

# ***BRAWO S.p.A***

## **ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL**

Under Legislative Decree no. 231 of 8 June 2001  
as amended

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# ***GENERAL SECTION***

## Glossary

For sake of clarity, the definitions of the main terms used in the BRAWO S.p.A (hereafter also BRAWO) Organisational Model.

<b>Organisational Model or Model</b>	An organic complex of principles, rules, procedures, provisions, organisational schemes and related tasks and responsibilities for the implementation and diligent management of a control and monitoring system of sensitive activities in order to prevent the committing of, or attempts to commit, the offences referred to in Legislative Decree 231/01, adopted by BRAWO SpA.
<b>Legislative Decree</b>	Legislative Decree no. 231/2001 of 8 June 2001, bearing the title “ <i>Guidelines on the administrative liability of legal persons, companies and associations - also those without legal personality - pursuant to article 11 of Law no. 300 of 29 September 2000</i> ” published in the Official Journal no. 140 of 19 June 2001, as amended.
<b>Company Officers and Directors</b>	Persons that hold representative, administrative or management positions within the company or one of its organisational units with financial and operational autonomy or by persons that carry out, also effectively, the management and control thereof.
<b>Public Official</b>	Public or private person, who contributes to performing or performs the will duties of the Public Authority or represents it externally; a subject granted authoritative and certification powers. By way of example only, the following are classified as public officials: court officers, technical court consultants, council enterprise tax collectors, postmen, hospital health inspectors, local councillors, local council technicians, health officers, notaries, government office employees.
<b>Person appointed to a Public Service</b>	A subject who, although not exactly an official with the functions of this status (certifications, authorisations, deliberations), still carries out a public utility service with government bodies in general. This person is subject to the legal obligations of public officials, despite not being granted the full powers of the latter.
<b>Public Administration</b>	Public institutions, public officials and persons appointed to provide public services.
<b>Public Body</b>	The public body is identified as such by law, or is subject to a system of public controls, reporting to the State or other Administration body as regards to the appointment and revocation of its directors, as well as the

administration of the body itself. It may be characterised by State investments, or those of other public administration, management costs; steering powers which the State has over its bodies; and by institutional public financing. The following types fall within the category of Public Bodies, for example: public service companies (e.g. ASMs, local transport companies, etc.), associations and bodies of public interest; territorial authorities (e.g. boroughs, provinces, regions, mountain communities, etc.).

<b>Supervisory Body (SB)</b>	<p>A Body which, as regards to the application of the Model, is required to supervise:</p> <ul style="list-style-type: none"><li>- the actual compliance with the requirements of the Model (in relation to the different types of offences and crimes contemplated by the Legislative Decree);</li><li>- ensure the effectiveness of the Model in relation to the company structure and the actual ability to prevent the offences from being committed;</li><li>- the feasibility of updates of the Model when events occur which require the same to be amended, regarding changes to environmental conditions and/or new trends in <i>best practices</i>.</li></ul>
<b>Sensitive Processes</b>	Business activities in relation to which the offences sanctioned by Legislative Decree No. 231/01 could occur.
<b>Body/Company</b>	BRAWO S.p.A.
<b>Recipients</b>	The Model is intended for all individuals who are involved in attaining BRAWO SpA's corporate purpose and objectives.
<b>Traceability</b>	Reconstruction of a specific decision-making process using traceable documents.
<b>Predicate Offences</b>	Offences foreseen by the Legislative Decree which could be the administrative liability of the Body.

# **1. BRAWO S.p.A**

## **1.1 Presentation of the Company**

BRAWO S.p.A is a company established in 1973 which mainly performs hot forging and machining of non-ferrous metals such as brass and aluminium for third-party customers. It currently has around 350 employees.

BRAWO S.p.A is a company of the Holding Umberto Gnutti S.P.A. Group as explained in the Group organisational chart attached to this Model.

The company is certified with the following standards:

- ISO 14001:2015
- ISO 9001:2015
- IATF 16949:2016

## **1.2 Internal governance system**

The Company has the following governing bodies:

- the Board of Directors
- Meetings of Shareholders.

The Board currently has 7 members:

- the Chair who is also the representative of the company
- 1 Chief Executive Officer, also with powers of representation,
- 1 Director with special power of attorney in charge of the ordinary administration and representation of the Company and
- 4 directors with no powers.

The power to conduct the supervision, verification and controls provided for in the general and particular regulations and to prepare all precautions, measures and provisions, if required by law or regulations, in relation to the prevention of accidents, safety and environmental hygiene, the protection of the environment, with organisational and independent powers, has been conferred to a special Prosecutor who is recognised as the Employer and Environment Officer.

Auditing is carried out by the Board of Statutory Auditors and an Independent Audit Firm.

## 2. Legislative Decree no. 231

### 2.1 Regulatory Requirements

Legislative Decree no. 231/01 introduced administrative liability of Organisations for unlawful administrative acts relating to crime. Organisations refer to all individual legal persons, companies and associations with or without legal personality. This only excludes the State, the local public authorities, the other non-economical public authorities and all organisations performing activities of constitutional relevance.

The Company may be held liable and, therefore, sanctioned, in relation to certain types of offences which are presumed to have been committed in their interest or to their benefit by persons referred to as senior managers, such as the directors, or by persons in a subordinate position, subject to the direction and supervision of one of the senior managers, such as employees and/or related persons. The liability remains even when the culprit can not be identified or is not chargeable, or the offence should become non-prosecutable for reasons other than an amnesty.

The liability foreseen by the Legislative Decree is also applicable to offences committed abroad, unless the State in which the offence was committed decides to take action against the offender.

### 2.2 The Offenders of Predicate Offences

The Organisation has administrative liability for the offences committed in its interest or to the benefit thereof by:

- natural persons holding representative, administrative or executive positions in the organisation or any of its organisational units having financial and functional autonomy;
- natural persons who effectively manage and control the organisation or an autonomous organisational unit (the so-called effective director);
- natural persons subject to the direction or supervision of one of the persons referred to above.

If the offender of the offence or administrative crime is a natural person holding representative, administrative, executive or control positions in the Organisation or any of its organisational units having financial and functional autonomy, as well as a person who effectively manages and controls the Organisation (so-called “senior managers”), the Organisation is charged with a **presumption of guilt** which requires the Organisation to prove its innocence (so-called reversal of the burden of proof with respect to the rules of the Code of Criminal Procedure). This is in view of the fact that the natural person expresses, represents and implements the management policy of the Organisation.

There is no presumption of guilt charged to the Organisation if the offender is a natural person subject to the direction or supervision of any of the subjects referred to above. It will therefore be up to the Public Prosecutor to provide proof of the liability of the Organisation.

The liability of the Organisation is added to, and not a replacement for, the liability of the natural person, which remains governed by ordinary criminal law.

Nevertheless, the administrative liability of the Organisation is excluded in cases where the offender acted exclusively in his or her own interest or that of any third parties.

## 2.3 The Offences

The types of offences foreseen by the Legislative Decree can be grouped into the following categories:

- Offences against the Public Administration (articles 24 and 25 of the L.D. 231/2001);
- Computer crimes and illegal data processing (article 24-bis);
- Organised crime offences (art. 24-ter);
- Offences of counterfeiting money, public credit cards, revenue stamps and identification instruments or signs (art. 25-bis);
- Crimes against industry and commerce (art. 25-bis 1);
- Corporate Offences (art. 25-ter);
- Offences of terrorism or subversion of the democratic order (art. 25-quarter);
- Practices of female genital mutilation (art. 25-quater 1);
- Crimes against the person (art. 25-quinquies);
- Offences of market abuse (art. 25-sexies);
- Offences of manslaughter or serious and very serious injuries due to violations of the regulations on health and safety in the workplace (art. 25-septies);
- Receiving, laundering, self-laundering and using of money, goods or benefits of unlawful origin, (art. 25-octies);
- Offences relating to non-cash means of payment (art. 25-octies.1);
- Offences involving breach of copyright (art. 25-novies);
- Induction not to make statements or to make false statements before the judicial authorities (art. 25-decies);
- Environmental Offences (art. 25-undecies);
- Employment of third-country nationals whose stay is illegal (art. 25-duodecies);
- Racism and xenophobia (art. 25 terdecies);
- Fraud in sports competitions, abusive gaming or betting and gambling carried out using prohibited devices (art. 25 quaterdecies of L.D. 231/2001);
- Tax offences (art. 25-quinquiesdecies);
- Smuggling offences (art. 25-sexiesdecies);
- Crimes against cultural heritage (artt. 25-septiesdecies e 25-duodevicies);
- Transnational offences ( Law no. 146 of 16 March 2006, arts 3 and 10).

## 2.4 The sanctions of the Legislative Decree

The sanctions foreseen by the Legislative Decree contains both administrative and disqualification measures, which will be imposed on the Organisation in relation to the seriousness of the offence, the Organisation's liability and of the activity carried out to eliminate or mitigate the consequences of the offence and to prevent the commission of further offences:

- administrative sanction, from a minimum of € 25,822.84 to a maximum of € 1,549,370.69. The amount of the penalty is determined by the introduction of a quota system divided into two different stages: the first establishes the number of quotas on the basis of the seriousness of the offence; the second establishes the monetary value of the individual quota.
- disqualification sanction: disqualification from business activities; suspension or withdrawal of authorisations, licences or permits related to the committing of the offences; the exclusion from grants, loans, contributions or subsidies and the possible revocation of those already granted; ban on advertising goods and services; ban on contracting with the Public Administration.
- official notification of sentence
- confiscation of the price or the proceeds of the offence, except for the part that can be returned to the offended party.

## 2.5 The exempting conditions

The exemption of the legal person from the above liability is only granted if the Organisation has adopted and effectively implemented, prior to the commission of the offence, an efficient Organisational, Management and Control Model (henceforth for sake of simplicity "Model") suitable for the prevention of crimes similar to the offence committed.

In order to perform this function effectively, the Model must:

- a) identify the business activities where all or some of the predicate offences may be committed;
- b) provide for specific protocols intended for planning the creation and implementation of the Company's decisions in relation to the offences to be prevented;
- c) identify appropriate methods to manage financial resources suitable for preventing the commission of the offences;
- d) provide for obligations to inform the body responsible for supervising the functioning and observance of the Model;
- e) introduce an appropriate disciplinary system to sanction the non-observance of the measures stated in the Model.
- f) introduce measures, in relation to the nature and size of the organisation and to the type of activity it carries out, that are suitable for ensuring that the company activity is carried out in respect of the law and for discovering and quickly eliminating risk situations.

The law foresees the adoption of the Model on an optional and a non-mandatory basis. No sanctions are issued for failure to adopt the same. However, in the event that an offence been committed, by a senior manager or a person acting under his authority, in the interest of or for the benefit of the Company, in the absence of an Organisation Model, the Company shall not qualify for exemption.

## **2.6 Code of Conduct**

The Code of Conduct adopted by BRAWO S.p.A contains the values, principles of conduct and commitments undertaken by each company in its relations with its stakeholders, collaborators, partners, customers, suppliers, competitors, Public Administration and matters of safety and the environment.

The provisions of this Organisation Model are integrated with the general principles contained in the Code of Ethics.

# **3. Organisational, Management and Control Model**

## **3.1 Purposes**

The basic purposes that inspired the preparation of the BRAWO S.p.A. Model, in addition to the recent regulatory evolution and the jurisprudence on the subject, can be identified:

- in the identification of specific internal procedures aimed at planning the information procedures and implementation of the Company's decisions in relation to the predicate offences, indicating those in charge of the functions, competencies and responsibilities;
- in the definition and assigning of authorising powers consist with the appointed responsibilities;
- in the organisation of information obligations to the body in charge of supervising the functioning of and compliance with the Models (SB);
- in the identification of a disciplinary system, which will be applicable in the event of a breach of the Model and, more generally, of the internal procedures provided for therein.

The Model is based on a structured and organic set of procedures and monitoring activities which basically:

- identify the sensitive areas and processes at potential risk in the company's business, i.e. the activities where there is a higher chance that the predicate offences will be committed;
- provide for an internal regulatory system intended for planning the creation and implementation of the Company's decisions;
- define a coherent Organisational structure intended to inspire and monitor proper behaviours, thus ensuring a clear and organic attribution of tasks, by implementing the correct segregation of functions;
- identify the processes for the management and control of financial resources in risk activities;

- assign to SB the task of monitoring the application of and the compliance with the Model and proposing any updates or amendments.

The Organizational Model may therefore be defined as a set of rules of a general nature (Code of Conduct) specifications and operational rules (Protocols) whereby compliance with the same - when carrying out activities classified as risk processes - make it possible to prevent unlawful, improper and irregular conduct.

The Code of Conduct and Protocols also intend to make the Recipients aware of the conduct they are required to adopt in relation to risk processes and to identify those responsible as well as those involved.

The Code of Conduct and the Protocols are integrated with the other procedures, with the organizational charts and with the system of attribution of powers already in place within the Company.

### **3.2 Adoption and Dissemination of the Model**

The Model has been prepared taking into account the current structure and operational situation of the Company. As a result of changes in business activities and/or the organizational chart, the Model shall be amended in relation to the new risks that may arise.

The Model consists in a **General Section**, describing the principles which are the core pillars of the same and the objectives that the Company sets itself with such adoption, and of a **series of Special Sections** that identify and regulate the specific conduct required in the areas identified as potentially at risk, in relation to the different types of offences.

Brawo shall ensure all Recipients are made aware of the Model and communicate to each of them the relevant protocols related to specific activities or functions. Anyone who works in Brawo, or collaborates with the same, are therefore required to comply with the requirements of the Model and observe the obligations provided therein.

### **3.3 Amendments and Additions to the Model**

The Model shall be periodically reviewed by the SB and must be amended and/or updated in the event of significant violations of the requirements or changes in the Company organisation or activities or the reference standards.

The specific protocols provided for in the Model are an integral part of the same and must be reviewed, amended and updated by the SB, if and when necessary, in relation to the business operations of the Company. In such cases, as in the case where new protocols are to be introduced, it will be the responsibility of the Supervisory Body to inform the Board of Directors so that the latter can put in place all relative measures.

Given the fact that this Model is a document issued by Senior Management (in accordance with the provisions of art. 6 (1) (a) of the Legislative Decree), its adoption, as well as any subsequent amendments and updates are the responsibility of the Board of Directors of Brawo.

In particular, the Board of Directors is required to update this Model with all additional Special Sections relating to other types of offences which, due to new regulations or to the expansion of the business activities performed by the Company, they may be required within the scope of application of the Legislative Decree.

### **3.4 Recipients**

This Organizational Model is addressed to the Board of Directors and Company personnel, who fall within the following categories: employees, executives and managers (hereinafter also “Recipients”). The Model, with particular reference to Special Sections G and H, is also applicable to the workers who are appointed as foremen and the workers who involved in WSR.

All Recipients must be fully aware of and comply with the provisions of the Model. The Model is also addressed to all persons who come into contact with the Company also for consulting relationships, for occasional or continuous services.

## **4. Mapping of Company Risks**

Art. 6(ii)(a) of the Legislative Decree expressly provides that the Organisational Model must “identify activities in which offences may be committed”. In this respect the Company has analysed Company activities, decision-making processes and internal control systems.

This analysis was carried out with the examination of the company documentation (activities carried out, main processes, organizational charts, proxies, organizational arrangements, etc.) and interviews with the managers of the various company structures.

### **4.1 The applicable offences**

In relation to the analysis carried out, the predicate offences that are believed to potentially involve the Company are: arts. 24 and 25 of the Legislative Decree (offences against the Public Administration), Art. 25-bis (as regards counterfeiting of identification instruments or signs), art. 25-bis 1 (crimes against industry and commerce) art. 25-ter (corporate offences, including the offence of bribery between private parties), art. 24 bis (computer crimes and illegal data processing), art. 25-quinquies (crimes against the person only with regards to the offence of illegal intermediation and exploitation of work), art. 25-septies (offences relating to safety, hygiene and health at work), art. 25-octies (receiving, laundering and use of money, goods or benefits of unlawful origin and self-laundering), art. 25-octies.1 (offences relating to non-cash means of payment); art. 25-decies (Induction not to make statements or to make false statements before the judicial authorities), art. 25-undecies (environmental offences), and art. 25-duodecies (employment of third-country nationals

whose stay is illegal).art. 25-quinquiesdecies (tax offences); art. 25- sexiesdecies (smuggling offences).

## 4.2 Residual Offences

As already mentioned, the reference legislation covers other and further types of offences which, however, do not seem – or at least only at a theoretical extent – relevant in relation to Brawo's business activity and to the internal control system in place. These types comprise:

- art. 24-ter - *Organised crime offences*;
- art. 25-bis *Counterfeiting money, public credit cards and revenue stamps*
- art. 25-quater *Offences of terrorism or subversion of the democratic order*
- art. 25-quater.1 *Practices of female genital mutilation*
- art. 25-novies - *Offences involving breach of copyright*
- art. 25-terdecies *Racism and Xenophobia*
- art. 25-quaterdecies - *Fraud in sports competitions, abusive gaming or betting and gambling carried out using prohibited devices*
- *Transnational offences*
- art.25-septiesdecies *Crimes against cultural heritage*
- art. 25-duodevicies *Laundering of cultural assets and destruction and looting of cultural and landscape assets*

The classification of residual risks is based on a series of factors that can be attributed mainly to the type of activity carried out, to the operational structure currently in place and to the type of controls implemented.

The risk analysis carried out, which led to this exclusion, will be periodically repeated, with particular reference to the future evolutions and developments of the organizational and operational structure of Brawo.

## 5. The Supervisory Body (SB)

In implementation of the provisions of the Legislative Decree, with the same resolution drawn up when it adopted the Organizational Model, the Company established **the Supervisory and Control Body (SB)**, which is assigned the task of **supervising the functioning and observance of the organizational Model**, and the responsibility of **keeping it updated**.

Brawo chose to setup a multi-objective body composed of a minimum number of three members, not belonging to the company organizational chart, appointed by the Board of Directors of the Company, with competences in the legal, labour and auditing areas.

The SB remains in office for one year and can always be re-elected. The SB has its own set of regulations that will be adopted during the first meeting, after conferral of the appointment by the Company.

## 5.1 Appointment

Appointment or revocation (for just cause) of the SB is carried out by the Board of Directors. The SB reports directly to the **Board of Directors**.

According to the provisions of the Legislative Decree (arts. 6 and 7) and the instructions contained in the accompanying Report, the mandatory characteristics of the SB are as follows:

- autonomy and independence;
- integrity;
- professionalism;
- continuity of action.

### Autonomy

Without the necessary autonomy, the SB could not carry out effective control also of senior management; consequently, its hierarchical position is placed at the same level as the administrative body that appointed it.

The autonomy of decision-making shall consist in the exercising of powers of control, audit, initiative, consultation and proposition, criticism, detection, challenging and activation.

### Independence

Corollary to the requirement of autonomy, the independence of the SB embraces the necessary condition of non-subjection to any form of subservience to the Company. This requirement also foresees an non-conditioning economic situation guaranteed by the allocation of an appropriate annual *budget*, made available to the SB to carry out its task freely and efficiently.

In order to ensure the necessary autonomy of initiative and independence, it is also essential that the members of the SB are not assigned operational tasks (*see* Confindustria Guidelines, General Section).

### Integrity, absence of conflicts of interest and kinship relations

All members of the SB must comply with the requirements of integrity, intended as having no criminal record and no lawsuits pending, and there must be no conflicts of interest or kinship relations otherwise the candidate shall be deemed ineligible and/or shall be revoked should such circumstances arise after the time of appointment.

### Professionalism

The members of the SB shall all be suitably qualified and experienced to perform all the activities they are called upon to perform. These characteristics, together with autonomy and independence, are prerequisites for the necessary impartiality of judgements.

### Continuity of action

The SB must constantly operate in order to monitor the application and updating of the Model, as and when necessary.

The members of the SB must be bound by a confidentiality obligation in respect of any and all information of which they may become aware in the exercise of their office or tasks.

The following are causes of ineligibility as a member of the SB, or of revocation in the event the same arise after the appointment:

- a. the situations of incompatibility foreseen by the Board of statutory auditors pursuant to art. 2399 of the Italian Civil Code;
- b. conviction, after the final sentence, of having committed an offence referred to in the Legislative Decree;
- c. conviction, after the final sentence, of an offence that entails disqualification, either permanent or temporary, from holding a public office, or temporary disqualification from management positions in legal entities and companies.

The eventual revocation of a member of the SB can only take place for just cause following a resolution by the Board of Directors, after conferring with the Board of Statutory Auditors. In the event of temporary debarring from office, for a period of over three months, the Board of Directors shall appoint a stand-in member. The stand-in member shall be removed from office when the cause for disqualification no longer subsists.

## **5.2 Tasks and Powers**

The SB is assigned all powers required to conduct the supervision of the application, efficacy and compliance with the Model, and in order to update the same. In particular, the SB shall:

- a. ensure that the Model is communicated to the Recipients and prepare the internal documentation necessary for its implementation, containing instructions, clarifications and/or updates;
- b. conduct control activities in order to update the mapping of the activities at offence risk and to develop it as the business activity develops;
- c. shall identify and propose to the Board of Directors updates and amendments to the Model in relation to changes in regulations or changes to company conditions;
- d. shall conduct internal audits to investigate suspected violations of the provisions of the Model, or to verify actual implementation of the same.

On a more operational level, the following tasks are assigned to the SB:

- periodic checks of the offence risk area mapping in order to adapt it to changes in business activities and/or corporate structure. To this end, the Recipients must report any situations that could expose the Organisation to the risk of an offence to the SB;
- regularly carry out targeted checks on specific operations or acts performed during the execution of the activities at risk;
- collect, process and archive all important information (including reports) regarding compliance with the Model;
- conduct internal controls to investigate suspected violations of the provisions of the Model;
- check that the means of control foreseen by the individual Special Sections of the Model for the different types of offences are adequate and meet the requirements of compliance foreseen by the Legislative Decree.

In order to perform the aforementioned tasks, the SB;

- has all necessary powers to check and access company documents;
- has adequate financial and professional resources;
- has the support and cooperation of the various structures that may be involved in the control activities.

In carrying out such tasks, SB has unrestricted access to corporate information for relative investigation, analysis and monitoring activities.

For the purpose of the scheduled exercise of the assigned supervisory powers, the SB shall report the activities carried out to the Board of Directors in half-yearly reports, also drawn up as confirmation of the scheduled **Work Plans** for the next six months, **Work Plans** identifying the activities to be carried out and the areas to be audited. The SB can, in any case, conduct unannounced checks on the Work Plan (so-called spot checks) within sensitive business activities and if deemed necessary to complete its duties.

Upon completing the checks and controls, the SB may report comments and/or suggestions to the functions concerned each time. In addition, following the results of the checks, changes in regulations and the possible emergence of new risk processes, SB may propose all the amendments and updates to the organizational Model deemed appropriate.

The work carried out by the SB must be documented, even in a summary form. The relevant documentation shall be retained by the SB itself, so that its confidentiality is guaranteed.

## **5.3 Information flows**

### **5.3.1 SB reporting to the Board of Directors**

The SB reports to the Board of Director on the implementation of the Model, any possible critical aspects emerged, and communicates the result of the activities carried out. The following reporting lines are envisaged:

- 1) the first on a continuous basis to the MD of the Board of Directors, who, if necessary, informs the Board of Directors;
- 2) the second six-monthly to the Board of Directors and the Board of Statutory Auditors. In accordance with this reporting line, the SB prepares:
  - a six-monthly report on the activities it has carried out (controls and specific checks it has made and the results of these, any eventual updating of the mapping of sensitive processes, etc.);
  - Work plan for the next six months.

### **5.3.2 Information flows to the Supervisory Board**

The SB must be informed about any events that could cause the Company's liability under the Legislative Decree by means of specific reports sent by Recipients. The following provisions for information flows of a general nature are applicable:

- commission or attempted commission of the illicit conduct envisaged in the Legislative Decree;
- possible breach of the conduct and operational regulations set out in the Model;
- any act, fact, event or omission detected or observed, during the exercise of the responsibilities and assigned tasks, with a critical profile as foreseen by the Legislative Decree requirements;
- observations on the adequacy of the system, highlighting any emerging requirements.

Any breach, or alleged breach, of the Model 231 must be addressed to the following addresses:

Organismo di Vigilanza di BRAWO S.p.A

Via XXV Aprile,36 Pian Camuno (BS)

Or to the SB email address

[odv@brawo.it](mailto:odv@brawo.it)

The authors of the report submitted in good faith are guaranteed exemption from any form of reprisal, discrimination or penalisation and the confidentiality of the individual in question is assured,

notwithstanding the legal obligations or the protection of the rights of the Company itself or persons accused unfairly or in bad faith.

In addition to the above reporting obligations, the Administration Area Manager is required to communicate to all Recipients:

- any change concerning the proxy system or the organizational and governance structure of BRAWO S.p.A.;
- any investigation and provisions initiated by the competent authorities against Company employees / directors for the offences referred to in the Legislative Decree;
- extraordinary corporate transactions (e.g. mergers, spin-offs or acquisitions of business branches, etc.).

The Special Sections of the Model also envisage specific information flows to be sent to the SB by designated subject, depending on the different families of offences involved, and which indicate the relative execution methods and timing.

### **5.3.3 Information flows to the SB**

The Recipients of the Model and the owners of the information flows are required to process the information flows falling within their respective responsibility pursuant to the individual special sections of this Model, in accordance with the relevant frequencies (six-monthly, annual, event-based) as soon as possible or upon receiving any request from the Supervisory Board to do so. The flows, along with any other requests or contacts made to the Supervisory Board, shall be transmitted via:

- hard copy report, marked personal/confidential, addressed to the Organismo di Vigilanza di BRAWO S.p.A Via XXV Aprile 36, Pian Camuno (BS)
- email to the SB email address: [odv@brawo.it](mailto:odv@brawo.it).

For further details on the new whistleblowing legislation – in relation to the scope of application, the recipients and the procedure for reporting offences and the relative sanctions – please refer to the appropriate section n. 7 of this Model.

## **6. Information and Training**

Compliance with the requirements of the Model cannot be achieved without due information and training activities to be provided to the Recipients.

## **6.1 Information to employees**

The adoption of the Model is communicated to all employees currently working for the company, with the publication of the news on the company portal accessible to all personnel.

New recruits shall receive information on the Model as illustrated above.

An information notice is delivered to temporary staff and trainees summarising the main principles of the 231/01 discipline.

A fully printed copy of the Model shall always be available for consultation at the HR Department.

Any Recipient may obtain a hard copy of the Model by applying to the HR Department.

## **6.2 Information to consultants, suppliers and collaborators**

Upon commencing any form of collaboration, consultants, suppliers and collaborators are informed on the content of the Code of Conduct and need for their conduct to comply with Legislative Decree provisions.

## **6.3 Training**

Training activities targeted at familiarising recipients with the provisions of the Legislative Decree will taken into account, in terms of content and training methods, in function of the job description of Recipients, the level of risk involved in the area in which they operate and the responsibility foreseen by their role.

The SB, in coordination with the PPSM or the Human Resources Manager, shall draw up a training and communication plan in order to accomplish correct knowledge and implementation of the Model, depending on the Personnel to whom it is intended.

All Recipients shall receive a standard version of the Model. For Recipients who manage processes of particular offence-risk, more extensive training shall be provided.

Following changes to the Model, the standard Model shall be updated and the specific training repeated, focusing on the parts affected by the changes.

Participation at the courses by the Recipients is mandatory and shall be suitably documented; failure to participate without just reason can be deemed as a breach of the Model by the SB.

Training includes, in addition to specific courses and seminars, the use of dissemination tools, such as, but not limited to, refresher emails or internal information notes.

## 7. Whistleblowing

### 7.1 Activation of the speak-up channel

In accordance with the regulation envisaged by Leg. Decree no. 24 of 10 March 2023, the Company has put in place an internal speak-up channel to handle reports of breaches or potential breaches of national or European Union regulations. The functioning of the speak-up channel, the management obligations in the event such a report is received, the guarantees concerning the protection of personal data and relevant concepts are all regulated by the Whistleblowing Procedure Rev. 00".

More specifically:

- the Procedure defines the concepts of “breach”, “report” “whistleblower” pursuant to Legislative Decree no. 24 of 10 March 2023, in accordance with regulation itself;
- the Company has put in place a telematic *tool*, which will allow whistleblowers to submit verbal or written reports or, if the immediate submission of verbal reports is not feasible, to make an appointment with the officer designated to receive the report, respecting the guarantees of confidentiality and safeguarding against any form of reprisal in relation to the report;
- the reports may also be submitted, at the choice of the whistleblower, by means of a communication to be sent to the addresses indicated in paragraph 5.3.3, however these reports will not be subject to the regulations envisaged by Legislative decree 24/23;
- the entity currently assigned to receiving and following up the report (investigation, filing and transmission to the Board of Directors if and where necessary) is the Company's Supervisory Body;
- a copy of the procedure shall always be available to the Company's employees, in paper form on the company's bulletin boards and in digital form on the dedicated portal. The Procedure shall be notified by the Company to potential non-employee whistleblowers with due publication on the Company's website.

### 7.2 Sanctions

Any breach of the provisions of the Whistleblowing Procedure shall constitute reason for disciplinary sanctions to be taken, in the same way as those cases described in Paragraph 8 below.

## 8. The Disciplinary System of the Model

### 8.1 Introduction

In order to be effective, Organizational models require the implementation of an appropriate disciplinary system, capable of identifying and punishing behaviour which breaches the established regulations and objectives.

In individual cases, the type and extent of the specific sanctions shall be applied by BRAWO S.p.A according to the severity of the breaches and, in any case, according to the following general criteria:

- subjective element of the conduct, depending on the presence of wilful, guilty, negligent or impervious actions;
- identification of the violated obligations;
- consequences of the committed offence;
- the level of hierarchical and/or technical responsibility of the offender;
- sharing of responsibility with other parties (participation of other parties in the offence);
- professionalism, previous work performance, disciplinary background, circumstances in which the offence was committed.

In accordance with the combined provisions of art. 5(b) and 7 of the Legislative Decree, the sanctions illustrated in the following paragraphs may be applied, depending on their severity, to BRAWO S.p.A. personnel who commit disciplinary offences arising from:

- failure to comply with the provisions of the Model;
- failure to comply with the documentation, storage and control of acts methods provided for in the procedures;
- failure to comply with the foreseen code of conduct;
- violation and/or breach of the control system, implemented by means of the removal, destruction or alteration of the documentation provided for by the procedures or code of conduct, or by preventing the competent persons responsible from controlling or accessing the information and documentation.

In accordance with the provisions of the following paragraphs, BRAWO S.p.A also applies the disciplinary sanctions to anyone who interferes with or misuses the *whistleblowing* channels prepared by the Company, in particular: a) violating the whistleblower protection measures; b) making false reports with wilful intent or with gross negligence.

The Company may also take appropriate disciplinary and/or legal action against those who retaliate or discriminate against the whistleblower as a result of his or her disclosure.

## 8.2 Sanctions for Employees

The provisions of the Model are an integral part of the contractual obligations undertaken by Employees. Any violation of the Model may be interpreted as a breach of the contract obligations, and consequently the laws in force.

Upon receiving notice of a breach of the Model, BRAWO S.p.A initiates the investigation procedure. If a breach is ascertained, the disciplinary sanction proportionate to the level of gravity of the breach shall be imposed by the persons responsible.

More specifically, this involves:

- i) written or verbal reprimands, fines or suspensions from work are applicable to all employees who:
  - fail to comply with the requirements indicated in the organizational Model (e.g. failure to comply with the prescribed procedures, fail to submit to the SB the information flows provided for in the Model, fail to carry out controls, etc.);

- violate the measures put in place to protect *whistleblowers* who disclose relevant conduct in accordance with Legislative Decree no. 231/ 2001, or breaches of the Model;
- submit unfounded disclosure via the *whistleblowing* channels, with wilful intent or gross negligence.

(ii) in addition, the decision to dismiss workers with due warning who: adopt a behaviour which is clearly in breach of the requirements of the Model and of particular gravity, to the extent where it could potentially have led – with a high probability of occurrence – to the occurrence of an event capable of exposing the Company to the risk of the application of the measures provided for in the Legislative Decree (e.g. (i) does not continuously perform the supervisory activity foreseen by the Consolidated Act 81/2008 as regards to the Special Section G, (ii) behaves in an obstructionist manner against the SB, (iii) falsifies documents);

(iii) To conclude, the decision to dismiss an employee without notice is applicable to those who: adopt a behaviour which is clearly in breach of the requirements of the Model and of particular gravity, to the extent where it could potentially have led – with a high probability of occurrence – to the occurrence of an event capable of exposing the Company to the risk of the application of the measures provided for in the Legislative Decree (e.g access to a competitor's computer system with the intent of damaging the system, tampering with machinery and/or equipment and/or Personal Protective Equipment, thereby committing an offence himself or on behalf of other, in respect of Special Section G).

All offences committed by employees are reported to the HR Department, which, after analysing the situation with the assistance of an independent consultant as and where necessary, forwards them to the Employer or to the Managing Director (depending on the competence of each individual), who signs the document and, therefore, issues the disciplinary measures deemed necessary.

The HR Area maintains a paper archive with all the documentation relating to the sanctions issued.

The Supervisory Body must necessarily be involved in the implementation of the disciplinary sanctions following the breach of the Model, in the sense that no disciplinary sanctions can be issued without prior consultation with the Supervisory Body.

This communication becomes superfluous when the proposal for the application of the penalty is issued by the Supervisory Body.

### **8.3 Disciplinary Action Against Executives**

In the event of a breach on the part of Executives, of the Organizational Model or the adoption of the same, in carrying out their activities in risk areas, or a conduct which is not in line with the provisions of the Model itself, suitable measures shall be applied to said executives, and in compliance with the provisions of the National Collective Labour Agreement for Executives in the industrial sector.

Suitable measures can also be put in place to protect *whistleblowers* who disclose relevant conduct in accordance with Leg.Decree no. 231/2001, or breaches of the Model, and also in cases where unfounded disclosure via the *whistleblowing* channels, with wilful intent or gross negligence takes place.

The Managing Directors are in charge of managing disciplinary procedures and imposing of sanctions. The Supervisory Body must necessarily be involved in the implementation of the disciplinary sanctions following the breach of the Model, in the sense that no disciplinary sanctions can be issued without prior consultation with the Supervisory Body.

This communication becomes superfluous when the proposal for the application of the sanction is issued by the Supervisory Body.

#### **8.4 Disciplinary measures for Directors**

The SB informs the Board of Statutory Auditors and all the Directors of any alleged breach of the Model by one or more members of the Board of Directors; this also includes breach of the specific *whistleblowing* measures.

The BRAWO S.p.A. Board of Directors, with the abstention of those who are alleged to have breached the Model, subsequently carries out all necessary investigations and, after hearing the Board of Statutory Auditors, takes all appropriate measures: administrative sanctions; revocation of proxies; convocation of the Meeting of Shareholders to decide on the revocation of office.

#### **8.5 Disciplinary measures for Statutory Auditors**

The SB informs the Board of Statutory Auditors and Board of Directors of any alleged breach of the Model by one or more Auditors; this also includes breach of the specific *whistleblowing* measures.

The Board of Statutory Auditors carries out all necessary investigations and, after hearing the Board of Directors, takes all appropriate measures.

#### **8.6 Disciplinary measures for Collaborators**

For all those who work as a Collaborator, the action infers the withdrawal for just cause or the termination of the relative contract, in the case in which they have adopted certain behaviour in contrast with the provisions foreseen by the Model with respect to the activity and/or the task appointed to them, and this may substantiate a hypothesis of responsibility on the part of the Company according to the Legislative Decree.

The same measures shall also be put in place in the event that the collaborator breaches the *whistleblowing* provisions foreseen by the Model.