

## Whistleblowing Procedure

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## **1. INTRODUCTION**

This document aims to regulate the process of managing reports made, pursuant to Legislative Decree n. 24 of 10 March 2023 (hereinafter also the "Decree"), so called Whistleblowing procedure.

This procedure (hereinafter also "Procedure") is an integral part of the Organization, Management and Control Model pursuant to the legislative decree 231/2001 ("Model"), available on the website at: <https://ballestra.com/the-group/code-of-ethics>.

The Procedure, in addition to the legal provisions referred to above, also considers the provisions of the Regulation (EU) 2016/679 (GDPR), as well as the Confindustria's Guidelines for the creation of organization, management and control models of June 2021 and the ANAC Guidelines relating to the procedures for the presentation and management of external reports issued on 12 July 2023.

## **2. PURPOSE**

The purpose that this instrument intends to pursue is to allow Ballestra S.p.A. and its subsidiary/parent companies (hereinafter also "Ballestra" or "Company") to prevent the realization of irregularities and offenses within the company organization or, however, in relation to the relationships that third parties have with the Company itself, intercepting non-compliant behavior in time, in order to remedy and correct it, through active and responsible involvement of all the subjects who are part of the Company.

From an operational point of view, the document has the purpose of providing clear instructions in relation to the process of sending, receiving, analyzing and processing reports presented by anyone, employees or third parties, even anonymously, as well as describing the forms of protection that our system offers to the reporters.

## **3. SUBJECTIVE SCOPE OF APPLICATION OF THE PROCEDURE**

### **3.1 Persons responsible for submitting a Report**

This procedure applies - in particular - to all the subjects of the Company or connected to it, apical and subordinates, who can make a report pursuant to the Decree (art. 3) that are:

- a) Members, Shareholders, Directors;
- b) Auditing firm;
- c) Board of Statutory Auditors;
- d) Employees;
- e) those who, although not falling within the category of Employees, work for the Company and/or are under the control and management of the Company (for example: self-employed workers, including those indicated in Chapter I of Law 81/2017, as well as holders of a collaborative relationship, collaborators who supply goods or services or who carry out works for third parties, paid and unpaid volunteers and interns);
- f) those who, although external to the Company, work, directly or indirectly, for the Company (e.g. consultants);
- g) any other person who relates to the Company for the purpose of making the report;
- h) financial promoters, interns, contract/project workers, temporary workers;
- i) facilitators, to be understood as natural persons who assist reporting persons in the reporting process operating in the same working context - even if not from the same office/management - and whose assistance must be kept confidential.

j) colleagues of the Reporter or of the person who filed a complaint with the Judicial Authority.

"Whistleblower" (also "reporter") therefore means the individual who reports information on violations acquired within their work context.

The provisions of the Decree and of this procedure apply during the abovementioned legal relationships, but also in cases where they have not yet begun, if the information was acquired during the selection process or in other pre-contractual phases, and following the termination or dissolution of the same, if the information on the violations was acquired during the work activities as well as during the trial period.

### **3.2 Recipients of sending reports (Addressees)**

The reports may be delivered through the internal and external reporting channels according to the conditions legally established by the Legislative Decree. n. 24/2023.

The management of the internal reporting channel is entrusted to the Body Recipient of Whistleblowing Reports (ODSW) which the Company has identified as the members of the Supervisory Body (SB) in charge at the time of receipt of the report through one of the reporting channels, considering that this SB has the necessary autonomy and competence requirements. If the concerns behavior attributable to a member of the ODSW, it will be handled by members who are not in conflict and, therefore, with the exclusion of the person to whom the report itself refers. If the report concerns all members of the ODSW, the reporter may contact the Board of Directors (BoD) or the HR Manager directly.

In the management of operational activities, the ODSW can be supported by the company organizational structures from time to time competent or by external professionals appointed for the purpose. In this context, it is strongly recommended to involve only a strictly necessary number of individuals, usually the department managers, who are required to maintain the strictest confidentiality regarding information they become aware.

If a person other than the ODSW receives a report through channels other than those provided by the Company, the latter must: (i) transmit it to the ODSW within 7 days of receiving it, adopting operating methods that ensure adequate confidentiality; (ii) at the same time give the reporter notice of such transmission if possible.

The Addressees and all those involved in the receipt and management of the reports must abstain from dealing with the matter if they perceive a conflict of interest, even a potential one, within themselves.

Further operating methods of the ODSW are described in the Model and in the internal regulations of the SB.

## **4. OBJECTIVE SCOPE OF APPLICATION OF THE PROCEDURE**

### **4.1 Subject of the Report**

Pursuant to Legislative Decree 24/2023 (art. 2), the subject of the Report may be violations consisting of: violations of Model 231, the offences referred to in Legislative Decree 231/2001, violations of the rules indicated by the Decree including, for example, regulations regarding public contracts; prevention of money laundering and terrorist financing; environmental Protection; protection of privacy and protection of personal data and security of networks and information systems, financial interests of the European Union (e.g. in matters of VAT and customs), competition regulation and state aid.

#### **4.1.1. Content of the Reports**

The Whistleblower specifies in the Report, in the most possible detailed way, the information on the violation he knows. In particular, the Reports must have some characteristics necessary to allow the ODSW to carry out verifications and investigations to confirm the validity of the facts covered by the Report, including:

- a clear and complete description of the facts reported;
- the circumstances of time and place in which they were committed, if known;
- the personal details or other elements that allow the identification of the person(s) who has/have engaged in the reported facts, if known;
- the indication of any other subjects who can report on the facts being reported;
- the indication of other evidence, documentary or otherwise, to support the report which can confirm the facts in question;
- an address of the whistleblower to whom updates should be communicated;
- any other information that can provide useful feedback regarding the existence of the facts reported.

Anonymous reports are also permitted if they are adequately detailed and documented, made in great detail, and capable of bringing out facts and situations by relating them to specific contexts.

#### **4.2 Exclusions**

The following are excluded from the notion of Report (art.1 clause 2 of the Decree) - and therefore will not be managed in accordance with the provisions of this procedure:

- disputes, claims or requests regarding interpersonal issues, interpersonal relationships/conflicts;
- disputes regarding defense and national security;
- violations regulated in special sectors, which already guarantee specific reporting procedures (e.g. market abuse, financial intermediation).

Reports relating to:

- complaints connected to disservices or problems relating to the services provided by the Company or its parent companies/subsidiaries or its suppliers/collaborators;
- information that is clearly unfounded, as well as information acquired only based on indiscretions unreliable rumors.

## **5. OPERATING MODES**

### **5.1 Internal reporting channels**

To allow the transmission of Reports, in compliance with the regulatory provisions, the Company activates and keeps open internally more than one communication channel, in particular:

- a) an email address on the domain titled: [organismodivigilanza@ballestra.com](mailto:organismodivigilanza@ballestra.com);
- b) an ordinary mail address to: Organismo di Vigilanza, c/o Ballestra Spa, Via P. Portaluppi n. 17, 20138, Milano;
- c) a mailbox located at the main entrance of each headquarters / local unit of the Company, in a room accessible but protected from public view (called "Cassetta segnalazioni all'Organismo di Vigilanza");

- d) an oral communication, at the request of the Whistleblower to the ODSW, through a direct meeting set within a reasonable time.

All the reporting channels indicated above are aimed at protecting the confidentiality of the Whistleblower, the facilitator, the person involved or in any case the subjects mentioned in the report, the content of the report and the related documentation (see also paragraph 6.1).

The ordinary mail channels and the mailbox can be used via the "3 envelopes" system<sup>1</sup> in order to guarantee the confidentiality required by the legislation, without prejudice to the fact that the internal member of the ODV is responsible for opening ordinary mail addressed to the ODSW.

In the case of oral communication, the content of the meeting, subject to authorization by the Whistleblower, will be reported in a minute of meeting drawn up by the ODSW and approved by the Whistleblower to confirm the correctness of what has been reported.

In any case, it is recommended to always specify in the Report whether you want to keep your identity confidential and benefit from the protection provided in the event of any retaliation.

## **5.2 Management of the internal reporting channel**

As part of the management of the internal reporting channel, the ODSW carries out the following activities:

- issues to the Whistleblower (according to the communication channels available in relation to the report received) notice of receipt of the report within 7 (seven) days from the date of receipt;
- maintains communication with the Whistleblower to whom can request additional information if necessary;
- carries out in-depth analyses, with the support of the Company's department when it is necessary, regarding the reports received (specific analyzes aimed to prove the truth of the facts or circumstances being reported, while protecting the confidentiality of the identity of whistleblower);
- provides feedback to the report within 3 (three) months from the date of the acknowledgment of receipt or from the expiry of the deadline of 7 (seven) days from the submission of the report. This confirmation may be of archiving, ascertainment of the validity of the report and transmission to the competent bodies, or of activities still in progress;
- provides clear information on the channel, procedures, and conditions for making internal and external reports.

The verification on the validity of the circumstances represented in the reports will be carried out in compliance with the principles of impartiality and confidentiality, carrying out any activity deemed appropriate and involving the competent company functions.

As part of the verification activity, the ODSW may request clarifications and additions to the Report from the Whistleblower and/or any other subjects involved in the Report with the adoption of the necessary precautions in order to guarantee the confidentiality. If it does not compromise the carrying out of the activities and deems it necessary to acquire information from the Reported Party it can inform him of the

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<sup>1</sup> It is necessary for the report to be inserted in two closed envelopes: the first with the whistleblower's identification data together with a photocopy of the identification document; the second with the report, in order to separate the reporting person's identification data from the report. Both must then be inserted into a third sealed envelope bearing the words "confidential" to the ODSW (ex. "ODV Confidential") on the outside.

existence of a Report against him and proceed to collect the relevant information through a written request or through his hearing, making a relevant minute of meeting. The ODSW is not obliged to inform the Reported Party of the existence of a Report concerning him, but if the Reported Party is aware of it he can in any case request to be heard and the ODSW follows up on the request received by inviting the Reported Party to formulate his observations in writing.

Among the criteria that can be used to evaluate the admissibility of the Report are the following:

- manifestly unfounded due to the absence of factual elements capable of justifying investigations;
- ascertained generic content of the offense reported that not to allow understand the facts or offense report, accompanied by inappropriate or irrelevant documentation.

### **5.3 Actions following the investigation**

At the conclusion of the investigation phase, the ODSW takes the consequent decisions, giving reasons for them, archiving the report if it turns out to be an irrelevant report and, if necessary, transmitting the report to the company functions responsible for its processing (such as, only for example, in the case of commercial nature complaints from customers to the sales managers or in the case of non-conformity of suppliers to the Quality and Purchasing managers), explaining the reasons that determined this decision.

If the conditions for archiving the Report are not met, the ODSW, having no competence over the assessment of individual responsibilities and on any subsequent measures, will inform on the outcome of the investigations the competent corporate bodies, which will be able to act to:

- the adoption of measures and/or actions that in the specific case are necessary for the protection of the Company, including the possible involvement of the competent authorities also in criminal proceedings;
- the implementation of any improvement actions identified; as well as
- the starting of any disciplinary and sanctioning initiatives following what has been ascertained.

The disciplinary sanctions applicable by the Company are managed by the Human Resources Management in application of the principle of proportionality, as well as the criterion of correlation between infringement and sanction and, in any case, in compliance with the provisions of the national collective labor agreement (CCNL), if any, and/or the methods established by the applicable legislation.

### **5.4 Additional reporting channels provided for by Legislative Decree 24/2023**

Legislative Decree 24/2023 provides that Whistleblowers can use the external reporting channel activated by the National Anti-Corruption Authority (ANAC) or public disclosure only under certain conditions briefly indicated in the following paragraphs. The right of whistleblowers to lodge a complaint with the competent authorities remains unaffected.

#### **5.4.1 External reporting to ANAC**

The Whistleblower can make an external Report to the ANAC only if:

- i. the mandatory activation of the internal reporting channel is not foreseen in the work context or this, even if mandatory, is not active/compliant;
- ii. the Whistleblower has already made an internal report and it has not been followed up;
- iii. the Whistleblower has reasonable grounds to believe that if he/she made an internal report, it would not be followed up effectively, or that the same report could lead to the risk of retaliation;

- iv. the Whistleblower has reasonable grounds to believe that the violation may constitute an imminent or obvious danger to the public interest.

The external channel cannot be used in the event of a significant violation pursuant to Legislative Decree 231/2001 and the Organizational Model.

#### **5.4.2 Public disclosure**

The Whistleblower can make the Report through public disclosure, making the information public domain (e.g. press or social networks) benefiting from the protections of the Decree only if:

- the Whistleblower made an internal Report and an external Report to the ANAC and neither of the two Reports received a response within the established deadlines;
- the Whistleblower directly made an external Report and this did not receive a response within the established deadlines;
- the Whistleblower has reasonable grounds to believe that the violation which is the subject of the Report may represent an imminent or obvious danger to the public interest (e.g. emergency situation or risk of irreversible damage);
- the Whistleblower has reasonable grounds to believe that the external Report may involve a risk of retaliation or may not have an effective follow-up (e.g. the evidence could be hidden or destroyed or whoever received the reports may be colluding with the author or involved in the violation itself).

#### **5.4.3 Complaint**

Whistleblowers may consider contacting the competent national judicial and accounting authorities to file a report of illicit conduct of which they have become aware in the work context.

## **6. PROTECTIONS OF THE WHISTLEBLOWER**

The protections referred to in paragraphs 6.1 and 6.2 below also apply in the case of anonymous reporting, only if the Whistleblower is subsequently identified during the management activities of the reporting or in any case if the reporting person is identifiable.

### **6.1 Protection of confidentiality**

Except for cases in which liability can be configured in cases in which anonymity is not enforceable by law (for example: criminal, tax or administrative investigations, inspections of control bodies, reporting to the judicial authority), the identity of the Whistleblower is protected in every context following the report. The confidentiality of the reporter, the facilitator, the person involved, and the person mentioned in the report must be guaranteed until the conclusion of the proceedings initiated due to the report and in compliance with the same guarantees provided in favor of the reporting person.

Therefore, without prejudice to the exceptions above, the identity of the Whistleblower cannot be revealed without his express consent and all those who receive or are involved in the management of the report are required to protect the confidentiality of such information.

As regards, particularly the scope of the disciplinary proceedings, the identity of the Whistleblower can be revealed to the disciplinary authority and to the accused only in cases where:

- there is the express consent of the Whistleblower;



- the contestation of 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 defense of the accused, provided that this circumstance is deduced and proven by the latter during the hearing or through the presentation of defense briefs. In the latter case, the Whistleblower is notified, by written communication, of the reasons for the disclosure of the confidential data, as well as of the internal reporting procedures when the disclosure of the identity of the Whistleblower and the information is indispensable for the purposes of the person's defense involved.

## **6.2 Protection from Retaliation**

The Company does not tolerate threats or retaliation - understood as any behavior, even attempted or threatened, which occurs in the work context, carried out as a result of the Report and which causes or may cause, directly or indirectly, unjust damage - of any kind towards the Whistleblower or anyone who collaborated in the activities to verify the validity of the report<sup>2</sup>.

The conditions for taking advantage of protection from retaliation are the following: reasonable belief of the Whistleblower regarding the truth and relevance of what has been reported, carrying out the report or public disclosure in a manner compliant with what is required by the Decree, consequential relationship between reporting, disclosure and complaint carried out and the retaliatory measures suffered.

The adoption of discriminatory measures can be reported to the ANAC which, in the event of ascertaining the retaliatory nature of the behavior or act, can impose sanctions on the company concerned.

It is understood that all disciplinary initiatives undertaken with retaliatory purposes will be considered invalid and void.

Without prejudice to the specific limitations of liability envisaged by the legislator<sup>3</sup>, the protection provided in case of retaliation does not apply - in analogy to the previous regulation - in the event of an assessment with a sentence, even if not definitive of first degree against the whistleblower, of criminal liability for the offences of slander or defamation or in any case for the same offences committed with the complaint, or in case of ascertainment of civil liability, for having reported false information intentionally reported with malice or gross negligence. In cases where said responsibilities are ascertained, a disciplinary sanction may also be applied to the Whistleblower.

## **7. RESPONSIBILITIES OF THE REPORTER**

It is the Whistleblower's responsibility to report in good faith and in line with the spirit declared by the legislation.

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<sup>2</sup> Facilitators (those who provide assistance to the whistleblower) also benefit from protection; people in the same working context as the whistleblower and linked to them by a stable emotional or kinship bond within the 4th degree; work colleagues who have a regular and current relationship with the whistleblower; the entities owned by the whistleblower or in which he works, as well as entities that operate in the same working context.

<sup>3</sup> Article 20 of the decree provides for the non-punishment of the Reporter who reveals or disseminates information on violations covered by the obligation of secrecy, other than that referred to in Article 1, paragraph 3, or relating to the protection of copyright or the protection of personal data or reveals or disseminates information on violations that offend the reputation of the person involved or reported, when, at the time of the revelation or dissemination, there were reasonable grounds to believe that the revelation or dissemination of the same information was necessary to reveal the violation and the report, public disclosure or complaint to the judicial or accounting authority was made pursuant to Article 16. However, liability is not excluded for conduct or acts not connected to the report or not strictly necessary to reveal the violation. This exclusion of liability also extends to the entity or person who acquires such information.

Any forms of abuse of the Whistleblowing procedure, such as manifestly opportunistic reports and/or reports made for the sole purpose of harming the reported party or other subjects, and any other hypothesis of improper or intentional exploitation use of the institution are a source of responsibility, in disciplinary and other competent bodies.

## **8. DOCUMENTATION STORAGE**

The ODSW is required to document, through the conservation of electronic and/or paper documents, the reports received, in order to guarantee complete traceability of the interventions undertaken to fulfill its institutional functions.

The documents in electronic format are stored in an IT archive protected by authentication credentials known only to the ODSW.

The paper documents are archived in an archive whose access is permitted only to the ODSW.

In the event of reports produced in obvious bad faith, the ODSW reserves the right to archive them by deleting the names and elements that may allow the identification of the reported subjects.

The data thus collected and archived will be retained by the ODSW for a period of 5 (five) years starting from the date of communication of the final outcome of the reporting procedure.

Reports received concerning offences referred to Decree 231 and/or violations of the Code of Ethics or of the Model will be reported to the Board of Directors by the ODV in its annual report transmitted in compliance with the provisions of the Model, without prejudice to the need for immediate communication where the investigations carried out highlight situations of serious violations of the Model and/or the Code of Ethics, or the ODV has developed a well-founded suspicion of commission of an offence, in compliance with the provisions of Model 231.

## **9. DISSEMINATION OF THE PROCEDURE**

This procedure will be sent in the initial issue phase via email to all employees, uploaded to the company intranet and published on the Company's website. This procedure, during application, may be integrated with further instructions or referred to in other documents.

## **10. PRIVACY**

All subjects involved in the receipt and processing of the Reports must guarantee the absolute confidentiality of the information received through the Reports and of the identity of the Whistleblowers, the Reported Parties, the people involved and/or mentioned in the Report, the content of the Report and the related documentation, without prejudice to legal obligations.

Violation of confidentiality obligations by the ODSW or other subjects possibly involved may be subject to sanctions by the Company.

The processing of personal data of the people involved and/or mentioned in the Reports as well as of the Whistleblowers is carried out exclusively for purposes related to compliance with the obligations deriving from the Decree and in compliance with the provisions of Legislative Decree 24/2023, EU Regulation no.679 of 27 April 2016 (GDPR), by Legislative Decree 196/2003 (Privacy Code) and subsequent amendments, and by Legislative Decree 101/2018. It is understood that the exercise of the rights

attributed to interested parties by the applicable personal data protection legislation (for the identification of which please refer to the same legislation), could be subject to limitations with specific reference to the possibility that the exercise of such rights could result in an effective and concrete prejudice to the confidentiality and identity of the whistleblowers.

