

BALMA, CAPODURI & C. SPA

WHISTLEBLOWING PROCEDURE PURSUANT TO LEGISLATIVE DECREE

24/2023

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1. PURPOSE OF THE PROCEDURE AND REGULATORY CONTEXT

This procedure applies to Balma, Capoduri & C. S.p.A. (the "**Company**") and is aimed at implementing and regulating a system for reporting irregularities within the scope of the activity carried out by the Company. In particular, the procedure implements the provisions of Legislative Decree 10 March 2023, no. 24 (the "**Whistleblowing Decree**") of "*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 on provisions concerning the protection of persons who report breaches of national regulatory provisions*", which regulates the protection of persons who report breaches of national or European Union regulatory provisions that harm the public interest or the integrity of the public administration or private entity, of which they have become aware in a public or private employment context.

The reporting system regulated herein is also relevant for the purposes of Legislative Decree No. 231 of 8 June 2001, which, with regard to internal reporting, applicable sanctions and the prohibition of retaliation in connection therewith, refers to the aforementioned Decree.

The procedure also complies with data protection legislation and, in particular, with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data.

In addition to the aforementioned regulatory provisions, the procedure was also drafted taking into account the provisions of the Organization, Management and Control Model adopted by the Company in the version in force at the *time*.

2. DEFINITIONS

'ANAC'	the National Anti-Corruption Authority
'Privacy Code'	Legislative Decree No. 196 of 30 June 2003 ('Personal Data Protection Code'), which provides for the protection of persons and other subjects with regard to the processing of personal data
'Decree 231'	the Legislative Decree No. 231 of 8 June 2001 and subsequent amendments and supplements
'Whistleblowing Decree'	Legislative Decree No. 24 of 10 March 2023
"Recipient"	indicates the recipient and manager of the <i>Whistleblowing</i> Reports, with the obligation of confidentiality on the information acquired. The Recipient has been identified in the person of the Head of the Company's Personnel Administration Office, Ms. Giulia Maria Bonino
"Alternative Recipient"	indicates the alternative recipient and handler of <i>Whistleblowing</i> Reports, with the obligation of confidentiality on the information acquired, in cases where there is a conflict between the Recipient and the <i>Whistleblower</i> or a conflict for any reason between the Recipient and the <i>Whistleblower</i> . The alternative addressee has been identified as the Supervisory Board of the Company
'Directive'	Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law and on the protection of persons who report breaches of national laws
"GDPR"	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46/EC (General Data Protection Regulation)
'Model 231'	the organization, management and control model adopted by the Company according to Decree 231

<p>"Supervisory Board or 'SB'</p>	<p>the supervisory body of the Company appointed pursuant to Decree 231 and its individual members</p>
<p>"Procedure" or "Whistleblowing Procedure".</p>	<p>this procedure approved by the Chief Executive Officer pursuant to the mandate conferred by resolution of the Company's Board of Directors dated 13 November 2023</p>
<p>"Whistleblower(s)"</p>	<p>those who are entitled to make a Whistleblowing Report pursuant to the Whistleblowing Decree and, in general, to this Procedure, including employees, collaborators, shareholders, persons exercising (also <i>de facto</i>) functions of administration, management, control, supervision or representation of the Company and other third parties interacting with the Company (including suppliers, consultants, intermediaries, etc.) as well as trainees or probationary workers, job applicants and <i>former</i> employees</p>
<p>"Whistleblowing Report' or 'Report'</p>	<p>the report submitted by a Whistleblower in accordance with the principles and rules set out in this Procedure</p>
<p>"Anonymous Whistleblowing Report" or "Anonymous Reporting"</p>	<p>Reports not containing details that allow or could allow, even indirectly, the identification of the reporter</p>
<p>'Person Involved'</p>	<p>the natural or legal person named in the Report as the person to whom the Breach is attributed or as the person otherwise implicated in the reported Breach</p>
<p>'Connected Persons'</p>	<p>the persons to whom the same protections that the Whistleblowing Decree provides for the Whistleblower are applicable and who are: <i>(i)</i> the facilitators; <i>(ii)</i> persons in the same work environment as the Whistleblower and who are linked to the Whistleblower by a stable emotional or kinship relationship up to the fourth degree; <i>(iii)</i> colleagues of the Whistleblower who work in the same work environment and who have a habitual and current relationship with the Whistleblower; <i>(iv)</i> entities owned by the Whistleblower or for</p>

whom the Whistleblower works or entities that operate in the same work environment

"Facilitator

a natural person who assists the Whistleblower in the process of making the Report, operating within the same work context and whose assistance must be kept confidential (these are persons who, having a qualified connection with the Whistleblower, could suffer retaliation on account of said connection).

3. OBJECTIVE SCOPE

The violations that may be reported pursuant to the Whistleblowing Decree must relate to conduct, acts or omissions that harm the public interest or the integrity of the public administration or private entity (*i.e.* the Company), of which the Whistleblower has become aware in the context of the Company's work, and which consist in

1. unlawful conduct relevant under Decree 231 or violations of the 231 Model, which do not fall under the offences indicated below (the '**231 Reports**');
2. offences falling within the scope of European Union or national acts (as referred to in the Whistleblowing Decree) relating to the following areas:
 - a) public procurement;
 - b) financial services, products and markets and the prevention of money laundering and terrorist financing;
 - c) safety and conformity of products;
 - d) transport security;
 - e) environmental protection;
 - f) radiation protection and nuclear safety;
 - g) food and feed safety and animal health and welfare;
 - h) public health;
 - i) consumer protection;
 - j) protection of privacy and protection of personal data and security of networks and information systems;
3. acts or omissions detrimental to the financial interests of the European Union, as set out in the Whistleblowing Decree;
4. acts or omissions concerning the internal market, including violations of European Union competition and state aid rules, as well as violations concerning the internal market related to acts that violate corporate tax rules or mechanisms whose purpose is to obtain a tax advantage that frustrates the object or purpose of the applicable corporate tax law, as set out in the Whistleblowing Decree;
5. acts or conduct that frustrate the object or purpose of the provisions of Union acts in the areas indicated in (2), (3) and (4).

The offences referred to in this Section are also referred to hereinafter as '**Violations**'.

4. INTERNAL REPORTING SYSTEM

In accordance with the provisions of the Whistleblowing Decree, the Company has set up an internal reporting system that guarantees the confidentiality of the identity of the Whistleblower, the Person

Involved and the person mentioned in the Report, as well as the content of the Report and the relevant documentation.

In particular, the Whistleblower may submit its Whistleblowing Report in several ways:

- in **writing**, by ordinary mail, to the attention of the Recipient, in the person of the Personnel Administration Office Manager, Ms. Giulia Maria Bonino, at the address Via Thomas A. Edison, 4, 27058 - Voghera (PV), inserting the Report in a system of closed envelopes structured as follows: the first envelope contains the identification data of the Whistleblower together with an identity document; the second envelope contains the subject of the Report; finally, both envelopes are placed inside a third envelope which bears on the outside, in addition to the addressee, the words "*confidential to the Recipient*";
- **orally**, by requesting a direct meeting with the Recipient, by means of a written request to be sent by ordinary mail to the address and in the manner set out in the preceding point, or by simply turning up at the office of the Recipient.

Anonymous Whistleblowing Reports are allowed.

Nonetheless, it should be borne in mind that sending an Anonymous Whistleblowing Report could make it more difficult to ascertain the reported conduct and the interlocations between the Recipient and the Whistleblower, and thus impair the usefulness of the Report itself.

5. RECIPIENT OF THE INTERNAL REPORTING SYSTEM

The Company has identified a Recipient of the Whistleblowing Reports, in the person of the Personnel Administration Office Manager, who has received specific training in this regard (the '**Recipient**').

If the Recipient is a Person Involved in the Report, or if there is a conflict for any reason between the Recipient and the Whistleblower, the Whistleblower may address the Report to the Chairman of the SB, Mr. Marco Dell'Antonia, who handles the Report with the support of the entire Supervisory Board. The Supervisory Board is therefore identified as an alternative recipient of the Report (the '**Alternative Recipient**').

Also in this case, the Whistleblower may make the Report according to the different modalities (written and oral) described above under Section 4, addressing the Report to the attention of the Alternative Recipient, in the person of the Chairman of the SB, at the law firm "Bonelli Erede Lombardi Pappalardo – Studio Legale", via Michele Barozzi, 1, 20122, Milan.

The Recipient (as well as the Alternative Recipient, if any) has a *budget* of EUR 10,000.00 at its disposal for the management and assessment of the Report and the preliminary activity following the Report.

6. INTERNAL REPORTING MANAGEMENT

6.1. Preliminary verification of the Report

Upon receipt of the Report, the Recipient:

- a. sends an acknowledgement of receipt of the Report to the Whistleblower within seven days from the date of receipt to the address indicated by the Whistleblower in the Report (in the absence of such indication and, therefore, since it is not possible to follow up the Report, the latter may be considered unmanageable under this Procedure);
- b. carries out a preliminary analysis of its contents, if deemed appropriate also with the support of specialized external consultants, in order to assess its relevance in relation to the scope of application of the Whistleblowing Decree and, in general, of the Procedure;
- c. dismiss the Report if it considers that the Report is not admissible by reason of the provisions of the Whistleblowing Decree and of this Procedure, such as, for example:
 - manifest unfoundedness, due to the absence of factual elements referable to the typified infringements;
 - inconsistency, resulting from reports relating to areas other than those provided for in this Procedure and indicated in paragraph 3 (objective scope) above;
 - ascertained generic content of the Report not to allowing comprehension of the facts, or in case the Report is accompanied by inappropriate or irrelevant documentation in order to not allow comprehension of the content of the Report;
 - production of mere documentation without the Report concerning the unlawful conduct.

In the all the cases above, the Recipient, pursuant to the provisions of the Whistleblowing Decree and Paragraph 6.2. of this Procedure, shall take care to justify in writing to the Whistleblower the reasons for the archiving of the Report;

- d. where the Report is not archived, shall promptly involve the Supervisory Board, in order to assess - in a joint session - whether or not the Report qualifies as a Whistleblowing 231 Report and should therefore be handled by the Recipient in agreement with and with the support of the Supervisory Board, in accordance with the provisions of the 231 Model and this Procedure and in full compliance with the confidentiality rules provided for by the Whistleblowing Decree;
- e. takes over the management of the Report.

As provided for in Article 4 of the Whistleblowing Decree, a Report submitted to a person other than the Recipient must be immediately (within seven days) forwarded to the Recipient, with simultaneous notification to the Whistleblower.

6.2. Reporting Management

Whistleblowing Report is handled in accordance with the provisions of this Procedure.

In handling the Report, the Recipient performs the following activities:

- a. maintains interlocutions with the Whistleblower and - if necessary - requests additions from the latter;
- b. provides diligent follow-up to Reports received;

- c. provides feedback to the Report within three months from the date of the acknowledgement of receipt of the Report or, in the absence of such an acknowledgement, within three months from the expiry of the seven-day period from the submission of the Report .

In relation to 231 Report, the Recipient carries out the above activities in agreement with and with the support of the Supervisory Board. Interactions between the Recipient and the Supervisory Board take place through joint meetings, in compliance with the confidentiality requirements requested by both the Whistleblowing Decree and this Procedure.

The Recipient may request the support of internal functions or specialized external consultants, in compliance with the confidentiality requirements of the Whistleblowing Decree and this Procedure.

The Recipient has the right to request clarifications and/or additions from the Involved Person during the course of the handling of the Report.

This is without prejudice, moreover, to the possibility for the Whistleblower to provide further information in the event that the reported fact is continued, interrupted or even aggravated.

Reports (and related documentation) are kept for the time necessary for their processing and, in any case, no longer than five years from the date of communication of the final outcome of the Whistleblowing management process. The documentation is stored to ensure the *standards of confidentiality* required by the Whistleblowing Decree (e.g. in a paper and/or digital archive to which only the Recipient of the Reports has access).

6.3. Internal investigation activities

In order to assess a Whistleblowing Report, the Recipient may carry out the necessary internal investigations either directly or by appointing - without prejudice to the obligation of confidentiality - an internal or external party to the Company. In relation to 231 Reports, the Recipient shall carry out such investigations in agreement with and with the support of the Supervisory Board, in full compliance with the confidentiality rules provided for by the Whistleblowing Decree.

6.4. Closing the Report

The evidence gathered during internal investigations is analyzed in order to understand the context of the Report, to establish whether a Violation relevant under this Procedure and/or the Whistleblowing Decree has actually occurred, as well as to identify disciplinary measures, measures to remedy the situation that has arisen Whistleblowing and/or to prevent such a situation from recurring in the future.

In addition, where it has been established that a Violation has been committed, the Recipient - in concert and with the support of the Supervisory Board with reference to the 231 Reports - may:

1. proceed to institute sanctioning proceedings against the Involved Person, in compliance with the law, any applicable collective bargaining agreement and the 231 Model;
2. assess - also together with the other competent corporate functions - whether it is appropriate to initiate disciplinary proceedings against the Whistleblower, in the event of Reports in respect of which bad faith and/or merely defamatory intent are ascertained, also confirmed by the groundlessness of the Report itself;

3. agree with the Board of Statutory Auditors concerned by particular Reports - i.e. concerning matters relating to complaints *pursuant to* Article 2408 of the Civil Code (shareholder complaints) - any initiatives to be taken before the Report is closed;
4. agree, together with the business function affected by the Violations, on a possible *action plan* necessary for the removal of the control weaknesses detected, also ensuring the monitoring of its implementation.

7. PROTECTION MEASURES

7.1. Protective measures to protect the reporter

Reports must be made in good faith; this is without prejudice to the criminal liability of the Whistleblower if a Report constitutes an offence of slander or defamation or other offence, and without prejudice to the cases of non-punishability set out in the Whistleblowing Decree referred to in this Section 7.1. and Section 7.2.

The Whistleblowing Decree provides for the following protection measures with regard to the Whistleblower and Connected Persons:

- prohibition of retaliation on account of a Report;
- support measures, which consist of information, assistance, advice free of charge from third-sector entities indicated in a list available on the ANAC website on the reporting modalities and regulatory provisions in favour of the Whistleblower and the Connected Person;
- protection from retaliation, which includes:
 - o the possibility of notifying ANAC of retaliation you believe you have suffered as a result of a Report;
 - o the provision of nullity for acts taken in breach of the prohibition of retaliation, which can also be enforced in court;
- limitations of liability in the event of disclosure (or dissemination) of violations covered by the obligation of secrecy¹ or relating to the protection of copyright or the protection of personal data, or information on violations that offend the reputation of the person involved or reported, if
 - o at the time of disclosure (or dissemination) there were reasonable grounds to believe that disclosure was necessary to disclose the Violation; and
 - o the conditions set out in section 7.2 below were met;
- limitation of liability, unless the act constitutes a criminal offence, for the acquisition of or access to information on Violations;
- sanctions (as set out in this Procedure, in Paragraph 10).

¹ Except in the case of classified information, professional and medical secrecy and secrecy of court deliberations, for which the application of the relevant rules remains unaffected.

7.2. Conditions for the application of protective measures

The protective measures listed above apply to the Whistleblower and to Connected Persons provided that:

- a. at the time of the Report, the author of the Report had reasonable grounds to believe that the information on the Violations reported or denounced was true and fell within the scope of the Whistleblowing Decree (as referred to in Paragraph 3 of this Procedure);
- b. the Report was made in accordance with the provisions of the Whistleblowing Decree.

The protection measures also apply in the case of Anonymous Report, if the Whistleblower is subsequently identified and retaliated against.

In particular, retaliation refers to the cases provided for in Article 17 of the Whistleblowing Decree, including the following cases, which are set out below by way of example only:

- a. dismissal, suspension or equivalent measures;
- b. the change of functions;
- c. non-renewal or early termination of a fixed-term employment contract;
- d. discrimination or otherwise unfavorable treatment;
- e. early termination or cancellation of the contract for the supply of goods or services.

8. CONFIDENTIALITY OBLIGATIONS CONCERNING THE IDENTITY OF THE WHISTLEBLOWER

Without prejudice to the further confidentiality obligations provided for by the Whistleblowing Decree, it is recalled that the identity of the Whistleblower and any other information from which such identity may be directly or indirectly inferred may not be disclosed, without the express consent of the Whistleblower, to persons other than those competent to receive or follow up Whistleblowing Reports expressly authorised to process such data pursuant to Articles 29 and 32(4) of the GDPR and Article 2-*quaterdecies* of the Privacy Code.

The following specific confidentiality obligations should also be considered:

- in criminal proceedings → the identity of the Whistleblower is covered by secrecy in the manner and within the limits set out in Article 329 of the Code of Criminal Procedure.

in disciplinary proceedings → (a) the identity of the Whistleblower may not be disclosed, where the allegation of the disciplinary charge is based on investigations that are separate from and additional to the Whistleblowing Report, even if consequent to the Whistleblowing Report;

b) if the disciplinary charge is based, in whole or in part, on the Report and knowledge of the identity of the Whistleblower is indispensable for the Whistleblower's defense, the Report will be usable for the purposes of the disciplinary proceedings only if the Whistleblower has given his/her express consent to the disclosure of his/her identity. In such a case, the Whistleblower is notified in writing of the reasons for the disclosure of the confidential data.

9. DATA PROTECTION

The processing of personal data in the management of the internal reporting channel and the Reports received must be carried out in accordance with the GDPR and the Privacy Code.

The Company has defined its own model for receiving and managing internal Reports, identifying technical and organisational measures suitable for guaranteeing a level of security appropriate to the specific risks arising from the processing operations performed, on the basis of a data protection impact assessment, pursuant to Article 35 of the GDPR.

The relationship with external suppliers that process personal data on behalf of the Company is regulated through a data processing agreement, pursuant to Article 28 of the GDPR, which defines the duration, nature and purpose of the processing, the type of personal data and the categories of data subjects, the obligations and rights of the data controller, in accordance with Article 28 of the GDPR.

The persons competent to receive or follow up Reports pursuant to this Procedure must be authorised to process personal data relating to the Reports pursuant to Articles 29 and 32 of the GDPR and Article 2-*quaterdecies* of the Privacy Code.

Whistleblowers and Involved Persons must be provided with appropriate information pursuant to Articles 13 and 14 of the GDPR.

With reference to the exercise of the data subject's rights and freedoms, in the event that the data subject is the Involved Person, the rights under Articles 15 to 22 of the GDPR may not be exercised (by request to the Data Controller or by complaint pursuant to Article 77 of the GDPR) if this would actually and concretely prejudice the confidentiality of the identity of the Whistleblower (see Article 2-*undecies* of the Privacy Code and Article 23 of the GDPR) and/or the pursuit of the objectives of compliance with the legislation on reporting unlawful conduct.

The exercise of rights by the Connected Person (including the right of access) may therefore be exercised to the extent permitted by the applicable law and following an analysis by the relevant bodies,

in order to reconcile the need to protect the rights of individuals with the need to combat and prevent violations of the rules of good corporate governance or of the applicable regulations.

Personal data that are manifestly not useful for the processing of a specific Report are not collected or, if collected, must be deleted immediately.

10. SANCTIONS

Monetary sanctions (from EUR 10,000 to EUR 50,000) shall be imposed on anyone guilty of any of the following conduct:

- retaliation against the Whistleblower or Connected Persons in connection with Reports;
- obstructing or attempting to obstruct the execution of the Alert;
- breach of confidentiality obligations under the Procedure and the *Whistleblowing* Decree;
- failure to establish *Whistleblowing* channels in accordance with the requirements of the *Whistleblowing* Decree;
- failure to adopt a procedure for making and handling reports or failure to comply with the *Whistleblowing* Decree;
- failure to check and analyse the Reports received.

For all the conduct listed above, the disciplinary sanctions provided for in Model 231 are also applicable.

In addition, a disciplinary sanction may be imposed on the Whistleblower when (other than in the specific cases provided for by the *Whistleblowing* Decree) he/she is found to be: (i) criminally liable, even in a court of first instance, for the offences of defamation or slander or, in any case, for the same offences committed with the report to the judicial authority, or (ii) civilly liable, for the same offence, in cases of wilful misconduct or gross negligence².

11. EXTERNAL REPORTING SYSTEM

The Whistleblower can make an external report through the channel set up and accessible on the ANAC website, at the link <https://whistleblowing.anticorruzione.it/#/>, of the following violations:

1. offences falling within the scope of EU or national acts relating to the following areas: public procurement; financial services, products and markets and prevention of money laundering and terrorist financing; product safety and compliance; transport safety; environmental protection; radiation and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; privacy and personal data protection and security of networks and information systems;

² Pursuant to the *Whistleblowing* Decree, in case sub (ii) the application of fines from EUR 500 to EUR 2,500 by the ANAC is also provided for.

2. acts or omissions affecting the financial interests of the European Union;
3. acts or omissions concerning the internal market, including violations of EU competition and State aid rules as well as violations concerning the internal market related to acts in breach of corporate tax rules or mechanisms whose purpose is to obtain a tax advantage that frustrates the object or purpose of the applicable corporate tax law;
4. acts or conduct that frustrate the object or purpose of the provisions of Union acts in the areas indicated in the preceding numbers.

It should be noted that recourse to the external reporting channel set up at the ANAC can only take place if:

- the internal reporting channel indicated in the Procedure is not active;
- the Whistleblower has already submitted a Report through the internal system indicated in the Procedure and the Report has not been followed up;
- the Whistleblower has reasonable grounds to believe that, if he or she made an internal Report through the reporting system provided for in this Procedure, the Report would not be followed up or the Report might lead to the risk of retaliation;
- the Whistleblower has reasonable grounds to believe that the Violations to be reported may constitute an imminent or obvious danger to the public interest.

For the use of this external reporting channel or the use of public disclosure, please refer to the guidelines and the official ANAC website.

12. INFORMATION AND TRAINING

Information on this Procedure shall be made accessible and available to all, made easily visible in the workplace by posting it on notice boards and also published in a dedicated section of the Company's website.

Information on the Procedure is also made available when hiring an employee.

Training on *whistleblowing* and, in general, on the provisions set out in this Procedure, is also included in the personnel training plans provided by the Company on *compliance* matters.