ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL PURSUANT TO LEGISLATIVE DECREE No. 231 of 8 JUNE 2001

GENERAL SECTION

In the event of any discrepancy between the Italian and English versions, the Italian version shall prevail.

Industrie Chimiche Forestali S.p.A.

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1. LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001

1.1. Administrative liability of legal persons

Legislative Decree No. 231 of 8 June 2001 (hereinafter "**Legislative Decree No. 231**" or the "**Decree**"), issued to implement Enabling Act No. 300 of 29 September 2000, introduced the "*Regulations on the liability of legal persons, companies and associations with or without legal personality*" in Italy, which is part of a broad legislative process aimed at combating corruption and brought Italian legislation on the liability of legal persons into line with a number of International Conventions[1] to which Italy had previously been a signatory.
Legislative Decree No. 231 therefore establishes a system of administrative liability (substantially equivalent to criminal liability) to be borne by legal persons (hereinafter "**Entity/Entities**"), which is to be added to the liability of the natural person (hereinafter described) who is the material author of the offence and aims to involve, in the punishment thereof, the Entities in whose interest or advantage the offence was committed. This administrative liability regards solely offences specifically listed in Legislative Decree No. 231.
Article 4 of the Decree also specifies that in certain cases and under the conditions set forth by articles 7, 8, 9 and 10 of the Italian Criminal Code, Entities having their head office in Italy shall have administrative liability for offences committed abroad by natural persons (as hereinafter described) provided that they are not prosecuted by the State in which the offence was committed.

The key aspects of Legislative Decree No. 231 can be summarised as follows:

a) To identify those persons who, by committing an offence in the interest or to the benefit of an Entity, may result in that Entity being liable[2]. More specifically, these might be:

(i) natural persons who hold senior management positions (having functions of representation, administration or management of the Entity or of an organizational unit thereof with financial and functional autonomy or persons who exercise management and control thereof: hereinafter "**Senior Executives**");

(ii) natural persons subject to management or supervision by one of the Senior Executives (hereinafter "**Subordinates**").

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[1] The "*Convention on the protection of the European Communities' financial interests*" drawn up in Brussels on 26.07.1995; the "Convention of 26.05.1997", also signed in Brussels, on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union; and the "OECD Convention of 17.12.1997" on combating bribery of foreign public officials in international business transactions

[2] The Entity is only administratively liability if the criminal offence was committed "*in the interest or to the benefit of the Entity*": therefore, it relates not only to cases whereby the Entity benefits financially, but also where, even in the absence of a tangible benefit, the unlawful act is in the interest of the Entity. Otherwise, the Court of Cassation has specified that the liability of the Entity "*must be excluded*" in cases whereby the Entity benefits from the unlawful conduct of the natural person, but it appears that the offender acted "*solely in their own interest or that of third parties*" (...). Indeed, in such cases, it would be classified as an incidental advantage, and therefore cannot be attributed to the will of the legal person (Court of Cassation, Criminal sect. VI, 2 October 2006, no. 32627).

In this regard, it should be noted that, according to judicial interpretation which is now fully established regarding this matter, it is not necessary for Subordinates to have a contractual employment relationship with the Entity, as this notion shall also include "*those workers who, while not being employees of the Entity, have a relationship with it such that the Entity's executives have a supervisory obligation towards them. For example, agents, partners in joint ventures, so-called para-subordinate workers in general, distributors, suppliers, consultants, collaborators*"[3].

Indeed, according to prevailing doctrine, those matters where a specific assignment is entrusted to external collaborators, who are required to perform that assignment under the direction or control of Senior Executives, shall be of relevance with respect to the Entity's administrative liability. "*In such situations, which doctrine establishes may constitute an instrument or opportunity for committing an unlawful act, there would be no reason to exclude the liability of the entity, if the offence was committed in its interest or to its benefit*"[4].

b) Types of offences set forth, more specifically:

(i) Unlawful receipt of funds, defrauding the State, a public body or the European Union including for the purpose of obtaining public funds, computer fraud perpetrated against the State or a public body and public procurement fraud (art. 24[5]);

(ii) Computer crimes and unlawful processing of data (art. 24-*bis*[6]);

(iii) Offences connected with organised crime (art. 24-*ter*);

(iv) Embezzlement, improper allocation of money or movable assets, extortion, undue inducement

[3] Verbatim in the Italian version: Assonime circular No. 68, dated 19 November 2002. For specific judicial interpretations also see: Zanalda-Barcellona, *The administrative liability of companies and the organisational models*, Milan, 2002, pag. 12 et seq; Santi, *The liability of the companies and entities*, Milan, 2004, pag. 212 et seq; Bassi – Epidendio, *Entities and criminal liability*, Milan, 2006, pag. 158 et seq; Zanardi – Baggio – Rebecca, *The administrative liability of companies*, Il Sole 24 Ore, 2008. Of particular interest from judicial precedent is the court order issued by the GIP (Preliminary Investigations Magistrate), Dr Salvini, on 27 April 2004, in which one of the perpetrators of the offences from which the entity's administrative liability arose, i.e. a consultant employed by the company - and therefore not part of the company's organisation chart - was deemed to be a subordinate.

[4] (A. Rossi, *"The liability of entities: responsible parties", in "The administrative liability of the companies and entities",* no. 2 – 2008, pag. 195).

[5] Article amended by Legislative Decree No. 75/2020 which implemented Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law (the so-called PIF Directive) and by Decree Law No. 105 of 10 August 2023 coordinated with Conversion Law No. 137 of 9 October 2023, which introduced the offences provided for in articles 353 *"Disruption of the freedom of auctions"* and 353-bis *"Disruption of the freedom of the contractor selection procedure"* of the Italian Criminal Code.

[6] Article amended by Law No. 90 of June 28, 2024, titled "Provisions on Strengthening National Cybersecurity and Combatting Cybercrimes" (the "Cybersecurity Law"), which, among other things, incorporated the offense under Article 629, paragraph 3, of the Italian Penal Code concerning "cyber extortion" within the scope of predicate offenses. Additionally, the law replaced the reference to the now-repealed Article 615-quinquies of the Penal Code with a reference to the new offense under Article 635-quater.1, which addresses the "Possession, dissemination, and unauthorized installation of equipment, devices, or software intended to damage or disrupt a computer or telecommunication system."

to give or promise benefits, and corruption (art. 25);[7]

(v) Forging money, bills of exchange and instruments of credit, revenue stamps and logos, signatures or other forms of identification (art. 25-*bis*);

(vi) Offences against industry and commerce (art. 25-*bis*1);

(vii) Corporate offences (art. 25-ter[8]);

(viii) Offences for the purposes of terrorism or subversion of the democratic order (art. 25-quater);

(ix) Female genital mutilation (art. 25-*quater*1);

(x) Offences against individuals (art. 25-*quinquies*);

(xi) Market abuse offences (art. 25-*sexies*);[9]

(xii) Manslaughter or actual or grievous bodily harm resulting from breaches of occupational health and safety standards (art. 25-*septies*);

(xiii) Receiving stolen goods, money laundering and the use of money, goods or benefits of unlawful origin, as well as self-laundering (art. 25-*octies*[10]);

(xiv) Offences relating to breaches of European Union restrictive measures (art. 25-octies.2);[11]

(xv) Offences relating to non-cash payment instruments (art. 25-*octies.1*[12]);

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[7] Article introduced by Legislative Decree No. 75/2020 which implemented Directive (EU) 2017/1371 on the fight against fraud to the Union's financial interests by means of criminal law (the so-called PIF Directive) and subsequently by Decree-Law No. 92 of 4 July 2024, converted with amendments by Law No. 112 of 8 August 2024, *entitled "Urgent measures on prison system, civil and criminal justice, and Ministry of Justice personnel,"* and by Law No. 114 of 9 August 2024, entitled *"Amendments to the Criminal Code, the Code of Criminal Procedure, the Judicial System, and the Military Code."*

[8] Article amended by Legislative Decree No. 19 of 2 March 2023, (the "Decree") governing the *"Implementation of directive (EU) 2019/2121 of the European Parliament and of the Council of 27 November 2019, amending directive (EU) 2017/1132 relating to cross-border transfers, mergers and divisions"* which introduced, in art. 25-ter *"Corporate offences"*, the offence of *"failing to provide or falsifying declarations for the purpose of obtaining pre-operation certificates"*.and, most recently, by Law No. 132 of 23 September 2025 implementing the European AI Act. Amended by Law No. 132 of 23 September 2025 implementing the European AI Act.

[10] The typical conduct relating to the offences referred to therein were amended by Legislative Decree No. 195 of 8 November 2021, governing the implementation of Directive (EU) 2018/1673 on combating money laundering by criminal law.

Legislative Decree No. 211/2025, implementing Directive (EU) 2024/1226 of the European Parliament and of the Council of 24 April 2024 on the definition of criminal offences and penalties for the violation of Union restrictive measures and amending Directive (EU) 2018/1673, introduced into the Italian Criminal Code a new Chapter I-bis of Title I, Book II, entitled "Offences against the foreign policy and common security of the European Union", comprising Articles 275-bis to 275-decies of the Italian Criminal Code. At the same time, Article 6 of the Legislative Decree included certain of those offences among the predicate offences under Legislative Decree No. 231/2001, as referred to in the new Article 25-octies.2.

[12] Article introduced by Legislative Decree No. 184 governing the *"Implementation of directive (EU) 2019/713 of the European Parliament and of the Council of 17 April 2019 on combating fraud and counterfeiting of non-cash means of payment and replacing Council Framework Decision 2001/413/JHA"* and by Decree Law No. 105 of 10 August 2023 coordinated with Conversion Law No. 137 of 9 October 2023, which introduced the offences provided for by art. 512-bis *"Fraudulent conveyance"* of the Italian Criminal Code. This provision was later amended by Article 3, paragraph 9, of Decree-Law No. 19 of March 2, 2024 (converted into Law No. 56 of April 29, 2024), which added a second paragraph to Article 512-bis of the Penal Code. This amendment broadens the scope of the offense by also penalizing individuals who seek to circumvent anti-mafia documentation

(xvi) Copyright infringement offences (art. 25-*novies*);[13]

(xvii) Incitement not to provide statements or to provide false statements to the judicial authorities (art. 25-*decies*);

(xviii) Environmental offences (art. 25-*undecies*);[14]

(xix) Employment of third-country citizens residing in the country illegally (art. 25-*duodecies*)[15];

(xx) Racism and xenophobia (art. 25-*terdecies*);

(xxi) Fraud in sporting competitions, unauthorised gaming or betting, and gambling using prohibited devices (art. 25-*quaterdecies*);

(xxii) Tax offences (art. 25-*quinquiesdecies*);

(xxiii) Offences relating to smuggling (art. 25-*sexiesdecies*)[16]

(xxiv) Offences against cultural heritage (art. 25-*septiesdecies*)[17]

(xxv) Offences against animals (art. 25-undevicies);[18]

(xxvi) Laundering of cultural heritage and the destruction and ransacking of cultural and

requirements by falsely attributing ownership of businesses, company shares, or corporate offices to others, particularly when the entrepreneur or company participates in procurement procedures or the execution of contracts or concessions.

Amended by Law No. 132 of 23 September 2025 implementing the European AI Act.
Recently amended by Decree-Law No. 116/2025, known as the "Terra dei Fuochi Decree", which expanded the catalogue of environmental predicate offences following amendments to the Consolidated Environmental Act and the Italian Criminal Code and increased, for certain offences, the financial penalties and disqualification measures applicable to entities. Most recently, Legislative Decree No. 81 of 21 April 2026 was issued to implement Directive (EU) 2024/1203 of the European Parliament and of the Council of 11 April 2024 on the protection of the environment through criminal law. The Decree introduced three new predicate offences: "trade in polluting products" under Article 452-bis.1 of the Italian Criminal Code, "production and trade of substances that deplete the ozone layer" under Article 4 of Legislative Decree No. 81/2026, and "production and trade of fluorinated greenhouse gases" under Article 5 of Legislative Decree No. 81/2026. Legislative Decree No. 81/2026 also repealed Article 733-bis of the Italian Criminal Code concerning the destruction or deterioration of habitats within a protected site, now covered by Article 452-bis.1 of the Italian Criminal Code, and amended the sanctions applicable to certain predicate offences already included in Legislative Decree No. 231/2001.

[15] Decree-Law No. 145 of 11 October 2024 introduced certain amendments to Legislative Decree No. 286 of 25 July 1998 (Consolidated Act on Immigration Law), referenced in Article 25-duodecies of Legislative Decree 231/01.

[16] This article was introduced by Legislative Decree No. 75 of 2020, which implemented Directive (EU) 2017/1371 on the fight against fraud affecting the financial interests of the Union by means of criminal law (so-called PIF Directive). The article was further amended by Legislative Decree No. 141 of 26 September 2024, entitled *"National implementing provisions for the Union Customs Code and revision of the sanctions system concerning excise duties and other indirect taxes on production and consumption."* This legislative reform, which repealed the Consolidated Act on Customs Law (Presidential Decree No. 43 of 1973), introduced amendments to Article 25-sexdecies of Legislative Decree 231/2001 concerning smuggling. Moreover, offences under the Consolidated Act on Excise Duties (Legislative Decree No. 504 of 1995) have been added to the list of predicate offences pursuant to Legislative Decree 231/01.

[17] Article introduced by Law No 22 of 9 March 2022, *"Provisions on offences against cultural heritage"*.

Article introduced by Law No. 82 of 6 June 2025, "Amendments to the Criminal Code, the Code of Criminal Procedure and other provisions for the integration and harmonisation of the rules on offences against animals".

landscape heritage (art. 25-*duodevicies*)[19]

The offences connected with organised crime (art. 25 ter), introduced by Law No. 146 of 16 March 2006 "*Ratification and execution of the United Nations Convention and Protocols against transnational organized crime*", include the following:

- criminal conspiracy (article 416 of the Italian Criminal Code);
- mafia-type associations (article 416-*bis* of the Italian Criminal Code);
- conspiracy to smuggle tobacco products from abroad (article 291-*quater* of Presidential Decree No. 43 of 23 January 1973);
- association for the unlawful trafficking of narcotic drugs or psychoactive substances (article 74 of Presidential Decree No. 309 of 9 October 1990);
- trafficking of migrants (art.12(3), art.12(3-*bis)*, art.12(3-*ter)* and art.12(5) of Legislative Decree No. 286 of 25 July 1998);
- aiding and abetting (article 378 of the Italian Criminal Code).

1.2. Sanctions set forth by the Decree to be borne by the entity

The sanctions set forth by Legislative Decree No. 231 governing the administrative liability of entities resulting from the commission of offences can be summarised as follows:

a) administrative pecuniary sanctions;
b) debarment sanctions;
c) confiscation;
d) publication of the sentence.

(a) Administrative pecuniary sanctions, governed by articles 10 et seq. of the Decree, constitutes the "basic" sanction that must be paid by the Entity from its own financial resources or via a mutual fund.
In establishing the legislation, the legislator adopted an innovative approach to assessing the extent of the sanction, obliging the court to conduct two different, consecutive assessments. This enables the court to adjust the extent of the sanction to ensure it's commensurate with the seriousness of the offence committed and the Entity's financial and economic position.
The first assessment requires the court to determine the number of units (which must be no fewer than one hundred, and no more than one thousand)[20] taking into account:

- the seriousness of the offence;

[19] Article introduced by Law No 22 of 9 March 2022, *"Provisions on offences against cultural heritage"*.

[20] Regarding market abuse offences, the second paragraph of article 25-sexies of Legislative Decree No. 231 provides that: *"If, after committing the offences specified in paragraph 1, the product or profit generated by the Entity is significant, the sanction shall be increased by up to ten times the said product or profit"*.

- the Entity's degree of liability;
- the efforts made to eliminate or mitigate the consequences of the offence and to prevent offences from being committed.

In the process of conducting the second assessment, the court shall determine, within the minimum and maximum values previously determined in relation to the offences sanctioned, the value of each unit (from a minimum of €258.00 to a maximum of €1,549.00). This value shall be established "*on the basis of the Entity's financial and economic position, in order to ensure that the sanction shall be effective*" (articles 10 and 11(2) of Legislative Decree No. 231. As stated in Section 5.1 of the Decree report, "*Regarding the method for establishing the Entity's financial and economic position, the court may refer to the financial statements or any other documents suitable for appraising such financial means. In some cases, the appraisal may also take into consideration the size of the Entity and its position within its market of operation. (...) The court, with the help of consultants, shall investigate the true nature of the enterprise, so as to obtain the necessary information regarding the Entity's financial and economic position.*"

Article 12 of Legislative Decree No. 231 provides for a number of cases whereby the financial sanction may be reduced.

(b) The **debarment sanctions** set forth by the Decree are outlined hereinafter and apply only in relation to offences for which they have been expressly established:

- disqualification from performing the corporate activity;
- suspension or revocation of the authorisations, licences or concessions associated with the commission of the offence;
- prohibition from contracting with public administrative bodies, except to obtain public services;
- exclusion from subsidies, loans, contributions and grants, and/or the withdrawal of any already granted;
- ban on advertising goods or services.

For debarment sanctions to be imposed, at least one of the conditions set out in article 13 of Legislative Decree No. 231 must also apply, namely:

- "the Entity has profited significantly as a result of the offence and the offence has been committed by either senior executives or by subordinates and, in this case, the commission of the offence was caused or facilitated by serious organisational shortcomings"; or
- "in the event of repeated instances of the offence being committed".

In any event, no debarment sanctions shall apply where the material author of the offence committed the act primarily in their own interest or that of third parties and the Entity gained no or only a minimal benefit as a result, i.e. the financial harm caused was particularly minor.

The debarment sanctions shall also not apply where the Entity has implemented remedial measures as set forth by article 17 of Legislative Decree No. 231, i.e. where the following conditions are met:

- "the entity has fully compensated the damage and has either eliminated the harmful or dangerous consequences of the offence or has undertaken effective measures to do so";
- "the entity has rectified the organisational shortcomings that allowed the offence to be committed by adopting and implementing suitable organisational models for preventing offences of this type from being committed again";
- "the entity has made the profit gained as a result of the offence available for confiscation".

Debarment sanctions shall have a minimum duration of three months and a maximum duration of two years and the court shall make its decision regarding the applicable measure and duration on the basis of the criteria previously outlined for determining the appropriate pecuniary sanctions, "*taking into account the suitability of the individual sanctions for preventing infringements of this type from being committed*" (article 14, Legislative Decree No. 231).

The legislator was also keen to underline that the debarment from conducting corporate activities should be secondary in relation to the other sanctions.

(c) Pursuant to article 19 of Legislative Decree No. 231, should the Entity be deemed liable, the sentence will always include an order for **confiscation** – even of equivalent value – of the price (cash or other financial benefit given or promised in order to induce or cause another party to commit the offence) or the proceeds (financial benefit immediately obtained) of the offence, except for the part that may be returned to the damaged party and without prejudice to the rights acquired in good faith by third parties.

(d) In the event that a debarment sanction is applied, the **publication of the sentence** in one or more newspapers, as an excerpt or in full, may be ordered by the court, with public notices also displayed around the municipality in which the Entity's headquarters are located. The publication of the sentence shall be arranged by the court clerk, with all costs borne by the Entity.

1.3. Exemptions from administrative liability

Organisational and management models in general and the Supervisory Body

Articles 6 and 7 of Legislative Decree No. 231 provide for specific forms of exemption from administrative liability for the Entity for any offences committed in its interest or to its benefit, whether by Senior Executives or by Subordinates (as defined in paragraph 1.1 above).
Specifically, where offences are committed by Senior Executives, article 6 of the Decree states that the Entity cannot be held liable where it can demonstrate that:

a) the Entity's executive board had adopted and effectively implemented, prior to the offence being committed, an organisational and management model designed to prevent the commission of such offences (hereinafter the "**Model**" or "**Model 231**");
b) the task of overseeing the operation and monitoring of the Model, as well as proposing any necessary updates to it, has been assigned to a Supervisory Body within the Entity (hereinafter the "**SB**"), with independent powers of initiative and control;
c) the persons committing the offence acted by fraudulently circumventing the Model;
d) there was no failure to monitor or inadequate monitoring on the part of the SB.

With respect to Subordinates, article 7 of the Decree provides that the Entity shall not be liable where it can demonstrate that, prior to the offence being committed, it had adopted and effectively implemented a Model designed to prevent the commission of such offences.
However, the Entity is not exempted from liability simply by adopting such a Model, it must have effectively implemented all the protocols and controls needed to limit the risk of such offences being committed[21]. In particular, with reference to the Model's characteristics, article 6(2) of the Decree expressly provides for the following preparatory steps to be conducted to ensure the Model's proper implementation:

a) identify the activities in relation to which the offences may be committed;
b) develop specific protocols to guide how decisions are to be taken and adopted by the Entity, for the purpose of preventing such offences from being committed;
c) identify methods for investing financial resources to facilitate preventing such offences from being committed;
d) establish the obligations with respect to informing the SB;
e) introduce a disciplinary system to govern and sanction any failures to comply with the measures laid down by the Model.

[21] In this regard, the Decree report observes that *"in order for the adoption of the Model to exempt the entity from any liability, it must be effectively implemented: effectiveness is therefore a qualifying and indispensable element in our system of liability"* (G.R. Croce - C. Coratella, Guida alla responsabilità da reato degli enti, Il Sole 24 ore, 2008, p.21).

The Confindustria Guidelines

On the express indication of the delegated legislator, the Models may be adopted on the basis of codes of conduct prepared by industry associations that have been communicated to the Ministry of Justice which, in conjunction with the competent Ministries, may, within 30 days, submit observations on the suitability of the models for preventing offences.
The preparation of this Model is based on Guidelines for the development of Organisational, Management and Control Models pursuant to Legislative Decree No. 231, approved by Confindustria on 7 March 2002 and subsequently updated (hereinafter the "**Guidelines**").
The process specified in the Guidelines for developing the Model is summarised in the following key points:

a) identification of risk areas, aimed at verifying in which business areas/sectors offences may be committed;
b) establishment of a control system capable of reducing risks through the adoption of appropriate protocols. For this to be adequately supported, a coordinated set of organisational units and activities must be established and operational rules applied – as determined by top management – by management and consultants, aimed at providing reasonable assurance concerning the achievement of the objectives of an effective internal control system.

The key components of the preventive control system proposed by the Confindustria are:

- Code of Ethics;
- organisational system;
- manual and IT procedures;
- authorisation and signatory powers;
- control and management systems;
- communication to staff and their training.

Furthermore, the control system should be based on the following principles:

- all operations must be verifiable, documented, consistent and coherent;
- separation of duties (no single person may independently manage all phases of a process);
- controls and checks must be documented;
- introduction of an adequate Disciplinary System to manage any breaches of the rules and protocols set out in the Model;
- creation of an SB, the primary requisites of which should be:

- autonomy and independence;
- professionalism;
- continuity of action;
- obligation on corporate functions, especially those where the risk of offences being committed is highest, to provide information to the SB, both on a structured basis (periodic reports on the implementation of the Model), and to report any irregularities or anomalies in the available information.

2. INDUSTRIE CHIMICHE FORESTALI S.P.A. AND ITS MISSION

Industrie Chimiche Forestali S.p.A. (hereinafter "**ICF**" or the "**Company**") is an Italian joint-stock company, with registered office in Marcallo Con Casone (Province of Milan) at Via Fratelli Kennedy 75, subscribed and paid-up share capital of €38,000,000.00, Tax ID No. and Milan Register of Companies No. 04918930969, Economic and Administrative Business Register No. 1781972.

ICF is a company listed on the EURONEXT GROWTH MILAN (EGM) market, becoming so following the merger by incorporation of ICF Group S.p.A., which took effect for statutory purposes on 1 August 2020.

ICF's corporate purpose is to conduct the following activities:

- the manufacture, processing and sale, either directly or through representatives, of textiles, adhesives, resins, synthetic resins, plastics and chemical products in general for industrial and non-industrial use;
- the research, development and sale of technologies, the granting of production licences, the construction, installation and sale, either directly or through representatives, of plant and machinery within its sector of operation.

The Company operates both nationally, i.e. within Italy, and internationally in all the above-mentioned sectors, including through its subsidiary Forestali de Mexico S.A., which operates principally in the Mexican market.

With a notarial act, effective from 3 April 2023, Industrie Chimiche Forestali S.p.A. acquired the full and legal ownership of Tessitura Langé S.r.l., with registered office in Robecchetto con Induno at Via Legnano 19 and Via Dante 18 (Province of Milan), which finishes and embellishes fabrics and sells yarns, fabrics and textile products in general. The acquisition of the business unit resulted in the integration of a new production site into the organisation; however, all "corporate" or "support" functions (for example: Administration and Finance, Human Resources, IT), are shared and centralised at the Marcallo con Casone site.

Today, the ICF Group (Industrie Chimiche Forestali S.p.A. and Forestali de Mexico S.A.) has approximately 160 employees (between the two sites of Marcallo con Casone and Robecchetto con Induno) and manufactures its products at both the Marcallo con Casone and Robecchetto con Induno plants.

More specifically, at its Marcallo con Casone production site, ICF conducts its research, production and marketing activities for:

- adhesives, primers and activators;
- materials for toe-puffs, heel counters, linings, reinforcements and insoles.

The production of adhesives is the aspect of the company's activities that involves the most significant use of chemical processes. The adhesives produced are marketed and sold. The primary adhesives produced are:

- solvent-based adhesives: polychloroprene-based, natural rubber-based, synthetic rubber-based;
- water-based adhesives;
- synthesised adhesives: polyurethane-based;
- primers and activators.

The textile production aspect relates to particular articles used in the footwear industry, such as toe-puffs, heel counters, linings and reinforcements, all components that are used in the manufacture of shoes. They're produced in the “Textile” department through the following processes: Impregnation, Hot Melt coating, Powder coating, Coextrusion, Flexographic printing, Cutting, Winding.

Generally speaking, the activities conducted by Tessitura Langé at the Robecchetto site are aimed at the production and marketing of industrial fabrics, principally made of cotton, but also viscose, cotton-polyester and polyester, intended for the footwear and packaging sectors. Some of the fabrics are entirely produced in-house using yarns, while others are purchased greige for subsequent dyeing and finishing.

ICF’s market is currently positioned upstream in the footwear sector’s supply chain, particularly in relation to the production of adhesives and materials for toe-puffs, heel counters, linings, reinforcements and insoles.

2.1. Company Organizational Chart

ICF has a functional organisational structure; the organisational chart currently in force is annexed to this General Section.

2.2. Corporate Governance

General principles

In conducting their activities, the Company and its corporate bodies shall comply with the principles of good corporate governance, as well as those laid down in the Code of Ethics.
This corporate governance system is oriented towards:

- maximising value for shareholders;
- delivering high quality service to customers;
- maximum transparency vis-à-vis the market.

Shareholders' Meetings

The Company encourages and facilitates shareholder participation in Shareholders' Meetings, in particular by providing all the necessary information and documentation to ensure those attending are fully informed.

The Shareholders' Meeting resolves on matters reserved to it by law, by regulations – including the EURONEXT GROWTH MILAN (EGM) Issuers' Regulations – and by the Articles of Association. The prior authorisation of the ordinary shareholders' meeting, pursuant to article 2364(1)(5) of the Italian Civil Code, is required in the cases set forth by law, and in particular, in the following cases:

i. acquisitions of shareholdings, enterprises or other assets that bring about a "reverse takeover" as laid down by the EURONEXT GROWTH MILAN (EGM) Issuers' Regulations;
ii. disposal of shareholdings, enterprises or other assets that bring about a "substantial change of business" as laid down by the EURONEXT GROWTH MILAN (EGM) Issuers' Regulations;
iii. requesting that the Company's shares are delisted for trading on the EURONEXT GROWTH MILAN (EGM) market, it being understood that the delisting, as well as the adoption of any resolution resulting in an exclusion from trading, shall be approved – unless Borsa Italiana S.p.A. decides otherwise – with 90% of the shareholders attending the meeting voting in favour or with a different percentage pursuant to the EURONEXT GROWTH MILAN (EGM) Issuers' Regulations. This provision shall not apply in the event that the Company's shares are to be delisted from the EURONEXT GROWTH MILANO (EGM) market for the purposes of being traded on a regulated market.

The Shareholders' Meeting shall be deemed constituted and may resolve with the majorities set forth by law, except as stated above (with reference to article 10.1 of the Articles of Association).

The manner in which the Shareholders' Meeting may be convened is defined in art. 12 of the Articles of Association. Attendance and voting at the Shareholders' Meeting is governed by art. 13 of the Articles of Association.

The Board of Directors

The Board of Directors has the power and duty to manage the Company, pursuing the primary objective of generating value for shareholders; to this end, it shall take all decisions necessary or beneficial for achieving the corporate objectives.

Powers of the Board of Directors

The Board of Directors is vested with the broadest powers to carry out the ordinary and extraordinary management of the Company, with the power to perform all actions deemed necessary for the achievement of its corporate objectives, with the sole exception of those actions that are reserved to the shareholders by Law and the Articles of Association.

Pursuant to article 2365(2) of the Italian Civil Code, the Board of Directors may also pass the following resolutions, without prejudice to the shared competence of the Shareholders' Meeting: (i) establishment or closure of secondary sites; (ii) reduction in share capital following a shareholder withdrawal; (iii) amendment of the Articles of Association to comply with current legislation; (iv) relocation of the Company's registered office within Italy; (v) mergers and demergers, in cases provided for by law.
For Board resolutions to be deemed valid, a majority of the currently appointed members must be in attendance. Resolutions are passed by a majority vote of those present.

Duties of the directors

The directors contribute to the Company's activities by applying their specific expertise; they fully understand the duties and responsibilities of their appointment; they dedicate the necessary time to it; they ensure they are fully informed when taking part in deliberations; they maintain the confidentiality of any information acquired during the course of fulfilling their role. The Chairman and Chief Executive Officer shall keep the Board of Directors fully informed regarding any new regulations that affect the company and the actions taken as a consequence.

Directors are appointed for a period of 3 (three) fiscal years, or for the period, which in any case should not exceed 3 (three) fiscal years, established at the time of their appointment, and they may be reappointed. Their term of office expires concurrently with the Shareholders' Meeting called for the approval of the financial statements for the final fiscal year of their appointment, except for the causes of termination and disqualification as set forth by the law and the Articles of Association.
All directors must meet the requirements of eligibility, professionalism and integrity as set forth by the law and other applicable provisions. At least two directors must also meet the independence requirements established in article 148(3) of the TUF (Consolidated Financial Services Act), as referred to in article 147-ter(4) of the TUF.

Chairman of the Board of Directors

The Chairman of the Board of Directors, without prejudice to the provisions of the Articles of Association:
a) convenes the Board of Directors meetings, establishes the agenda and, in preparation for the meetings, sends to the Board members, in a timely manner depending on the circumstances of the issue at hand, the appropriate documentation to enable the meeting's participants to hold a fully informed debate;
b) oversees the conduct of the meetings and the voting process;
c) ensures adequate information flows between the Company's senior management and the Board of Directors and, in particular, works to guarantee the completeness of the information

the Board needs to take into consideration in formulating the resolutions and exercising its management, policymaking and control powers with respect to the Company's activities;
d) ensures that the Board is regularly updated on the most significant events to occur in relation to the Company and, at least every six months, provides an update on the Company's general performance;
e) exercises, whenever an urgent situation arises and subject to the provisions set forth by law, any necessary powers relating to matters falling within Board's remit, and subsequently reports any actions or decisions taken, along with the reasons for the urgency, to the Board of Directors at its next meeting.

Delegation of Powers

The Board of Directors may delegate some of its powers to an executive committee, establishing limits to the delegated powers, the number of members to sit on the committee and how it should conduct its activities. In addition, the Board may constitute one or more committees with its own members to provide recommendations, advice or to fulfil a supervisory role.
The Board may appoint one or more CEOs and grant them the relevant powers. The Board of Directors may also appoint general managers, establishing their relative powers, and grant powers of attorney to third parties to perform specific activities or categories of activities.
The Chairman of the Board of Directors is the Company's legal representative in dealings with third parties and in court (with the power to appoint lawyers and attorneys). Company representation is also vested in any directors delegated by the Board of Directors, general managers, proxies and attorneys subject to the limits of the powers granted to them.

On 08/05/2023, the Board of Directors reconfirmed Mr Guido CAMI as Chairman and Chief Executive Officer, granting him, with sole signing authority, all powers of ordinary and extraordinary administration, with the exclusion of those specifically reserved by law or by the Articles of Association for the Shareholders' Meeting, the Board of Directors collectively or the Board of Directors by means of resolution.

The Chief Executive Officer has been designated as Employer, pursuant to the provisions of article 2(b) of Legislative Decree No. 81/2008, as amended, as Operator, as defined by art. 3(i) of Legislative Decree No. 105/2015 and responsible for environmental safety and for all regulations applicable to the Company pursuant to Legislative Decree No. 152/2006, as amended, with full organisational and operational powers, with no spending limits, including the power to grant powers of attorney and proxies to third parties.
To improve the management of issues relating to environmental hygiene and occupational health and safety, the Chief Executive Officer, in accordance with the provisions of art. 16 of Legislative Decree No. 81/2008, as amended, and in view of the principle of greater proximity to risk, has granted the Company's relevant function heads special delegated responsibility for the issues in question: Mr Marcello TAGLIETTI, the Company's COO, has been assigned

responsibility for the Marcallo con Casone plant as well as for the Robecchetto con Induno plant (pursuant to art. 16 of Legislative Decree No. 81/08); the COO, in turn, has sub-delegated responsibility for the Robecchetto con Induno plant to Mr Massimo Langé, making him director of the said plant (pursuant to art. 16(3-bis) of Legislative Decree No. 81/08).

Board of Directors meetings

The Board of Directors meetings shall take place either at the Company's registered office or in another location, provided that it is in a country within the European Union, in Switzerland or in the United Kingdom, and shall convene as often as the Chairman deems necessary or when requested by any of its serving directors or by the Board of Statutory Auditors.

The meeting's calling notices shall be issued either by the Chairman or Vice Chairman or by two directors jointly - in the form of a letter, telegram, telefax or e-mail with proof of receipt - to the home address of each director and statutory auditor at least two days prior to the set meeting date; in urgent circumstances, the meeting may be called the day before the set meeting date. The Board meetings and any resolutions passed shall be considered valid, even if the meeting has not been formally convened, provided all serving directors and statutory auditors are in attendance.

Board of Directors meetings may also be held by audio or video conference, provided that: (i) the Chairman is able to ascertain the identity of all those in attendance, oversee the proceedings of the meeting, and verify and declare the results of any votes; (ii) that the person recording the meeting's minutes is adequately able to observe and understand the proceedings; and (iii) those in attendance are able to fully participate in the discussions and simultaneously vote on the agenda items, as well as to view, receive or transmit documents.

Internal control

The Company's internal control system is a process designed to ensure the effective management of its corporate and business activities; to make management decisions that are transparent and verifiable; to provide reliable accounting and operating information; to ensure compliance with all applicable laws and regulations and to protect the Company's integrity, including to prevent fraud that may be detrimental to the Company, its shareholders or its creditors.

Transactions with related parties

The Company's activities are conducted according to the principles of correctness and transparency. To this end, all transactions with related parties are performed in compliance with the criteria of substantial and procedural correctness.

3. THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

3.1. Key characteristics of the Model

The Company has deemed it appropriate to adopt a specific Organisational, Management and Control Model pursuant to the Decree, believing that such a model, besides being an important tool for ensuring everyone who conducts activities on behalf of the Company does so with integrity and transparency, is also an effective tool for minimising the risk of offences and administrative infringements, as set forth by the relevant legislation, from being committed.

In particular, through adopting and constantly improving the Model, the Company aims to:

- make all those who conduct "sensitive activities" (i.e. those in contexts where, by their very nature, the offences set forth by the Decree may be committed) on behalf of the Company aware that they may incur, in the event of any breach relating to the provisions set forth in the said Decree, disciplinary and/or contractual consequences, as well as any applicable criminal and administrative sanctions;
- reaffirm that such forms of unlawful conduct are contrary - not only to the provisions set forth by the law - but also to the ethical principles to which the Company aspires to adhere in performing its corporate activities and, as such, are strongly condemned (even if the Company could seemingly benefit from such conduct);
- intervene promptly in order to prevent or impede the commission of offences and to sanction any conduct deemed contrary to its Model, particularly through conducting monitoring activities in the areas considered to pose the greatest risk.

Consequently, the Board of Directors considers that the adoption and effective implementation of the Model should not only enable the Company to benefit from the exemption from liability set forth by Legislative Decree No. 231, but should also improve its Corporate Governance by limiting the risk of offences being committed.

The Board of Directors also considers that the Model adopted, notwithstanding its specific purpose (to minimise the risk of unlawful conduct) and the need to comply with legal requirements, must be adapted to the Company's corporate framework, particularly through the adaptation of its internal control system, so as to guarantee that its corporate practices comply with ethical standards and the correct and lawful performance of business activities.

With this in mind, from an organisational perspective the Company has already developed and implemented its organisational chart, as well as a Quality and Environment Manual which contains its corporate procedures.

The communication and dissemination of the Company's organisational chart, Manual and other organisational documents is conducted through a dedicated information distribution system operated via the company intranet.

With respect to management and governance aspects, the Company refers to the provisions of the Articles of Association, which details the duties, responsibilities and powers of the Company's corporate bodies and senior management.

As suggested by the trade association guidelines, the Model formalises and clarifies the allocation of responsibilities, hierarchical reporting lines and the description of duties, making specific provision for control principles such as, for example, cross-checking between functions/duties (where the size of the organisation permits).

From an operational management perspective, preventive controls are established via the separation of duties and, where appropriate in relation to the risks of offences being committed, via the inclusion of different levels of control.

ICF has obtained the ISO 9001 and ISO 14001 quality certifications thanks to the standards it has achieved in the areas of Quality and Environmental Management.

With respect to the control aspects, the Company, in addition to providing for the establishment of an autonomous and independent Supervisory Body, guarantees to integrate and coordinate the SB's activities with the pre-existing internal control system, building on all the previous experience gained in the process.

The Model does not alter the pre-existing functions, purpose and objectives of the control system, but aims to provide greater assurance regarding the compliance of company practices and activities with the Code of Ethics and the corporate regulations that set out its principles for managing the activities in relation to which there's a risk of offences being committed.

Furthermore, and still on the subject of controls, the Model provides for the obligation to document (through formal reports, if necessary) the inspections and controls carried out.

Finally, the communication and training activities provided for by the Model enable:

- personnel, as potential offenders, to become fully cognisant of the types of activities for which there's an elevated risk of an offence being committed, as well as of the Company's total and absolute disapproval of such conduct, which is considered to be detrimental to the Company's interests even if the Company could seemingly benefit from it;

- the Company to intervene promptly to prevent/impede the commission of offences, particularly by continuously monitoring the activities.

The Model adopted, therefore, pervades every aspect of the Company's activities, seeking (where possible) to distinguish operational tasks from control tasks, with the aim of properly managing potential situations of risk and/or conflict of interest.

In particular, the control system involves, performing different roles at different levels, the Board of Directors, the Supervisory Body, the Board of Statutory Auditors, the Chairman and all personnel and, where deemed feasible and necessary, the information systems, thus representing an essential aspect of the Company's day-to-day activities.

The Model forms a structured and organic system of processes, procedures and control activities (preventive and *ex post*), aimed at enabling the conscious management of the risk of offences being committed, through identifying which activities carry a risk of offences being committed and following suitable procedures to manage them.

3.2. Activities for evaluating the existing Model and potential amendments

For the purposes of evaluating the Model and undertaking processes to update and improve it, pursuant to the Decree and the aforementioned trade association guidelines, the Board of Directors decided to establish a risk assessment and management process, adopting the following actions:

- identify and map the Company’s areas and activities;
- correlate the Company’s areas and activities with the types of offences, with a detailed mapping of the areas and activities where a risk of offences being committed exists and which therefore need to be subjected to analysis and monitoring;
- analyse the current ethical and organisational climate, using a range of self-assessment techniques, with a view to assessing certain variables within the corporate context that are likely to inhibit the inclination to engage in unlawful conduct (senior executives encouraging ethical behaviour, management encouraging ethical behaviour, corporate ethical climate, organisational clarity and competence of personnel, remuneration policy, the Entity's financial and economic position, adequacy of the internal control system and its preventive capabilities, adequacy of the training system, correctness and lawfulness of the sector the Entity operates in and its approach to those markets, degree of acceptance of any preventive or corrective actions, the adequacy of the disciplinary and sanctions system);
- analyse the protocols in place in relation to the activities where a risk of offences being committed exists and identify any changes that may be necessary to ensure compliance

with the provisions of the Decree. In this context, particular attention has been and must always be focused on:

- defining the ethical principles in relation to conduct that may constitute an offence;
- defining the activities where a risk of offences being committed exists;
- defining a protocol implementation plan;
- defining a dedicated staff training plan;
- defining protocols aimed at third parties (consultants, suppliers and outsourcers);
- defining and applying a dedicated disciplinary and sanctions system, one that offers sufficient deterrence;

- establishing a dedicated Supervisory Body whose primary responsibility is to oversee the effectiveness and efficacy of the Model;
- defining the information flows between the Supervisory Body and other corporate bodies.

3.3. Structure of the Organisational, Management and Control Model

The Model definition phase was underpinned both by the results of the previous phases and the policy choices made by the Company's decision-making bodies. ICF's intention was to produce a Model which took account of its own particular corporate situation, was consistent with its own system of governance and was designed to make the best use of the existing controls and bodies.

The Model, therefore, constitutes a consistent set of principles, rules and measures which:

- impact on the internal functioning of the Company and how it interacts with the outside world;
- govern the careful management of a system for the control of sensitive activities, designed to prevent the commission, or attempted commission, of the offences set forth by Legislative Decree No. 231.

The Model therefore consists of: (i) a "**General Section**", this document, outlining the Model's key principles (ii) the ICF Code of Ethics, annexed to this General Section and (iii) the following "Special Sections" prepared, in relation to the Company's activities, its designated sensitive processes/activities and related improvement actions, for the different categories of offences set forth in Legislative Decree No. 231 and which are applicable to the Company as identified by its risk assessment activities:

- **Special Section I**: "Offences relating to occupational health and safety" pursuant to art. 25-Septies*septie*[22] of Legislative Decree No. 231.

22 Entitled *"Manslaughter or serious or very serious injury committed in violation of occupational health and safety regulations*

- **Special Section II**: "Environmental offences" pursuant to art. 25-*undecies* of Legislative Decree No. 231.
- **Special Section III**: "Corruption and other offences committed against public administrative bodies", pursuant to articles 24[23], 25[24] and 25-ter 1(s-bis) of Legislative Decree No. 231.
- **Special Section IV**: "Corporate offences" pursuant to art. 25-*ter* of Legislative Decree No. 231.
- **Special Section V**: "Computer crimes and unlawful processing of data", pursuant to art. 24-*bis* of Legislative Decree No. 231.
- **Special Section VI**: "Receiving stolen goods, money laundering and the use of money, goods or benefits of unlawful origin, as well as self-laundering" – "Offences connected with organised crime" – "Offences for the purposes of terrorism or subversion of the democratic order" – "Transnational offences" pursuant to articles 25-*octies*; 24-*ter* and 25-*quater* of Legislative Decree No. 231 and to art. 10 of Law No. 146 of 16 March 2006 and - "Offences relating to the use of non-cash payment instruments" pursuant to *art. 25-octies.1*
- **Special Section VII**: "Offences against individuals" and "Employment of third-country citizens residing in the country illegally" pursuant to articles 25-*quinquies* and 25-*duodecies* of Legislative Decree No. 231.
- **Special Section VIII**: "Offences relating to the infringement of copyright, trademarks and industrial property" pursuant to articles 25-bis, 25-bis.1, 25-novies of Legislative Decree No. 231.
- **Special Section IX:** "Market abuse offences" pursuant to art. 25-*sexies* of Legislative Decree No. 231.
- **Special Section X:** "Tax offences" pursuant to art. 25-*quinquiesdecies* of Legislative Decree No. 231.

3.4. Model-related documents

The following documents form an integral and fundamental part of this General Section as well as the aforementioned Special Sections:

- the code of ethics (hereinafter the "**Code of Ethics**");
- the disciplinary system and related disciplinary procedures to be applied in the event of a breach of the Model's rules and protocols (hereinafter the "**Disciplinary System**");
- the system for delegating authority and assigning powers of attorney;
- the document outlining the outcomes of the risk assessment activities and the Risk Management Plan;
- the procedures and/or protocols and/or guidelines.

[23] Entitled "Unlawful receipt of funds, defrauding the State or a public body or for the purpose of obtaining public funds, and computer fraud perpetrated against the State or a public body"

[24] Entitled *"Extortion, bribery to provide or promise benefits and corruption''*

ICF has established and implemented a dedicated system of procedures, protocols and internal controls whose purpose is to ensure adequate transparency and traceability of all decisional and financial processes, and to set rules of conduct that must be adopted by all recipients of this Model operating in the offence risk areas or in areas where sensitive activities are performed. These documents, together with any other protocols and procedures currently not provided for in the Model implementation plan as established by the Company, constitute an integral part of the overall Model.

The aforementioned documents are stored on "file server 4" in the area entitled "Sistemi di gestione" ("Management systems") in the folder "MO231".

Consequently, it must be understood that the term "Model" does not refer only to this document, but also to all the additional documents that will be subsequently adopted in accordance with its provisions and for the purposes of pursuing the objectives indicated therein.
Henceforth, for the sake of brevity, the aforementioned procedures, protocols and system of delegated powers shall be collectively referred to as the "**Procedures**".

4. RISK ANALYSIS AND ASSESSMENT AND THE MANAGEMENT OF IDENTIFIED RISKS

Analysing the risk of offences being committed is a process that firstly aims to identify and contextualise those risks in relation to the Entity's governance, organisational structure and activities.

Secondly, such analysis helps to gather information useful for supporting the decision making process of the Supervisory Body and Board of Directors (with respect to their particular remit) concerning the actions required to modify and improve the Entity's organisational, management and control Model to better orientate it towards the preventive purposes set forth by Legislative Decree. No. 231 (i.e. levels of exposure to individual offence risks).

The analysis undertaken to evaluate the risk of offences being committed focused on the following:

- identifying the risks of offences being committed (by identifying the at-risk activities and areas);
- the real likelihood of an offence occurring (by assessing the probability of the threats that induce or may induce that offence to be committed);
- the possible damage resulting from the commission of an offence (by conducting an impact assessment);
- the Company's organisational weaknesses that may be exploited for the purpose of committing offences (level of vulnerability).

The evaluation of risk can therefore be summarised as a function of three variables:

Offence Risk = F (Threat Probability; Vulnerability; Impact)

Whereby the variables are defined as follows:

- Threat Probability: the frequency of a threat occurring, i.e. of an action, activity, process or potential event which, depending on the type of offence, represents a vehicle through which the offence could be committed.
- Vulnerability: the level of the Company's organisational weakness; vulnerabilities can be exploited to commit offences and amount to an insufficiency of preventive measures which, therefore, makes the occurrence of a threat possible together with the subsequent commission of the offence;
- Impact: the damage resulting from the commission of an offence in terms of sanctions, financial consequences, or reputational damage, as determined by the legislator or which can be envisaged;

- Offence Risk: the probability that the Entity sustains damage caused by the commission of an offence via methods that exploit the vulnerabilities deriving from an insufficiency of preventive measures or by the Company's negative ethical and organisational climate.

To identify the "areas" and "activities" where a risk of offences being committed exists, it is first necessary to determine the scope of application of the Decree's subjective conditions. In particular, the persons whose unlawful conduct may result in the extension of liability to the Company have been identified.

More specifically (as provided for by article 5 of Legislative Decree No. 231):

a) persons holding a representative, administrative or management role within the Entity or one of its organisational units with financial and functional autonomy, as well as persons who, de facto or otherwise, manage and control the Entity;
b) persons subject to the management or supervision of one of the persons referred to in point a) above.

The mapping assessment of the Company's areas and activities where a risk of offences being committed are perceived to exist is detailed in the "*Risk Assessment Results and Risk Management Plan*" document.

- The map of offence risk areas, showing the functional areas (corporate bodies and functions) that are potentially exposed to the risk of the offences referred to in the Decree being committed;
- The Risk Assessment Results and Risk Management Plan, includes:
  - the map of offence risk activities, highlighting the sensitive processes and/or activities, i.e. those activities or processes falling within the remit of the corporate bodies, areas or functions that are potentially susceptible to conduct constituting predicate offences;
  - risk assessment matrices, highlighting, for each corporate function, the risk levels for particular groups of offences;
  - the results of the Ethical Climate and Organisational Clarity survey, an important tool that enables the Company to assess the corporate operational environment that informs the analysis of offence risks, since it is considered that the working environment within which the senior management and subordinate staff operate may encourage or inhibit them from committing an offence;
  - the risk management plan, which outlines the preventive protocols already in existence or that need to be developed to reduce offence risks to an acceptable level (i.e. the residual "possibility of committing an offence only by deceitfully breaching a preventive protocol").

4.1. Risk assessment activities aimed at identifying offence risks, evaluating the risk and determining the preventive effectiveness of the existing model

To analyse the risk of offences being committed, the following steps were performed:

1. Identify the offence type and the related threats that may enable the commission of the offence (in terms of conduct or operational activities);
2. Use self-assessment techniques (interviews with senior and subordinate personnel conducted by teams made up of lawyers, internal control system and process analysts and occupational psychologists) to contextualise the threats in relation to the Entity;
3. Threat Probability Assessment:
   - Assign each threat a probabilistic value to represent its likelihood of occurrence, based on the following parameters:
   a. Corporate history or statistics or context statistics;
   b. Importance of the activity for the relevant entity or function;
   c. Analysis of any precedents;
4. Vulnerability Assessment:
   - Assess the vulnerability level in relation to each threat, by:
   a. identifying the preventive measures implemented;
   b. analysing the ethical and organisational climate, this was conducted in 2020 via an assessment of the following “dimensions” relating to the perception of the Company:
      - ethical climate;
      - organisational clarity;
      - remuneration policies;
      - staff integrity and competence;
      - the Entity’s financial and economic position;
      - market competitiveness;
      - adequacy of prevention and control activities;
      - reactions to change.
5. Impact Assessment:
   - Evaluation of the damage the Entity may sustain in the event of an offence being committed, in terms of pecuniary and/or disbarment sanctions, reputational damage, and loss of business and turnover.

The analysis was carried out via a combination of documentary analysis and self-assessment techniques for those functions not involved in the previous risk mapping activities.

The documentary analysis was conducted on the following documentation (or at least its existence or non-existence was verified):

Corporate information

- Corporate structure;
- Articles of Association;
- Site-related details, such as geographical locations and activities conducted;
- Potentially relevant reports of inspections by the Supervisory Authorities pursuant to Legislative Decree No. 231 or relating to the organisational structure;
- Potentially relevant minutes and official reports of the auditing company or independent auditor from the previous three years pursuant to Legislative Decree No. 231 or relating to the organisational structure;

Governance, powers and outsourced services

- Official documents detailing the governance structure and decision-making and control processes;
- System of delegated authorities and powers of attorney;
- Delegated authorities and organisation in the areas of accident prevention and occupational health and safety, environmental and waste management, privacy and information security, corporate communications and/or other issues relevant to the company's business;
- Organisational chart and Functions chart;
- Intra-group service contracts;
- (Relevant) service contracts with third parties.

Personnel

- Incentive plans and schemes;
- Information on relations with trade unions and any industrial disputes;
- Report on any disciplinary sanctions issued in the previous three years, specifically highlighting issues of relevance to Legislative Decree No. 231.

Management Systems and Procedures

- Regulations and procedures relating to corporate bodies;
- Accounting and budgeting procedures;
- Treasury procedures;
- Accounts receivable procedures;
- Accounts payable and purchasing procedures;
- Personnel management procedures;
- Core activity operating procedures;
- Procedures for relations with public administrative bodies;
- Accident prevention and occupational health and safety procedures;
- Security and personal data protection procedures;

- Anti-money laundering and anti-terrorism procedures;
- Waste disposal and environmental management procedures.

Analysing the Entity's governance and formal organisation enabled the gathering of key information for identifying and assessing risk. However, whilst this activity was deemed necessary, as previously mentioned, it isn't sufficient for a comprehensive risk analysis, since unlawful conduct can often occur in relation to the so-called "grey areas" of the company's activities, i.e. those activities which are performed by staff and are not covered by company regulations.

Therefore, the self-assessment investigations have made it possible to verify and highlight the existence of offence risks within individual company areas or functions.

4.2. Map of corporate areas and activities where offence risks exist (art. 6(2)(a) of the Decree)

The principal information relating to the identification of offence risks is set out in the map of corporate areas and the map of corporate activities where offence risks are considered to exist.

The "Map of areas where offence risks exist" outlines the corporate functions and bodies which are considered, by virtue of the assigned powers and duties, to be exposed to the risk of unlawful conduct being committed.

This map consists of a cross tabulation, with the corporate body or function being assessed on the y-axis and the offences currently set forth by the Decree on the x-axis. Using a simple YES/NO format, the rows show which offence each corporate body and each function is exposed to (for further details, please refer to the "Risk Assessment Results and Risk Management Plan" document).

The "Map of activities where offence risks exist" outlines the sensitive processes and/or activities, i.e. those activities or processes falling within the remit of the corporate bodies, areas or functions that are potentially susceptible in relation to the offences set forth by the Decree.

The full version of this map is included in the "Risk Assessment Results and Risk Management Plan" document (technical annex to the Model), which contains specific paragraphs that are dedicated to the individual corporate bodies, areas or functions being assessed. Each paragraph contains a table divided into three columns: the first indicates the offence/category of offence to which the corporate body or function is potentially exposed (as emerged from the documentary analysis and self-assessment interviews), the second indicates the activities that

expose the body/function being assessed to the offence risk, and the third indicates the threat probability.

4.3. Risk Management Plan

Based on the results of the activities to identify and assess offence risks, a "Risk Management Plan" was drawn up. This plan, as previously mentioned, outlines the preventive protocols already in existence or that need to be developed to reduce offence risks to an acceptable level (i.e. the residual "possibility of committing an offence only by deceitfully breaching a preventive protocol").

The plan is summarised in a table, outlining the following information:

- the offence risks to be prevented (i.e. the individual offences to be prevented);
- the preventive protocols for reducing the offence risk to the level deemed acceptable by the Company;
- the implementation status of the protocols (implemented/in the process of being implemented) and the existence of operating procedures;
- the level of priority for implementing the protocol/procedure (high/medium/low);
- a reference to the relevant Company's protocols (if implemented).

The pre-existing protocols, i.e. those operating procedures already in effect, were assessed from the perspective of the Decree and its provisions, to verify their effectiveness as preventive protocols in relation to the associated predicate offences.

The Risk Management Plan and the preventive protocols provided for therein shall comply with the following general principles:

- clear and formalised assignment of powers and responsibilities, explicitly indicating any remit limits and commensurate with the duties assigned and the positions held within the organisation;
- clear separation of duties through a suitable distribution of responsibilities and the provision of adequate authorisation levels, in order to avoid any duplication of functions or duty allocations that concentrate critical activities on a single person;
- rules of conduct suitable to ensure corporate activities are conducted in compliance with the current legislation and regulations and for the purpose of protecting the Company's assets;
- the existence of control and supervisory activities, with the requisite documentation, to be applied to all corporate transactions;
- the existence of security mechanisms to guarantee the adequate physical-logical protection/access for the Company's data and property;
- the existence of financial resource management tools.

5. GENERAL PREVENTIVE PROTOCOLS

5.1. Introduction

Without prejudice to the provisions set forth in the individual **Special Sections** - all of which constitute an integral part of this Model - and in the Disciplinary and Sanctions System, the Company adopts "general" control protocols which apply to all at-risk areas.

Specifically, the general control protocols are aimed at ensuring transparency, traceability and effectiveness in relation to:

- the Code of Ethics pursuant to Legislative Decree No. 231;
- the organisational system;
- the system of delegated authorities;
- financial resource management;
- the internal control system;
- the IT infrastructure.
- Sustainability Report

The specific preventive mechanisms set forth within each of the various Special Sections call for and require full compliance with the following general preventive mechanisms.

5.2. The Code of Ethics pursuant to Legislative Decree No. 231

One of the more general preventive protocols to be adopted by the Company is a Code of Ethics, the principles of which are applied through the adoption of the Organisational, Management and Control Model, which it is fully consistent and congruous with.

The Code of Ethics adopted by the Company (annexed to the General Section) is an overarching document that contains a series of corporate ethical principles (such as ethical standards relating to its business activities), which it expects to be observed by all its employees as well as all those who, even if external to the Company, conduct activities on its behalf (Recipients).

The Code of Ethics describes, in detail, the diligence required of all Recipients in the performance of the activities they conduct on behalf of the Company.

Furthermore, wherever specific preventive protocols do not exist, the Code of Ethics represents an important point of reference for guiding the conduct of Recipients or anybody else who conducts activities on the Company's behalf.

The Company is committed to effectively communicating, both internally and to its collaborators, any information relating to the regulatory framework and the behavioural and

procedural rules that must be complied with, so as to ensure that its business activities are conducted in full compliance with the ethical principles set forth by the Code of Ethics.

The Code of Ethics shall be updated regularly, and may even be extended whenever necessary, both in response to the introduction of new legislation or to any changes in the Company's operations and/or internal organisation.

5.3. The organisational system

The Company has established its own organisational system, which provides for the following control measures:

- The issuance of any delegations of authority or organisational provisions is effected directly by the Chairman, the Executive Directors and/or the General Manager, if one exists;
- The organisational chart is established for all levels of the Company and the functions, roles and reporting lines shall be clear and transparent as a result;
- The organisational chart is updated regularly by the management team and formally communicated to all company levels whenever there are substantial organisational changes such as to require its dissemination;
- All company personnel are to be officially informed, in accordance with the issued delegations of authority and organisational provisions, of the duties and responsibilities of each organisational unit;
- The preparation of job descriptions and skills matrices through direct discussion with the heads of the various organisational areas;
- Dissemination and communication regarding the current organisational structure via shared and accessible tools for employees, for the purpose of ensuring maximum organisational transparency.

5.4. The system for delegating authority and assigning powers of attorney

As a general principle, the system for delegating authority and assigning powers of attorney must incorporate “safety” features, in order to prevent the commission of the offences (traceability and recording of sensitive activities), whilst simultaneously allowing for the effective management of the Company's business.
The “delegation of authority” refers to the internal act of assigning functions and duties, as reflected in the system of organisational communications, and “assigning powers of attorney” refers to the unilateral legal act with which the company assigns powers of representation to third parties.

The Company's function heads (generally managers and company executives who aren't members of the Board of Directors) who require powers of representation for the purpose of fulfilling their duties in relation to their position are granted a "general proxy", the scope of which is appropriate and commensurate with the functions and managerial powers assigned to them via the "delegation of authority".

To ensure the effective prevention of offences, the system for delegating authority must satisfy the following requirements:

- the delegated authorities must be commensurate with the organisational position and must ensure that each managerial power corresponds with the relative responsibility; the organisational chart must be updated in the event of any organisational changes;
- each delegation of authority must clearly and specifically state the powers vested in the delegate;
- each delegation of authority must clearly specify the body or individual to whom the delegate reports within the organisation's hierarchy;
- the managerial powers assigned in relation to the delegation of authority and their application must be consistent with the corporate objectives;
- the spending powers allocated to the delegate must be commensurate with and appropriate for the functions assigned to that delegate.

To ensure the effective prevention of offences, the system for assigning powers of attorney must satisfy the following requirements:

- general powers of attorney are assigned exclusively to individuals with an internal delegation of authority which sets out their related managerial powers and, where necessary, are accompanied by a specific communication setting out the extent of the powers of representation and, where appropriate, the expenditure limits.

The procedure M.O. 231/08 "management of civil powers of attorney" governs the methods and responsibilities for ensuring that powers of attorney are updated in a timely manner, establishing the cases in which they must be assigned, amended or revoked (e.g. the assumption of new responsibilities, transfer to different duties incompatible with those for which they were originally assigned, resignation, dismissal, etc.).

The SB regularly verifies, with the support of the other relevant functions, the system for delegating authority and assigning powers of attorney that's in operation and their consistency with the entire system of organisational communications (i.e. those internal company documents used to assign delegations of authority and powers of attorney), recommending any changes whenever it is discovered that the managerial power and/or position does not correspond to the powers of representation assigned to the holder of the power of attorney or that other anomalies exist.

5.5. Financial resource management

The treasury adopts the following general control protocols, which establish that:

- There is a clear separation between those who make or implement decisions regarding the use of financial resources, those who must keep accounting records of the operations connected with the decisions, and those who are required to conduct the related control processes as required by law and the procedures established by the internal control system;
- Limits are established with respect to the independent use of financial resources, through the setting of quantitative expenditure thresholds, in line with the managerial remit and organisational responsibilities bestowed upon individual persons;
- Any person requesting to use financial resources must provide an adequate justification, indicating at least the class or type of expenditure to which the operation belongs;
- The appropriateness and completeness of the authorisation flows relating to the opening and closing of current accounts are guaranteed;
- In all financial transactions, the identity, location and legal nature of the party making or receiving the payment must be known, and they are conducted in full compliance with all civil and tax regulations applicable to such operations;
- The Company only uses financial and banking intermediaries authorised by law, and which adhere to the provisions of correctness and transparency set forth by European Union legislation;
- All payment transactions are accompanied by the appropriate commercial documents issued by the supplier, consultant, or business partner to whose services the payment relates;
- The commercial documents are checked by the person who has utilised the services or received the goods so as to confirm their validity and correctness before being submitted for entry into the accounts;
- Payments are only made to the accounts of the supplier, consultant, or business partner to whose services the payment relates;
- Payments are made only and exclusively to unencrypted accounts held in the country of residence of the supplier, consultant or business partner or, in any case, where the service was provided;
- Payments are only accepted from clients or, in any case, from entities who have a payment obligation towards the Company;
- Any purchase, by third parties, of receivables which are owed to the company by its clients is subject to a formal authorisation process and to compliance with the controls set out in the aforementioned points;
- Cash payments and receipts, above the limits stipulated by law, are expressly forbidden; Cash payments and receipts broken down over time into a number of instalments, relating to the same transaction, whose overall amount exceeds the limits stipulated by law, are also forbidden;

The Company's IT system guarantees full traceability of all the Company's monetary flows, incoming and outgoing, and identifies the persons carrying out those transactions, for each of which the Company must file the relevant supporting documentation.

5.6. The IT infrastructure

The Company uses, including with the support of third party specialists, an IT system and related procedures suitable for its operational needs and size of organisation, together with an adequate level of security whose purpose is to prevent the risk of unauthorised transactions and/or access or the improper use of the network, systems and applications, including where it may breach the confidentiality of information. More specifically, the IT system, policies and control procedures require that:

- Access to the various environments, and generally to the IT system, is formally regulated and differentiated exclusively in relation to each Recipients usage of the Model;
- Identification codes for access to the applications and the network are unique to each individual;
- The criteria and methods for creating system access passwords are predefined;
- A system is established for managing the credentials for physically accessing the locations where the information systems and infrastructures reside;
- Requesting, assigning, suspending and closing user profiles is subject to a specific authorisation process;
- Adequate information is provided on the correct use of user IDs and passwords, underlining the fact that it is absolutely forbidden to disclose, transfer or share one's access details to the Company's systems and network with any other person internal and/or external to the Company including, therefore, other Recipients of the Model;

- The introduction and use, by employees, of hardware or software applications within the company is authorised in advance by a director or person with delegated authority;
- All activities are traced, complete with historical evidence of the system operations and the user who conducted them (access log);
- The back-up criteria and methods are predefined;
- The incident management processes, Business Continuity and Disaster Recovery plans are implemented.

5.6.1. Use of Artificial Intelligence (AI)

The Company recognises that Artificial Intelligence (AI) tools and systems can support business processes (e.g. analysis and summarisation of information, drafting, operational automation, research assistance, statistical processing, support for administrative and control functions), but may also give rise to risks of non-compliance and the commission of

unlawful acts, including those relevant pursuant to Legislative Decree No. 231/2001, if used improperly or without adequate safeguards.

AI must be used consistently with the general principles of the Code of Ethics and the internal control system, in compliance with applicable laws and Company procedures. In particular, Recipients must:

- use AI only for lawful and legitimate purposes consistent with their duties and authorised business activities;
- retain personal responsibility for the use of the tool and for the outputs produced;
- ensure effective human oversight by assessing each output before use, especially where it is intended for decisions, external communications or official documents;
- ensure transparency and fairness, avoiding presenting unverified or automatically generated content as objective without adequate checks; where relevant, it must be possible to reconstruct the logical/decision-making process and the sources used;
- verify outputs for accuracy, completeness, consistency and the absence of misleading elements, applying controls proportionate to the criticality of the process and the potential impact, including reputational and regulatory impacts.

AI must be used in compliance with confidentiality, information security and personal data protection legislation, as well as internal policies and procedures. Recipients shall process Company data and information exclusively for work purposes and with the required safeguards, refraining from entering personal data, confidential information or internal documentation into unauthorised AI tools, except where such use is permitted and through expressly approved tools. Compliance with information classification, data governance and third-party rights remains mandatory.

The Company ensures that the use of AI is governed by appropriate organisational and technical safeguards designed to prevent misuse and reduce the risks of non-compliance and of the commission of unlawful acts relevant also for the purposes of Legislative Decree No. 231/2001.
Accordingly, where required, AI is used through tools and solutions that have been assessed and authorised in advance by the Company, in accordance with the internal policy/procedure “XXXX” and with applicable legislation, as well as with the applicable access and security rules and conditions, including those relating to external providers and services.

The Company ensures appropriate governance of AI matters through the involvement of the competent functions, in accordance with the organisational structure and the system of delegated authorities/powers of attorney in force. In particular:

- the IT function oversees security, access, authorised tools and the management of technology providers;
- the Supervisory Body receives, in accordance with the information flows provided for by the Model, relevant information concerning significant critical issues, breaches or uses of AI connected with the risks of commission of the offences provided for by Legislative Decree No. 231/2001.

Recipients are required to promptly report any anomalies, incidents, suspected misuse or unauthorised use of AI through the established internal channels.

5.7. Sustainability Report

In recent years, the growing focus on environmental, social and governance (ESG) issues has led the Company to develop and implement tools aimed at ensuring transparency and a positive impact of its activities. Among these, starting from 2019, the Sustainability Report was introduced.

This document is a voluntary reporting tool designed to describe the impact of the Company's operations on the environmental, social, and economic context. In this framework, the Organizational, Management and Control Model pursuant to Legislative Decree No. 231/2001 represents an important regulatory safeguard for preventing the commission of offences by the Company, including those related to sustainability risks and violations of environmental or social regulations.

The adoption of the Sustainability Report is closely linked to the evolving European and national regulatory landscape regarding non-financial disclosure. Directive 2014/95/EU (Non-Financial Reporting Directive – NFRD) introduced the obligation for large companies and public-interest entities with more than 500 employees to prepare a Non-Financial Statement (NFS), including information on environmental matters, social responsibility, respect for human rights, and anti-corruption measures.

This directive was transposed into Italian law with Legislative Decree No. 254 of 30 December 2016, requiring Public Interest Entities (as defined in Legislative Decree No. 39/2010) with more than 500 employees and a balance sheet total exceeding €20 million or net revenues exceeding €40 million, to publish the NFS annually alongside the financial statements, including information on:

1. Environment: management of natural resources, emissions reduction, and climate impact;
2. Personnel: employee management, workplace health and safety, training;
3. Human rights: respect for human rights in business operations and across the supply chain;
4. Anti-corruption: measures to prevent both active and passive corruption;
5. Social aspects: relationships with local communities and the social impact of business activities.

Companies draft the Sustainability Report by considering both ESG topics that influence financial performance (internal-financial materiality) and those that affect stakeholders (external-impact materiality), such as clients, employees, suppliers, local communities, and investors.

Specifically, the material issues assessed by Industrie Chimiche Forestali include:

- Diversity and equal opportunities;

- Pollutant emissions;
- Energy and climate change;
- Training and education;
- Waste management;
- Raw materials and supply chain;
- Water withdrawals and discharges;
- Industrial relations;
- Occupational health and safety;
- Customer health and safety;
- Product sustainability;
- Local community development;
- Human rights violations.

The materiality analysis process consists of four phases:

1. Understanding the context in which ICF operates;
2. Identifying ICF's impacts, categorized as actual/potential and positive/negative;
3. Assessing the significance of these impacts based on their severity and likelihood;
4. Prioritizing impacts and grouping them into material topics that guided the drafting of the Sustainability Report.

The relevance of each impact and the related material topics were validated during a meeting involving the COO, the Sustainability Director, and the EHS&QA Manager of ICF.

The information disclosed in the Sustainability Report is subject to external verification to ensure the accuracy and reliability of the analysis.

The Sustainability Report of ICF has been prepared in accordance with the GRI Standards (Global Reporting Initiative Sustainability Reporting Standards), which are among the most widely adopted international sustainability reporting frameworks.

The Company's adoption of the Sustainability Report enables a structured approach to managing non-financial risks, promoting transparent and responsible governance practices, aligned with the Company's Code of Ethics, and serving as a control tool to prevent predicate offences under Legislative Decree 231/2001, particularly those related to environmental management, natural resources, workplace safety, and private-sector corruption.

With this in mind, the Company has drawn up the Sustainability Report to outline its environmental, social, and economic performance, providing a transparent overview of its financial and stakeholder impacts.

The report defines the purpose and objectives of sustainability reporting, providing a comprehensive picture of the corporate context, including the Company's mission and values, and identifies the business areas where ESG issues have the most significant impact.

The Sustainability Report also details the approach and tools used to collect and analyze data, specifying the scope and boundaries of the document (e.g., geographical areas and activities covered).

The Company identifies and analyzes its main stakeholders and outlines how they were involved in the drafting of the Report, including interviews and surveys to identify their concerns and expectations.

With regard to economic performance, the Report presents financial indicators that reflect the Company's economic sustainability, along with analyses of operating costs, employee compensation, donations, association contributions, and sponsorships, also in terms of overall corporate welfare.

The Report also includes information related to the Company's value chain, such as products, services, business relationships, and supply chain, identifying sustainability-related risks and outlining mitigation and reduction plans.

Moreover, the Sustainability Report clearly illustrates the Company's governance structure, highlighting the roles involved in sustainability policies and setting out short-, medium-, and long-term ESG targets.

The Company also conducts a compliance analysis in line with industry regulations, including ISO/EMAS certifications, and identifies emerging ESG risks and opportunities that could affect its long-term value creation capacity.

Notably, since 1997, Industrie Chimiche Forestali has implemented an Integrated Management System, starting with a Quality Management System according to UNI EN ISO 9001 and participation in Federchimica's "Responsible Care" project.

In 1998, the Company adopted an Environmental Management System in line with UNI EN ISO 14001 and EU Regulation No. 2017/1505, and in 2009 it implemented an Occupational Health and Safety Management System according to OHSAS 18001.

Since 2010, the Company has consolidated all its management systems and, in 2020, published its first Sustainability Report and obtained IATF 16949 certification for the automotive sector.

The Sustainability Report sets out an action plan to improve key performance indicators, defining timelines and implementation stages, and ensures compliance and transparency in execution.

Furthermore, in 2023, the Company appointed a Sustainability Director to coordinate projects and strategies in the sustainability domain, formalizing responsibilities and supporting the sustainable growth of ICF through new certifications and performance improvement.

That same year, the Company drafted its Sustainability Manifesto, expressing its ethical commitment and mission to pursue responsible business practices and contribute to the reduction of greenhouse gas emissions. The document outlines both short- and long-term goals, as well as the areas of action aimed at improving performance and reducing environmental impact in line with the Paris Agreement on climate change.

As for product certification, over the years, the Company has focused on developing innovative, low-impact products. In 2019, it launched a series of new products – toe-puffs, counters, extruded and impregnated reinforcements – certified under GRS, FSC®, OK-Biobased, OEKO-TEX Standard 100, and GOTS standards. In 2023, the Company obtained EPD (Environmental Product Declaration) certification for its extruded and impregnated fabrics, becoming a global pioneer in the footwear sector.

Lastly, in 2024, Legislative Decree No. 125 of 6 September implemented Directive 2022/2464/EU (CSRD) on Corporate Sustainability Reporting, replacing the NFRD and significantly expanding the scope of non-financial reporting obligations to a broader range of companies (including S.p.A., S.a.p.a., S.r.l., S.n.c., S.a.s., insurance companies, and credit institutions under specific conditions). The CSRD introduces more detailed evaluation standards and mandates the use of European Sustainability Reporting Standards (ESRS) as defined by EFRAG, along with a mandatory double materiality analysis.
The Company is already taking steps to ensure timely compliance with the upcoming reporting obligations.

6. THE SUPERVISORY BODY

6.1. Characteristics of the Supervisory Body

In accordance with the provisions of Legislative Decree No. 231 (articles 6 and 7) and those contained in the Decree report, and for the purposes of ensuring the effective implementation of the Model, the SB must:

a) be autonomous and independent;
b) demonstrate professionalism;
c) guarantee continuity of action.

a) Autonomy and independence

For the SB, the requirements of autonomy and independence are essential for ensuring that it isn't directly involved in the management activities for which it is responsible for overseeing and, therefore, that it is not influenced or interfered with in any way by the Entity's executive board.
To satisfy such requirements, the SB should be positioned as high as possible within the organisational hierarchy, and should report to the highest operational level in the company, i.e. to the Board of Directors. With respect to its independence, it's also fundamental that the SB is not assigned any operational duties, as to do so would undermine its impartiality when assessing conduct and evaluating the effectiveness of the Model.

b) Professionalism

The SB must possess technical and professional expertise appropriate to the functions it is called upon to perform. Such expertise, together with its independence, enables it to guarantee its impartiality[25].

[25] This expertise includes: risk analysis and assessment techniques; measures to manage and contain such risks (organisational procedures, mechanisms for enabling cross-checking between functions/duties, etc.); flow-charting procedures and processes to identify weak points; interviewing and questionnaire preparation techniques; fraud detection methods; etc. The Supervisory Body must be capable of conducting investigations (to

c) Continuity of action

The SB must:

- continuously conduct those activities necessary for providing oversight of the Model, applying due commitment and the necessary powers of investigation;
- be a structure that's connected to the Company, so as to guarantee the necessary continuity of its oversight activities.

In addition to the aforementioned professional expertise, the members of the SB should also possess other formal subjective requisites to further guarantee its autonomy and independence (e.g. integrity, no conflicts of interest or kinships with members of the corporate bodies or the senior management, etc.).

6.2. Creation of the Supervisory Body

Together with the adoption of this Model, the ICF Board of Directors have also appointed a dedicated collegiate Supervisory Body, which it considers complies with the provisions set forth by the Decree and the Guidelines. Those selected to form the SB are chosen so as to cover the technical-managerial and legal-administrative areas of professional expertise corresponding to the SB's scope of application as per Legislative Decree No. 231, specifically in relation to ICF S.p.A., and which also satisfy the requirements of autonomy, independence, professionalism and continuity required by Legislative Decree No. 231.
Furthermore, entrusting these duties to a collegiate Supervisory Body rather than a monocratic body ensures a more effective and efficient decision-making process.

6.3. Period of tenure and reasons for discontinuance

The SB shall hold tenure for the term established at the time of its constitution, and the tenure may be renewed.
The discontinuance of the SB's tenure may occur for any of the following reasons:

- completion of the tenure period;
- suspension of the SB's tenure by the Board of Directors;
- resignation of one of the members of the SB, declared by means of a specific written communication addressed to the Board of Directors;
- occurrence of one of the reasons for disqualification set forth in paragraph 6.4 below.

ascertain how a certain offence may have occurred and who might have committed it); providing advice and consultancy (to adopt - when designing the Model or any subsequent amendments - the most appropriate measures for preventing, with reasonable certainty, the commission of such offences or, again, to verify that the day-to-day conduct actually complies with that set forth by the Code of Ethics) and it must posses sufficient legal expertise.

The suspension of the SB may only be ordered for just cause, the definition of which is illustrated by way of the following non-limiting examples:

- a member of the body is involved in a criminal trial relating to the commission of a criminal offence;
- where a breach of the confidentiality obligations imposed on the SB is discovered;
- gross negligence in the performance of the duties entrusted to the SB;
- the possible involvement of the Company in proceedings, criminal or civil, that are connected with a failure to monitor or inadequate monitoring on the part of the SB, including negligence;
- any cases whereby the SB has failed to perform the duties entrusted to it.

Any suspension may only be ordered via a Board of Directors resolution.

In the event of a term of office expiring, a suspension or a resignation, the Board of Directors shall immediately appoint a new member to the SB.

6.4. Cases of ineligibility and disqualification

The selected members of the SB are external parties with expertise and experience in law, internal control systems and auditing, and in environmental management and occupational health and safety.

The following constitute grounds for ineligibility and/or disqualification of a member of the SB:

a) interdiction, debarment, bankruptcy or, in any case, a criminal conviction, even if not final, relating to one of the offences set forth in the Decree or, in any case, to a sanction that entails disqualification, even temporary, from holding public office or which prohibits them from holding a management position;
b) the existence of a kinship or a close family relationship, up to the fourth degree, with any member of the Company's Board of Directors or Board of Statutory Auditors, or with external auditors;
c) the existence of a financial relationship between the member and the Company, to the extent that it may compromise that member's independence.

If, during their term of office, a member of the SB becomes aware that a cause for disqualification exists, they must immediately inform the Board of Directors.

6.5. Resources of the Supervisory Body

The Board of Directors allocates the resources it deems are necessary for the SB to perform the duties entrusted to it.

6.6. Function, tasks and powers of the Supervisory Body

In accordance with the provisions set forth by the Decree and the Guidelines, the function of the SB shall, generally speaking, consist of:

- overseeing the effective application of the Model in relation to the various offences it is designed to prevent;
- verifying the effectiveness of the Model and its capacity to prevent the commission of the offences concerned;
- identifying and proposing, to the Board of Directors, updates and amendments to the Model in response to any changes to the legislation or the Company's activities or needs;
- verifying that any updates or amendments proposed by the Board of Directors have been effectively implemented within the Model.

For the purposes of fulfilling the function described above, the SB shall perform the following tasks:

- periodically checking the map of offence risk areas and the adequacy of the control points in order to adapt them, whenever necessary, to any changes in the Company's activities and/or structure. To this end, the Recipients of the Model, described in more detail in the relevant special sections, must report, to the SB, any potential situations that may expose ICF to an offence risk. All such communications must be in writing and sent to the dedicated SB e-mail address created for this purpose;
- periodically conducting, in line with the SB's pre-established activity plan, targeted checks and inspections on specific operations or activities performed within the offence risk areas;
- gathering, processing and storing information (including the reports referred to in the following paragraph) in relation to compliance with the Model, as well as updating the list of information that must be compulsorily sent to the SB;
- conducting internal investigations into any potential breaches of this Model's provisions that have been brought to the SB's attention or that have emerged during its oversight activities;
- verifying that the provisions set forth by the Model in relation to the different types of offences (standard clauses, procedures and related controls, system for delegating authority, etc.) are actually adopted and implemented and meet the requirements for complying with Legislative Decree No. 231 and, if not, proposing any necessary corrective actions and amendments.

To be able to perform the above-mentioned functions and tasks, the SB is granted the following powers:

- permission to access a broad and extensive range of corporate documents and, in particular, those concerning the contractual and non-contractual relationships the Company has with third parties;
- permission to call upon the support and cooperation of the various corporate units and bodies that may be affected by, or are involved in, the control activities;
- permission to appoint, as required, any consultants or professionals with expertise in legal matters and/or the adaptation and implementation of processes and procedures. To this end, in passing its resolution to appoint the SB, the Board of Directors shall grant specific spending powers to it.

6.7.Information disclosure requirements vis-à-vis the Supervisory Body

The Supervisory Body must be informed, via "information flows", by directors, Statutory Auditors, Senior Executives and Subordinates of any events or issues, relating to either ordinary and extraordinary activities, that might be of interest to the Body.

These "information flows" relate to any information/data/news identified by the Body and/or periodically requested by it from Company personnel; the Body shall determine the timeframe and means for communicating such information, and these stipulations must be respected.

The protocols governing these information flows, which shall identify the information to be communicated and the methods for transmitting and assessing it, shall be defined by the SB.

The Supervisory Body must, in any case, be provided with information concerning the following:

- Documents relating to the approval of the financial statements (financial accounts, reports and notes to the financial statements from corporate bodies and functions);
- Organisational chart and function chart amendments;
- Amendments to the system for delegating authority and assigning powers of attorney;
- New products and services;
- Inspections performed by public or supervisory authorities (ASL - Local Health Authority, Arpa - Environmental Protection Authority, VVdFF - Fire & Rescue Service, Agenzia delle Entrate - Inland Revenue, etc.);
- Provisions and/or notifications disclosed by the law enforcement, judicial, or any other relevant authorities, from which it is understood that investigations into alleged offences, including involving the Company, the Company's Senior Executives or Subordinates, or other unknown persons, are being conducted (in accordance with current legislation for protecting privacy and the confidentiality of judicial investigations);

- Reports prepared by the Company's corporate bodies in the execution of their control activities, from which facts, actions, events or omissions relating to the Company emerge that potentially present a risk in relation to the administrative liability of Entities set forth by the Decree;
- Disciplinary proceedings relating to breaches of the Model, the Code of Ethics and/or company regulations;
- Inspections and management system certification reports;
- Reports relating to any environmental or occupational health and safety emergencies;
- Workplace accidents and related circumstances;
- Environmental incidents and related circumstances;
- Training courses (Legislative Decree No. 231, occupational health and safety, privacy & security, environment, anti-corruption and other subjects relating to legal risk prevention);
- Any exceptions in relation to the Company's procedures, regulations or standards.

The information flows must be received by the Supervisory Body, through the various function heads, via the methods stipulated by the Supervisory Body itself, including by e-mail to the following address: icfspaodv@legalmail.it.

6.8. The Supervisory Body's information disclosure requirements vis-à-vis Corporate Bodies

Given that responsibility for adopting and effectively implementing the Model remains with the Company's Board of Directors, the SB shall report on the implementation of the Model and the occurrence of any critical issues.
Specifically, in relation to its obligations towards the Board of Directors, the SB must:

- communicate, at the beginning of each year, its activity plan to the Board of Directors, detailing the activities it intends to conduct for the purposes of fulfilling its assigned duties;
- periodically communicate the progress of the aforementioned activity plan, together with any amendments that may have been made to it;
- wherever relevant, promptly communicate any issues arising in relation to the planned activities;
- submit a report, at least every six months, on the Model's implementation.

In addition to the Board of Directors, the SB shall also be required to periodically report to the Board of Statutory Auditors in relation to its activities.
The SB may request to be called by the aforementioned Boards in order to present a report on the functioning of the Model or on any specific situations that may have arisen.
Minutes must be taken of any meetings where the SB has been called to present a report to the Company's corporate bodies. A copy of such minutes shall be maintained by the SB and by the corporate bodies involved in each case.

Furthermore, in certain circumstances where it deems necessary, the SB may also communicate:

1) its findings to the function heads and/or those managing certain processes if areas for improvement have been identified. In such cases, the SB shall obtain, from the process managers, an action plan, complete with estimated timeframes, for implementing the required improvements as well as the results from such actions;
2) report, to the Board of Directors and the Board of Statutory Auditors, any conduct/behaviour that doesn't comply with the Model, so as to:

a) acquire, from the Board of Directors, that which is necessary to communicate with and instruct the units responsible for applying the disciplinary process;
b) provide indications regarding the elimination of any deficiencies, with a view to preventing any future recurrences.

Finally, the SB is obliged to immediately inform the Board of Statutory Auditors should the breach concern any members of the Board of Directors.

6.9. Supervisory Body records

The SB shall establish, through its own regulations, the procedures for recording the activities it conducts; these procedures shall take into consideration that the Board of Directors, the Board of Statutory Auditors and the auditing company are only permitted to consult the minutes of meetings and periodic reports.

Records of the SB meetings shall be kept for a period of 10 years, as established by its regulations.

Interests of the members of the Supervisory Body in the Body's decisions

The procedures for taking decisions in the event that one or multiple members of the Supervisory Body have a direct or indirect interest in a decision being taken, are governed by the Body's own regulations; for such cases, the SB must provide a suitable justification for the approach taken.

7. THE WHISTLEBLOWING PROCEDURE [26]

The Company has adopted a whistleblowing procedure in accordance with the provisions of Legislative Decree No. 24/2023, the purpose of which is to guarantee the protection of whistleblowers.

The following circumstances ("Breaches") are to be reported:

1. unlawful conduct as per the definitions established by Legislative Decree No. 231 of 8 June 2001, or Breaches of the Organisational and Management Model provided for by the Decree and adopted by the Company, and which are not covered by paragraphs 2), 3), 4) and 5) below;
2. offences falling within the scope of the European Union or national legislation indicated in the relevant annex to Legislative Decree No. 24/2023 or of the national legislation implementing the European Union legislation indicated in the annex to directive (EU) 2019/1937, even if not indicated in the relevant annex to Legislative Decree No. 24/2023 or, which relate to the following areas: public procurement; financial services, products and markets and prevention of money laundering and financing of terrorism; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and animal feed safety and animal health and welfare; public health; consumer protection; privacy and protection of personal data and security of networks and information systems;
3. acts or omissions detrimental to the financial interests of the Union as per article 325 of the Treaty on the Functioning of the European Union as specified in the relevant secondary legislation of the European Union;
4. acts or omissions affecting the internal market as per article 26(2) of the Treaty on the Functioning of the European Union, including breaches of European Union competition and state aid regulations, as well as breaches affecting the internal market in relation to conduct in breach of corporation tax regulations or mechanisms whose purpose is to obtain a tax benefit that undermines the objective or purpose of the applicable corporation tax regulation;
5. conduct or behaviour that undermines the objective or purpose of the provisions of the European Union legislation in the areas indicated in paragraphs 2), 3) and 4) above.

Whistleblowers may submit their reports using the following methods:

- **Internal reporting**

[26] Legislative Decree No. 24/2023 *"Implementation of directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, on the protection of persons who report breaches of Union law and containing provisions relating to the protection of persons who report breaches of national legislation"*

the whistleblower may report a Breach to the Supervisory Body, further details on which are provided below;

- **External reporting**

the whistleblower may also submit an external report to ANAC (Italian National Anti-Corruption Authority) if at least one of the following conditions is met:

a) the internal report that they submitted in accordance with this procedure has not been acted upon or followed up;
b) if they were to submit an internal report, the whistleblower has reasonable and proven grounds to believe that it would not be effectively acted upon or followed up, or that they themselves may be at risk of retaliation;
c) the whistleblower has reasonable grounds to believe that the breach may constitute an imminent or clear danger to the public interest.

- **Public Disclosure**

furthermore, the whistleblower is guaranteed the right, should they wish, to publicly disclose the knowledge they have, as long as at least one of the following conditions is met:

a) they have previously submitted an internal and/or external report and did not receive a reply within the time limits stipulated by the procedure adopted in relation to the measures expected to be taken or which have been taken in response to the report;
b) they have reasonable grounds to believe that the Breach may constitute an imminent or clear danger to the public interest;
c) they have reasonable grounds to believe that the submission of the external report may subject them to a possible risk of retaliation or that it may not be effectively acted upon or followed up due to the specific circumstances of the case, for example, where evidence may have been concealed or destroyed or where there are reasonable grounds to believe that the person receiving the report may be colluding with the alleged perpetrator of the Breach or is involved in the Breach themselves.

The Supervisory Body has been identified as the recipient of internal reports[27]. For this reason, Recipients must disclose any information, of whatever kind, pertaining to possible Breaches arising from the working context so as to provide information that may prove useful to the Supervisory Body in the performance of their duties.

Reports relating to unlawful conduct set forth by Legislative Decree No. 231 of 8 June 2001, or to Breaches of the Organisational and Management Model adopted by the Company (referred to in paragraph 1 as "Breaches"), **may only be submitted internally**.

[27] Except where the internal report concerns more than one member of the Supervisory Body; in that case it must be forwarded to the Board of Directors by delivering any supporting documentation to the Chair of the Board of Directors.

7.1. Obligations and requirements of the internal whistleblowing procedure

All Recipients are encouraged to report any Breaches of the national legislation considered to be detrimental to the interests and integrity of the Company (more precisely, "Breaches" as defined herein) which they become aware of within the working context.

This obligation also applies to Recipients who, although not physically attending the workplace, have a legal employment relationship with the Company (i.e. personnel), have a freelance or consultancy related relationship with the Company, are trainees or apprentices (paid or unpaid) (i.e. Subordinates) or fulfil an administrative, management, regulatory, supervisory or representative role, even if such functions are performed on a de facto basis (i.e. Senior Executives).
It should also be noted that for the purposes of the whistleblowing legislation, this also applies: in cases where the employment or collaborative relationship has not yet commenced, if the information pertaining to the Breaches was acquired during the selection process or any other pre-contractual phase; during the probationary period; following the termination of the legal relationship if the information pertaining to the Breaches was acquired during the course of the relationship.

The reports must be substantiated and based on accurate, consistent facts.

7.1.1. Management of the internal reporting channel

The internal reporting system and the methods for submitting internal reports are governed by a specific procedure which utilises a dedicated communication/reporting channel, i.e., **an external certified e-mail address (icfspaodv@legalmail.it)**, which only the members of the Supervisory Body have access to (thus guaranteeing the protection of the whistleblower's identity vis-à-vis any personnel who may be called upon to cooperate with the Supervisory Body in its follow-up activities).

In exceptional circumstances and where it isn't possible for the whistleblower to utilise the reporting channel established by the Company, the report may be submitted either by sending a letter to the Company's address, addressed specifically for the attention of the Supervisory Body) or, at the written request of the whistleblower, via a face-to-face meeting with the Supervisory Body that's scheduled to take place within a reasonable time period. In such cases, subject to the whistleblower's consent, the internal report may be recorded, by a suitable member of staff, via a recording device, for subsequent archiving and listening, or via the taking of minutes. Where minutes are taken, the whistleblower may verify and correct them, and subsequently sign them to confirm their accuracy.

If the report is submitted to a person or persons other than the Supervisory Body, it must then be sent to the Supervisory Body, **within seven days of its receipt**, and the whistleblower must be immediately notified of its onward transmission.

The information detailed in this section, together with the procedure governing the submission of internal reports, shall be displayed and made easily visible within the workplace; it shall also be easily accessible for all Recipients, even those who do not physically attend the Company's workplaces, as well as made available via a dedicated section on the Company's website.

7.1.2. Whistleblower protection and the application of protection measures

Any reports submitted may not be used beyond that which is necessary to adequately investigate and act upon them.
The identity of the whistleblower and any other information which may be used to identify them, directly or indirectly, may not be disclosed, without the express consent of the whistleblower themselves, to persons other than those responsible for receiving or investigating such reports, and who are expressly authorised to process such data pursuant to articles 29 and 32(4) of Regulation (EU) 2016/679 and article 2-*quaterdecies* of the Italian Personal Data Protection Code as set forth by Legislative Decree No. 196 of 30 June 2003.

Any retaliation towards the whistleblower is strictly prohibited.
In accordance with legislation, the prohibition of any acts of retaliation and the measures established by law to protect whistleblowers also apply:

a) to facilitators;
b) to any persons operating within the same working context as the whistleblower or the person who submitted a report to the judicial or financial authorities or made a public disclosure and who have a connection to them through a stable emotional or family relationship up to the fourth degree of kinship;
c) to any co-workers of the whistleblower or the person who submitted a report to the judicial or financial authorities or made a public disclosure, who work in the same working context as the whistleblower and have a regular and current relationship with that person;
d) to any entities owned by the whistleblower or the person who submitted a report to the judicial or financial authorities or made a public disclosure or for which these persons work, as well as any entities operating in the same working context as the aforementioned persons.

The protective measures apply when, at the time of the report's submission, or its submission to the judicial or financial authorities or its public disclosure, the whistleblower had reasonable grounds to believe that the information regarding the Breaches being reported, or publicly

disclosed, was true and related to breaches of national or European Union law considered to be detrimental to the interests or integrity of the Company, which they became aware of within the working context, and the report or public disclosure was made on the basis of the applicable legislation pursuant to Legislative Decree No. 24/2023.

With regard to the protection measures afforded to whistleblowers, the reasons that prompted them to submit a report or make a public disclosure are irrelevant.
The conditions established for protecting whistleblowers also apply in cases of anonymous reporting (internal and/or external), an anonymous report submitted to the judicial or financial authorities or an anonymous public disclosure, if the whistleblower is subsequently identified and is subjected to retaliation, as well as in cases where reports are submitted to the competent institutions, bodies or boards of the European Union, in accordance with the conditions set forth by article 6 of Legislative Decree No. 24/2023 as well as by the procedure adopted by the Company.

Should they believe they've been subjected to retaliation, the whistleblower may inform ANAC, which in turn will inform the National Labour Inspectorate for the measures falling within its competence.

Any actions which are found to be retaliatory shall be considered null and void and, wherever a whistleblower has been dismissed as a result of submitting a report or making a public disclosure, the whistleblower shall be entitled to be reinstated to their job.

7.1.3. Limitation of Liability

In accordance with legislation, a whistleblower shall not be punished for disclosing or disseminating information regarding Breaches covered by confidentiality obligations, other than that set forth by article 1(3)[28] of Legislative Decree No. 24/2023, or which relates to the protection of copyright or the protection of personal data, or discloses or disseminates information regarding Breaches which damages the reputation of the person involved or reported, if, at the time of the disclosure or dissemination, there were reasonable grounds for believing that the disclosure or dissemination of that information was necessary to report the Breach, and the report, public disclosure or submission to the judicial or financial authorities was made pursuant to the provisions of Legislative Decree No. 24/2023 as well as to the procedure adopted by the Company.
In such cases, any further liability, including civil or administrative liability, is also excluded.

Article 1(3) of Legislative Decree No. 24/2023 provides that the application of national or European Union provisions concerning classified information, legal and medical professional secrecy, and the confidentiality of judicial deliberations remains unaffected.

Unless it constitutes an offence, the entity or whistleblower shall not incur any liability, including civil or administrative liability, for acquiring or accessing the information relating to the Breaches.

In any case, criminal or any other liability, including civil or administrative, is not excluded for conduct, acts or omissions that are not related to the report's submission, or its submission to the judicial or financial authorities or its public disclosure, or that are not strictly necessary for the purposes of reporting the Breach.

7.2. Guarantees associated with the whistleblowing procedure

Pursuant to current legislation, the Company undertakes to protect the whistleblower in accordance with the provisions set forth in paragraph 7.1.1. et seq. and those set forth within the whistleblowing procedure.

Also pursuant to current legislation, the protections provided for by the relevant legislation (currently Legislative Decree No. 24/2023) and referred to in this Model (as well as in the whistleblowing procedure) are not guaranteed (with the whistleblower themselves being subject to disciplinary sanctions) where the whistleblower is discovered, even through a judgement from the court of first instance, to be criminally liable for the offences of defamation or slander or, in any case, for the same offences committed with the submission of the report to the judicial or financial authorities, or to be civilly liable for the same offences, in cases of wilful misconduct or gross negligence.

Any infringement of the whistleblower’s data privacy obligations is considered to be a Breach of Model 231 and is punishable in accordance with the disciplinary and sanctions system set forth by that Model.

7.3. Recording, storage and archiving of reports

The Supervisory Body shall establish, through its own regulations, the procedures for recording Breach reports (also set forth within the whistleblowing procedure); such procedures shall incorporate the confidentiality obligations relating to the names of the whistleblower and any persons involved, the subsequent investigation and the verification investigations, so as to ensure that such data and information isn’t visible to anybody other than the members of the Supervisory Body itself. The procedures for storing and archiving the Reports and Investigations Book are set forth by a dedicated procedure and by the Supervisory Body’s own Operating Regulations.

7.4. Reports concerning a member of the Supervisory Body

The procedures for handling reports concerning one or multiple members of the Supervisory Body are set forth within the whistleblowing procedure.
In cases where the internal report concerns more than one member of the Supervisory Body, it must be sent to the Board of Directors, specifically to the Chairman of the Board of Directors, together with any supporting documentation. In such cases, the necessary communication, verification and intervention activities shall be conducted by other control bodies within the Company, so as to ensure the process is conducted correctly and the appropriate decisions are made.

7.5. Responsibilities of the Supervisory Body

In accordance with current legislation, the Supervisory Body is not obliged, and therefore is not criminally liable, to prevent the commission of the offences set forth by the Decree, but rather to oversee the functioning of and compliance with the Model, as well as to update it when necessary.
However, any member of the SB may be subject to criminal liability if they are deemed to have been negligent, i.e. if they contribute, through wilful inaction, to the commission of an offence by another person.

8. DISCIPLINARY SYSTEM FOR NON-COMPLIANCE WITH THIS MODEL AND THE REGULATIONS AND PROVISIONS SET FORTH THEREIN

8.1. General principles

ICF acknowledges and declares that the development and implementation of an adequate Disciplinary System, to address any breaches of the regulations and provisions set forth by the Model and the related procedures, is an essential prerequisite for ensuring the effectiveness of the Model itself.

Indeed, article 6(2)(e) and article 7(4)(b) of the Decree establish that Organisational and Management Models must "*introduce a disciplinary system capable of sanctioning any failure to comply with the measures set forth by the model*", and this applies to both Senior Executives and Subordinates.

The development and implementation of an effective disciplinary system therefore constitutes an essential prerequisite for the Organisational, Management and Control Model to enable the Company to avoid administrative liability.

Compliance with the behavioural and procedural rules set forth by the Model constitutes fulfilment by the employees of the obligations provided for in article 2104(2) of the Italian Civil Code, since the contents of the Model represent a substantial and integral part of those obligations.

The Disciplinary System takes into account the different categories of recipients, in accordance with article 2095 of the Italian Civil Code.

Any breach of the rules of conduct and the measures set forth by the Model, by the Company's employees and/or senior managers, constitutes a breach of the obligations arising from the employment relationship, in accordance with articles 2104 and 2106 of the Italian Civil Code.

The application of any of the sanctions provided for by the Disciplinary System is not dependent on the outcome of any criminal proceedings, since the rules of conduct imposed by the Model and the related procedures were established independently by the Company and do not necessarily correlate with the types of offences set forth by the Decree.

More specifically, failure to comply with the regulations and provisions set forth by the Model and the related procedures damages the relationship of trust that exists with the Company and, therefore, in cases where the breach constitutes an offence, disciplinary proceedings must be initiated irrespective of the possible commencement or outcome of a criminal trial. This approach is pursuant to current legislation and the principles of timeliness and immediacy with respect to the notification of charges being brought (including those of a disciplinary nature) and the imposition of sanctions.

8.2. Criteria for imposing sanctions

The type and magnitude of the sanctions imposed shall be proportionate to the seriousness of the breach and, in any case, shall take the following into account:

- the extent to which the conduct was intentional, the degree of negligence, carelessness or inexperience, also considering the incident's degree of foreseeability;
- the severity of the breach;
- the potential damage caused to the Company and the sanctions that may be imposed on it pursuant to the Decree and any subsequent amendments or additions;
- the level of hierarchical or technical responsibility of the person concerned;
- the employee's duties;
- the existence of any aggravating or mitigating circumstances, particularly with regard to the person's performance history and their disciplinary record over the past two years;
- the degree to which other employees or third parties are also responsible for the breach.

In cases where there have been multiple breaches committed via a single act, each of which would incur a different sanction, only the most severe sanction shall be applied.
Any repeat of the offence within two years of the original offence being committed shall automatically entail the application of the most severe sanction possible for that category of offence.
The principles of timeliness and immediacy with respect to the notification of the charges being brought require that the sanction be imposed (including, and in particular, for those of a disciplinary nature) regardless of the possible establishment and outcome of a criminal trial.
In any case, any disciplinary sanctions imposed on employees must be enforced pursuant to article 7 of Law No. 300 of 20 May 1970 (hereinafter "**Law No. 300/1970**" or the "**Workers' Statute**") and all other relevant legislative and contractual provisions.
Any breach, committed by an employee, of the individual provisions and rules of conduct set forth by the Model, always constitutes a disciplinary offence.
The measures and provisions set forth by the Model, in relation to which any non-compliance shall result in the imposition of disciplinary sanctions, are communicated via an internal circular to all employees, which is posted in a location accessible to all and is brought to everyone's attention in the most effective manner possible, so as to ensure maximum awareness and understanding of the Model.

8.3. Sanctions

Sanctions applicable to employees

Any conduct by employees that breaches the individual rules of conduct set forth by this Model is defined as a disciplinary offence. The commission of such disciplinary offences shall result in the imposition of disciplinary sanctions.
Article 2104 of the Italian Civil Code, which sets out the duties of "obedience" that are incumbent on the employee, requires that the employee, in the performance of their

employment duties, observes both the legal and contractual provisions conferred upon them by the employer, as well as by the employer's collaborators to whom they are a subordinate within the organisational hierarchy. In the event of a failure to comply with these provisions, the employer may impose disciplinary sanctions, graduated in accordance with the severity of the breach, pursuant to the provisions of the applicable National Collective Labour Agreement.
In any case, the Disciplinary System must comply with the limits on the employer's disciplinary powers as imposed by Law No. 300/1970 (the so-called "Workers' Statute"), with respect to both the sanctions that may be applied and the way in which such powers may be exercised.
More specifically, the Disciplinary System must comply with the following principles:

a) the procedure must be duly publicised via notices posted in locations accessible to all employees and, if necessary, specific training and refresher courses should be held on the subject;
b) the sanctions must be proportional to the offence committed, and are specified, pursuant to article 2106 of the Italian Civil Code, by the sector's collective bargaining agreement: in any case, the sanction must be determined based on the extent to which the conduct was intentional or the degree of negligence, carelessness or inexperience, the past conduct of the employee concerned, particularly with regard to the existence or otherwise of any previous disciplinary proceedings, the position and duties performed by the person responsible and other relevant circumstances, comprising any shared responsibility, including as a result of negligence, for the conduct in question;
c) any fine imposed may not exceed 4 hours of the person's basic salary;
d) suspension from service without pay;
e) the employee's right to defend themselves must be guaranteed (article 7 of the Workers' Statute) and, in any case, any disciplinary measures over and above a simple verbal warning may not be imposed until at least five days have elapsed since the transmission of the original written notification of the incident that gave rise to the disciplinary proceedings.

The sanction must be sufficiently adequate so as to guarantee the effectiveness of the Model.
For employees defined as "workers", "office workers" or "supervisors", the sanctions that may be imposed on the Company's employees are specified by the *National Collective Labour Agreement for employees operating in the chemical-pharmaceutical sector, the chemical fibres sector and the abrasives, lubricants and LPG sectors* (hereinafter "CCNL"). For employees defined as "managers", they are specified in the *National Collective Labour Agreement for managers of companies producing goods and services* (hereinafter "CCNL Managers").

In any case, without prejudice to that provided for by the Disciplinary System adopted by the Company, as well as by law and by the CCNL:

a) any employee who breaches the internal procedures set forth by the Model or whose conduct, when performing activities in offence risk areas, fails to comply with the provisions set forth by the Model shall incur, in accordance with the severity of the offence (except as otherwise stipulated for employees recruited since 7 March 2015) the sanction of a VERBAL or

WRITTEN WARNING or the sanction of a FINE NOT EXCEEDING 4 HOURS BASIC SALARY or the sanction of SUSPENSION FROM SERVICE respectively provided for by art. 38(2)(1), art. 38(2)(2), art. 38(2)(3), and art. 38(2)(4) of the CCNL;

b) any employee whose conduct, when performing activities in offence risk areas, fails to comply with the provisions set forth by the Model, and that conduct is considered to be a very serious breach of the obligations set forth therein, or any employee who has repeatedly committed the offences referred to in letter a) above, shall incur the sanction of DISMISSAL WITHOUT NOTICE provided for by article 40 of the CCNL.

For employees recruited since 7 March 2015, anybody who breaches any of the internal procedures set forth by the Model or whose conduct, when performing activities in offence risk areas, fails to comply with the provisions set forth by the Model, shall incur the sanction of DISMISSAL WITHOUT NOTICE.

Sanctions applicable to employees holding "management" positions

In the event that a manager breaches the current legislation, or the internal procedures set forth by the Model or by the Code of Ethics, the sanctions considered most appropriate shall be applied to those responsible in accordance with the provisions of the current legislation and of the National Collective Labour Agreement for Managers.

Due to the greater degree of diligence and professionalism expected of those fulfilling a managerial role, "managers" may be subjected to more severe sanctions than other employees for committing the same breach of the Model.

In evaluating the severity of a Model breach committed by an employee fulfilling a managerial role, the Company shall take into account the powers conferred to that "manager", their technical and professional expertise in the operational area in which the breach occurred, as well as the possible involvement in the breach, even if only in terms of having knowledge of its occurrence, of personnel holding a lower position in the organisational hierarchy.

Sanctions may be imposed on any manager who fails to satisfactorily perform their duty to supervise subordinates operating in areas at offence risk areas.

Directors and Statutory Auditors

In the event that a member of the Board of Directors or the Board of Statutory Auditors breaches the current legislation, or the internal procedures set forth by the Model or by the Code of Ethics, the Supervisory Body shall inform all members of the Board of Directors and the Board of Statutory Auditors, which, without the involvement of the director concerned, shall take the appropriate actions as set forth by the relevant current legislation.

In the event that a director commits a serious breach, one that hasn't been justified and/or ratified by the Board of Directors[29], it may be considered just cause for suspending that director from the Board. A serious unjustified breach is defined as the conscious and wilful commission of any of the prescribed offences.

In the event that any conduct sanctionable pursuant to this Model is committed by the majority of the members of the Board of Directors or the Board of Statutory Auditors, the Supervisory Body shall inform the Board of Directors and the Board of Statutory Auditors. The Board of Directors shall then convene a Shareholders' Meeting for appropriate measures to be discussed and taken, and should it not be convened, the Board of Statutory Auditors shall do so instead.

The director and/or directors who are alleged to have breached the provisions set forth by the Model shall have the right to defend themselves prior to any measures being taken, and shall do so as soon as is reasonably possible.

Suppliers, collaborators and external consultants

Any breach of the provisions set forth by the Model and/or by the Code of Ethics by collaborators, consultants, suppliers, partners or other third parties that have a non-employee contractual relationship with the Company may result in, pursuant to the provisions stipulated within the specific contractual clauses contained in the letters of appointment, or even where there are no such provisions stipulated, the termination of the contractual relationship, without prejudice to any claims for damages where such conduct causes damage to the Company, irrespective of whether the contractual relationship is terminated or not.

Sanctions applicable to members of the Supervisory Body

In the event that a member of the Supervisory Body, in carrying out their duties as a member of that Body, commits an offence or breaches the Code of Ethics, the Model and/or the relevant preventive protocols, the Board of Directors, having consulted the Board of Statutory Auditors, shall take the appropriate actions in accordance with the seriousness of the incident.

In the event of a serious breach that hasn't been justified and/or ratified by the Board of Directors, it may be considered just cause for suspending the director from the Body, without prejudice to the application of the disciplinary sanctions provided for by the existing contracts (labour, supply, etc.). A serious unjustified breach is defined as the commission of any of the prescribed offences.

This refers, for example, to hypothetical situations of force majeure or to the protection of the life or physical safety of persons.

Depending on the type of relationship that exists between the Company and the member of the Body, the sanctions may be those stipulated by the applicable CCNLs or a termination for breach of contract and, in any case, suspension from the appointment (if the member is an employee of the Company).

The Company may, depending on the circumstances, also instigate civil, administrative or criminal proceedings to protect its rights.

9. DISSEMINATION OF THE MODEL WITHIN THE COMPANY AND TO THIRD PARTIES

For the purposes of facilitating the effective implementation of the Model, the SB suggests that the Company instigates specific initiatives to provide training on the Model and ensure its full dissemination. To this end, the SB may make itself available to assist in the preparation of any necessary documentation.

It is also suggested that any training activities should be conducted at different levels of detail and using a variety of approaches, depending on which of the Model's Recipients are receiving that training.

For example, training for those fulfilling representative functions may be conducted via an initial meeting followed by periodic update sessions. Furthermore, the Supervisory Body may suggest that the Board of Directors create a dedicated Intranet site, to be updated periodically and specifically designed for communicating any necessary information to the individuals concerned.

For the purpose of ensuring all training activities are effective, ICF, in close cooperation with the Supervisory Body, shall ensure the Model is correctly and fully disseminated.

With respect to communications with third parties (e.g. consultants, suppliers, business partners, etc.) it is advised that ICF provides them with all the necessary information relating to the Code of Ethics, policies and procedures adopted by the Company.