.

As for the incriminated conduct, it should be noted that:

- with specific reference to counterfeiting:
 - The infringement of the trademark, according to a consolidated doctrinal orientation, occurs in the case of abusive reproduction of the trademark, regardless of the actual practical result, or in the hypothesis of imitation of the same. On the other hand, the dominant orientation in jurisprudence understands by infringement of the trademark the complete reproduction of the same such as to produce a very high degree of similarity with the original;
 - patent infringement consists in the creation of a false document certifying the patent;
- with specific reference to the alteration:
 - The alteration of the trademark, according to a well-established doctrinal orientation, consists in tampering with the mark such as to induce consumers to confuse the origin of the product. On the other hand, the dominant orientation in jurisprudence understands by alteration of the trademark the partial reproduction of the same that is likely to confuse consumers;
 - the alteration of the patent consists of any modification, in addition to or in deletion, of the genuine document certifying the patent;
- with specific reference to the use:
 - the use of the counterfeit or altered trademark includes all cases of commercial or industrial use of trademarks falsified by others;
 - The use of the counterfeit or altered patent consists of any legal or de facto use of the falsified document carried out by a person unrelated to the forgery.

Art. 474 of the Criminal Code has its logical prerequisite in the case provided for by the aforementioned Article 473 of the Criminal Code and represents its natural development. The provision in question incriminates anyone, except in cases of complicity in the crimes referred to in art. 473 of the Criminal Code, introduces into the territory of the State, in order to make a profit, holds for sale, puts up for sale or otherwise puts into circulation industrial products, with counterfeit or altered national or foreign trademarks or distinctive signs.

In this regard, without prejudice to what has been highlighted in relation to art. 473 of the Criminal Code, it is stated that:

- the introduction consists in bringing industrial products with trademarks or distinctive signs counterfeited or altered elsewhere to the territory of the State;
- possession represents the disposal for any reason of industrial products with trademarks or distinctive signs counterfeited or altered elsewhere;
- the putting into circulation is supplemented by taking out of its sphere of custody industrial products with trademarks or distinctive signs counterfeited or altered elsewhere;
- The sale is carried out through the storage of industrial products with trademarks or distinctive signs counterfeited or altered elsewhere in the places intended for the exercise of trade (i.e. warehouses).

4 Crimes in relations with the public administration and the European Union

First of all, it should be noted that within the Public Administration a wide range of subjects is recompressed, such as the State, Ministries, public bodies in general, Municipalities, Regions, Provinces, local public bodies, the Registry Office, the Tax Office, the Bank of Italy, Consob, the UIF, the SACE, the Land Registry Office, the Land Registry offices, the Chambers of Commerce, public consortia, etc. It also includes international bodies such as, for example, the European Union.

4.1 Computer fraud to the detriment of the State, another public body or the European Union (Article 640-ter of the Criminal Code)

Art. 640-ter of the Criminal Code punishes the conduct of those who, altering in any way the functioning of a computer or telematic system or intervening without right in any way on data, information or programs contained in a computer or telematic system or pertaining to it, procure for themselves or others an unfair profit with damage to others.

The case in question is, therefore, aimed at repressing the hypotheses of illicit enrichment obtained through the fraudulent use of a computer system. For the purposes of the application of the provisions of the Decree, the case of computer fraud is relevant only in the event that the alteration of the computer or telematic system or the data contained therein is perpetrated against the State, another public body or the European Union.

Computer fraud aggravated by the fact that the conduct results in a transfer of money, monetary value or virtual currency is also punished.

Computer fraud cannot be configured if, through the use of telematic connections or computer supports, untrue information is transmitted to Public Administrations or public bodies or Supervisory Authorities (for example, in the case of transmission via *email* or floppy *disk* of *files* containing false data). On the other hand, the extremes of the crime in question may exist in the event that the computer supports are manipulated in any way, or, for example, in the event that, since the deadline for sending certain data to the Supervisory Authorities has now expired, the system is altered in such a way as to show that the transmission of the data is, instead, it took place within the prescribed period.

4.2 Embezzlement

Article 314, paragraph 1, of the Criminal Code – Embezzlement

Art. Article 314 of the Criminal Code punishes the public official or the person in charge of a public service, who, having by reason of his office or service the possession or in any case the availability of money or other movable property of others, appropriates it, offending the financial interests of the European Union.

Article 314-bis of the Criminal Code – Improper allocation of money or movable property

Article 314-bis of the Criminal Code punishes, except in the cases provided for in Article 314, the conduct of a public official or person in charge of a public service, who, having by reason of his office or service the possession or in any case the availability of money or other movable property of others, allocates them to a use other than that provided for by specific provisions of law or by acts having the force of law from which there is no margin of discretion and intentionally it procures an unfair financial advantage for itself or others unjust damage, with aggravating circumstances if it results in offence to the financial interests of the European Union and the unfair financial advantage or unjust damage exceeds €100,000.

Article 316 of the Criminal Code – Embezzlement by taking advantage of the error of others

Art. Article 316 of the Criminal Code punishes the public official or the person in charge of a public service, who, in the exercise of his functions or service, taking advantage of the error of others, receives or unduly considers, for himself or for a third party, money or other benefits, offending the financial interests of the European Union.

4.3 Bribery (Article 317 of the Criminal Code)

Article 317 of the Criminal Code punishes a public official or person in charge of a public service who, abusing his or her position or powers, forces someone to give or promise unduly to him or to a third party, money or other benefits.

4.4 Undue inducement to give or promise benefits (Article 319-quarter of the Criminal Code)

Article 319-quarter of the Criminal Code punishes a public official or person in charge of a public service who, abusing his or her position or powers, induces someone to give or unduly promise, to him or to a third party, money or other benefits.

Assessing the crime from the point of view of the taxable person (employee or collaborator who is induced to give or promise by the public official), the same is relevant in the context of the performance of activities that involve "contact" with public officials.

4.5 Corruption

In the crime of corruption there is an abuse of function and an illicit profit. The parties involved are on an equal footing:

- the private individual gives or promises and, with the act of corruption, tends to obtain an illicit advantage to the detriment of the Public Administration;
- The public official or the person in charge of public service allows himself to be bribed, accepting a salary (money or other utility) or the promise of the same.

The object of corruption can be constituted either by an act contrary to official duties (pursuant to Article 319 of the Criminal Code), or by an official act (pursuant to Article 318 of the Criminal Code). A distinction is also made between the case in which the act of corruption refers to an act that the person in charge of a public service has yet to perform (so-called "corruption **of corruption**").**antecedent**) from the case in which it refers to an act that the official has already carried out (so-called "Criminal Procedure"). **subsequent**).

The articles of the Criminal Code referred to in art. 25 of the Decree are:

Article 318 of the Criminal Code – Corruption in the exercise of the function

The crime of corruption referred to in art. Article 318 of the Criminal Code punishes the conduct of a public official who, in the exercise of his functions or powers, unduly receives, for himself or for a third party, money or other benefits or accepts the promise thereof.

Article 319 of the Criminal Code – Corruption for an act contrary to official duties

The rule punishes the public official who, for omitting or delaying or for having omitted or delayed an act of his office, or for performing or having performed an act contrary to the duties of office, receives, for himself or for a third party, money or other benefits, or accepts the promise thereof.

Article 319-ter of the Criminal Code – Corruption in judicial acts

The law provides for the increase of the penalty in the case of corruption committed to favor or damage a party in a civil, criminal or administrative trial, with aggravating circumstances in cases where the fact results in the unjust conviction of someone to imprisonment or life imprisonment.

The occasion of a crime could materialize in any case of judicial litigation concerning the company's activity or connected with it in which cases of corruption for an official act or corruption for an act contrary to official duties are included. It is also a crime of corruption in judicial acts to provide fees, wholly or partly fictitious, to lawyers in contact with judicial bodies.

The Company is liable for the crime in question, together with the natural person who is the material author of the act, if it decides to bribe the judge in charge of the trial or an auxiliary of the latter, in order to achieve a favorable result or reduce the pecuniary damage. A similar situation may also occur in the event that corruption is carried out in order to obtain, in order to preserve the Company's image, the acquittal, in the context of a criminal trial, of its directors accused of *mismanagement*.

Article 320 of the Criminal Code – Corruption of a person in charge of a public service

This rule – which according to part of the doctrine describes an autonomous figure of crime – extends the applicability of the provisions of art. 318 and 319 of the Criminal Code to any person in charge of a public service. In such cases, penalties are reduced by no more than one third.

Article 321 of the Criminal Code – Penalties for the corruptor

The rule in question punishes the conduct of anyone who gives or promises money or other benefits to the public official or to the person in charge of a public service, with the same penalties provided for in art. 318 1° co., 319 c.p., 319-bis and 319-ter and also in art.320 to the hypotheses of articles 318 and 319.

Article 322 of the Criminal Code – Incitement to corruption

The rule in question punishes the conduct of anyone who offers or promises money or other benefits not due to a public official or a person in charge of a public service for the exercise of his functions or powers, to omit or delay an act of his office, or to do an act contrary to his duties) and such offer or promise is not accepted.

Article 322-bis of the Criminal Code – embezzlement, bribery, undue inducement to give or promise benefits, corruption and incitement to corruption of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organizations and officials of the European Communities and foreign States

The rule, introduced by art. Article 3, paragraph 1, of Law no. 300 of 29 September 2000, subject to corrections by Law 190/2012, Law 237/2012 and Law 3/2019, extends certain crimes against the Public Administration also to subjects who, although not within the sphere of the Italian Administration, are connected to it by virtue of their position within international courts or international organizations or the European Communities or in other Member States of the European Union or in foreign States.

Law 3/2019, in particular, expanded the scope of application of crimes in the field of international corruption of public agents, by extending the incriminating scope of Article 322-bis, first paragraph, of the Criminal Code also to "non-EU" officials, members of international parliamentary assemblies and judges and officials of international courts.

Legislative Decree 75/2020 also expanded the scope of application of crimes relating to international corruption of public agents, by extending the incriminating scope of Article 322-bis, first paragraph, of the Criminal Code also to persons who exercise functions or activities corresponding to those of public officials or persons in charge of a public service within States not belonging to the European Union, when the act offends the financial interests of the Union.

Article 323-ter of the Criminal Code – Cause of non-punishability

Law 3/2019 introduced art. 323-ter of the Criminal Code, which establishes that those who have committed certain crimes against the Public Administration (improper corruption, corruption of one's own, corruption in judicial acts, undue inducement to give or promise benefits, corruption of a person in charge of public service, active corruption, crimes of corruption and undue inducement committed by members of the International Criminal Court, are not punishable, by bodies and officials of the European Union or of foreign countries; disturbed freedom of the auctions, disturbed freedom of the procedure for choosing the contractor, abstention from auctions) if, before being informed that investigations are being carried out against him in relation to such facts and, in any case, within four months of the commission of the act, he voluntarily denounces it and provides useful and concrete information to ensure proof of the crime and to identify the other perpetrators.

The non-punishability of the complainant is subject to the provision of the benefit received by him or, in the event of impossibility, of a sum of money of equivalent value, or to the indication of useful and concrete elements to identify the beneficial owner, within the same term indicated above.

The ground of non-punishability does not apply when the report is preordained with respect to the commission of the reported crime. The provision is aimed at preventing the existence of the cause of non-punishability from being used to provoke corruption with impunity for the sole purpose, for example, of denouncing a rival.

The ground of non-punishability does not apply in favor of the undercover agent who has acted in violation of the provisions of art. 9 L. 146/2006.

4.6 Trafficking in illicit influence (Article 346-bis of the Criminal Code)

This crime punishes the conduct of those who, except in cases of complicity in the crimes referred to in art. 318, 319, 319-ter and in the crimes of corruption referred to in art. 322-bis, exploiting existing relationships with a public official or a person in charge of a public service or one of the other subjects referred to in art. 322-bis, unduly causes money or other benefits to be given or promised, to himself or to others, as the price of his or her illicit mediation towards a public official or a person in charge of a public service or one of the other subjects referred to in art. 322-bis, or to remunerate him in relation to the exercise of his functions or powers or in order to induce the public official or one of the other persons indicated above to perform an act contrary to the duties of office constituting a crime.

The conduct of the person who unduly gives or promises money or other benefits is also punished.

4.7 Fraud in public procurement (Article 356 of the Criminal Code)

This offence punishes the conduct of those who commit fraud in the execution of supply contracts or in the fulfilment of other contractual obligations referred to in Article 355 of the Criminal Code.

Therefore, anyone who commits fraud in the execution of supply contracts concluded with the State, a public body or a company providing public services or public necessity is punished.

By "supply contract" we mean any contractual instrument intended to supply the Public Administration with goods or services. The crime of fraud in public procurement is recognizable not only in the fraudulent execution of a supply contract (Article 1559 of the Italian Civil Code), but also of a public procurement contract (Article 1655 of the Italian Civil Code); art. Article 356 of the Criminal Code, in fact, punishes all fraud to the detriment of the public administration, whatever the contractual schemes by virtue of which suppliers are required to provide particular services.

The crime of fraud in public procurement does not require conduct involving artifice or deception, typical of the crime of fraud, nor an event of damage to the injured party, coinciding with the agent's profit, since the malicious non-execution of the public contract for the supply of things or services is sufficient, with the consequence that where the aforementioned elements characterizing the fraud are also present, the concurrence between the two crimes can be configured.

This offence can also be configured in the event that something different from that agreed is supplied and such difference can refer to the origin, provenance, quality or quantity provided that it is a level of discrepancy that has an appreciable degree of significance, i.e. that is capable of affecting the performance of the relationship with the administration and, therefore, to offend the good protected by the incriminating provision. In fact, fraudulent behavior through the use of deception is not necessary, since simple bad faith in the execution of the contract is sufficient, which can also be seen in the delivery "*aliud pro alio*".

4.8 Aggravated fraud to the detriment of the State or other public body or of the European Communities (Article 640, paragraph 2, no. 1, of the Criminal Code)

This crime punishes the conduct of those who, through artifices or deceptions, misleading someone, even remotely through computer or telematic tools suitable for hindering their own or others' identification, procure for themselves or others an unfair profit to the detriment of the State, another public body or the European Union. The criminal offence relevant for the purposes referred to in the Decree is only aggravated fraud, perpetrated to the detriment of the State, another public body or the European Union by the Company acting as fraud agent.

The prosecution of the crime in question is *ex officio*, unless the misleading takes place remotely through computer or telematic tools suitable for hindering one's own or others' identification.

4.9 Fraud in agriculture (art. 2, Law no. 898 of 23 December 1986)

If the fact does not constitute the most serious offence provided for in Article 640-bis of the Criminal Code, this offence punishes anyone who, through the disclosure of false data or information, unduly obtains, for himself or for others, aid, premiums, allowances, refunds, contributions or other disbursements borne in whole or in part by the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development.

In view of the characteristics of the incriminating case, the concrete relevance of the crime in question for the purposes of the Company's operations appears very remote.

5 Corporate offences

The Company may also be called upon to answer for corporate offences provided for by the Civil Code, if committed in its interest or to its advantage by Directors, general managers or liquidators or by persons subject to their supervision.

Article 25-ter of the Decree was introduced by Legislative Decree no. 61/2002 and amended, most recently by Legislative Decree no. 19/2023 of 2 March, contains a long series of corporate crimes that can determine the liability of companies. One of the conditions indicated by art. 25-ter is constituted by the fact that the active subject of the crime must have acted in the interest of the company, i.e. aiming to obtain an appreciable result for the company itself (a result that may not even have been achieved).

5.1 False corporate communications (Article 2621 of the Italian Civil Code)

The crime of false corporate communications punishes the conduct carried out by directors, general managers, managers responsible for preparing the company's accounting documents, statutory auditors and liquidators, who knowingly expose in the financial statements, reports or other corporate communications required by law, addressed to shareholders or the public, material facts that do not correspond to the truth or omit material material facts whose communication is required by the law on the economic, equity or financial situation of the company or group to which it belongs, in a manner that is concretely capable of misleading others, in order to obtain an unfair profit for oneself or for others.

The offence also occurs if the falsehoods or omissions concern assets owned or administered by the company on behalf of third parties.

In particular, with the amendments made to the case by Law no. 69/2015, in addition to having implied the transition from a misdemeanor to a crime:

- the thresholds of non-punishability have disappeared;
- the reference to the omission of "information" has been eliminated and replaced by that to the omission of "material material facts" (the disclosure of which is required by law on the economic, equity or financial situation of the company or group to which it belongs);
- the further objective element of the "concrete" suitability of the action or omission to mislead others has been introduced.

The reference to the manner of forgery - i.e. to the fact that it must be "concretely capable of misleading others" - seems to be linked to the disappearance of the thresholds of punishability as well as to the provision of cases of minor and particularly tenuous entity (referred to in the new articles 2621-bis and 2621-ter of the Italian Civil Code).

With regard to the wording adopted – which leaves significant discretion to the judge, whose assessment is not linked to a fixed and quantitative datum for the purpose of determining the criminally relevant conduct in the individual case – it should be noted that the reference to "concrete suitability" is already present in criminal legislation (e.g., Article 2637 of the Italian Civil Code, which punishes the crime of rigging, based on the concrete suitability of the conduct to cause a significant alteration in the price of financial instruments or to significantly affect the public's trust).

The offence may occur if untrue material facts are disclosed in financial statements, reports or corporate communications or mandatory material facts relating to the economic, equity and financial situation of the Company or the Group to which it belongs are omitted, in a manner that is concretely capable of misleading others.

5.2 Minor facts (Article 2621-bis of the Italian Civil Code)

Article 2621-bis of the Italian Civil Code (introduced by Law no. 69/2015) regulates the hypothesis that the offence referred to in art. 2621 is made up of "minor" facts, unless they constitute a more serious crime.

This case is qualified by the judge taking into account:

- the nature and size of society;
- the manner or effects of the conduct.

The offence also arises – on the basis of the second paragraph of Article 2621-bis – in the event that the falsehoods or omissions concern companies that do not exceed the limits indicated by the second paragraph of Article 1 of the Bankruptcy Law.

These are, therefore, the companies:

- a) with assets of a total annual amount not exceeding three hundred thousand euros;
- b) who have achieved, in the last three financial years, gross revenues for a total annual amount not exceeding two hundred thousand euros;
- c) who have an amount of debts, even if not expired, not exceeding five hundred thousand euros.

In this case, the crime can be prosecuted by the company, shareholders, creditors or other recipients of the corporate communication.

The reduced penalty provided for in the second paragraph for specific types of smaller companies therefore constitutes an irrebuttable presumption, introduced directly by law, as to the existence of the minor offence and the applicability of the relevant sanction.

Conduct involving companies larger than those indicated in the second paragraph may in any case be relevant for the purposes of the minor entity on the basis of an assessment of the specific case, carried out by the judge in application of the first paragraph in which, as we have seen, the size of the company must also be assessed.

For the sake of completeness, it should be noted that Law no. 69/2015 introduced Article 2621-ter of the Civil Code, which provides that, for the purposes of the non-punishability provided for by art. 131-bis of the Criminal Code for the particular tenuousness of the offence, the judge assesses, in a predominant manner, the extent of any damage caused to the company, shareholders or creditors by the false accounting referred to in art. 2621 and 2621-bis.

5.3 False corporate communications of listed companies (Article 2622 of the Italian Civil Code)

The crime of false corporate communications of listed companies punishes the conduct of directors, general managers, managers in charge of preparing the company's accounting documents, statutory auditors and liquidators of companies issuing financial instruments admitted to trading on a regulated market in Italy or in another country of the European Union, who, in order to obtain an unfair profit for themselves or for others, in the financial statements, reports or other corporate communications addressed to shareholders or the public they knowingly disclose material facts that do not correspond to the truth or omit material material facts whose communication is required by law on the economic, equity or financial situation of the company or group to which it belongs, in a manner that is concretely likely to mislead others.

5.4 Obstruction of control (Article 2625, paragraph 2, of the Italian Civil Code, partially amended by Article 37, paragraph 35, of Legislative Decree 39/2010)

The crime of impeded control punishes the conduct carried out by the directors who, by concealing documents or other suitable artifices, prevent or in any case hinder the performance of the control

activities legally attributed to the shareholders and other corporate bodies, causing damage to the shareholders.

5.5 Crimes against share capital

Undue restitution of contributions (Article 2626 of the Italian Civil Code)

The crime of undue return of contributions punishes the conduct of directors who, except in cases of legitimate reduction of the share capital, return, even simulated, the contributions to the shareholders or release them from the obligation to execute them.

Illegal distribution of profits and reserves (Article 2627 of the Italian Civil Code)

The crime of illegal distribution of profits and reserves is aimed at punishing the conduct of directors who distribute profits or advances on profits not actually achieved or allocated by law to reserves, or who distribute reserves, even if not constituted with profits, which cannot be distributed by law, unless the fact constitutes a more serious crime.

Unlawful transactions on the shares or quotas of the company or of the parent company (Article 2628 of the Italian Civil Code)

The crime of unlawful transactions on the shares or quotas of the company or of the parent company punishes the conduct carried out by the directors who, except in the cases permitted by law, purchase or subscribe to shares or quotas, causing damage to the integrity of the share capital or reserves that cannot be distributed by law.

Transactions to the detriment of creditors (Article 2629 of the Italian Civil Code)

The crime of transactions to the detriment of creditors punishes the conduct carried out by directors who, in violation of the provisions of the law protecting creditors, carry out reductions in the share capital or mergers with another company or demergers, causing damage to creditors.

It should be noted that compensation for damage to creditors before the judgment extinguishes the crime.

Fictitious formation of capital (Article 2632 of the Italian Civil Code)

The crime of fictitious formation of capital is supplemented by the conduct carried out by the directors and contributing shareholders who, even in part, fictitiously form or increase the company's capital through the allocation of shares or quotas in a total amount greater than the amount of the share capital, reciprocal subscription of shares or quotas, significant overvaluation of contributions of assets in kind or credits or of the company's assets in the case of transformation.

Undue distribution of corporate assets (Article 2633 of the Italian Civil Code)

The crime of undue distribution of company assets punishes the conduct carried out by liquidators who, by distributing the company assets among the shareholders before the payment of the company creditors or the provision of the sums necessary to satisfy them, cause damage to creditors.

5.6 Unlawful influence on the shareholders' meeting (Article 2636 of the Italian Civil Code)

The crime of unlawful influence on the shareholders' meeting is committed by anyone who, with simulated or fraudulent acts, determines the majority in the shareholders' meeting, with the aim of procuring an unfair profit for himself or others.

5.7 Rigging (art. 2637 of the Italian Civil Code)

The crime of rigging punishes the conduct of those who spread false news, or carry out simulated transactions or other artifices concretely capable of causing a significant alteration in the price of

unlisted financial instruments or for which a request for admission to trading on a regulated market has not been submitted, or to significantly affect the trust that the public places in the financial stability of banks or banking groups.

5.8 Failure to disclose the conflict of interest (Article 2629-bis of the Italian Civil Code)

The offence of failure to disclose a conflict of interest punishes the conduct of the director or member of the management board of a company whose securities are listed on regulated markets in Italy or in another European Union State or that are widely disseminated to the public pursuant to Article 116 of the TUF, or by a person subject to supervision pursuant to the TUB, of the TUF, Legislative Decree No. 209 of 7 September 2005, or Legislative Decree No. 124 of 21 April 1993, which violates the obligations provided for in Article 2391, first paragraph, of the Italian Civil Code, if the violation has resulted in damage to the company or to third parties.

5.9 Obstruction of the exercise of the functions of public supervisory authorities (Article 2638, paragraphs 1 and 2, of the Italian Civil Code)

The offence of obstructing the exercise of the functions of the public supervisory authorities punishes directors, general managers, managers responsible for preparing the company's accounting documents, statutory auditors and liquidators of companies or entities and other persons subject by law to the public supervisory authorities, or bound by obligations towards them, who, in the communications to the aforementioned authorities provided for by law, they expose material facts that do not correspond to the truth – even if they are subject to assessments – on the economic, equity or financial situation of the subjects subject to supervision or conceal by other fraudulent means, in whole or in part, facts that they should have communicated, concerning the situation itself, in order to hinder the exercise of supervisory functions.

The provision also punishes any form of conscious obstruction to the functions of the same public supervisory authorities, including through the omission of the communications due to them.

5.10 Corruption between private individuals (Article 2635, paragraph 3, of the Italian Civil Code)

The offence punishes directors, general managers, managers in charge of preparing corporate accounting documents, statutory auditors and liquidators (or those who are subject to their management or supervision), of companies or private entities, who, even through an intermediary, solicit or receive, for themselves or for others, money or other benefits not due, or accept their promise, to perform or omit an act in violation of the obligations inherent in their office or the obligations of loyalty. The offence is also committed if the offence is committed by someone who, in the organisational context of the company or private entity, exercises managerial functions other than those of the subjects referred to in the previous sentence.

The relevant conduct pursuant to Legislative Decree 231/2001, however, is that referred to in paragraph 3 of art. 2635 of the Italian Civil Code (as reformulated by Legislative Decree no. 38/2017) relating to the "corruptor", i.e. the person who, even through an intermediary, gives, offers or promises money or other benefits not due to directors, general managers, managers in charge of preparing the company's financial reports, statutory auditors, liquidators (or those subject to their management or supervision) as well as to those who exercise managerial functions other than those of the aforementioned in the organisational context of the company or entity subjects, so that they perform or omit acts in violation of the obligations inherent in their office or the obligations of loyalty.

Law 3/2019 provided for the ex officio prosecution of the crime in question, instead of the prosecution of the injured party, in order to strengthen the repression of the crime.

5.11 Incitement to corruption between private individuals (Article 2635 bis, paragraph 1, of the Italian Civil Code)

The crime in question, introduced by Legislative Decree no. 38/2017, punishes "anyone who offers or promises money or other benefits not due to directors, general managers, managers in charge of preparing corporate accounting documents, auditors and liquidators, of companies or private entities, as well as to those who carry out a work activity in them with the exercise of managerial functions, so that they may perform or omit an act in violation of the obligations inherent in their office or of the obligations of loyalty, if the offer or promise is not accepted".

The considerations made for the crime of corruption between private individuals are valid, with the peculiarity that, with reference to the case in question, the offer or promise is not accepted by the subjects identified by the law.

Law 3/2019, similarly to what was established for the crime referred to in art. 2635 of the Italian Civil Code, provided for the ex officio prosecution of the crime of incitement to corruption between private individuals, instead of the prosecution of the injured person.

5.12 Crime of false or omitted declarations for the issuance of the preliminary certificate, i.e. the document accompanying extraordinary cross-border transactions (art. 54 Legislative Decree 19/2023).

The offence in question, introduced by Legislative Decree No. 19 of 2 March 2023, on "Implementation of Directive (EU) 2019/2121 of the European Parliament and of the Council of 27 November 2019 amending Directive (EU) 2017/1132 as regards cross-border conversions, mergers and divisions", punishes anyone who, in order to make the conditions for the issuance of the preliminary certificate referred to in Article 29 of Legislative Decree 19/2023 appear to have been fulfilled, forms documents that are wholly or partially false, alters true documents, makes false statements or omits material information.

Art. 55 of the new legislation intervenes on art. 25-ter of Legislative Decree 231/2001, entitled "Corporate crimes", extending the punishability of the legal person also in relation to offences provided for not only by the Civil Code, but also by "other special laws".

A new "s-ter" letter has been added which provides for the application of financial penalties to the entity for the crime described above.

6 Female genital mutilation practices

Practices of mutilation of female genital organs (Article 583-bis of the Criminal Code)

The crime in question punishes anyone who, in the absence of therapeutic needs, causes mutilation of the female genital organs, as well as anyone who, in the absence of therapeutic needs, causes, in order to impair sexual functions, injuries to the female genital organs other than those indicated, from which a disease in the body or mind arises, clitoridectomy being understood as practices of mutilation of the female genital organs, excision and infibulation and any other practice that causes effects of the same type.

In view of the characteristics of the incriminating case, the concrete relevance of the crime in question for the purposes of the Company's operations appears very remote.

7 Offences for the purpose of terrorism and against the individual personality

7.1 Offences with the purpose of terrorism or subversion of the democratic order

The Company is liable in the event that it commits crimes with the purpose of terrorism or subversion/subversion of the democratic order, provided for by the penal code and special laws, or crimes that have in any case been committed in violation of the provisions of Article 2 of the International Convention for the Suppression of the Financing of Terrorism concluded in New York on December 9, 1999. These are the following offences:

1. Subversive associations (Article 270 of the Criminal Code)
2. Associations with the purpose of terrorism, including international terrorism, or subversion of the democratic order (Article 270 bis of the Criminal Code)
3. Aggravating and mitigating circumstances (Article 270-bis.1 of the Criminal Code)
4. Assistance to members (Article 270 ter of the Criminal Code)
5. Enlistment for the purpose of terrorism, including international terrorism (Article 270 quarter of the Criminal Code)
6. Organisation of transfer for terrorist purposes (Article 270 quarter 1 of the Criminal Code)
7. Training for activities with the purpose of terrorism, including international terrorism (Article 270 quinquies of the Criminal Code)
8. Financing of conduct for terrorist purposes (Law no. 153/2016, art. 270 quinquies.1 of the Criminal Code)
9. Theft of assets or money subject to seizure (Article 270 quinquies.2 of the Criminal Code)
10. Conduct for terrorist purposes (Article 270 sexies of the Criminal Code)
11. Attack for terrorist or subversion purposes (Article 280 of the Criminal Code)
12. Acts of terrorism with deadly or explosive devices (Article 280 bis of the Criminal Code)
13. Acts of nuclear terrorism (Article 280 ter of the Criminal Code)
14. Kidnapping for the purpose of terrorism or subversion (Article 289-bis of the Criminal Code)
15. Seizure for the purpose of coercion (Article 289-ter of the Criminal Code) [introduced by Legislative Decree 21/2018]
16. Instigation to commit any of the crimes provided for in the first and second Chapters (Article 302 of the Criminal Code)
17. Political conspiracy by agreement (Article 304 of the Criminal Code)
18. Political conspiracy by association (Article 305 of the Criminal Code)
19. Armed band: formation and participation (Article 306 of the Criminal Code)
20. Assistance to participants in conspiracy or armed gang (Article 307 of the Criminal Code)
21. Possession, hijacking and destruction of an aircraft (Law no. 342/1976, art. 1)
22. Damage to ground installations (Law no. 342/1976, art. 2)
23. Penalties (Law no. 422/1989, art. 3)
24. Industrious repentance (Legislative Decree no. 625/1979, art. 5)
25. New York Convention of 9 December 1999 (Art. 2)

The crimes in question refer to the resurgence of international terrorism, which both at global and European level an attempt has been made to curb by means of a series of countermeasures. The international community is increasingly committed to combating terrorism in all its forms, especially in the wake of the events of 11 September 2001. Reference is made to UN resolutions and the provisions of the Council of Europe, but in particular to the Convention directly mentioned in the article.

In this case, it may be possible that relationships may be established, in the interest of the Company, with clients who pursue, directly or as front men, purposes of terrorism, subversion or subversion of

the constitutional order, facilitating them in the achievement of their criminal objectives. These rules tend, in fact, to punish not only cases of establishment of terrorist and/or subversive associations, but also any hypothesis of flanking or supporting them through the provision of financial resources – both through donations and in the context of the performance of typical corporate activities – as well as means of transport, shelters or logistical offices.

7.2 Offences against the individual personality (Articles 600, 600-bis/quinquies, 601, 602, 603bis and 609-undecies of the Criminal Code)

These are the following illegal figures:

1. reduction or maintenance in slavery or servitude (Article 600 of the Criminal Code);
2. trafficking in persons (Article 601 of the Criminal Code);
3. purchase and alienation of slaves (Article 602 of the Criminal Code);
4. child prostitution (Article 600-bis, paragraphs 1 and 2, of the Criminal Code);
5. child pornography (Article 600-ter of the Criminal Code);
6. tourist initiatives aimed at the exploitation of child prostitution (Article 600-quinquies of the Criminal Code);
7. possession of or access to pornographic material (Article 600-quarter of the Criminal Code);
8. virtual pornography (Article 600-quarter.1 of the Criminal Code)
9. illegal intermediation and exploitation of labour (603 bis of the Criminal Code);
10. solicitation of minors (Article 609-undecies of the Criminal Code).

The rules referred to in numbers from 1. to 8. punish anyone who reduces or maintains people to slavery and who makes them the object of trafficking, purchase or alienation; anyone who induces a minor person into prostitution; anyone who exploits minors to make pornographic exhibitions or produce pornographic material; anyone who organizes or promotes tourist initiatives aimed at the exploitation of child prostitution (so-called sex tourism).

The cases in question are aimed at repressing the hypotheses of illicit enrichment obtained through activities related to human trafficking, the so-called "sex tourism" or acts of child pornography.

The hypothesis of crime listed in number 9 has been introduced in the list of predicate crimes by art. 6 of Law no. 199 of 29 October 2016, containing "Provisions on the fight against the phenomena of undeclared work, the exploitation of labour in agriculture and wage realignment in the agricultural sector".

The rule, as amended by art. 1 of this legislative measure, punishes:

- those who recruit labour in order to allocate it to work for third parties in conditions of exploitation, taking advantage of the workers' state of need;
 - uses, hires or employs labour, including through the intermediation activity referred to in the above point, subjecting workers to conditions of exploitation and taking advantage of their state of need.
- Specific aggravating circumstances are provided for in the second and fourth paragraphs, while the third paragraph lists a series of conditions whose existence constitutes an indication of labour exploitation.

The offence referred to in number 10, on the other hand, punishes anyone who commits acts aimed at stealing the trust of a minor through artifice, flattery or threats (including via the internet, other networks or means of communication) in order to commit - to the detriment of the same minor - the following crimes:

- Reduction or maintenance in slavery or servitude (Article 600 of the Criminal Code);
- Child prostitution (Article 600-bis of the Criminal Code);
- Child pornography (Article 600-ter of the Criminal Code);

- Possession of or access to pornographic material (Article 600-quarter of the Criminal Code), including virtual images (Article 600-quarter1 of the Criminal Code);
- Tourist initiatives aimed at exploiting child prostitution (Article 600-quinquies of the Criminal Code);
- Sexual violence (Article 609-bis of the Criminal Code);
- Sexual acts with a minor (Article 609-quarter of the Criminal Code);
- Corruption of minors (Article 609-quinquies of the Criminal Code);
- Group sexual violence (Article 609-octies of the Criminal Code).

8 Market abuse offences

8.1 Misuse or unlawful disclosure of inside information. Recommendation or inducement of others to the commission of insider dealing (art. 184 of the Consolidated Law on Finance)

The heading of art. 184 of the Consolidated Law on Finance (TUF) was renamed by Law no. 238 of 23 December 2021 "*Abuse or unlawful communication of inside information. Recommendation or inducement of others to commission insider dealing*" in place of "*Inside Information Abuse*".

Paragraph 1 of the provision punishes the criminal conduct of a person who, being in possession of inside information by virtue of his or her capacity as a member of the issuer's administrative, management or control bodies, participation in the issuer's capital or the exercise of a job, profession or function, including public, or office (so-called "*primary insider*"):

- a) buys, sells or carries out other transactions, directly or indirectly, on its own account or on behalf of third parties, on financial instruments using the same information;
- b) communicates that information to others, outside the normal exercise of their job, profession, function or office or a market sounding carried out in accordance with Article 11 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014;
- c) recommends or induces others, on the basis of this information, to carry out any of the operations indicated in letter a).

The provision now also punishes, in paragraph 2, the so-called "*criminal insider*", i.e. those who possess inside information "due to the preparation or execution of criminal activities".

Paragraph 3 has also introduced the criminal liability of the so-called "*secondary insider*", i.e. the person who, except in cases of complicity in the crimes referred to in paragraphs 1 and 2, being in possession of inside information for reasons other than those indicated in paragraphs 1 and 2 and knowing the privileged nature of such information, commits any of the acts referred to in paragraph 1.

Paragraph 5 also introduced the application of the provisions contained in the new Article 184 of the TUF also for conduct or transactions relating to "auctions on an authorised auction platform, such as a regulated market for emission allowances or other related auctioned products, even when the auctioned products are not financial instruments".

Pursuant to Article 180 of the TUF, "inside information" means "*information of a precise nature, which has not been made public, concerning, directly or indirectly, one or more issuers of financial instruments or one or more financial instruments, which, if made public, could significantly affect the prices of such financial instruments*".

More specifically, "precise" information means a series of circumstances that exist or can reasonably be expected to occur or an event that has occurred or can reasonably be expected to occur and if that information is sufficiently specific to allow conclusions to be drawn as to the possible effect of that set

of circumstances or event on the prices of financial instruments or related financial instruments derivative financial instrument. The requirement of precision is functional to isolate from the notion of inside information simple market items (so-called "inside information"). *rumors*), not supported by any objective data or by the possibility of being communicated accurately. The information must, however, be qualified by truth or verisimilitude.

Information which, "if disclosed to the public, is likely to have a material effect on the prices of financial instruments, derivative financial instruments, related spot commodity contracts or products auctioned on the basis of emission allowances", means "*information that a reasonable investor would likely use as one of the elements on which to base his investment decisions*" (Article 7(4) of Regulation (EU) No 596/2014). This requirement, provided for prior to the entry into force of Legislative Decree 107/2018 in the context of art. 181, paragraph 4, of the TUF, was the subject of discussion and was submitted to the Constitutional Court (sentence no. 382, 1-14 December 2004) which noted that the non-numerical criterion (significant variation), far from being imprecise, is necessary according to the relative nature of the sensitive influence, "*closely related to the characteristics of the financial instrument to which the news refers: compared to a relatively stable stock, in fact, even a variation of a few points could be considered significant; while with respect to a financial instrument "physiologically" subject to fluctuations, it would be difficult to reach the same conclusions*".

Another significant change is the one made to the confiscation discipline provided for in art. 187 T.U.F. This rule, in the previous wording, provided for the confiscation of the product obtained from the profit of the crime and the assets used to commit it, to be carried out also in the form of equivalent, in cases of conviction for insider dealing and market manipulation. This measure, which had aroused harsh criticism for its excessively punitive nature, made it possible to confiscate large sums, including, for example, the shares and securities used to commit the crime of insider trading.

With the entry into force of the European Law, confiscation is limited only to **profit**.

8.2 Market manipulation (art. 185 of the Consolidated Law on Finance)

The law punishes anyone who spreads false news or carries out simulated transactions or other artifices concretely capable of causing a significant alteration in the price of listed financial instruments.

Anyone who has committed the act through orders to sell or transactions carried out for legitimate reasons and in accordance with accepted market practices, pursuant to art. 13 of Regulation (EU) No 596/2014.

It should be noted that the following may constitute a crime, if they are accompanied by intent and the ability to cause alterations in the price of financial instruments:

- the dissemination, through the media, including *the internet* and any other means, of false or misleading information, rumors or news that provide or are likely to provide false or misleading information about financial instruments;
- the execution of transactions or orders to buy and sell that provide or are likely to provide false or misleading indications regarding the offer, demand or price of financial instruments;
- the taking of long-term positions with subsequent purchases and dissemination of misleading positive news;
- the taking of short-term positions with subsequent sales and dissemination of misleading negative news;
- the execution of transactions or orders to buy and sell that allow, through the action of one or more persons acting in concert, to fix the market price of one or more financial instruments at an anomalous or artificial level;
- the execution of transactions or orders to buy and sell that use artifices or any other type of deception or expedient;

- the use of other artifices capable of providing false or misleading indications regarding the supply, demand or price of financial instruments;
- the transmission of false or misleading information, or the communication of false or misleading data or any other conduct that manipulates the calculation of a benchmark.

The offence may be committed, for example, through the dissemination of false news about corporate strategies or through the performance of simulated transactions or other artifices on the capital of the Company or of the parent company or its subsidiaries. The dissemination of false news can also take place through half-yearly reports or the report and preparation of the financial statements.

8.3 Administrative offences (Articles 187-bis, 187-ter, 187-ter.1 and 187-quinquies of the Consolidated Law on Finance)

On the other hand, with regard to the administrative offences referred to in Articles 187-bis and 187-ter, the liability of the Entity derives from the provision contained in Article 187-quinquies of the Consolidated Law on Finance. (commission in the interest or to the advantage of the Entity of a violation of the prohibition referred to in Article 14 or of the prohibition referred to in Article 15 of Regulation (EU) No. 596/2014), which refers to the same principles, conditions and exemptions of Legislative Decree No. 231/2001, but always placing on the Entity, in its own defense, the proof that the offender acted exclusively in his own interest or in the interest of a third party.

The offences in question sanction the violation of the prohibition of insider dealing and unlawful disclosure of inside information pursuant to art. 14 of Regulation (EU) No. 596/2014 and the violation of the prohibition of market manipulation referred to in art. 15 of Regulation (EU) No 596/2014. Criminal offences, on the other hand, sanction the material conduct provided for by art. 184 and 185 of the TUF referred to above. In addition, the Entity is subject to the administrative sanctions provided for by the new Article 187 ter.1, in the event that it acts in violation of the obligations of prevention, detection and reporting of market abuse provided for by Articles 16, 17, 18, 19 and 20 of Regulation (EU) No. 596/2014.

9 Transnational crimes

With Law 146/2006, on "Ratification and execution of the United Nations Convention and Protocols against Transnational Organized Crime, adopted by the General Assembly on 15 November 2000 and 31 May 2000,2001" the legislator has transposed into the Italian legal system a series of instruments of international law against transnational organized crime.

A transnational offence is considered to be a crime, punishable by imprisonment of not less than four years, if an organised criminal group is involved, as well as:

- is committed in more than one State;
- or it is committed in one State, but a substantial part of its preparation, planning, direction or control takes place in another State;
- or it is committed in one State, but an organized criminal group engaged in criminal activities in more than one State is involved in it;
- or it is committed in one State but has substantial effects in another State.

The law expands the liability of entities in relation to the following types of crime:

- criminal conspiracy, of a simple nature (Article 416 of the Criminal Code) or mafia, including foreign (Article 416-bis of the Criminal Code), aimed at smuggling foreign manufactured tobacco (Article 291-quarter of Presidential Decree No. 43 of 23 January 1973) or illicit trafficking of narcotic or psychotropic substances (Article 74 of Presidential Decree No. 309 of 9 October 1990);
- provisions against illegal immigration (Article 12, paragraphs 3, 3-bis, 3-ter and 5 of Legislative Decree no. 286 of 25 July 1998);
- inducement not to make statements or to make false statements to the judicial authority (Article 377-bis of the Criminal Code);
- personal aiding and abetting (Article 378 of the Criminal Code).

The main types of offences mentioned above are described below.

9.1 Criminal conspiracy (Article 416 of the Criminal Code)

The crime in question occurs when three or more people associate with the aim of committing several crimes. Those who promote or constitute or organize the association are "for this alone" punished.

The cases in question (the same applies with reference to the case referred to in Article 416-bis of the Criminal Code) is typically characterized by an anticipation of the criminal relevance of the conduct, for the purposes of which the mere fact of associating to commit one or more crimes and the promotion, constitution, participation in an organizational structure aimed at this purpose is sufficient.

With reference to this case, it does not therefore appear possible to exclude, at root, a relevance for the purposes of Legislative Decree 231/2001, since the criminal association (including that of a mafia type) could theoretically have as its object the commission of any crime⁵.

⁵ It should be noted, however, the "delimitation" made by the Court of Cassation with sentence no. 3635 of 24 January 2014. In the case examined, the Court ruled as follows: "[...] the reconstructive approach followed by the contested measure is vitiated by a fundamental defect, where it was decided to enhance, for the purposes of the administrative liability of the applicant companies, a series of cases of crime [...] completely extraneous to the exhaustive catalogue of predicate offences of the offence of the collective entity and as such unsuitable, pursuant to art. 2, 5 and 19 of Legislative Decree no. 231/01, to found the very imputation of liability.

However, it seems difficult to hypothesize, for this crime, a concrete point of emergence of the associative conduct sanctioned by the criminal law.

In other words, with reference to the crime in question, it is extremely problematic to identify one or more "sensitive activities" on which to graft appropriate organizational and control safeguards.

In consideration of this circumstance, although the offence in question cannot be considered completely irrelevant for the purposes of the Company's current operations (think, for example, of a hypothesis of criminal conspiracy aimed at corruption), it is reasonable to conclude that the prevention and control measures related to this offence must reside in the overall control environment and in the procedures adopted by the Company pursuant to Legislative Decree 231/2001.

9.2 Mafia-type associations (Article 416-bis of the Criminal Code)

The rule in question incriminates anyone who is part of a mafia-type association formed by three or more people, of the Camorra and other associations, however locally denominated, including foreign ones which, making use of the intimidating force of the associative bond, pursue purposes corresponding to those of mafia-type associations.

9.3 Criminal conspiracy aimed at smuggling foreign manufactured tobacco (Article 291-quarter of Presidential Decree no. 43/73)

'When three or more persons join forces for the purpose of committing more than one of the offences provided for in Article 291-bis [i.e. smuggling of foreign manufactured tobacco], those who promote, constitute, direct, organise or finance the association shall be punished, for that reason alone, with imprisonment of between three and eight years.

Those who participate in the association are punished with imprisonment from one year to six years.

The penalty is increased if the number of members is ten or more.

If the association is armed or if the circumstances provided for in letters d) or e) of paragraph 2 of Article 291-ter occur, the penalty of imprisonment from five to fifteen years shall be applied in the cases provided for in paragraph 1 of this article, and from four to ten years in the cases provided for in paragraph 2. The association is considered armed when the participants have the availability, for the achievement of the purposes of the association, of weapons or explosive materials, even if concealed or kept in a place of storage.

The penalties provided for in Articles 291-bis, 291-ter and this article shall be reduced from one third to one half in the case of the accused who, dissociating himself from the others, shall endeavour to prevent the criminal activity from being brought to further consequences, also by concretely assisting the police or judicial authorities in the collection of decisive elements for the reconstruction of the facts and for the identification or capture of the perpetrators of the crime or for the identification of resources relevant to the commission of the crimes".

Nor can the relevance of those cases be indirectly recovered [...] in the different perspective of their indictment as crimes-purpose of the alleged associative crime [...] since in this way the incriminating provision referred to in art. 416 of the Criminal Code – it, yes, included in the list of predicate offences pursuant to art. 24-ter of the aforementioned Legislative Decree no. [...] would be transformed, in violation of the principle of exhaustiveness of the sanctioning system contemplated by Legislative Decree 231/01, into an "open" provision, with an elastic content, potentially suitable for including any type of crime in the list of predicate crimes, with the danger of an unjustified expansion of the area of potential liability of the collective entity [...]."

9.4 Association aimed at the illicit trafficking of narcotic or psychotropic substances (art. 74 DPR 309/90)

'Where three or more persons join forces for the purpose of committing several offences from among those referred to in Article 73 [i.e. illegal production, trafficking and possession of narcotic or psychotropic substances], the person who promotes, establishes, directs, organises or finances the association shall be punished for that purpose only by imprisonment of not less than twenty years. Those who participate in the association are punished with imprisonment of not less than ten years.

The penalty is increased if the number of members is ten or more or if among the participants there are people addicted to the use of narcotic or psychotropic substances.

If the association is armed, the penalty, in the cases indicated in paragraphs 1 and 3, may not be less than twenty-four years' imprisonment and, in the case provided for in paragraph 2, twelve years' imprisonment. The association is considered armed when the participants have the availability of weapons or explosive materials, even if concealed or kept in a place of storage.

The penalty shall be increased if the circumstance referred to in letter e) of paragraph 1 of Article 80 occurs.

If the association is formed to commit the acts described in paragraph 5 of Article 73, the first and second paragraphs of Article 416 of the Criminal Code shall apply.

The penalties provided for in paragraphs 1 to 6 are reduced from half to two thirds for those who have effectively worked to ensure evidence of the crime or to deprive the association of decisive resources for the commission of crimes.

The confiscation of the things that were used or intended to commit the crime and of the goods that are the profit or product of the convicted person is ordered against the convicted, unless they belong to a person unrelated to the crime, or when this is not possible, the confiscation of goods of which the offender has the disposal for a value corresponding to such profit or product.

Where laws and decrees refer to the offence provided for in Article 75 of Law No 685 of 22 December 1975, repealed by Article 38(1) of Law No 162 of 26 June 1990, the reference shall be understood as referring to this article'.

9.5 Provisions against illegal immigration (Article 12, paragraphs 3, 3-bis, 3-ter and 5 of Legislative Decree 286/98)

'Unless the act constitutes a more serious criminal offence, any person who, in breach of the provisions of this consolidated text, promotes, directs, organises, finances or carries out the transport of foreign nationals into the territory of the State or carries out other acts aimed at illegally procuring their entry into the territory of the State, or of another State of which the person is not a national or does not have a permanent residence permit, is punished with imprisonment from six to sixteen years and a fine of 15,000 euros for each person in the event that: a) the fact concerns the illegal entry or stay in the territory of the State of five or more people; b) the transported person has been exposed to danger to his life or safety in order to procure his or her illegal entry or stay; (c) the person transported has been subjected to inhuman or degrading treatment in order to procure his or her illegal entry or stay; d) the act is committed by three or more persons in conjunction with each other or using international transport services or forged or altered documents or in any case illegally obtained; e) the perpetrators of the act have the availability of weapons or explosive materials.

If the acts referred to in paragraph 3 are committed in two or more of the cases referred to in letters a), b), c), d) and e) of the same paragraph, the penalty provided for therein shall be increased.

The prison sentence shall be increased from one third to one half and a fine of € 25,000 shall be applied for each person if the acts referred to in paragraphs 1 and 3: a) are committed in order to recruit persons to be used for prostitution or in any case for sexual or labour exploitation or concern the entry of minors to be used in illegal activities in order to facilitate their exploitation; b) they are committed with the aim of making profit, even indirectly.

Except in the cases provided for in the preceding paragraphs, and unless the act constitutes a more serious crime, any person who, in order to take unfair advantage of the foreigner's illegal status or in the context of the activities punished under this article, encourages the foreigner to remain in the territory of the State in violation of the provisions of this consolidated text, he is punished with imprisonment of up to four years and a fine of up to thirty million lire. When the act is committed in conjunction with two or more people, or concerns the permanence of five or more people, the penalty is increased from one third to one-half".

9.6 Inducement not to make statements or to make false statements to the judicial authority (Article 377-bis of the Criminal Code)

The rule – unless the fact constitutes a more serious crime – punishes anyone who, with violence or threat, or with the offer or promise of money or other benefits, induces the person called upon to make statements before the judicial authority that can be used in criminal proceedings, when the latter has the right not to answer, not to make statements or to make false statements.

9.7 Personal aiding and abetting (Article 378 of the Criminal Code)

The law punishes the conduct of those who, following the commission of a crime for which the law establishes the penalty of life imprisonment or imprisonment – and except in cases of complicity in the same – help someone to evade the investigations of the Authority, including those carried out by bodies of the International Criminal Court, or to evade the searches carried out by the same subjects. The crime of aiding and abetting exists even when the person being helped is not attributable or it appears that he or she has not committed the crime.

10 Crimes against the person committed in violation of accident prevention regulations and on the protection of hygiene and health at work

Article 19 of Law no. 123 of 3 August 2007 on "*Measures for the protection of health and safety at work and delegation to the Government for the reorganisation and reform of the relevant legislation*" introduced a new Article 25-septies into the Decree⁶ entitled - following the amendments introduced by Art. 300 of Legislative Decree no. 81 of 9 April 2008, on "*Implementation of Article 1 of Law no. 123 of 3 August 2007, on the protection of health and safety in the workplace*" (the so-called "Consolidated Law on Safety at Work")⁷ - "*Offences of manslaughter or serious or very serious injuries committed in violation of accident prevention regulations and on the protection of hygiene and health and safety at work*".

The rule extends to companies the liability for the crimes referred to in art. 589, paragraph 2 ("*Manslaughter*" committed with violation of the rules on the prevention of accidents at work) and 590, paragraph 3 ("*Culpable personal injuries*" serious or very serious committed with violation of the rules on the prevention of accidents at work) of the Criminal Code.

⁶ It should be noted that Law 123/07 introduced for the first time "culpable" offences within the scope of those relevant under the Decree.

⁷ In this regard, the text of art. 30 of the aforementioned regulatory provision which identifies the characteristics that the "Model" must have so that the company does not incur the responsibilities referred to in Legislative Decree 231/2001 in the face of the risks of crime under analysis (qualifying elements that are added to the "general" ones provided for by Legislative Decree 231/2001 itself), with the consequent limitation, as regards safety at work, of the discretion of the judge, who is responsible for the general evaluation of the organizational models adopted by companies to decree their exemption from sanctions.

Art. 30. Organization and management models:

1. The organisational and management model suitable for effectively exempting legal persons, companies and associations, including those without legal personality, from administrative liability pursuant to Legislative Decree no. 231 of 8 June 2001, must be adopted and effectively implemented, ensuring a business system for the fulfilment of all legal obligations relating to:

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

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

3. The organisational model must in any case provide, as required by the nature and size of the organisation and the type of activity carried out, an articulation of functions that ensures the technical skills and powers necessary for the verification, assessment, management and control of risk, as well as a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model.

4. The organisational model must also provide for an appropriate control system for the implementation of the same model and the maintenance over time of the conditions for the suitability of the measures adopted. The review and possible modification of the organisational model must be adopted when significant violations of the rules relating to the prevention of accidents and hygiene at work are discovered, or on the occasion of changes in the organisation and activity in relation to scientific and technological progress.

5. At the time of first application, the business organisation models defined in accordance with the UNI-INAIL Guidelines for an occupational health and safety management system (OHSMS) of 28 September 2001 or the British Standard OHSAS 18001:2007 shall be presumed to comply with the requirements set out in this article for the corresponding parts. For the same purposes, additional business organisation and management models may be indicated by the Commission referred to in Article 6.

6. The adoption of the organisational and management model referred to in this article in companies with up to 50 workers is one of the activities eligible for financing pursuant to Article 11.

The rules on the prevention of accidents at work have the primary function of preventing the occurrence of events detrimental to physical safety intrinsically inherent in the exercise of certain work activities, even in the event that these risks are the result of any imprudence, negligence or carelessness of the worker. It follows that the employer is always responsible for the accident that occurs to the worker, both when he fails to prepare the appropriate protective measures, and when he does not ascertain and supervise – with prudent and continuous diligence – that the employee actually makes use of them. Nor does the fact that the injured party has been made aware of the rules to be respected in the performance of the work appear sufficient to exclude liability.

In this sense, the employer's tasks appear to be multiple and articulated (see Article 18 of Legislative Decree 81/2008) and range from the education of workers on the risks of certain activities and the need to adopt the consequent safety measures, to the concrete preparation of these measures and the continuous supervision of compliance with them.

Of particular importance, taking into account the stricter sanctioning system (see paragraph 1 of Article 25-septies of the Decree), are cases in which the company exposes workers to particular risks (e.g. presence of asbestos) and in the presence of "temporary or mobile construction sites".⁸ In such cases, where a relevant event (death/injury) can be in some way "causally" related to the absence/inadequate risk assessment and/or adoption of the risk assessment document,⁹ the judge will always apply the maximum number of shares (one thousand).

It should be noted that with Law No. 56 of 29 April 2024 on "Conversion into law, with amendments, of Decree-Law No. 19 of 2 March 2024, containing further urgent provisions for the implementation of the National Recovery and Resilience Plan (PNRR)" (PNRR Decree 2024), amendments were adopted to Legislative Decree No. 81/2008, including a new qualification system for companies and self-employed workers who intend to operate on construction sites.

⁸ The strictest sanctioning system (see paragraph 2 of Article 55 of the Consolidated Law on Safety at Work) applies if the offence is committed in the context of:

a) of companies:

- industrial in which dangerous substances are present;
- thermoelectric power plants;
- nuclear plants and installations where workers are subjected to radioactive sources as well as plants for the storage, disposal and/or treatment of radioactive waste;
- companies producing/storing explosives, powders and ammunition;
- extractive industries with more than 50 workers;

b) companies that expose workers to risks:

- group 3 and group 4 "risk of infection" biologics;
- explosive atmospheres;
- carcinogens mutagens;
- maintenance, removal, disposal and asbestos remediation activities;
- c) "temporary or mobile construction sites" or "in construction" and "work at height" characterized by the coexistence of several companies and whose presumed amount of work is equal to at least 200 man-days.

⁹ The "violations" provided for in paragraph 1, letter a) of art. 55 of the Consolidated Law on Safety at Work (to which, in the presence of cases specified in the aforementioned paragraph 2, the sanctioning system referred to in paragraph 1 of Article 25-septies of the Decree applies) refer to the failure of the "employer" to carry out a risk assessment and the failure to adopt the relevant assessment document, or to the adoption of a risk assessment document without the requirements:

- assessment of all risks with specific indication of the assessment criteria;
- indication of preventive/protective measures and individual devices;
- procedures for implementing measures, responsible roles (with appropriate skills and powers);
- identification of tasks with specific risks that require recognized professional ability, specific experience, adequate education and training;

together with the violation of the obligation to adopt:

- appropriate measures to prevent technical measures from causing risks to the health of the population or deteriorating the external environment, periodically verifying that the absence of risk persists;
- update the measures to organizational and production changes or in the prevention/protection technique.

11 Prohibition of abandonment [of waste] (Article 192 of Legislative Decree No. 152 of 3 April 2006)

Article 192 of Legislative Decree no. 152 of 3 April 2006 introduces the "*Prohibition of abandonment [of waste]*" in the following cases:

- uncontrolled abandonment and deposit of waste on and in the soil;
- Introduction of waste of any kind, in solid or liquid form, into surface and groundwater.

Paragraph 4 of the aforementioned provision provides that "*Where the liability for the unlawful act is attributable to directors or representatives of a legal person [...] the legal person and the persons who have taken over the rights of the person shall be jointly and severally liable, in accordance with the provisions of Legislative Decree No 231 of 8 June 2001 on the administrative liability of legal persons, companies and associations*".

Although the reference to the Decree contained in the aforementioned provision cannot be unequivocally interpreted in the sense of giving the provision a relevance pursuant to Legislative Decree 231/2001¹⁰, for the sake of completeness it is appropriate to also list this case in this document.

¹⁰ On this point, however, it is necessary to mention a recent ruling of the Supreme Court (Cass., Sec. III, 7 October-6 November 2008, no. 41329), in which it was specified "*It seems to be excluded, at present, the possibility of extending the administrative liability of entities to the crime of illegal waste management. And indeed, despite art. 11 paragraph 1 letter d) of Law no. 300 of 29 September 2000 has delegated to the Government the regulation of the administrative liability of legal persons and entities without legal personality also in relation to the commission of crimes relating to the protection of the environment and the territory, which are punishable by a prison sentence of not less than one year even if an alternative to a monetary penalty, provided, among others, by Legislative Decree no. 22 of 5 February 1997, as subsequently amended (now replaced by Legislative Decree no. 152/2006), Legislative Decree no. 231 of 8 June 2001, implementing the delegation, did not originally regulate the matter, nor does it appear that there have been subsequent additions with reference to the latter, as has happened for other sectors.*

At present, the only reference to the administrative liability of the entity on the issue of waste seems to be the one contained in paragraph 4 of art. 192 of Legislative Decree 152/06 which, however, in addition to limiting the reference to directors or representatives of legal persons, would expressly seem to refer only to the provision of paragraph 3 of art. 192 cited which has as its object the obligations of waste removal in the event of uncontrolled abandonment. As far as the liability of entities is concerned, therefore, both the typification of offences and the indication of penalties are currently lacking: which unquestionably contrasts with the principles of exhaustiveness and typicality that must be inherent in the regulation of offences".

12 Fencing, laundering and use of money, goods or utilities of illegal origin as well as self-laundering

With the introduction of Legislative Decree no. 231/2007 and subsequent amendments and additions, in the light of the relevant EU provisions on the subject, the administrative liability of entities in this area has been expanded.

In particular, Article 72 (Amendments to current regulatory provisions), third paragraph, of Legislative Decree 231 of 21 November 2007, as amended by Decree 90/2017, contains Article 25-octies entitled "*Receiving stolen goods, laundering and use of money, goods or utilities of illegal origin*".

The aforementioned Legislative Decree 231/2007 has, among other things, not only extended the applicability of the Decree also to the Receiving of Stolen Goods provided for by art. 648 of the Criminal Code, but also to the crimes referred to in art. 648-bis (Money laundering) and 648-ter (Use of money, goods or utilities of illicit origin) of the Criminal Code, although without the connotation of "transnationality", as a result of the repeal of paragraphs 5 and 6 of art. 10 of Law 146/2006 (which had, in fact, introduced among the relevant crimes pursuant to Legislative Decree 231/2001 those of "Money laundering" and "Use of money, goods or utilities of illegal origin" but only if "transnational").

"Receiving stolen goods, money laundering, use of money, goods or utilities of illicit origin and self-laundering" (see below) are, in other words, included among those relevant (for the Decree), regardless of their transnational nature.

Law no. 186/2014 then amended art. 25-octies of the Decree, introducing as a predicate crime, in addition to the three aforementioned cases, also the crime of self-laundering referred to in art. 648-ter 1 of the Criminal Code.

All predicate offences falling under art. 25-octies of Legislative Decree 231/2001 are, most recently, amended by Legislative Decree 195/2021.

12.1 Fencing (Article 648 of the Criminal Code)

Anyone who, except in cases of complicity in the crime (presumptive), in order to procure a profit for himself or others, buys, receives or conceals money or things deriving from any crime, or in any case interferes in having them purchased, received or concealed, is liable for the crime in question.

Conduct is also punished when the act concerns money or things deriving from a contravention punishable by imprisonment exceeding a maximum of one year or a minimum of six months.

The penalty is increased if the act is committed in the exercise of a professional activity.

A reduction of the sentence is provided for if the fact is particularly tenuous.

The crime in question is committed if the Company knowingly purchases/acquires money or other goods deriving from any crime, or carries out other operations in relation to them aimed at allowing others to receive stolen goods (e.g. by putting the "thief" in contact with the buyer), benefiting from them (e.g. lower costs, higher revenues, customer *retention*, etc.) or procuring a profit for others.

It is not necessary that the crime from which the money/good was taken be judicially ascertained, since the criminal origin of the objects purchased/received may well be deduced from the nature, variety and typicality of the things traded. Similarly, receiving stolen goods also exists when the things received do not come immediately, but in a mediated way, from a crime.

12.2 Money laundering (Article 648-bis of the Criminal Code)

The law punishes anyone who, except in cases of complicity in the crime, replaces or transfers money, goods or other benefits deriving from the crime, or carries out other operations in relation to them, in such a way as to hinder the identification of their criminal origin.

Conduct is also punished when the act concerns money or things deriving from a contravention.

The penalty is increased if the act is committed in the exercise of a professional activity.

This hypothesis of crime occurs if the agent, or the Company, who did not participate in the commission of the underlying crime, knowingly replaces or transfers money, goods or other benefits deriving from the crime, or carries out other operations in relation to them (e.g. concealment of some of the names involved in the transactions) in such a way as to hinder the identification of their criminal origin.

Money laundering is dynamic conduct, aimed at putting the goods into circulation, while mere receipt or concealment could constitute the crime of receiving stolen goods.

12.3 Use of money, goods or utilities of illicit origin (Article 648-ter of the Criminal Code)

The rule criminalizes the conduct of those who, except in cases of complicity in the crime and the cases provided for by art. 648 (*Receiving stolen goods*) and 648-bis (*Money laundering*), use money, goods or other benefits deriving from crime in lawful economic or financial activities (e.g. entrepreneurial or commercial activities).

Conduct is also punished when the act concerns money or things deriving from a contravention.

12.4 Self-laundering (Article 648-ter.1 of the Criminal Code)

The rule incriminates the conduct of those who, having committed or contributed to committing a crime, use, replace, transfer, in economic, financial, entrepreneurial or speculative activities, the money, goods or other benefits deriving from the commission of such crime, in such a way as to concretely hinder the identification of their criminal origin.

Conduct is also punished when the act concerns money or things deriving from a contravention.

There is a reduction in punishment if the money, goods or other benefits come from a crime for which the penalty of imprisonment is established for a maximum of five years.

The actual relevance for the Company of the crime of self-laundering is manifested with reference to the possible use, replacement and transfer of proceeds deriving from the commission of any crime committed within the Company itself.

Considering, in the silence of the doctrine, the inconfigurability of the special cause of non-punishability referred to in the fourth paragraph of art. 648-ter.1 of the Criminal Code (the concepts of "*mere use*" or "*personal enjoyment*" do not appear to be applicable to a legal person), particular attention must be paid to the crimes most susceptible to commission in the exercise, in general, of corporate activities (e.g. tax crimes).

This is because the "moment" on which the protection of the risk of self-laundering insists can only be that of the commission of the crime that constitutes the prerequisite.

13 Offences relating to non-cash payment instruments and fraudulent transfer of valuables

Legislative Decree no. 184 of 8 November 2021 transposed Directive 2019/713/EU, which aims to combat fraud and counterfeiting of non-cash means of payment. This European measure stems from the consideration that fraud and counterfeiting of non-cash means of payment constitute a threat to security as they represent sources of revenue for organised crime and can therefore encourage criminal activities such as terrorism, drug trafficking or trafficking in human beings. Such offences constitute an obstacle to the achievement of a Digital Single Market, eroding consumer confidence and causing direct economic losses.

Finally, art. 25-octies.1, Legislative Decree 231/2001 was amended by Law no. 137/2023 converting, with amendments, Decree-Law no. 105 of 10 August 2023, containing "urgent provisions on criminal proceedings, civil proceedings, forest fire fighting, recovery from drug addiction, health and culture, as well as on the personnel of the judiciary and public administration".

This regulatory intervention introduced, among the predicate crimes, the "Fraudulent transfer of values" (Article 512-bis, Criminal Code), further amended by Legislative Decree 19/2024, converted by Law No. 56 of 29 April 2024 in force from 1 May 2024.

The notion of "**non-cash payment instruments**" includes "any intangible or tangible protected device, object or record, or a combination thereof, other than legal tender, which, alone or in combination with a procedure or series of procedures, allows the holder or user to transfer money or monetary value, including through digital means of exchange".

They are defined as:

- '**protected device, object or record**' means a device, object or record protected against imitation or fraudulent use, for example by design, code or signature;
- "**digital means of exchange**" means any electronic money defined in Article 1, paragraph 2, letter h ter), Legislative Decree no. 385/1993, and virtual currency.

Finally, '**virtual currency**' means a digital representation of value that is not issued or guaranteed by a central bank or public body, is not necessarily linked to a legally established currency and does not have the legal status of currency or money, but is accepted by natural or legal persons as a medium of exchange, and which can be transferred, stored and exchanged electronically (an example of all the so-called cryptocurrencies).

Article 25-octies.1 has been inserted in Legislative Decree 231/01 with the heading "Offences relating to payment instruments other than cash and fraudulent transfer of valuables", in the vicinity of the other family of offences provided for in art. 25-octies concerning money laundering offences. Under this new heading, the following offences have been collected that can give rise to the administrative liability of the entity:

Article 493-ter of the Criminal Code "Undue use and falsification of payment instruments other than cash"

The rule punishes anyone who unduly uses, not being the holder, credit or payment cards, or any other similar document that enables the withdrawal of cash or the purchase of goods or the provision of services, or in any case any other payment instrument other than cash, in order to make a profit for themselves or for others.

Anyone who, for the same purpose, falsifies or alters the instruments or documents referred to above, or possesses, transfers or acquires such instruments or documents of illicit origin or in any case falsified or altered, as well as payment orders produced with them, shall also be punished;

Article 493-quarter of the Criminal Code "Possession and dissemination of equipment, devices or computer programs aimed at committing crimes concerning payment instruments other than cash"

The law introduces the crime of possession and dissemination of equipment, devices or computer programs aimed at committing crimes concerning payment instruments other than cash.

Unless the act constitutes a more serious offence, any person who produces, imports, exports, sells, transports, distributes or makes available or procures to himself or herself or to other equipment, devices or programs designed for the main purpose of committing offences involving payment instruments, or specifically adapted for that purpose, shall be punished;

Article 640-ter, paragraph 2, of the Criminal Code "Computer fraud aggravated by the fact that the conduct results in a transfer of money, monetary value or virtual currency"

This crime is already provided for in the context of Legislative Decree 231/01, art. 24, where it is committed to the detriment of the State or other public body or the European Union.

With Legislative Decree 184/2021, computer fraud aggravated by the fact that the conduct results in a transfer of money, monetary value or virtual currency is also included among the predicate crimes "231" (Article 640-ter, paragraph 2, of the Criminal Code).

Article 512-bis of the Criminal Code "Fraudulent transfer of valuables"

This offence, unless the act constitutes a more serious offence, punishes anyone who fictitiously attributes to others the ownership or availability of money, goods or other benefits in order to circumvent the provisions of the law on asset prevention measures or smuggling, or to facilitate the commission of one of the offences referred to in Articles 648, 648-bis and 648-ter..

Also punished pursuant to the article in question are those who, in order to circumvent the provisions on anti-mafia documentation, fictitiously attribute to others the ownership of companies, company shares or shares or corporate offices, if the entrepreneur or company participates in procedures for the award or execution of contracts or concessions.

14 Computer crimes and unlawful data processing

Article 491-bis of the Criminal Code – Electronic documents (forgery in a public electronic document having probative value)

The rule punishes those who commit a crime of "falsity in deeds"¹¹ by acting on a public electronic document with probative value. The legislator, considering the provision of a series of rules relating to the falsity of an electronic document inappropriate, preferred to introduce a generic reference to the provisions on the falsity of documents, providing for the application of the same also to cases in which the unlawful conduct concerns "public electronic documents having probative value".

The following are the cases of "forgery in deed" that appear relevant for the purposes of the Decree, considering that, following the entry into force of Legislative Decree no. 7 of 15/01/2016,¹² the falsity of private electronic documents with probative value is no longer contemplated by art. 491-bis of the Criminal Code with consequent exclusion from the list of relevant cases pursuant to Legislative Decree 231/01:

- *Article 476 - Material falsehood committed by a public official in public documents.*
- *Article 477 - Material falsehood committed by a public official in certificates or administrative authorisations.*
- *Article 478 - Material falsity committed by a public official in authentic copies of public or private documents and in certificates of the content of documents.*

The rules punish the public official who, in the exercise of his functions, respectively:

- forms (in whole or in part) a false act or alters a true act;
- forges or alters certificates or administrative authorisations or (in the same manner) makes it appear that the conditions required for their validity have been met;
- Assuming that a public or private document exists, it simulates a copy and issues it in legal form, i.e. it issues a copy different from the original.
- *Article 479 - Ideological falsehood committed by a public official in public documents.*
- *Article 480 - Ideological falsehood committed by a public official in certificates or administrative authorizations.*
- *Article 481 - Ideological falsehood in certificates committed by persons carrying out a service of public necessity.*

The rules punish the public official who, in the exercise of his functions, respectively:

- falsely attests that an act was committed by him or occurred in his presence, or certifies that he received statements not made to him, or omits or alters statements received by him, or in any case falsely attests to facts of which the act is intended to prove the truth;
- falsely attests, in certificates or administrative authorisations, facts of which the act is intended to prove the truth;
that is, anyone who, in the exercise of a service of public necessity¹³, falsely attests in a certificate facts of which the act is intended to prove the truth.
- *Article 482 - Material falsehood committed by a private individual.*
The rule sanctions the private individual (or public official outside the exercise of his functions) who commits the acts referred to in art. 476-478.
- *Article 483 - Ideological falsehood committed by a private individual in a public act.*

¹¹ Chapter III, "On falsity in documents", Art. 476 – 493-bis of the Criminal Code.

¹² Legislative Decree no. 7 of 15.01.2016 repealed art. 485, 486, 489, 2nd co., and 490, 2nd co., c.p..

¹³ Professions whose exercise is prohibited by law without special authorization from the State, where the use of the same is required by law (e.g. auditing) or services declared of "public necessity" by act of the public administration.

The rule sanctions anyone who falsely attests to the public official, in a public deed¹⁴, facts of which the deed is intended to prove the truth.

- *Article 484 - Forgery of registers and notifications.*

The rule sanctions anyone who, being obliged by law to make records subject to inspection by the Public Security Authority, or to make notifications to the Authority itself about their industrial, commercial or professional operations, writes or allows to be written (tolerates that others write, having the obligation to prevent it) false indications (i.e. such as to report untrue indications).

- *Art. 487 - Forgery on a blank signed sheet. Public deed.*

The rule sanctions the public official who, abusing a blank signed sheet, of which he has possession by reason of his office and for a title that involves the obligation or the faculty to fill it in, writes or has written a public document different from the one to which he was obliged or authorized.

- *Article 488 - Other forgeries on a blank signed sheet. Enforceability of material falsehood provisions¹⁵.*

Cases of forgery on a blank signed sheet other than those provided for by art. 487 the provisions on material falsehoods in public documents apply.

- *Art. 489 - Use of a false document.*

- The rule sanctions anyone who, without having participated in the falsification, makes use¹⁶ of a false document.

- *Article 490 - Suppression, destruction and concealment of true acts¹⁷.*

The rule sanctions anyone who, in whole or in part, destroys, suppresses or conceals a true public document or, in order to bring an advantage to himself or others or to cause damage to others, destroys, suppresses or conceals a holographic will, a bill of exchange or other credit instrument transmissible by endorsement or bearer real.

Article 491¹⁸ determines that if the offences provided for in the preceding articles concern a holographic will, or a bill of exchange or other credit instrument that can be transferred by endorsement or bearer and the act is committed with the aim of bringing an advantage to oneself or others or to causing damage to others, the penalties established respectively in the first part of Article 476 and in Art. 482. Articles 492 – 493-bis specify aspects of the offences defined in the previous articles.¹⁹

Abusive access to a computer or telematic system (Article 615-ter of the Criminal Code)

The law punishes anyone who illegally enters a computer or telematic system protected by security measures or remains there against the will (tacit or express) of those who have the right to exclude them. The protected right is the right to confidentiality of data stored / transmitted on / through computer and/or telematic means.

¹⁴ As such, for example, the declaration in lieu of the affidavit (Cass. Pen. Sec. 5 sent. 13623 of 4 April 2001) even where it displays false data or news for the undue receipt of public contributions (where such declarations are regulated by law) or in the declarations proposed in an application for building amnesty (Cass. Pen. Sec. 5 sent. 10313 of 30 September 1998 and Cass. Pen. Sec. 5 sent. 3762 of 22 February 2000).

¹⁵ Article as reformulated by Legislative Decree 15.01.2016, no. 7.

¹⁶ The jurisprudence considers that the notion of "use" includes and includes any way of using the false document for a legally relevant purpose, in accordance with the nature and purpose of the act itself (Supreme Court no. 51/1969).

¹⁷ Paragraph 1 and paragraph 2 respectively reformulated and repealed by Legislative Decree 15.01.2016, no. 7.

¹⁸ Article as reformulated by Legislative Decree 15.01.2016, no. 7.

¹⁹ Art. 492 "Authentic copies that take the place of the missing originals": "[...] *the name of public deeds and private deeds includes original deeds and authentic copies of them, when missing originals are replaced by law*"; Article 493 "Falsehoods committed by public employees entrusted with a public service": "[...] *shall also apply to employees of the State, or of another public body, [...]*"; Art. 493-bis "Cases of prosecution by complaint": The crimes provided for by art. 490 and 491, when they concern a bill of exchange or a credit instrument that can be transferred by endorsement or bearer, are punishable upon complaint by the injured party (in the case of a "holographic will" it is proceeded ex officio). Article as reformulated by Legislative Decree 15.01.2016, no. 7.

Illegal possession, dissemination and installation of equipment, codes and other means of access to computer or telematic systems (Article 615-quarter of the Criminal Code)

The law punishes anyone who, in order to procure a profit for himself or others or to cause damage to others, unlawfully procures, holds, produces, reproduces, disseminates, imports, communicates, delivers, otherwise makes available to others or installs equipment, tools, parts of equipment or tools, codes, keywords or other means (including physical) suitable for access to a computer or telematic system, protected by security measures, or in any case provides indications or instructions suitable for the aforementioned purpose.

Generally, it is a "prodromal" conduct to that sanctioned by art. 615-ter, the punishability of which is anticipated up to a moment prior to that of access.

Unlawful interception, impediment or interruption of computer or telematic communications (Article 617-quarter of the Criminal Code)

Unlawful possession, dissemination and installation of equipment and other means to intercept, prevent or interrupt computer or telematic communications (Article 617-quinquies of the Criminal Code)

The rules in question punish anyone who fraudulently intercepts communications relating to a computer or telematic system or between several systems, prevents or interrupts them or anyone who illegally holds, disseminates, installs equipment and other means aimed at intercepting, preventing or interrupting them. The same provisions also punish anyone who reveals, by any means of information to the public, in whole or in part, the content of communications thus intercepted/prevented/interrupted.

Without prejudice to the configurations of crime provided for by other regulations (e.g. *privacy*), the cases in which there may be an interest and an advantage for the Company in the implementation of the case now under analysis are many and could concern, for example, the fraudulent interception of telephone conversations, computer communications / *e-mails*.

With specific reference to the offence referred to in art. 617-quarter of the Criminal Code, the offended person may be punished on complaint except in the following cases, for which an increase in penalty is also envisaged (even in the event that the offence referred to in Article 617-quinquies of the Criminal Code is committed):

- the act is committed to the detriment of any of the computer or telematic systems indicated in Article 615-ter, third paragraph²⁰;
- the act is committed to the detriment of a public official in the exercise or because of his or her duties or by a public official or by a person in charge of a public service, with abuse of powers or with violation of the duties inherent in the function or service, or by those who exercise, even abusively, the profession of private detective, or with abuse of the status of system operator.

Computer extortion (Article 629, paragraph 3, of the Italian Criminal Code)

The law punishes the crime of extortion (forcing someone to do or omit something, procuring for himself or others an unjust profit with damage to others) committed through the crimes of:

- abusive access to a computer or telematic system;
- unlawful interception, impediment or interruption of computer or telematic communications;
- falsification, alteration or suppression of the content of computer or telematic communications;
- damage to information, data and computer programs;
- damage to computer or telematic systems;
- damage to computer or telematic systems of public utility.

²⁰ Reference is made to computer or telematic systems of military interest or relating to public order or public security or health or civil protection or in any case of public interest.

Damage to information, data and computer programs (Article 635-bis of the Criminal Code)

The law punishes anyone who destroys, deteriorates, deletes, alters or suppresses information, data or computer programs of others.

The commission of the act constitutes an aggravating circumstance when it is committed by a public official or by a person in charge of a public service, with abuse of powers or with violation of the duties inherent in the function or service, or by those who exercise, even abusively, the profession of private investigator, or with abuse of the quality of system operator, that is, when the culprit uses threats or is clearly armed to commit the act.

Damage to information, data and computer programs used by the State or by another public body or in any case of public utility (Article 635-ter of the Criminal Code)

The law punishes anyone who commits an act aimed at destroying, deteriorating, erasing, altering or suppressing information, data or computer programs of military interest or relating to public order or public safety or health or civil protection or in any case of public interest. The penalty is aggravated if:

- the act is committed by a public official or by a person in charge of a public service, with abuse of powers or with violation of the duties inherent in the function or service, or by someone who exercises, even abusively, the profession of private investigator, or with abuse of the quality of system operator;
- the offender uses threat or violence to commit the act or if he is clearly armed;
- the fact results in the destruction, deterioration, cancellation, alteration or suppression of the information or the removal, including by reproduction or transmission, or inaccessibility to the legitimate owner of the data or computer programs;
- the circumstance referred to in the previous point concurs with one of the two that anticipate it. In this case, there is a further increase in the penalty.

Damage to computer or telematic systems (Article 635-quarter of the Criminal Code)

The rule punishes anyone who, through the conduct referred to in Article 635-bis, or through the introduction or transmission of data, information or programs, destroys, damages, renders, in whole or in part, computer or telematic systems unusable or seriously hinders their operation.

The penalty is increased if:

- the act is committed by a public official or by a person in charge of a public service, with abuse of powers or with violation of the duties inherent in the function or service, or by someone who exercises, even abusively, the profession of private investigator, or with abuse of the quality of system operator;
- the culprit uses threat or violence to commit the act or if he is clearly armed.

Illegal possession, dissemination and installation of equipment, devices or computer programs aimed at damaging or interrupting a computer or telematic system (Article 635-quarter.1 of the Criminal Code)

The law punishes anyone who, with the aim of illegally damaging a computer or telematic system or the information, data or programs contained therein or pertaining to it or to facilitate the total or partial interruption or alteration of its operation, illegally procures, holds, produces, reproduces, imports, disseminates, communicates, delivers or, in any case, makes available to others or installs equipment, computer devices or programs.

The penalty is increased in the same cases provided for by art. 615-ter, c.p.

Damage to computer or telematic systems of public interest (Article 635-quinquies of the Criminal Code)

The rule punishes the cases referred to in Article 635-quarter if they are directed to computer or telematic systems of public interest.

The penalty is aggravated if:

- the act is committed by a public official or by a person in charge of a public service, with abuse of powers or with violation of the duties inherent in the function or service, or by someone who exercises, even abusively, the profession of private investigator, or with abuse of the quality of system operator;
- the offender uses threat or violence to commit the act or if he is clearly armed;
- the fact results in the destruction, deterioration, cancellation, alteration or suppression of information, data or computer programs.
- the circumstance referred to in the previous point concurs with one of the two that anticipate it. In this case, there is a further increase in the penalty.

The rule, in symmetry with the Council of Europe Convention on the subject, clearly distinguishes the damage to the integrity of data from the damage to the integrity of the system, differentiating cases where there is also a public interest. The "public interest" occurs when the asset (both public and private) is used to satisfy the interests of the generality of the "associates".

The object of protection of damage crimes is the integrity of the "computer" assets, in the sense of the right to property and that of being able to use it freely. The taxable person (the person who suffers the crime) coincides with the holder of one of the aforementioned rights; If there are several rights belonging to several different persons, each of these persons will be a taxable person (it does not matter whether they are a natural or legal person).

The term "computer data" means "*any presentation of facts, information or concepts in a form capable of being used in a computerized system, including a program capable of enabling a computerized system to perform a function*" (cf. Article 1 "Definitions", letter b) of the Council of Europe Convention on Computer Crime, done in Budapest on 23 November 2001).

Computer fraud of the person providing electronic signature certification services (Article 640-quinquies of the Criminal Code)

The offence punishes the person who provides electronic signature certification services, who, in order to procure an unfair profit for himself or others or to cause damage to others, violates the obligations provided for by law for the issuance of a qualified certificate.

Offences in the field of national cyber security and the regulation of special powers in sectors of strategic importance (Decree Law no. 105 of 21 September 2019 "Cybersecurity Decree")

The crime punishes anyone who, in order to hinder or condition the performance of the control procedures or inspection activities provided for by Legislative Decree 105/2019, provides information, data or relevant factual elements that do not correspond to the truth, or omits such communications within the prescribed terms.

The legislation, in fact, provides for the recipients, on the one hand, a series of obligations and security measures to be complied with and, on the other, the possibility of being subjected to inspection and supervision activities by the Presidency of the Council of Ministers (for public bodies and public economic bodies) or by the Ministry of Economic Development (for private entities).

The new incriminating offence introduced in Article 24-bis of Decree 231 therefore punishes two alternative conducts, one of the commissive type and one of the omissive type, both supported by a specific intent consisting in the aim of hindering or conditioning the procedures or the inspection and surveillance activities contemplated by the Cybersecurity Decree.

The discipline in question applies "to public administrations, public and private bodies and operators having an office in the national territory on which the exercise of an essential function of the State depends, or the provision of a service essential for the maintenance of civil, social or economic activities fundamental to the interests of the State and from the malfunctioning of which, interruption - even partial - or improper use, may result in a prejudice to national security".

Prime Ministerial Decree no. 131 of 30 July 2020 defines the rules of the National Cyber Security Perimeter and establishes the parameters with which the subjects who deal with vital functions for Italy are identified. Therefore, the following are considered entities that perform essential functions for the State:

- those to whom the legal system assigns "tasks aimed at ensuring the continuity of the action of the Government and the Constitutional Bodies, internal and external security and the defence of the State, international relations, security and public order, the administration of justice, the functionality of the economic and financial systems and transport";
- "a public or private entity that provides an essential service for the maintenance of civil, social or economic activities that are fundamental to the interests of the State, hereinafter essential service, where it carries out: activities instrumental to the exercise of essential functions of the State; activities necessary for the exercise and enjoyment of fundamental rights; activities necessary for the continuity of supplies and the efficiency of infrastructures and logistics; research activities and activities relating to production realities in the field of high technology and in any other sector, where they are of economic and social importance, also for the purpose of guaranteeing national strategic autonomy, competitiveness and development of the national economic system".

15 Criminal organisations

Article 2 of Law no. 94 of 15 July 2009 - containing "*Provisions on public security*" - introduced into the Decree the new Article 24-ter, entitled "*Crimes of organized crime*".

The aforementioned provision extends to companies liability for the crimes referred to in art. 416 of the Criminal Code (*Criminal association*), 416-bis of the Criminal Code (*Mafia-type associations, including foreign ones*), 416-ter of the Criminal Code (*Political-mafia electoral exchange*), 630 of the Criminal Code (*Kidnapping for the purpose of extortion*), 74 of Presidential Decree no. 309 of 9 October 1990 (*Association aimed at the illicit trafficking of narcotic or psychotropic substances*), 407, paragraph 2, letter a), number 5) of the Code of Procedure. pen. (*Illegal manufacture, introduction into the State, sale, transfer, possession and carrying in a public place or open to the public of weapons of war or war-type weapons or parts thereof, explosives, clandestine weapons as well as several common firearms*), as well as for the provisions of Law 203/1991 (*All crimes if committed using the conditions provided for by Article 416-bis of the Criminal Code to facilitate the activity of the associations provided for by the same article*).

The above-mentioned offences are illustrated below, with the exception of the offences of *criminal association* (Article 416 of the Criminal Code), *Mafia-type associations, including foreign ones* (Article 416-bis of the Criminal Code), *Association aimed at the illicit trafficking of narcotic or psychotropic substances* (Article 74 of Presidential Decree no. 309 of 9 October 1990), for the description of which reference is made to the *Transnational Crimes Section* tag. Law no. 146 of 16 March 2006 had, in fact, already extended liability for the above-mentioned crimes to entities, limiting it, however, to the case in which they are characterized by the requirement of transnationality.

However, it is hereby represented that the Law no. 68 of 22 May 2015, containing "*Provisions on crimes against the environment*", introduced specific aggravating circumstances for:

- criminal conspiracy, when it is aimed, exclusively or concurrently, at committing any of the environmental crimes introduced by Law 68/2015;
- mafia-type association when it is aimed at committing any of the crimes introduced by Law 68/2015 or at the acquisition of the management or in any case control of economic activities, concessions, authorizations, contracts or public services in environmental matters.

The penalties, again for natural persons, are further increased if the association includes public officials or persons in charge of a public service who exercise functions or perform services in environmental matters.

15.1 Mafia political electoral exchange (Article 416-ter of the Criminal Code)

Art. 416-ter of the Criminal Code punishes the conduct of those who, in exchange for the disbursement or promise of disbursement of money or any other benefit or in exchange for the willingness to satisfy the interests or needs of the mafia association, accept, directly or through intermediaries, the promise to procure votes from subjects belonging to the associations referred to in art. 416-bis (mafia-type associations) or through the methods referred to in the third paragraph of art. 416-bis. In this sense, the promise of votes concerns not so much the electoral choice of the members of the association (the so-called *cosca* vote) but, above all, the choice of subjects (unrelated to the participants in the "exchange") who with the methods adopted by the mafia group can be forced to express a conveyed vote.

15.2 Kidnapping for the purpose of extortion (Article 630 of the Criminal Code)

The criminal conduct of those who deprive someone of personal freedom of movement and movement in order to obtain for themselves or for others an unjust profit as the price of the release of the kidnapped person integrates the extremes of the crime of kidnapping for the purpose of extortion.

15.3 Illegal manufacture, introduction into the State, offering for sale, transfer, possession and carrying in a public place or place open to the public of weapons of war or war-type weapons or parts thereof, explosives, clandestine weapons as well as several common firearms excluding those provided for in Article 2, third paragraph, of Law No. 110 of 18 April 1975 (Article 407, paragraph 2, letter a), number 5) of the Code of Procedure. pen.)

The criminal conduct referred to in art. 407, paragraph 2, letter a), number 5) of the Code of Procedure. pen. refer to various types of crime contemplated by art. 1 et seq. of Law no. 895 of 2 October 1967. More specifically, the crimes referred to consist in the implementation of the criminal conduct indicated below:

- illicit manufacture of weapons of war or war-type weapons or parts thereof, explosives, clandestine weapons and several common firearms. Manufacturing must be understood as any activity of transformation of raw materials whose final result consists of an object that can be qualified as a weapon. The manufacture is illegal if it takes place in the absence of the appropriate license issued by the Ministry of the Interior pursuant to art. 28 of Royal Decree no. 773 of 18 June 1931 (the "**Consolidated Text of the Public Security Laws**" or the "**TULPS**");
- introduction into the State of weapons of war or war-type weapons or parts thereof, explosives, clandestine weapons and several common firearms. Introduction into the State consists of bringing a weapon from the territory of a foreign State into the territory of the State. In our legal system, the authorization for the simple introduction of weapons is not allowed but only the import license (qualified form of introduction aimed at the subsequent marketing of the weapon in the territory of the State). In consideration of the above, the crime in question exists: i) in all cases of mere introduction; ii) in cases of importation not authorized by the Ministry of the Interior pursuant to art. 28 of the TULPS;
- Offering for sale of weapons of war or war-type weapons or parts thereof, explosives, clandestine weapons and several common firearms. The sale consists of any transaction of a negotiated or pre-negotiation nature, including negotiations, provided that they are serious, in any case aimed at the circulation of weapons;
- transfer of weapons of war or war-type weapons or parts thereof, explosives, clandestine weapons as well as several common firearms. According to case law, the transfer of weapons refers to any transfer of weapons of war. On the other hand, according to the doctrine, the notion of assignment includes only cases of transfers of rights in rem (i.e. sale, exchange, pledge, donation);
- possession of weapons of war or war-type weapons or parts thereof, explosives, clandestine weapons as well as several common firearms. Possession means the exercise, for an appreciable period of time, of a de facto power over the weapon outside the immediate supervision of those who enjoy greater legal power over the thing;
- carrying in public places or open to the public weapons of war or war-type weapons or parts thereof, explosives, clandestine weapons as well as several common firearms. Carrying a weapon means having the knowledge that the weapon is at your disposal while you are in a given place.

Pursuant to the provisions in question, by virtue of the implicit reference to the rules contained in Law no. 110 of 18 April 1975, the following definitions shall apply:

- weapons of war: i) weapons of any kind which, due to their marked potential for offense, are or can be used for the modern armament of national or foreign troops for war use; (ii) bombs of any

kind or parts thereof; iii) chemical, biological and radioactive agents; iv) deadly war devices of any kind; v) explosive or incendiary bottles and wrappers.

- war-type weapons: weapons, which, although not included among the weapons of war, have even one of the following characteristics: i) they use the same ammunition as weapons of war; ii) they are set up for automatic operation for the execution of burst fire; iii) they have ballistic characteristics or are common for use with weapons of war.
- parts of war or war-type weapons: the components of war-type weapons or war-type weapons that are endowed with significant structural importance and functional autonomy such as to lend themselves to the recomposition of the whole weapon through an easy and rapid procedure.
- explosives: substances or mixtures of substances that can cause an explosion with a significant destructive and disruptive effect.
- clandestine weapons: weapons lacking identification marks or markings demonstrating the legitimate origin of the weapon itself.
- common firearms: common weapons by definition (by which we mean the firearms indicated below: shotguns, including semi-automatic shotguns, with one or more smoothbore barrels; shotguns with two rifled barrels, with subsequent loading with manual action; shotguns with two or three mixed barrels, with smooth or rifled cores, on subsequent loading with manual action; rifles, rifles and muskets with a rifled barrel, even if designed for semi-automatic operation; rifles and carbines that use rimfire ammunition, provided that they are not automatic; the revolvers in rotation; semi-automatic pistols; replicas of antique muzzle-loading weapons of pre-1890 models, except for single-shot ones; rifles and carbines which, although they can be used as war ammunition, have specific characteristics for effective use for hunting or sporting use, have a limited volume of fire and are intended to use ammunition of a type other than military ammunition).

The provision expressly excludes the criminal conduct described above if they concern: *i)* weapons called "target guns" or gas emission weapons, *ii)* compressed air or compressed gas weapons, both long and short, whose projectiles deliver a kinetic energy greater than 7.5 *joules*, *iii)* rocket launchers - except in the case of weapons intended for fishing or weapons and instruments for which the Central Advisory Commission for Arms Control excludes, in relation to their respective characteristics, the ability to cause offence to the person.

16 Crimes against industry and commerce

Article 15 of Law no. 99 of 23 July 2009 – containing "*Provisions for the development and internationalisation of companies, as well as in the field of energy*" – introduced into the Decree the new Article 25-bis.1, entitled "*Crimes against industry and commerce*".

In particular, the aforementioned provision extends the liability of entities to the following types of crime:

- Disturbed freedom of industry or commerce (Article 513 of the Criminal Code);
- Unlawful competition with threat or violence (Article 513-bis of the Criminal Code);
- Fraud against national industries (Article 514 of the Criminal Code);
- Fraud in the exercise of trade (Article 515 of the Criminal Code);
- Sale of non-genuine foodstuffs as genuine (Article 516 of the Criminal Code);
- Sale of industrial products with false signs (Article 517 of the Criminal Code);
- Manufacture and trade of goods made by usurping industrial property rights (Article 517-ter of the Criminal Code);
- Counterfeiting of geographical indications or designations of origin of agri-food products (Article 517-quarter of the Criminal Code).

The above-mentioned offences are described below.

16.1 Disturbed freedom of industry or commerce (Article 513 of the Criminal Code)

Anyone who uses violence against property, or uses fraudulent means to prevent or disturb the exercise of an industry or trade, is liable for this crime, if the fact does not constitute a more serious crime.

In this regard, it should be noted that for the purposes of the criminal law:

- violence against things consists in the use of any physical energy on a thing as a result of which it is damaged, transformed or changed in destination;
- fraudulent means is any artifice or deception capable of misleading.

With specific reference to the incriminated conduct, it should also be noted that:

- impediment means not allowing the commercial activity of others to be carried out, both by hindering its start and by paralyzing its operation, where already in progress;
- The disturbance consists of an alteration in the regular course of the activity.

16.2 Unlawful competition with threat or violence (Article 513-bis of the Criminal Code)

This crime punishes anyone who, in the exercise of a commercial, industrial or otherwise productive activity, carries out acts of competition with violence or threats. The sanctioned behavior therefore takes the form of forms of intimidation, typical of organized crime, which tend to control commercial, industrial or productive activities or, in any case, to condition them.

In particular, acts of competition are all those acts carried out in order to produce or sell more than other operators of the same or similar activity.

16.3 Fraud against national industries (Article 514 of the Criminal Code)

Anyone who sells or otherwise puts into circulation, on national or foreign markets, industrial products with counterfeit or altered names, trademarks or distinctive signs, causing damage to national industry, commits this crime.

In particular, the incriminated conducts relate to the marketing, production, distribution of industrial products having:

- counterfeit or altered names, where "names" is the synthetic expression used by the legislator to refer to all the indications (*i.e.* signatures, signs, emblems) affixed to industrial products in order to differentiate them;
- counterfeit or altered trademarks, for the definition of which please refer to the Section relating to "*Crimes related to the forgery of values, instruments or signs of recognition*".

16.4 Fraud in the exercise of trade (Article 515 of the Criminal Code)

The case in question, constructed as a subsidiary figure of crime, punishes anyone who in the exercise of a commercial activity, or a shop open to the public, delivers to the buyer:

- one movable thing for another,
- that is, a movable thing in origin, provenance, quality or quantity, different from that declared or agreed.

The term delivery refers to a contractual activity between the parties, distinct from the activity of offering for sale or holding for sale referred to in art. 516 and 517 of the Criminal Code. In particular, the textual data, referring to the buyer, is suitable to include not only the contract of sale but any type of legal transaction that imposes the obligation to deliver a movable thing to the buyer (*i.e.* consignment contract, supply contract, exchange contract).

The material object of the delivery must be a movable thing, with the exception of money, given that our legal system never qualifies as a buyer who receives a sum of money as a consideration for the res transferred.

The incrimination, in addition to concerning the typical case of the delivery of one thing for another, also concerns the delivery of a thing other than that agreed for:

- origin: the difference of the thing by origin consists, in particular, in the use of images or expressions that falsely evoke the name of a place famous for the goodness of the goods produced there;
- provenance: the difference of the thing by origin occurs, in particular, in the case of the use of a genuine trademark on a product other than the original one, or the use of a genuine trademark to mark a product that originates only partially in the indicated company;
- quality: the difference between the item in terms of quality is realized, in particular, in the case of false indication of the elements of the product;
- quantity: the difference of the thing by quantity occurs, in particular, in the case of delivery of the goods with a different specific weight or size.

16.5 Sale of non-genuine foodstuffs as genuine (Article 516 of the Criminal Code)

This crime is committed by anyone who sells or otherwise puts on the market non-genuine food substances simulating their genuineness.

In particular, non-genuine food substances are natural raw materials from the earth and food products obtained from industry, through the handling, processing and transformation of the same raw materials, which are dangerous to public health.

16.6 Sale of industrial products with false signs (Article 517 of the Criminal Code)

The incriminated conduct consists in holding for sale and offering for sale or otherwise putting into circulation intellectual works or industrial products with national or foreign names, trademarks or distinctive signs, capable of misleading the buyer about the origin, provenance or quality of the work or product, if the fact is not provided for as a crime by another provision of law.

The law, therefore, considers the use of false trademarks criminally relevant, i.e. the use of distinctive signs which, without being counterfeited or altered (otherwise it would be in the cases referred to in Article 474 of the Criminal Code), are suitable for misleading the consumer public about the origin due to their content or the relationship in which they are with the product. the origin or quality of the product.

16.7 Manufacture and trade of goods made by usurping industrial property rights (Article 517-ter of the Criminal Code)

This crime is committed by anyone who, being aware of the existence of the industrial property right, manufactures or industrially uses objects or other goods made by usurping an industrial property right or in violation of the same. Also liable for the same crime is anyone who, in order to make a profit, introduces into the territory of the State, holds for sale, offers for sale with a direct offer to consumers or in any case puts into circulation the goods mentioned above.

16.8 Counterfeiting of geographical indications or designations of origin of agri-food products (Article 517-quarter of the Criminal Code)

This offence punishes anyone who:

- counterfeits or otherwise alters geographical indications or designations of origin of agri-food products;
- in order to make a profit, it introduces into the territory of the State, holds for sale, sells with direct offer to consumers or in any case puts into circulation agri-food products with counterfeit indications or names.

17 Offences relating to copyright infringement

Article 15 of Law No. 99 of 23 July 2009 – containing "*Provisions for the development and internationalization of companies, as well as in the field of energy*" – introduced into the Decree the new Article 25-novies, entitled "*Crimes in the field of copyright infringement*" and amended, most recently, by Law No. 93/2023.

The provision extends to companies liability for crimes relating to the infringement of copyright and other related rights provided for in the following articles:

- Article 171(1)(a) *bis*, Law no. 633 of 22 April 1941;
- Art. 171, paragraph 3, Law no. 633 of 22 April 1941;
- Article 171-bis, paragraphs 1 and 2, Law no. 633 of 22 April 1941;
- Art. 171-ter Law no. 633 of 22 April 1941;
- Art. 171-septies Law no. 633 of 22 April 1941;
- Art. 171-octies Law no. 633 of 22 April 1941.

The aforementioned rules elevate to criminal and/or administrative offences various conducts that can be assimilated by virtue of the harmful effect produced on the intellectual work of others. This expression means: *i)* the set of works of a creative nature that belong to literature, music, figurative arts, architecture, theater and cinematography, whatever the mode or form of expression; *ii)* databases, i.e., pursuant to art. 2, paragraph 2, no. 9, of Law 633/1941, the "*collections of works, data or other independent elements, systematically or methodically arranged and individually accessible by electronic means or in any other way*"; *iii)* computer programs, the notion of which is derived *a contrario* from art. 2, no. 8, of Law 633/1941. This provision, in particular, recognises the protectability of '*computer programs, in any form expressed, provided that they are original, as the result of the authors' intellectual creations*', while at the same time excluding from protection '*the ideas and principles underlying any element of a programme, including those underlying the interfaces*'.

In particular, the conduct relating to the articles set out above consists of the abusive:

- duplication of intellectual works, understood as the creation of an identical copy, total or partial, of the original work, or the introduction of completely negligible changes to the work itself;
- importation of intellectual works, i.e. introduction of the work itself into the territory of the State;
- distribution of intellectual works;
- making available to the public, by placing it in a system of telematic networks, through connections of any kind, of a protected intellectual work or part of it (relevant as an administrative offence); if, on the other hand, such an action is committed on a work of someone else not intended for advertising or with usurpation of the authorship of the work, or with deformation, mutilation or other modification of the work itself, if it is an offence to the honour or reputation of the perpetrator, it is considered a crime;
- sale, sale or otherwise sale of intellectual works. The reference includes in a broad sense all the conduct of abusive commercial distribution of intellectual works;
- holding, for commercial or entrepreneurial purposes, of intellectual works in terms of their disposal;
- transfer of intellectual works for any reason, as is the case, by way of example, in the case of leasing of works by renting them;
- reproduction of intellectual works understood as the multiplication of copies of the works themselves;
- transfer of intellectual works to another medium;
- communication, presentation, demonstration, transmission, dissemination, public screening of the content of intellectual works;
- extraction or re-use of a database;

- commercial promotion, installation of special decoding devices or elements that allow access to an encrypted service without payment of the fee due;
- manufacture or advertise for sale of equipment, products or components;
- provision of services that have the predominant purpose or commercial use of circumventing technological measures to prevent or limit unauthorized acts by rightholders or are mainly designed, produced, adapted or implemented with the aim of enabling or facilitating the circumvention of such measures;
- removal or alteration of electronic information on the rights regime;
- production for fraudulent purposes, promotion, installation, modification, use for public and private use of equipment or parts of equipment suitable for the decoding of audiovisual transmissions with conditional access carried out over the air, by satellite, by cable, in both analogue and digital form. In particular, conditional access is understood to mean all audiovisual signals transmitted by Italian or foreign broadcasters in such a way as to make them visible exclusively to closed groups of users selected by the person who broadcasts the signal, regardless of the imposition of a fee for the use of this service.

18 Inducement not to make statements or to make false statements to the judicial authority

Article 4 of Law no. 116 of 3 August 2009, on "*Ratification and implementation of the United Nations Convention against Corruption, adopted by the UN General Assembly on 31 October 2003 with resolution no. 58/4, signed by the Italian State on 9 December 2003, as well as internal adaptation rules and amendments to the Criminal Code and the Code of Criminal Procedure*", introduced into the Decree the new article 25-decies, entitled "*Inducement not to make declarations or to make false declarations to the judicial authority*".

For the description of the case, please refer to what is specified in the chapter *Transnational crimes*, given that the commission of the crime in question, if connoted by the requirement of transnationality, already determined the administrative liability of entities pursuant to Law no. 146 of 16 March 2006.

19 Environmental crimes

Article 2 of Legislative Decree no. 121 of 7 July 2011 – on "*Implementation of Directive 2008/99/EC amending Directive 2005/35/EC on ship-source pollution and the introduction of penalties for infringements*" – introduced into the Decree art. 25-undecies, entitled "*Environmental crimes*".

In particular, the aforementioned provision extends the liability of entities to the following macro-categories of crime:

- rules for the protection of protected animal and plant species and habitats within protected sites provided for by the Criminal Code;
- regulations on wastewater discharges and waste management provided for by the Consolidated Environmental Act (Legislative Decree no. 152/2006 – Environmental regulations);
- regulations for the protection of stratospheric ozone (Law no. 549/1993 – Measures for the protection of stratospheric ozone and the environment);
- rules on international trade in endangered animal and plant species (Law No. 150/1992 - Regulation of offences relating to the application in Italy of the Convention on International Trade in Endangered Species of Animals and Plants, signed in Washington on 3 March 1973, referred to in Law No. 874 of 19 December 1975, and Regulation (EEC) No. 3626/82, and subsequent amendments, as well as rules for the marketing and possession of live specimens of mammals and reptiles that may constitute a danger to public health and safety);
- rules aimed at preventing pollution from ships (Legislative Decree 202/2007 – Implementation of Directive 2005/35/EC on pollution from ships and consequent sanctions).

Law no. 68 of 22 May 2015 – containing "*Provisions on crimes against the environment*" – amended art. 25-undecies, inserting the following additional criminal offences, taken from Title VI-bis (introduced by the aforementioned Law) of Book II of the Criminal Code (Articles 452-bis, 452-quarter, 452-quinquies, 452-sexies and 452-octies of the Criminal Code), while Law no. 137 of 9 October 2023 – containing "*Conversion into law, with amendments, of Decree-Law No. 105 of 10 August 2023, containing urgent provisions on criminal proceedings, civil proceedings, forest fire fighting, recovery from drug addiction, health and culture, as well as on the personnel of the judiciary and public administration*" – introduced the so-called "extended confiscation", pursuant to art. 240 *bis* of the Criminal Code also to the crimes provided for by art. 452bis, 452ter, 452sexies and 452quaterdecies, of the Criminal Code.

Environmental pollution (Article 452-bis of the Criminal Code)

Anyone who unlawfully causes significant and measurable impairment or deterioration shall commit this crime:

- of water or air, or of large or significant portions of the soil or subsoil;
- of an ecosystem, of biodiversity, including agricultural, of flora or fauna.

From the examination of Rel. no. III/04/2015 (29 May 2015) of the Office of the Supreme Court of Cassation, with reference to the rule in question, the following emerges.

This is the crime of event and damage, where the event of damage consists of the significant and measurable impairment or deterioration of the environmental assets specifically indicated.

As it is conceived as a free-form crime ("anyone ... causes..."), pollution consists, in general, in any behavior that causes a worsening change in the environmental balance. In addition, pollution can be caused both through active conduct, i.e. with the realization of a considerably harmful or dangerous fact, but also through improper omissive behavior, i.e. with the failure to prevent the event by those

who, according to environmental legislation, are required to comply with specific prevention obligations with respect to that particular harmful or dangerous polluting fact.

The result of the conduct is a "compromise" or "deterioration".

The distinction between the two situations is not easy.

From a strictly lexical point of view, the first expression is distinguished from the second by a dynamic projection of the effects, in the sense of a situation that tends to be irremediable ("compromised") which can therefore theoretically include causal behaviors that are both minor or greater than an action of damage, but which have a greater content of future damage than the latter.

A meaning of the two lemmas cannot also be excluded if not identical (interpreting the expression as an hendiadic, despite the presence of the disjunctive "o") at least largely overlapping.

With reference to the requirement of "significance" and "measurability", if "significance" indicates a situation of clear evidence of the pollution event by virtue of its size, the required coexistence of a coefficient of "measurability" refers to the need for an objective possibility of quantification, both with reference to the matrices attacked and to the scientific parameters (biological, chemical, organic, naturalistic, etc.) alteration.

As for the target of the compromise, identical considerations in terms of typicality apply to the phrase "extensive or significant portions of the soil or subsoil": there is no doubt that such undefined categories can cause uncertainties in the trial and, above all, excessively expand the space of discretion of the judge; however, it is possible to imagine that the jurisprudential path can elucidate - with sufficient margins of knowledge of the precept and consequent predictability of the sanction - the characteristics of the "extension" (to be evaluated, barring errors, with exclusive reference to the quantitative spatial data) and of the "significance" (indicative instead of a relevance not strictly anchored to the dimensional parameter but, precisely, to the significance of the area within the territory surrounding).

The choice of the adverb "abusively", moreover, raises many questions:

- and in terms of concerns about the typicality of the case;
- and on the opposite side of the fears of a lack of effectiveness of the new cases as a result of their confinement only to the hypotheses of abusive conduct as *sine titulo*, with the exclusion therefore of all situations in which it is possible to find a formal measure of authorization for the material conduct from which the phenomenon of serious environmental alteration has then derived.

The elastic nature of the clause is connected, in the legislative assessment, to the practical impossibility of making an analytical list of all the situations abstractly suitable for "justifying" the conduct, a list inevitably at risk of gaps due to the variety of contingencies and the complexity of the interferences of the regulatory systems.

According to the constitutional teaching, it is therefore necessary to ascertain, in relation to the individual context, that the use of the elastic formula - as an incident, albeit negatively, on the delimitation of the area of criminal illegality - does not place the incriminating rule in contrast with the fundamental principle of determination, effectively leaving the fixing of the boundaries of intervention of the criminal sanction to judicial arbitrariness.

The Law of 09.10.23 n. 137, which converted with amendments the D.L. 10.08.23 n.105 amended art. 452-bis, providing for the following increases in penalties in the relevant cases:

- penalties increased from one third to one half when the pollution is produced in a protected natural area or subject to landscape, environmental, historical, artistic, architectural or archaeological constraints, or to the detriment of protected animal or plant species;
- penalty increased from one third to two thirds if the pollution causes deterioration, compromise or destruction of a habitat within a protected natural area or subject to landscape, environmental, historical, artistic, architectural or archaeological constraints.

In consideration of the characteristics of the incriminating case, the concrete relevance of the crime in question for the purposes of the Company's operations appears remote.

Environmental disaster (Article 452-quarter of the Criminal Code)

This crime is committed by anyone who, except in the cases provided for by art. 434 of the Criminal Code (Collapse of buildings or other malicious disasters), illegally causes an environmental disaster.

The following constitute environmental disasters, alternatively:

- the irreversible alteration of the balance of an ecosystem;
- the alteration of the balance of an ecosystem whose elimination is particularly costly and achievable only with exceptional measures;
- offence to public safety due to the relevance of the fact, the extent of the impairment or its harmful effects or the number of persons offended or exposed to danger.

From the examination of Rel. no. III/04/2015 (29 May 2015) of the Office of the Supreme Court of Cassation, with reference to the rule in question, the following emerges.

With the introduction of art. 452-quarter of the Criminal Code, the legislator intends to overcome the difficulties of configuration intrinsically connected, on the one hand, to the very structure of the case contemplated by art. 434 of the Criminal Code and, on the other hand, to the non-peaceful enucleation of the very concept of environmental disaster, where detached from events - such as collapse - naturalistically confined to safe space/time coordinates, which seem to constitute the common element of the situations provided for by the code provision.

It can therefore be noted that, in the wording of Article 452-quarter of the Criminal Code, the "dimensional" and "offensive" elements of the event are required not jointly but severally (as emerges from the use, in the first paragraph, of the word "alternatively"), a solution that may perhaps be consistent with the different offensiveness of the criminal hypothesis considered, i.e. precisely the injury to the protected good of the environment rather than the attack on public safety: it will therefore be a question of verifying whether the wording is compatible with the principle of determinacy referred to in Article 25, second paragraph, of the Constitution.

A note concerns the "irreversible" nature of the alteration: the proof of irreversibility does not raise particular concerns if it is agreed that a disaster is irremediable even if it is necessary, for its possible reversibility, the course of a time cycle so wide, in nature, that it cannot be related to the categories of human action; That is, an opinion for which an ecosystem cannot be considered irreversibly destroyed as long as it is theoretically possible, assuming the coexistence of all the other favorable prerequisites, a hypothetical restoration in a significantly long or even very long period of time, does not seem to be credible.

On the other hand, it is sufficient that the disaster is difficult to reverse, a condition that occurs when the elimination of the alteration of the ecosystem is particularly onerous and achievable only with exceptional measures, with a double condition (made evident by the conjunction "and") which, moreover, could lead to situations of very serious environmental compromise being traced back to the lesser case of pollution, which can only be remediated with very large economic commitments which, however, cannot require the issuance of administrative measures derogating from the ordinary environmental regulations.

Similarly to what is provided for environmental pollution, the reference to the violation of legislative, regulatory or administrative provisions has also been deleted for environmental disasters and only the

abusive nature of the conduct has been maintained: reference is therefore made to the considerations already expressed above regarding the term "abusively".

The Law of 09.10.23 n. 137, which converted with amendments the D.L. 10.08.23 n.105 amended art. 452-quarter, providing for the increase of the penalty from one third to one half in the event that the disaster is produced in a protected natural area or subject to landscape, environmental, historical, artistic, architectural or archaeological constraints, or to the detriment of protected animal or plant species.

Culpable crimes against the environment (Article 452-quinquies of the Criminal Code)

The rule establishes the punishability of the facts referred to in art. 452-bis and 452-quarter of the Criminal Code if committed by negligence.

Trafficking and abandonment of highly radioactive material (Article 452-sexies of the Criminal Code)

This crime is committed by anyone who, unless the fact constitutes a more serious crime, illegally transfers, purchases, receives, transports, imports, exports, procures to others, holds, transfers, abandons or illegitimately disposes of highly radioactive material.

From the examination of Rel. no. III/04/2015 (29 May 2015) of the Office of the Supreme Court of Cassation, with reference to the rule in question, the following emerges.

Also with reference to the offence in question, the phrase relating to the violation of legislative, regulatory or administrative provisions has disappeared, replaced by the reference to the abusiveness of the conduct, for which the considerations expressed above apply.

In addition, the law also incriminates those who illegally abandon or dispose of highly radioactive material: the addition of the adverb "illegitimately" to the sole conduct of those who "get rid of" the material does not seem to find particular motivations (so much so that a mere legislative slip can also be hypothesized), precisely because of the presence of the abusive nature already required by law for all possible articulations of the trafficking of radioactive material.

A final note concerns the legal nature of the new Article 452-sexies of the Criminal Code as a multi-case rule, from which it follows - similarly to what happens in other areas - that, on the one hand, the crime can be configured when the subject has carried out even one of the conducts provided for therein, and that, on the other hand, the formal concurrence of crimes must be excluded when a single concrete fact simultaneously integrates several typical alternative actions provided for by the law, put in place without appreciable solution of continuity by the same subject.

Aggravating circumstances (Article 452-octies of the Criminal Code)

The rule provides that, for natural persons, the penalties provided for by art. 416 of the Criminal Code when:

- the association is directed, exclusively or concurrently, for the purpose of committing any of the environmental crimes introduced by Law 68/2015;
- the mafia association is aimed at committing any of the crimes introduced by Law 68/2015 or at the acquisition of the management or in any case control of economic activities, concessions, authorizations, contracts or public services in environmental matters.

The penalties, again for natural persons, are further increased if the association includes public officials or persons in charge of a public service who exercise functions or perform services in environmental matters.

From the examination of Rel. no. III/04/2015 (29 May 2015) of the Office of the Maxim of the Court of Cassation, with reference to the provision in question, it emerges that the introduction of "environmental" aggravating circumstances applicable to the crime of criminal association is clearly inspired (in terms of criminal policy) by the desire to counter the phenomenon of organizations whose profits derive in whole or to a substantial extent from environmental crime.

Since this is an aggravating circumstance of the offences pursuant to Articles 416 and 416-bis of the Criminal Code, for the determination of the concrete relevance - in relation to the Company's operations - of the criminal offence in question, reference is made to the general criteria governing the mitigation of the risks of the crime "Criminal association" and "Mafia-type association" (see paragraph 9.1).

Killing, destruction, capture, removal, possession of specimens of protected wild animal or plant species (Article 727-bis of the Criminal Code)

This crime is committed by anyone who, outside the permitted cases:

- kills, captures or keeps specimens belonging to a protected wild animal species;
- destroy, take or keep specimens belonging to a protected wild plant species, except in cases where the action concerns a negligible quantity of such specimens and has a negligible impact on the conservation status of the species.

Destruction or deterioration of habitats within a protected site (Article 733-bis of the Criminal Code)

This crime is committed by anyone who, outside the permitted cases, destroys a habitat within a protected site or in any case deteriorates it, compromising its state of conservation.

Art. 733-bis of the Criminal Code defines "habitat within a protected site" as "any habitat of species for which an area is classified as a special protection area pursuant to art. 4(1) or (2) of Directive 2009/147/EC, or any natural habitat or a habitat of species for which a site is designated as a special area of conservation in accordance with Article 4(4) of Directive 92/43/EC".

The concept of habitat has a dual nature: so to speak, legislation in relation to the two Community directives mentioned; "naturalistic" compared to the formula "any natural habitat", which would seem to refer to the judge's concrete assessment, even regardless of administrative acts or legislative definitions/classifications.

The case in question embraces both habitat destruction and deterioration conduct: in the latter case, the conduct must produce the compromise of the conservation status.

The concept seems to be understood in a functional rather than quantitative sense: it is necessary to evaluate the impact of deterioration on the ecological function represented by the habitat in question.

The impairment is to be considered as such even if the habitat can be subsequently restored, at a significant distance of time, with human works (e.g. reforestation, reclamation, etc.) or with the slow passage of time (think of the spontaneous regrowth of plants).

Also art. 733-bis opens with the clause "outside the permitted cases": an express illegality clause that refers to the rules and administrative measures that make it optional or require the typical conduct to be maintained.

Wastewater discharges (Legislative Decree 152/2006, art. 137, paragraphs 2, 3, 5, 11 and 13)

The rule punishes, in general, anyone who opens or otherwise carries out new discharges of industrial waste water, without authorization, or continues to carry out or maintain such discharges after the authorization has been suspended or revoked.

Paragraph 2: the liability of the entity is provided for when the discharges contain the hazardous substances included in the families and groups of substances indicated in tables 5 and 3/A (e.g.: Arsenic, Cadmium, Chromium, Mercury, etc.) of Annex 5 to Part Three of Legislative Decree 152/2006.

Particularly significant for the understanding and correct application of the standard is the concept of opening or carrying out without authorization the discharge of "industrial wastewater" containing specific hazardous substances.

The regulatory qualification of the concept of "industrial wastewater" is identified by the Legislator (Legislative Decree 152/1999) in the negative: "wastewater discharged from buildings where commercial or industrial activities are carried out, other than domestic wastewater and run-off rainwater". Consequently, it is necessary to identify which are domestic wastewater and run-off rainwater in order to identify, by exclusion, industrial wastewater. Domestic wastewater, according to the doctrine, is that "deriving exclusively from human metabolism and domestic activity or from toilets, kitchens and/or canteens even if discharged from buildings or installations in which commercial activities or production of goods are carried out".

Paragraph 3: the precept referred to in the relevant case is identical to that referred to in paragraph 2. The only difference, in fact, concerns the discharge carried out in disregard of the authorization issued by the competent authorities.

Paragraph 5: the offence is committed by exceeding, in the execution of a discharge of industrial waste water, the minimum values set out in Table 3, 3/A or, in the case of discharge onto the ground, in Table 4 of Annex 5 to Part Three of Legislative Decree 152/2006 or by exceeding the more restrictive limits set by the regions or autonomous provinces or by the competent authority pursuant to Article 107, paragraph 1, of Legislative Decree 152/2006, in relation to the substances indicated in table 5 of Annex 5 to the third part of Legislative Decree 152/2006.

Paragraph 11: the offence occurs in the event that there is non-compliance with the prohibitions on discharge referred to in art. 103 (discharges to the ground) and 104 (discharges into the subsoil and groundwater) of Legislative Decree 152/2006.

The peculiarity of the case consists in the fact that the concept of wastewater discharge is no longer limited to "industrial" wastewater.

Paragraph 13: the crime occurs in the case of discharge into sea waters by ships or aircraft containing substances or materials for which an absolute ban on spillage is imposed pursuant to the provisions contained in the international conventions in force on the subject and ratified by Italy, unless they are in such quantities as to be quickly rendered harmless by physical processes, chemical and biological hazards, which occur naturally at sea and provided that they are authorised in advance by the competent authority.

In consideration of the characteristics of the incriminating case, the concrete relevance of the crime in question for the purposes of the Company's operations appears remote.

Unauthorized waste management activities (Legislative Decree 152/2006, art. 256, paragraphs 1, 3, 5 and 6)

Paragraph 1: the law punishes those who carry out activities of collection, transport, recovery, disposal, trade and brokerage of hazardous and non-hazardous waste in the absence of the required authorization, registration or communication referred to in articles 208 (Single authorization for new waste disposal and recovery plants), 209 (Renewal of authorizations for companies in possession of environmental certification), 210 (Authorizations in particular cases), 211 (Authorization of research and

experimentation plants), 212 (National Register of Environmental Managers), 214 (Determination of the activities and characteristics of waste for admission to simplified procedures), 215 (Self-disposal) and 216 (Recovery operations).

Paragraph 3: the law punishes anyone who builds or manages an unauthorized landfill for the disposal of hazardous and non-hazardous waste. To fully understand the scope of the rule in question, it is necessary to refer to the definition of unauthorized landfill given by the sentence of the Criminal Court of Cassation, section III of 30.11.2010, no. 42436: *"In order to be able to speak of an illegal landfill, there must be some particular requirements such as the preparation of an area with the carrying out of works (such as leveling the ground, opening of accesses, arrangement, perimeter or fence), a conduct (more or less systematic, but in any case repeated over time and not occasional) of accumulation of waste, the destination of the area as a waste collection center, due to the substantial amount of waste deposited illegally and the definitiveness of its abandonment, the degradation (even if only tendential) of the area itself"*.

Paragraph 5: the rule punishes anyone who, in violation of the prohibition under Article 187, carries out unpermitted waste mixing activities. In consideration of the fact that the precept referred to in this case refers to the concept of mixing of waste, it is necessary to recall the definition of mixing of waste given by the judgment of the Criminal Court of Cassation (sentence no. 19333 of 2009) *"waste that results from the intentional or involuntary mixing of two or more different types of waste when there is no specific entry for such mixture in Annexes II, III B, IV and IV A", can also be applied by analogy to general waste legislation"*. Therefore, mixing is defined as the operation consisting in the mixture, voluntary or involuntary, of two or more types of waste with different identification codes in order to give rise to a mixture for which there is no specific identification code. This activity is part of the activities of companies that are prohibited from storing different waste indiscriminately in the same area, without carrying out collection by homogeneous categories pending delivery to a company authorized for transport and disposal/recovery.

Paragraph 6: the provision punishes the temporary storage of hazardous medical waste at the place of production, with violation of the provisions of Article 227, paragraph 1, letter b (Decree of the President of the Republic 15 July 2003, no. 254: "Regulation governing the management of medical waste pursuant to art. 24 of Law no. 179 of 31 July 2002").

Pollution of soil, subsoil, surface water or groundwater (Legislative Decree 152/2006, art. 257, paragraphs 1 and 2)

The standard punishes anyone who pollutes, with hazardous and non-hazardous substances, the soil, subsoil, surface water or groundwater by exceeding the risk threshold concentrations in the absence of remediation in accordance with the project approved by the competent authority as part of the procedure referred to in articles 242 et seq. of Legislative Decree 152/2006.

Violation of the obligations of communication, keeping of mandatory registers and forms (Legislative Decree 152/2006, art. 258, paragraph 4, second sentence)

The law punishes anyone who, in the preparation of a certificate of analysis of waste, provides false information on the nature, composition and chemical-physical characteristics of the waste and those who use a false certificate during transport.

Illegal waste trafficking (Legislative Decree 152/2006, art. 259, paragraph 1)

The provision punishes anyone who carries out a shipment of waste constituting illegal traffic pursuant to Article 26 of Regulation (EEC) No 259 of 1 February 1993, or carries out a shipment of waste listed in Annex II of the aforementioned Regulation in breach of Article 1(3)(a), (b), (c) and (d) of the Regulation itself.

Organised activities for the illegal trafficking of waste (Article 452-quaterdecies of the Criminal Code)

The rule, which replaced art. 260 of Legislative Decree 152/2006, repealed with the entry into force of Legislative Decree 21/2018, punishes anyone who, in order to achieve an unfair profit, with several operations and through the setting up of means and continuous organized activities, transfers, receives, transports, exports, imports, or otherwise illegally manages large quantities of waste.

The second paragraph punishes conduct similar to that referred to in paragraph 1 but which is characterized by the fact that it refers to highly radioactive waste.

False information on the nature, composition and chemical-physical characteristics of waste in the preparation of a waste analysis certificate; inclusion in SISTRI of a false waste analysis certificate; omission or fraudulent alteration of the paper copy of the SISTRI form – handling area in the transport of waste (Legislative Decree 152/2006, art. 260-bis, paragraph 6, paragraph 7 and paragraph 8)

The conduct of the person who, in the preparation of a certificate of analysis of waste, used as part of the waste traceability control system, provides false information on the nature, composition and chemical-physical characteristics of the waste and the person who inserts a false certificate in the data to be provided for the purpose of waste traceability is punished.

The conduct of the transporter who fails to accompany the transport of waste with a paper copy of the SISTRI – HANDLING AREA form and, where necessary on the basis of current legislation, with a copy of the analytical certificate identifying the characteristics of the waste, in the case of transport of hazardous waste, is also punished.

The conduct of the person who, during transport, makes use of a certificate of analysis of waste containing false information on the nature, composition and chemical-physical characteristics of the transported waste is also punished.

Finally, the law punishes the transporter who accompanies the transport of waste with a paper copy of the fraudulently altered SISTRI – HANDLING AREA form.

However, the case in question, for the purposes of the Company's operations, appears difficult to configure.

Penalties (Legislative Decree 152/2006, art. 279, paragraph 5)

The standard punishes anyone who, in the operation of a plant, exceeds the limit values of emissions into the atmosphere, resulting in the exceeding of the air quality limit values provided for by current legislation.

Pursuant to art. 268 of Legislative Decree 152/2006, "the unitary and stable complex, which takes the form of an overall production cycle, subject to the decision-making power of a single operator, in which there are one or more plants or one or more activities are carried out that produce emissions through, for example, mobile devices, manual operations, depositions and movements. An establishment is also considered to be a place used in a stable manner for the exercise of one or more activities".

By implant we mean "the device or system or set of devices or systems fixed and intended to carry out a specific activity independently, even as part of a larger cycle".

International trade in endangered animal and plant species (Law 150/1992, art. 1, paragraphs 1 and 2)

The provision punishes anyone who, in violation of the provisions of Council Regulation (EC) No. 338/97 of 9 December 1996 (protection of species of wild fauna and flora by controlling their trade), and subsequent implementations and amendments, for specimens belonging to the species listed in Annex A of the same Regulation and subsequent amendments:

- (a) imports, exports or re-exports specimens, under any customs procedure, without the required certificate or licence, or with a certificate or licence that is not valid in accordance with Article 11(2a) of Council Regulation (EC) No 338/97 of 9 December 1996, as subsequently implemented and amended;
- b) does not comply with the requirements for the safety of the specimens, specified in a licence or certificate issued in accordance with Council Regulation (EC) No. 338/97 of 9 December 1996, as subsequently implemented and amended, and Commission Regulation (EC) No. 939/97 of 26 May 1997, as amended;
- c) uses the aforementioned specimens in a manner that does not comply with the requirements contained in the authorisation or certification measures issued together with the import licence or subsequently certified;
- (d) transports or causes to be transited, including on behalf of third parties, specimens without the required licence or certificate, issued in accordance with Council Regulation (EC) No 338/97 of 9 December 1996, as subsequently implemented and amended, and Commission Regulation (EC) No 939/97 of 26 May 1997, as amended, and, in the case of export or re-export from a third country party to the Washington Convention, issued in accordance with it, i.e. without sufficient proof of their existence;
- e) trades artificially reproduced plants contrary to the requirements established on the basis of Article 7, paragraph 1, letter b) of Council Regulation (EC) No. 338/97 of 9 December 1996, as subsequently implemented and amended, and Commission Regulation (EC) No. 939/97 of 26 May 1997 and subsequent amendments;
- f) holds, uses for profit, purchases, sells, exhibits or holds for sale or for commercial purposes, offers for sale or otherwise transfers copies without the required documentation.

The second paragraph punishes conduct similar to that referred to in paragraph 1 but which is characterized by the fact that it is committed by a repeat offender.

International trade in endangered animal and plant species (Law 150/1992, art. 2, paragraphs 1 and 2)

The rule punishes anyone who engages in the same conduct referred to in art. 1 referred, however, to specimens belonging to the species listed in Annexes B and C of Council Regulation (EC) No. 338/97 of 9 December 1996 (protection of species of wild flora and fauna by controlling their trade), and subsequent implementations and amendments.

The second paragraph punishes conduct similar to that referred to in paragraph 1 but which is characterized by the fact that it is committed by a repeat offender.

In consideration of the characteristics of the incriminating case, the concrete relevance of the crime in question for the purposes of the Company's operations appears remote.

International trade in endangered animal and plant species (Law 150/1992, art. 3-bis, paragraph 1)

The law punishes anyone who falsifies or alters certificates, licenses, import notifications, declarations, information communications in order to acquire a license or certificate, uses false or altered certificates or licenses related to the introduction, export of plant or animal specimens.

The conducts through which the crimes in question are committed and which are materially relevant for the purposes of the configuration of the specific crimes consist of:

- Material falsehood committed by the public official in public documents;
- Material falsehood committed by the public official in certificates or administrative authorizations;
- Material falsehood committed by the public official in authentic copies of public or private documents and in certificates of the content of documents;
- Ideological falsehood committed by the public official in public acts;
- Ideological falsehood committed by the public official in certificates or administrative authorizations;
- Ideological falsehood in certificates committed by persons exercising a service of public necessity;
- Material falsehood committed by the private individual;
- Ideological falsehood committed by the private in a public act;

- Forgery in registers and notifications;
- Forgery in private writing;
- Forgery on blank signed sheet. Private deed;
- Forgery on blank signed sheet. Public deed;
- Other falsehoods on a blank signed sheet;
- Use of a false deed;
- Suppression, destruction and concealment of true acts;
- Forgery of electronic documents;
- Forgery of authentic copies that take the place of the missing originals;
- Falsehoods committed by public employees in charge of a public service.

International trade in endangered animal and plant species (Law 150/1992, art. 6, paragraph 4)

The law punishes anyone who, without prejudice to the provisions of Law no. 157 of 11 February 1992, possesses live specimens of mammals and reptiles of wild species and live specimens of mammals and reptiles from captive reproductions that constitute a danger to public health and safety.

Cessation and reduction of the use of harmful substances (Law 549/1993, art. 3, paragraph 6)

The law punishes anyone who produces, consumes, imports, exports, possesses and markets the harmful substances referred to in Table A annexed to Law 549/1993 (chlorofluorocarbons: fully halogenated hydrocarbons containing fluorine and chlorine). In addition, the law in question prohibits the authorization of plants that provide for the use of the substances referred to in Table A attached to Law 549/1993.

Rules aimed at preventing pollution caused by ships (Legislative Decree 202/2007, art. 8, paragraphs 1 and 2; art. 9, paragraphs 1 and 2)

The rules punish anyone who intentionally or negligently spills into the sea the pollutants referred to in Article 2, paragraph 1, letter b) of Legislative Decree 202/2007 (hydrocarbons and harmful liquid substances transported in bulk referred to in Annexes I and II to the Marpol Convention 73/78, as referred to in the list in Annex A to Law 979/1982, updated by the Ministerial Decree of the merchant navy of 06.07.1983) or causes the spillage of these substances.

Paragraph 2 of both articles in the heading also contemplate the cause of permanent damage or, in any case, of particular seriousness, to the quality of the water, to animal or plant species or to parts thereof.

Paragraph 1 of art. 9 does not contemplate a crime, but an administrative offense.

20 Employment of illegally staying third-country nationals

Art. 25-duodecies Legislative Decree 231/01

Employment of illegally staying third-country nationals (Article 22, paragraphs 12 and 12-bis of Legislative Decree No. 286/1998)

The rule punishes the employer who employs foreign workers without a residence permit, or whose permit has expired and whose renewal has not been requested, within the terms of the law, or whose permit has been revoked or cancelled.

There is also an increase in penalties in the event of at least one of the following circumstances:

- the number of workers employed irregularly is more than three;
- workers employed irregularly are minors of non-working age;
- workers who are irregularly employed are exposed to situations of serious danger, provided for by art. 603-bis, paragraph 3, of the Criminal Code and identified on the basis of the services to be performed and the working conditions applied.

Provisions against illegal immigration (art. 12, par. 3, 3-bis and 3-ter of Legislative Decree 286/1998, last update of Legislative Decree no. 20 of 10.03.2023)

These are types of crime - included in the list of relevant crimes pursuant to Legislative Decree 231/01 by Law no. 161/2017 (so-called Anti-Mafia Code) - which governs the conduct of those who "promote, direct, organize, finance or carry out the transport of foreigners in the territory of the State or carry out other acts aimed at illegally procuring their entry into the territory of the State, or of another State of which the person is not a citizen or does not have a permanent residence permit".

Provisions against illegal immigration (Article 12, paragraph 5, of Legislative Decree 286/1998, last update of Legislative Decree No. 20 of 10.03.2023)

These are types of crime - included in the list of relevant crimes pursuant to Legislative Decree 231/01 by Law no. 161/2017 (so-called Anti-Mafia Code) - which governs the conduct of those who "in order to take an unfair profit from the condition of illegality of the foreigner or in the context of the activities punished under this article, favor the permanence of the latter in the territory of the State".

21 Racism and xenophobia

Art. 25-terdecies of Legislative Decree 231/01

Law 167/2017 provided for the introduction of art. 25-terdecies in Legislative Decree 231/01, integrating the catalogue of predicate crimes of the administrative liability of entities with the crimes referred to in art. 3, paragraph 3-bis, of Law 654/1975, i.e. *"propaganda, incitement and incitement to hatred or violence for racial, ethnic, national or religious reasons, committed in such a way that there is a real danger of spread, that are based in whole or in part on the denial, serious minimization or apology of the Holocaust or crimes of genocide, crimes against humanity and war crimes"*.

Following the entry into force of Legislative Decree 21/2018, which introduced art. 3-bis of the Criminal Code - Principle of the reservation of the code: *"New provisions that provide for crimes can be introduced into the legal system only if they amend the criminal code or are included in laws that organically regulate the matter"* and established the transfer to the criminal code of numerous offences already previously provided for by complementary legislation, art. 3, paragraph 3-bis, of Law 654/1975, referred to in the aforementioned Article 25-terdecies, has been repealed and replaced by the new Article 604-bis of the Criminal Code *"Propaganda and incitement to commit crimes for reasons of racial, ethnic and religious discrimination"*.

22 Fraud in sports competitions, abusive gambling or betting and games of chance carried out by means of prohibited machines

Art. 25-quaterdecies of Legislative Decree 231/01

Law no. 39 of 3 May 2019, in order to combat the development of the illegal sports betting market, extended the liability of entities to the crimes of fraud in sports competitions (art. 1 of Law 401/1989) and abusive exercise of gaming or betting activities (art. 4 of Law 401/1989), introducing art. 25-quaterdecies.

Specifically, the crime of sports fraud (art. 1 L. 401/1989) criminalizes the conduct of offering or promising money or other utility or advantage to any of the participants in a sports competition organized by the recognized federations, in order to achieve a result different from that resulting from the correct and fair conduct of the competition, or the performance of other fraudulent acts aimed at the same purpose. The conduct of the participant in the competition who accepts the money or other utility or advantage, or accepts the promise thereof, is also punished.

Art. 4 of Law 401/1989, on the other hand, contemplates various cases related to the exercise, organization, sale of gaming and betting activities in violation of administrative authorizations or concessions.

23 Tax crimes

Art. 25-quinquiesdecies Legislative Decree 231/01

Law no. 157 of 19 December 2019 converted into law, with amendments, Decree Law no. 124 of 26 October 2019, containing "*Urgent provisions on tax matters and for non-deferrable needs*". Art. Article 39 of the aforementioned provision provides for an **expansion of the so-called catalogue of predicate offences in the field of administrative liability of entities** through the inclusion in Legislative Decree 231/2001 of **article 25-quinquiesdecies**, entitled "**Tax crimes**".

In particular, paragraph 1 of this provision extends the liability of entities to the following types of crime:

- Fraudulent declaration through the use of invoices or other documents for non-existent transactions (Article 2, paragraph 1 and paragraph 2-bis, Legislative Decree 74/2000);
- Fraudulent declaration by other artifices (art. 3 of Legislative Decree 74/2000);
- Issuance of invoices or other documents for non-existent transactions (Article 8, paragraph 1 and paragraph 2-bis, Legislative Decree 74/2000);
- Concealment or destruction of accounting documents (Article 10 of Legislative Decree 74/2000);
- Fraudulent evasion of the payment of taxes (art. 11 of Legislative Decree 74/2000).

Furthermore, Legislative Decree no. 75 of 14 July 2020 has further expanded the so-called catalogue of predicate offences pursuant to Legislative Decree 231/01, inserting paragraph 1-bis and the following crimes provided for by Legislative Decree 74/2000 into the scope of Legislative Decree 231/01, if committed in the context of cross-border fraudulent systems and in order to evade value added tax for a total amount of not less than ten million euros:

- Unfaithful declaration (art. 4 of Legislative Decree 74/2000);
- Failure to declare (art. 5 of Legislative Decree 74/2000);
- Undue compensation (Article 10-quarter of Legislative Decree 74/2000).

Art. Article 25-quinquiesdecies, paragraph 2, of Legislative Decree 231/2001 provides that if, following the commission of the offences indicated in paragraphs 1 and 1-bis, the entity has made a significant profit, the financial penalty is increased by one third.

In addition, for the commission of tax offences provided for by Legislative Decree 231/01, the disqualification sanctions referred to in Article 9, paragraph 2, letters c), d) and e) of Legislative Decree 231/01 apply.

Below is a description of the above-mentioned offences.

23.1 Fraudulent declaration through the use of invoices or other documents for non-existent transactions (Article 2, paragraphs 1 and 2-bis, Legislative Decree 74/2000)

The offence arises when, in order to evade income or value added taxes, using invoices or other documents for non-existent transactions, fictitious liabilities are indicated in one of the declarations relating to these taxes.

The act is considered to have been committed using invoices or other documents for non-existent transactions when these invoices or documents are recorded in the compulsory accounting records, or are held as evidence against the tax authorities.

Please note that:

- *"invoices or other documents for non-existent transactions"* means invoices or other documents with similar evidentiary value under tax law, (i) issued in respect of transactions not actually carried out, in whole or in part, or (ii) which indicate the consideration or value added tax to an extent greater than the actual amount, or (iii) who refer the transaction to parties other than the actual ones;
- *"assets or liabilities"* means (i) the components, expressed in figures, that contribute, positively or negatively, to the determination of the income or taxable bases relevant for the purposes of the application of income or value added taxes and (ii) the components that affect the determination of the tax due;
- The *"purpose of evading taxes"* is also understood to include (i) the purpose of obtaining an undue refund or the recognition of a non-existent tax credit and (ii) the purpose of facilitating third parties.

23.2 Fraudulent declaration by other artifices (art. 3 Legislative Decree 74/2000)

A crime occurs when anyone, except in the cases provided for in Article 2 of Legislative Decree 74/2000, in order to evade income or value added taxes, (i) carrying out objectively or subjectively simulated transactions or (ii) using false documents or other fraudulent means capable of hindering the assessment and misleading the tax authorities, means, in one of the declarations relating to such taxes, assets for an amount lower than the actual amount or fictitious liabilities or fictitious receivables and withholdings, where, together:

- a) the evaded tax is higher, with reference to some of the individual taxes, than Euro 30,000;
- b) the total amount of assets exempted from taxation, including through the indication of fictitious liabilities, is greater than 5% of the total amount of the assets indicated in the tax return, or, in any case, is greater than Euro 1,500,000, or if the total amount of fictitious credits and withholdings reducing the tax is greater than 5% of the amount of the tax itself or in any case Euro 30,000.

The act is considered to have been committed using false documents when these documents are recorded in the compulsory accounting records or are held for the purpose of evidence against the tax authorities. The mere violation of the obligations of invoicing and the entry of assets in the accounting records or the mere indication in invoices or in the notes of assets lower than the actual ones do not constitute fraudulent means.

Please note that:

- *"evaded tax"* means (i) the difference between the tax actually due and that indicated in the return, or (ii) the entire tax due in the event of failure to declare, net of the sums paid by the taxpayer or by third parties as an advance payment, withholding tax or in any case in payment of said tax before the submission of the return or the expiry of the relevant deadline; the theoretical tax not actually due is not considered evaded linked to a downward adjustment of losses for the year or of losses due and usable in the past;
- the thresholds of punishability referred to the evaded tax are also extended to the amount of the undue refund requested or the non-existent tax credit shown in the return;
- *"objectively or subjectively simulated transactions"* means (i) apparent transactions, other than those defined as "abuse of rights", ²¹carried out with the intention not to carry them out in whole or in part and (ii) transactions referring to fictitious interposed parties;
- *"fraudulent means"* means active artificial conduct as well as omissive conduct carried out in violation of a specific legal obligation, which result in a false representation of reality.

²¹ Now governed by the new Article 10-bis of Law No. 212 of 27 July 2000, as amended by Art. 1 of Legislative Decree no. 128 of 5 August 2015, published in the Official Gazette no. 190 of 18 August 2015.

23.3 Unfaithful declaration (art. 4 of Legislative Decree 74/2000)

The offence occurs when, outside the cases provided for by Articles 2 and 3 of Legislative Decree 74/2000, in order to evade income or value added taxes, assets for an amount lower than the actual amount or non-existent liabilities are indicated in one of the annual returns relating to such taxes, when, jointly:

- the evaded tax is higher, with reference to some of the individual taxes, than Euro 100,000;
- the total amount of assets exempted from taxation, including through the indication of non-existent liabilities, is greater than 10% of the total amount of assets indicated in the tax return, or, in any case, is greater than Euro 2,000,000.

For these purposes, incorrect classification, the valuation of objectively existing assets or liabilities, with respect to which the criteria actually applied have in any case been indicated in the financial statements or other documentation relevant for tax purposes, the violation of the criteria for determining the year of competence, the non-inherence, the non-deductibility of real liabilities are not taken into account. Apart from these cases, evaluations which, taken as a whole, differ by less than 10% from the correct ones do not give rise to punishable facts.

23.4 Failure to declare (art. 5 of Legislative Decree 74/2000)

The offence occurs when, in order to evade income or value added taxes, one of the declarations relating to such taxes is not submitted, as there is an obligation, when the evaded tax is higher, with reference to some of the individual taxes, than Euro 50,000. The offence also occurs if the withholding tax declaration is not submitted, as there is an obligation, when the amount of unpaid withholding taxes is greater than Euro 50,000.

A declaration submitted within 90 days of the expiry of the deadline or not signed or not drawn up on a printout conforming to the prescribed model shall not be considered omitted.

23.5 Issuance of invoices or other documents for non-existent transactions (Article 8, paragraph 1 and paragraph 2-bis, Legislative Decree 74/2000)

The offence occurs when, in order to allow third parties to evade income or value added taxes, invoices or other documents are issued or issued for non-existent transactions.

The issuance or issuance of several invoices or documents for non-existent transactions during the same tax period is considered as a single crime.

23.6 Concealment or destruction of accounting documents (Article 10 of Legislative Decree 74/2000)

The offence occurs when, in order to evade income or value added taxes, or to allow third parties to evade it, all or part of the accounting records or documents whose retention is mandatory are concealed or destroyed, so as not to allow the reconstruction of income or turnover.

23.7 Undue compensation (Article 10-quarter of Legislative Decree 74/2000)

The offence occurs when the sums due are not paid using undue credits for an annual amount exceeding Euro 50,000 in compensation. The offence of using non-existent credits for an annual amount exceeding €50,000 to offset is punished more seriously.

With Legislative Decree No. 87 of 14 June 2024, revising the tax penalty system, the definition of undue and non-existent credits was introduced. In particular, the following must be understood:

- receivables not due those which, even in the presence of the subjective and objective requirements specifically indicated in the regulatory framework of reference, are based on facts not falling within the attribution discipline due to the lack of additional elements or particular qualities required for the recognition of the credit. Credits used in violation of the methods of use provided for by the laws in force or, for the relative excess, those used to an extent greater than that established by the reference regulations are considered not due;
- non-existent credits are those for which the prescribed objective or subjective requirements are missing, in whole or in part, or the same are the subject of fraudulent representations, implemented with materially or ideologically false documents, simulations or artifices.

The same regulatory intervention introduced, with paragraph 2bis, a specific cause of non-punishability referable to cases in which, also due to the technical nature of the evaluations (think, for example, of tax credits in the field of Research and Development), there are conditions of objective uncertainty regarding the specific elements or particular qualities that base the entitlement to the credit.

23.8 Fraudulent evasion of tax payments (Article 11 of Legislative Decree 74/2000)

The crime occurs when:

- in order to avoid the payment of income or value added taxes or interest or administrative penalties relating to such taxes for a total amount exceeding Euro 50,000, other fraudulent acts are simulated or carried out on one's own or others' assets capable of rendering the compulsory collection procedure ineffective, in whole or in part;
- in order to obtain for oneself or for others a partial payment of taxes and related accessories, assets for an amount lower than the actual amount or fictitious liabilities for a total amount exceeding Euro 50,000 are indicated in the documentation submitted for the purposes of the tax settlement procedure

24 Smuggling

Art. 25-sexiesdecies Legislative Decree 231/01

Legislative Decree no. 141/2024 amended the catalogue of predicate offences by including '*the national provisions complementary to the Union Customs Code, referred to in the legislative decree issued pursuant to Articles 11 and 20, paragraphs 2 and 3, of Law No 111 of 9 August 2023, and by the consolidated text of the legislative provisions concerning taxes on production and consumption and related criminal and administrative sanctions, referred to in Legislative Decree No 504 of 26 October 1995*', which replaced the reference to '*Decree of the President of the Republic No 43 of 23 January 1973*'.

The decree provides for different penalties depending on whether or not the taxes or border fees due exceed 100,000 euros. In fact, it is provided that, when the taxes or border duties due exceed the aforementioned threshold, the prohibition from carrying out the activity and the suspension or revocation of the authorizations, licenses or concessions functional to the commission of the offence also apply.

25 Crimes against cultural heritage

Law no. 22 of 9 March 2022, containing "Provisions on crimes against cultural heritage", which came into force on 23 March 2022, reforms the criminal provisions for the protection of cultural heritage, to date mainly contained in the Code of Cultural Heritage (Legislative Decree 42/2004), inserting them into the criminal code and implementing a profound reform of the matter also from a sanctioning perspective.

Title VIII-bis, entitled "Crimes against cultural heritage", has been included in the penal code, consisting of 17 new articles. With the same, the Law punishes, with harsher penalties than those provided for the corresponding simple crimes, theft, embezzlement, receiving stolen goods, money laundering and self-laundering and damage to cultural property.

Conduct of illegal use, import and export of cultural goods and counterfeiting are also punished.

The notion of "cultural asset", referred to in art. 2 of the aforementioned Code, includes movable and immovable things that present "artistic, historical, archaeological, ethno-anthropological, archival and bibliographic interest", as well as "other things identified by law or on the basis of the law as testimonies having civilizational value".

The "landscape assets", on the other hand, include the buildings and areas indicated in art. 134 of the Code of Cultural Heritage, constituting "expression of the historical, cultural, natural, morphological and aesthetic values of the territory", as well as the other assets identified, also in this case, by law or on the basis of the law.

The Law also intervenes on the text of Legislative Decree 231/01.

It provides for the liability of the entity in the event of the commission of certain offences against cultural heritage, introducing the following articles within Legislative Decree 231/01:

➤ **Article 25-septiesdecies** ("Crimes against cultural heritage"), which refers to the following types of crimes:

- **Theft of cultural property** (Article 518-bis of the Criminal Code): the law punishes anyone who takes possession of another person's movable cultural property, taking it away from the person who owns it, in order to make a profit, for himself or for others, or takes possession of cultural property belonging to the State, as they are found underground or on the seabed.
The penalty is increased if the theft of cultural property belonging to the State, as found underground or on the seabed, is committed by those who have obtained the research concession provided for by law".
- **Misappropriation of cultural property** (Article 518-ter of the Criminal Code): the law punishes anyone who, in order to procure an unfair profit for himself or others, appropriates another person's cultural property of which he has, for whatever reason, possession. The penalty is increased if the act is committed on things owned as a necessary deposit.
- **Receiving cultural property** (Article 518-quarter of the Criminal Code): the law punishes anyone who, except in cases of complicity in the crime, in order to procure a profit for himself or others, purchases, receives or conceals cultural property deriving from any crime, or in any case interferes in having them acquired, received or concealed. The penalty is increased when the fact concerns cultural property from the crimes of aggravated robbery and aggravated extortion. The provisions of this article shall also apply when the perpetrator of the crime from which the cultural property comes is not imputable or is not punishable or when there is no condition of admissibility related to this crime.
- **Falsification in private deed relating to cultural property** (Article 518-octies of the Criminal Code): the rule punishes anyone who forms, in whole or in part, a false private deed or, in whole or in

part, alters, destroys, suppresses or conceals a true private deed, in relation to movable cultural property, in order to make its provenance appear lawful. Anyone who makes use of private writing without having participated in its formation or alteration is also punished.

- **Violations regarding the alienation of cultural property** (Article 518-novies of the Criminal Code): the rule punishes: 1 - anyone who, without the prescribed authorization, alienates or places cultural property on the market; 2 - anyone who, being required to do so, does not submit, within thirty days, a report of the deeds of transfer of ownership or possession of cultural property; 3 - the alienator of a cultural property subject to pre-emption who delivers the thing during the term of sixty days from the date of receipt of the transfer report.
- **Illegal importation of cultural property** (Article 518-decies of the Criminal Code): the rule punishes anyone who, except in cases of complicity in the crimes provided for in Articles 518-quarter, 518-quinquies, 518-sexies and 518-septies, imports cultural property originating from a crime or found as a result of searches carried out without authorization, where provided for by the law of the State in which the discovery took place, or exported from another state in violation of that state's law on the protection of cultural heritage.
- **Illegal exit or export of cultural goods** (Article 518-undecies of the Criminal Code): the law punishes anyone who transfers cultural goods, things of artistic, historical, archaeological, ethno-anthropological, bibliographic, documentary or archival interest abroad or other things subject to specific protection provisions pursuant to the legislation on cultural heritage, without a certificate of free circulation or export license.
Anyone who does not return to the national territory, at the end of the term, cultural property, things of artistic, historical, archaeological, ethno-anthropological, bibliographic, documentary or archival interest or other things subject to specific protection provisions pursuant to the legislation on cultural heritage, for which temporary exit or export has been authorized, as well as anyone who makes false declarations in order to prove to the competent office of export, in accordance with the law, the non-subjection of things of cultural interest to authorization to leave the national territory.
- **Destruction, dispersion, deterioration, disfigurement, soiling and illegal use of cultural or landscape property** (Article 518-duodecies of the Criminal Code): the law punishes anyone who destroys, disperses, deteriorates or renders in whole or in part useless or, where applicable, unusable their own or others' cultural or landscape assets. Anyone who, except in the cases mentioned above, defaces or defaces his own or others' cultural or landscape property, or uses cultural property that is incompatible with its historical or artistic character or detrimental to its conservation or integrity, is also punished. The conditional suspension of the sentence is subject to the restoration of the state of the places or to the elimination of the harmful or dangerous consequences of the crime or to the performance of unpaid activity in favor of the community for a fixed time, in any case not exceeding the duration of the suspended sentence, according to the procedures indicated by the judge in the sentence.
- **Counterfeiting of works of art** (Article 518-quaterdecies of the Criminal Code): the provision punishes:
1 - anyone who, in order to make a profit, counterfeits, alters or reproduces a work of painting, sculpture or graphics or an object of antiquity or of historical or archaeological interest;
2 - anyone who, even without having participated in the counterfeiting, alteration or reproduction, puts on the market, holds for trade, introduces for this purpose into the territory of the State or in any case puts into circulation, as authentic, counterfeit, altered or reproduced specimens of

works of painting, sculpture or graphics, of objects of antiquity or objects of historical or archaeological interest;

3 - anyone who, knowing the falsity, authenticates works or objects indicated in numbers 1) and 2) counterfeit, altered or reproduced;

4 - Anyone who, by means of other declarations, expert reports, publications, affixing of stamps or labels or by any other means, accredits or contributes to accrediting, knowing that they are false, as authentic works or objects indicated in numbers 1) and 2) counterfeit, altered or reproduced.

The confiscation of counterfeit, altered or reproduced copies of the works or objects referred to in the first paragraph shall always be ordered, except in the case of things belonging to persons unrelated to the crime. Confiscated things are prohibited, without time limits, from being sold at auction of bodies of crime".

- **Article 25-duodevices** ("Laundering of cultural property and devastation and looting of cultural and landscape property"), which refers to the following types of crime:
 - **Money laundering of cultural property** (Article 518-sexies of the Criminal Code): the provision punishes those who, except in cases of complicity in the crime, replace or transfer cultural property deriving from a non-culpable crime, or carry out other operations in relation to them, in such a way as to hinder the identification of their criminal origin. The penalty is reduced if the cultural property comes from a crime for which the penalty of imprisonment is less than a maximum of five years. The provisions of this article shall also apply when the perpetrator of the crime from which the cultural property comes is not imputable or is not punishable or when there is no condition of admissibility related to this crime.
 - **Devastation and looting of cultural and landscape property** (Article 518-terdecies of the Criminal Code): the law punishes anyone who commits acts of devastation or looting involving cultural or landscape property or cultural institutions and places.

26 Crimes pursuant to Article 23 of Legislative Decree 231/2001

In addition to the express and direct cases of administrative liability provided for by art. 24-25-octies of decree no. 231/01 and art. 10 of Law no. 146 of 16 March 2006, art. 23 of Decree no. 231/01 introduces a further case of such liability, so to speak implicit and derived, for cases of non-compliance with disqualification sanctions or disqualification precautionary measures. Despite the very broad wording of paragraph 1 of art. 23, it seems to be possible to consider, on the basis of a reading that takes into account the systematic framework and principles of the delegation (Article 11, paragraph 1, letter p) of Law No. 300 of 29 September 2000), that the violation is relevant only in the event that the sanctions or disqualification measures not complied with have also been imposed following the recognition of an administrative liability of the entity resulting from the commission of crimes considered by Decree No. 231/01 or by other provisions of law concerning the same matter.

The purpose of the rule is to ensure the full application and satisfaction of the "ratio" and system of administrative liability of entities and, more generally, the protection of the administration of justice also with regard to the aforementioned entities.