

**ORGANISATION, MANAGEMENT AND CONTROL MODEL**  
pursuant to Legislative Decree No. 231 of 8 June 2001

**Update: November 2022**

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**PIOMBINO LOGISTICS S.p.A. A JSW Enterprise a Socio Unico**  
**Subject to Management and Coordination of JSW Steel Ltd S.C. Euro 1,421,227 i.v. C.F. and P.IVA 01829610490 R.E.A. of Livorno**  
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This update was drafted by the Company's monocratic Supervisory Board, Mr. Luciano Giuliani,  
and proposed for approval by the Board of Directors

Model approved by the Board of Directors on 9 December 2022

Chairman

Virendar Singh Bubbar

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**APPENDIX**

**Text Legislative Decree 231/2001 (updated 23 March 2022)**

**List of offences within the scope of Legislative Decree 231/2001 (updated 23 March 2022)**

**Declaration of responsibility and absence of conflicts of interest**

**Declaration and express termination clause in relations with third parties**

**Risk mapping - Notes (\*)**

(\*) Please refer to what was already contained in the previous update since, even though the corporate framework has changed, the risk areas relating to individual activities can still be considered current.

**ORGANISATION, MANAGEMENT AND CONTROL MODEL**

**pursuant to Legislative Decree No. 231 of 8 June 2001**

**GENERAL PART**

## Foreword

This update became necessary as a result of further legislative innovations introduced after the previous update, which supplemented and amended the text of Legislative Decree 231/2001, introducing new predicate offences. In particular, by Law 22/2022, the following articles were inserted: 25 septiesdecies and 25-duodevicies, respectively entitled *Crimes against the cultural heritage and Laundering of cultural goods and devastation and looting of cultural and landscape heritage*.

## Legal framework and '231 regulatory system

*Legislative Decree No. 231 of 8 June 2001*

Legislative Decree 231/2001, containing the 'Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality', was issued on 8 June 2001.

The rule, issued in implementation of the delegation of authority set forth in Law No. 300 of 29 September 2000, brought Italian legislation on the liability of legal persons into line with certain International Conventions previously signed by the Italian State.

In particular, these are: the Brussels Convention of 26 July 1995 on the Protection of Financial Interests; the Brussels Convention of 26 May 1997 on Combating Bribery of Public Officials of the European Community and Member States; the OECD Convention of 17 December 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions.

In addition, the Italian legislator subsequently ratified, by Law No. 146/2006, the United Nations Convention and Protocols against Transnational Organised Crime adopted by the General Assembly on 15 November 2000 and 31 May 2001.

The innovative scope of the decree in question is of great importance, in that for the first time in the Italian legal system a form of liability called administrative liability is imposed on entities, which is, moreover, comparable to criminal liability, which until then had been considered excluded on the basis of Article 27 of the Italian Constitution, according to which criminal liability is personal (hence the Latin phrase *societas delinquere non potest*). It should be noted that 'entities', for the purposes of the rule in question, means: entities with legal personality, companies, associations, even if without legal personality; on the other hand, the State, territorial public entities, non-economic public entities and those that perform functions of constitutional importance are excluded.

The liability in question arises in the event of the commission, in the interest or to the advantage of the entities themselves, of the offences listed in the decree by

- persons who hold functions of representation, administration or management of the entity or of one of its organisational units with financial and functional autonomy, as well as natural persons who exercise,

also de facto, the management and control of the entity itself (so-called *persons in top positions*: Article 5(1)(a));

- persons subject to the direction or supervision of one of the persons referred to in the preceding point (so-called *subordinate persons*: Article 5(1)(b)).

#### *Offences under Legislative Decree 231/2001 and their evolution*

It should be noted that the liability of the entity arises only when the offences expressly provided for by the decree itself (based on the principle of legality) have been committed by the above-mentioned persons, and only in the interest or to the advantage of the entity. Where the interest or advantage does not exist, there is no administrative liability on the part of the entity, but only the physical person(s) who committed the offence will be prosecuted. On the contrary, if the commission of the offence even results in damage to the entity, the latter shall be considered an injured party.

The scope of predicate offences has expanded considerably over time, so that a regulation that was originally created for the primary (though not exclusive) purpose of preventing and combating corruption and offences in economic and financial matters has expanded to include entirely different types of offences.

The types of offences specified by the decree are, in brief, as follows:

- offences committed against the Public Administration (see also amendments made on corruption by Law No. 3 of 9.1.2019)
- offences of counterfeiting money, public credit cards and revenue stamps
- computer fraud offences
- corporate offences
- bribery between private individuals
- offences for the purpose of terrorism and subversion of the democratic order
- market abuse offences
- crimes of an associative nature
- copyright and industrial property offences
- Receiving stolen goods, money laundering, self-laundering and misuse and possession of means of payment
- female genital mutilation practices



- crimes against the individual, including the so-called 'caporalato' crime
- offences (limited to culpable homicide and grievous or very grievous bodily harm) committed in breach of the rules on accident prevention and the protection of hygiene and health at work
- environmental offences
- offences in the employment of third-country nationals
- some transactional offences
- racism and xenophobia offences
- offences related to sporting events
- tax offences (introduced by Law No. 157 of 19 December 2019 and extended by Legislative Decree 75/2020)
- smuggling offences (recently introduced by Legislative Decree 75/2020, implementing EU Directive 2017/1371)
- offences against cultural heritage (introduced by Law 22/2022)
- laundering of cultural goods and devastation and looting of cultural and landscape heritage (introduced by Law 22/2022)
- non-compliance with disqualification sanctions ordered by the court pursuant to the decree.

Jurisdiction over the offences in question for the purpose of ascertaining the liability of the entity lies with the criminal court hearing the proceedings relating to the offences committed by the natural person.

The appendix contains both the updated text of Legislative Decree n. 231/2001 and the detailed list of offences relevant to the decree itself (predicate offences)

### Sanctions

We summarise the types of penalties provided for by the decree for the commission or attempted commission of the above-mentioned offences.

- Monetary penalties. These penalties (to be distinguished from any compensation for damages) are determined by the judge on the basis of a system of quotas (from a minimum of one hundred to a maximum of one thousand) ranging from a minimum of €258.22 to a maximum of €1,549.37 each. The criteria governing the determination of the quotas are: seriousness of the fact, degree of liability of the entity, conduct of the entity to eliminate or mitigate the consequences and to prevent the commission of further offences.

On the other hand, the criterion for determining the amount of the individual shares relates to the economic and asset conditions of the entity.

- Disqualification sanctions. The application of such sanctions restricts, in whole or in part, the activity of the body, with particular reference to the specific activity to which the offence relates. These sanctions (again, in application of the principle of legality) may only be imposed in the hypotheses exhaustively provided for and only for certain offences, provided that the entity has made a significant profit from the criminal conduct of persons in top management positions or also of persons subject to the direction of others, in the presence of serious organisational deficiencies that have determined or facilitated the commission of the offence. 16, which provides for definitive disqualification sanctions in cases of particular seriousness and multiple offences - temporary in nature (from a minimum of three months to a maximum of two years) and are in turn classified as follows:
  - a) disqualification;
  - b) suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
  - c) prohibition of contracting with the public administration, except to obtain the performance of a public service;
  - d) exclusion from benefits, financing, contributions or subsidies and the possible revocation of those already granted;
  - e) ban on advertising goods and services.

As an alternative to prohibitory sanctions, the judge may allow the continuation of the activity by a commissioner appointed by him.

It should be noted that prohibitory sanctions may also be imposed as a precautionary measure, in the presence of serious indications of the Entity's liability for an administrative offence dependent on a criminal offence, and of well-founded and specific elements that concretely suggest the existence of the danger of commission of offences of the same nature as the one for which proceedings are being taken.

- Confiscation; this sanction necessarily follows the conviction (Article 19).
- Publication of the judgment; this is a possible sanction, which presupposes the application of a prohibitory sanction (Article 18).

### *Organisation, Management and Control Model*

Having said all of the above with regard to the administrative liability of entities, the offences constituting it and the sanctions accompanying it, it should be noted that the decree in question also provides for forms of exoneration with regard to that liability (Articles 6 and 7).

In particular, under Article 6(1), in the event that the facts of the offence are attributable to persons in a so-called apical position, the exemption is triggered if the entity proves:

- having adopted and effectively implemented, prior to the commission of the offence, organisational and management models capable of preventing offences of the kind committed;
- entrusting a body of the entity, endowed with autonomous powers of initiative and control, with the task of supervising the operation of and compliance with the models and ensuring that they are kept up-to-date (these tasks may, however, be performed by the management body in small entities: Article 6(4));
- that those who committed the offence did so by fraudulently circumventing the organisation and management models;
- that there was no or insufficient supervision by the body referred to in (b).

The requirements for these models are as follows (Art. 6(2)):

- identification of the activities within the scope of which offences may be committed;
- provision of specific protocols aimed at planning the formation and implementation of the Entity's decisions in relation to the offences to be prevented;
- identification of methods of managing financial resources suitable for preventing the commission of offences;
- provision of information obligations to the body referred to in (b);
- Introduction of an appropriate disciplinary system to sanction non-compliance with the measures indicated in the model.

**N.B.:** See also the amendments to Article 6 on *whistleblowing*, set out in the relevant section below.

A further guarantee with respect to the effectiveness of the Model is provided by the option of adopting models drawn up on the basis of codes of conduct drawn up by the associations representing the entities and communicated to the Ministry of Justice.

Where, on the other hand (Article 7(1)), the offence is committed by persons in a subordinate position, the entity is liable if the commission of the offence was made possible by the failure to comply with management or supervisory obligations, provided that the entity has not adopted and effectively implemented the above-mentioned model.

To this end, on the one hand the model must provide for appropriate measures to ensure that the activity is carried out in compliance with the law and to promptly detect and eliminate risk situations; on the other hand, in order for it to be said to be effectively implemented, it is necessary to: - periodically check and amend the model if significant violations of the provisions emerge or when significant changes occur in the organisation or activity; - have a disciplinary system capable of sanctioning non-compliance with the measures indicated in the model.

#### *Guidelines drawn up by trade associations.*

Following the entry into force of Legislative Decree 231/2001, the main trade associations drew up the 'codes of conduct' required by the aforementioned Article 3(6).

Of particular interest for the construction of a model for Piombino Logistics are the Guidelines drawn up by Confindustria (which was also the first trade association to draft such a document).

The first guidelines were issued in March 2002, and subsequently updated several times according to legislative, doctrinal and jurisprudential developments and practical experience.

These guidelines were declared adequate by the Ministry of Justice with the issuance of appropriate notes.

#### *Whistleblowing - Art. 6 D. Legislative Decree 231/2001*

Particular mention must be made of this institution, which was very recently introduced into the text of the decree.

Law No. 179 of 30 November 2017, published in the Official Gazette on 14 December 2017 and in force since 29 December 2017, introduced the institution of "whistleblowing" into the 231 system, with a substantial amendment to Article 6 of Legislative Decree 231/2001 (see Appendix).

This term refers to the reporting of offences or violations relating to the organisation and management model of the entity of which he/she has become aware by reason of his/her office.

The rules introduced, therefore, are aimed at ensuring the protection of the person who reports offences (or violations relating to the organisation and management model of the entity) of which he/she has become aware by reason of his/her office.

These subjects are those provided for in Article 5 of the decree, namely:

(a) persons holding positions of representation, administration or management of the entity or of one of its organisational units with financial and functional autonomy as well as persons exercising, including de facto, the management and control thereof;

(b) persons subject to the direction or supervision of one of the persons referred to in (a).

In this regard, the aforementioned law introduced a significant amendment to Article 6 of the decree, for the part in which it defines the suitability requirements of organisational, management and control models pursuant to 231.

In particular, according to the new wording of Article 6, the models will have to provide for the activation of one or more channels enabling the transmission of reports to protect the integrity of the entity; these channels must guarantee the confidentiality of the identity of the reporter in the management of the report. In addition, at least one alternative channel suitable for guaranteeing confidentiality will have to be provided: the alternative channel will therefore be either computerised or traditional, as an alternative to the characteristics of the other channels.

The system of safeguards provided for in the Model and in Article 6 above, as well as the channels made available for reporting, must be adequately brought to the attention of potential whistleblowers.

Substantiated reports of unlawful conduct (or of the breach of the entity's organisation and management model) must be based on factual elements that are precise and concordant.

Direct or indirect retaliatory or discriminatory acts against the whistleblower for reasons directly or indirectly linked to the report are prohibited.

Finally, the organisational models must provide for disciplinary sanctions against those who breach the whistleblower protection measures.

Therefore, this Model includes, in its special part, protocols suitable to meet the dictates of the aforementioned Article 6.

It also provides, in the Code of Ethics, for principles and rules of conduct consistent with these principles.

Finally, the disciplinary sanctions included in the Disciplinary System apply, according to the criteria laid down therein, to anyone who violates the protection of the whistleblower, in terms of both confidentiality and retaliatory acts.

### Establishment of the company and its management lines

Piombino Logistics S.p.A-A Jsw Enterprise- was born from a project of partial proportional demerger, the evolution of which was as follows: on 18 September 2015 there was the sole administrator's determination for the demerger project; on 28 September 2015 the shareholders' meeting resolved; the company was incorporated with a deed dated 17 December 2015, which became effective towards third parties with the publication in the Companies' Register on 28 December 2015.

Currently, following significant corporate changes between 2018 and 2019, the sole shareholder is JWS Steel Italy S.r.l S.p.A.

Governance is traditional in character.

Compared to previous editions of the Model, there have been changes in the coverage of offices and in the Board of Directors, which now consists of the Chairman and one non-executive director and two directors with delegated powers.

Piombino Logistics carries out its activity on areas under maritime state concession in its own ownership and partly on areas owned by or under the availability of JWS Steel Italy Piombino S.p.A., such as the railway junction.

The company started with a small number of employees, which will increase as the project progresses until it is fully implemented.

The registered office is in Piombino.

The relations between Piombino Logistics and JWS Steel Italy Piombino S.p.A. are punctually governed by the Framework Agreement of 28 December 2016 (entered into between the company and AFERPI and implemented by JSW Steel Italy Piombino S.p.A ) and its annexes, to which reference is therefore expressly made.

In summary, this agreement provides for the two companies to mutually provide a range of services and activities to each other, regulating the modalities and economic aspects.

It is envisaged that Piombino Logistics will provide JWS Steel Italy Piombino S.p.A. with services relating to its own activity, essentially of a logistical nature; on the other hand, it is envisaged that JWS Steel Italy Piombino S.p.A. will provide Piombino Logistics with a whole series of services and support for the latter's operational activity (areas, railway network, etc.), as well as in relation to general services, staff activities of a managerial and administrative nature.

The respective responsibilities for safety and environmental protection are also regulated in the framework agreement.

To date, Piombino Logistics operates mainly on behalf of JWS Steel Italy Piombino S.p.A.; however, its articles of association provide that it may also carry out activities on behalf of third parties; in this sense, it is to all intents and purposes an entrepreneurial entity operating on the market.

Promotional and commercial actions aimed at the acquisition of orders are inspired by fair competition principles, in compliance with the regulations in force, and based on the enhancement of its own operational capabilities and the professionalism of its staff.

In the hierarchy of criteria that inspire its management style, the Company takes considerable account of the ethical aspects directly or indirectly connected with the activities carried out and with the conduct of corporate life.

It should be noted that the industrial context in which the company operates, with regard to both JWS Steel Italy Piombino S.p.A. (formerly AFERPI and formerly Lucchini) and the more general local context, is characterised by a high level of industrial and trade union culture, in which the ethical values associated with work (respect for commitments, loyalty, respect for the individual, attention to safety) have been rooted for decades and belong to the cultural heritage of the population of the city and the surrounding area.



## Company structure, corporate purpose, structure, powers and delegations

Piombino Logistics is a joint-stock company, whose sole shareholder has recently passed from Cevitaly Srl to JSW Steel Italy S.r.l; in turn, it is wholly owned by JSW Steel Ltd and, therefore, management, coordination and control activities are ultimately referred directly to the latter company.

The object of the company is precisely defined in Article 4 of the articles of association, and is unchanged.

- 1) *"- on its own account and/or on behalf of third parties, the warehousing, storage and warehousing of goods and any other material, the operation of warehouses and stores in general, the handling, preparation, initial processing, packaging, wrapping and packaging in general of goods and more generally any activity directly and/or indirectly related to logistics activities;*
- 2) *on its own account and/or on behalf of third parties, haulage of goods and/or persons; commission and related activities in all branches of land, sea and air, both domestic and international, as well as sea and air agency, forwarding, customs operations and related activities;*
- 3) *- on its own account and/or on behalf of third parties, all coordination and management services of an operational nature, document management, consultancy, data entry, outsourcing of a manual and/or computerised nature, fulfilment of public administration requirements, weighing services of both a public and private nature;*
- 4) *- on its own behalf and/or on behalf of third parties, the provision of technical, financial, accounting, administrative, commercial, corporate, organisational, marketing, planning and public relations services as well as management services in general, also with the aid of computer and telecommunication means. 1.1 ,*
- 5) *- on its own account and/or on behalf of third parties, trade, both retail and wholesale, as well as the import and export of all kinds of products; the purchase, assignment, use of licences, concessions, patents, trademarks, know-how within the scope of the above-mentioned activities;*
- 6) *- on its own account and/or on behalf of third parties the construction, marketing, installation, repair, maintenance, conversion, overhaul, washing, cleaning, assembly, outfitting, painting, checking, restoring, securing, hiring, renting of containers, tanks, cisterns and containers in general, trailers and similar, equipment for on-board use, earth-moving machinery, lifting equipment, offshore platforms, industrial machinery and equipment in general, spare parts and accessories, ships and floats in general;*
- 7) *- on its own account and/or on behalf of third parties, the repair, maintenance, washing and cleaning of motor vehicles, machines and vehicles in general, the operation of mechanical workshops in general;*
- 8) *- on its own account and/or on behalf of third parties or portorage services in general, the handling of goods and any other material, removal services, lifting services using cranes, lifting arms, vehicle-mounted aerial platforms and all lifting equipment in general; industrial cleaning services and cleaning services in general; security services; catering services;*
- 9) *- on its own account and/or on behalf of third parties the construction and management, directly or through participations, of logistics centres, interports, road, rail, sea and air terminals;*



10) - on its own account and/or on behalf of third parties the carrying out of port operations and the provision of port services.

The company may then, among other things:

- becoming a concessionaire of state-owned space and/or port quays
- Carrying out the activities of loading, unloading, transshipment, warehousing, general movement of goods and any other material in the port area;
- providing control, measuring, ticking, marking, custody, surveillance, inspection, verification services
- provide cleaning and maintenance services for yards, warehouses, docks and dry docks;
- provide dredging, reclamation and remediation services;
- provide port safety and accident services, including equipment rental;
- supplying various goods and equipment for on-board use;
- in general, provide all ancillary, complementary services to port traffic and port activities in general.

11) - For the purpose of attaining the corporate purpose, and in any case residually and within the limits of and in compliance with the legal provisions on finance and credit, the granting of loans, including mortgage loans, the purchase and sale of receivables both with and without recourse, portfolio discounting;

12) - the buying and selling of movable property of any kind; the leasing of the same to the investee companies; the buying and selling, owning, and managing of public and private securities and participations;

13) - the purchase, sale, construction, renovation, exchange, leasing of real estate; the leasing of the same to investee companies; their management and administration when owned by the company;

14) - on its own behalf and/or on behalf of third parties the provision of studies and technologies, the provision of consultancy and technical services, the carrying out of technological research programmes, technical experimentation and updating in the field of techniques related to the corporate purpose.

For the achievement of the corporate purpose, the social organisation may:

- assume and grant agencies, commissions, representations and mandates, as well as carry out all real estate, movable and commercial transactions deemed instrumental to the achievement of the corporate purpose;
- acquire shareholdings and interests in Italian or foreign companies and enterprises or in collective entities having the same, similar or related purpose as its own in a non-prevailing and entirely accessory and instrumental manner and provided that such shareholdings are not intended for public placement;
- grant sureties, deposits, endorsements and real or personal guarantees for one's own obligations or those of others;
- carry out all possible financial transactions of a passive nature, such as credit financing, discounting, assignment of receivables, mortgages with the specification that all such activities must be carried out within the limits of and in compliance with the regulations governing the exercise thereof and in particular with Legislative Decree No. 385 (three hundred and eighty-five) of 1 September 1993 on banking and financial activities Article 26 (twenty-six) of Law No. 108 of 7 March 1996 (one hundred and eight) on the subject of mediation and consultancy in the granting of loans, of Legislative Decree No. 58 of 24 February 1998 (fifty-eight) on the subject of financial intermediation, as well as in compliance with the regulations on the subject of activities reserved to members of Professional Associations, Orders or Associations."

As can be seen, the *core business is* purely logistical, as the company's name suggests.

The operational activities are carried out and/or coordinated, through its own structures, by the company, which also makes use of third parties when necessary.

On the other hand, activities concerning administrative, personnel management, contractual and legal aspects are mainly carried out, subject to specific exceptions, on behalf of the company by JWS Steel Italy Piombino S.p.A.. under the above-mentioned framework agreement. In particular, purchases of a general nature are managed by the competent structures of JWS Steel Italy Piombino S.p.A. under the aforementioned framework agreement, while those concerning specific items directly related to the activities of Piombino Logistics are managed by the latter on its own account.

### *The organisational structure and powers*

The organisational structure is lean and strongly oriented towards specialisation in the various activities; the organisation of work and the coordination of activities are delegated to a Managing Director and to the Director of Operations, who is granted special powers of attorney.

The organisational structure and the system of delegation allow for observance of the principle of 'segregation' between activities, and in particular between operational, administrative and control activities; they also allow for interchange between the persons in charge of the different types of activities.

A precise definition of powers and responsibilities is therefore ensured; in particular, the system of powers also takes into account the interdependence between Piombino Logistics and JWS Steel Italy Piombino S.p.A.

### *Protocols and procedures*

The size of Piombino Logistics allows it to use streamlined procedures that are focused on operational aspects, and thus essentially oriented towards regulating its own implementation activities.

The company, however, operates in quality assurance and holds certifications that constitute a highly procedural system complying with very precise rules. This model also provides for specific prescriptions aimed at regulating the most sensitive aspects of the company's activities, also and above all for the purpose of preventing the predicate offences pursuant to 231.

The basic principles underlying these requirements are as follows:

- separation of duties;
- separation of operational and control functions, creating a 'virtuous conflict' between functions;
- verifiability, documentability and traceability of activities and individual operations;

- documentation of controls.

**The organisation, management and control model pursuant to Legislative Decree 231/2001 adopted in Piombino Logistics S.p.A. - A Jsw Enterprise -***Drafting the model*

After its incorporation, the company deemed it appropriate to proceed with the adoption of an Organisation, Management and Control Model that complies with the provisions of Legislative Decree No. 231/2001 and subsequent amendments and additions.

For the purposes of drafting the Model, first of all a careful check was carried out - through the acquisition and examination of company documentation made available and the conduct of targeted interviews - on the management system, the organisational structure and the operating process, taking into account that the *core business* consists of activities already carried out by Lucchini first and then by AFERPI and subsequently outsourced and, as such, on the one hand already consolidated in their performance, but on the other hand carried out in a framework of responsibility and coordination that is completely different from the past.

We therefore proceeded first of all to verify the criteria to which the system of powers and proxies, the organisational set-up and operating practices respond, also taking into account the distinction between the activities carried out in-house (essentially *line activities* and those more closely related to operational aspects) and those provided as a service by AFERPI (now JSW Steel Italy Piombino S.p.A.) under the above-mentioned framework agreement, consisting of staff activities and services.

With reference to the relations between the company and JWS Steel Italy Piombino S.p.A., account was taken of the strong interdependence existing between the two companies and the consequent cases of interference.

In this way, those activities theoretically most at risk of commission of the offences provided for in the decree ('sensitive' activities) were identified, in relation to the organisational positions and roles to which they are entrusted.

This, consequently, made it possible to identify the areas of activity theoretically at greater risk of commission of offences pursuant to 231.

At the end of the analysis, the focus was on verifying and, therefore, fine-tuning the system of guarantees and controls for the prevention of the commission of the predicate offences set out in the decree.

Lastly, the conduct to be adopted at the various levels has been prescribed, and these prescriptions have been backed up by a disciplinary system to punish violations.

As for conduct, in addition to the protocols aimed at preventing the underlying offences, a Code of Ethics has been drawn up, containing more generally the ethical principles that must inspire the company's policy and activities, as well as the lines of conduct to be kept in line with the aforementioned principles. The Code of Ethics, therefore, on the one hand has a broader scope than the protocols contained in the Model, since its

purpose is to guide the conduct of the persons to whom it is addressed, in such a way as to avoid conduct in conflict with the ethical principles by which the company is inspired, even when they are not so serious as to constitute the elements of one of the predicate offences, or they refer to legal offences not included among the predicate offences.

Finally, the criteria for the appointment and composition of the Supervisory Board were defined, as well as its powers.

Consistent with the method used for the first edition, this update takes into account legislative developments since the first edition.

### *The Components of the Model*

The Piombino Logistics Model is composed as follows:

- general part, describing the company's corporate and organisational structure and purpose, and providing a summary of the structure and contents of the Model
- special part, which formulates the protocols and controls to protect against the various types of administrative offences and the related underlying offences provided for in Legislative Decree 231/2001
- Code of Ethics
- Statute and Rules of the Supervisory Board
- disciplinary system.

The modalities of communication and information on the model are also outlined.

The components of the Model are, as mentioned, briefly illustrated below in the general part.

The appendix contains the updated text of the decree and the list of administrative offences with their predicate offences.

## The Supervisory Board of Piombino Logistics S.p.A- A Jsw Enterprise-

The following aspects are regulated in the part of the Model entitled "Statute and discipline of the Supervisory Board": composition, term of office, powers, prerogatives, duties, causes of ineligibility, method of appointment, permanence in office, prerequisites for revocation and related procedures, information and document flows.

Some of these aspects are summarised here.

### *Composition, characteristics of members and permanence in office*

The body must meet the requirements of autonomy and independence, professionalism, honourableness and absence of conflict of interest, and must also possess personal and professional characteristics suited to the role.

### *Budget of the Supervisory Board*

In order to guarantee the continuity and fullness of the body's action, appropriate and adequate financial resources are allocated within the annual budget.

### *Tasks and Attributions*

These are those attributed by law, and in particular by Article 6(1) of the Decree, according to which the Supervisory Board is entrusted with the task of supervising the operation of and compliance with the Model, as well as verifying that it is kept up-to-date with respect to legislative developments and corporate and organisational changes that entail significant variations in the corporate structure, corporate purpose or distribution of responsibilities, suggesting to the company that it do so if the need or opportunity arises.

Since the company has opted to include the Code of Ethics within the Model, the Supervisory Board is also responsible for verifying compliance with the principles and lines of conduct laid down therein. It follows that, in the event of non-compliance not only with the prescriptions of the Model aimed at preventing the commission of the underlying offences, but also with those of the Code of Ethics, even if not directly or indirectly attributable to the possible or actual commission of such offences, the Supervisory Board shall propose the adoption of the sanctions provided for in the Disciplinary System.

The powers of the Supervisory Board listed above are expressed, in operational terms, in the following activities:

- verification and supervision of the Model, both as to its suitability to prevent (or to highlight, if any) conduct in breach of Legislative Decree no. 231 and subsequent amendments and additions, and as to its actual application; this activity is also carried out by means of periodic targeted audits, concerning aspects theoretically at risk of the commission of predicate offences;



- verifying the updating of the Model, as a function of legislative innovations, changes in the organisation or activity of the Company, significant breaches of the Model or the simple passage of time, providing the company with suggestions as to the advisability or necessity of updating the Model;
- receiving and evaluating the reports received concerning violations of the Model (or violations learned of directly); if the reports are considered well-founded, the Supervisory Board informs the Board of Directors, together with, where appropriate, the proposal to adopt disciplinary sanctions;
- a system of reporting to the Board of Directors on the activities carried out by the Supervisory Board is in place; as a rule, ordinary activities are carried out on an annual basis - if violations of the Model or of the Code of Ethics are recorded, or in the presence of significant facts or circumstances relevant to 231, the report to the Board of Directors is made with due timeliness, in order to allow the adoption of the necessary corrective measures and, where appropriate, sanctions. Minutes of the activities of the Supervisory Board are drawn up, signed and kept on file by the Supervisory Board itself. shall also be drawn up, on an annual basis, a report on the activities of the body, on any violations found and on the measures adopted, to be forwarded to the BoD and provided in copy also to the Board of Auditors;
- information and training on the Model for persons required to comply with it, both in cooperation with the company structures and directly.

The Supervisory Board carries out the above-mentioned activities by means of the tools and methods set out below as an example and not exhaustive:

- carries out inspections of an inspection nature, directly or through internal structures, or even through the use of external professionals (e.g. in cases where such inspections require particular technical-specialist skills, or entail particular confidentiality requirements that do not allow the verification to be entrusted to internal resources): these inspections may concern both the adequacy of the Model or parts thereof (such as protocols or procedures), and the correspondence of conduct in relation to the requirements of the Model. These checks are, as a rule, contained in an annual programme independently drawn up by the SB at the beginning of the year, but they may also be carried out suddenly and outside the aforementioned schedule, if the SB deems it necessary. The SB, of course, must obtain, upon its request, the full availability of all company documentation that may be necessary; the body also proceeds, when it deems it necessary and after adequate notice, consistent with the need for timeliness, to convene and hear company resources. Priority in scheduling and/or carrying out checks is assessed, by way of example and not exhaustively, on the basis of the following criteria:
- areas considered most sensitive with respect to the risks of the commission of offences or breaches of the Model and the Code of Ethics;
- areas where infringements have occurred or otherwise critical issues have been highlighted;
- areas affected by significant corporate or organisational changes;

- areas affected by legislative changes that resulted in the introduction of new predicate offences or the amendment of existing ones.
- identifies the need for action to update or adapt the model, notifies the company of the need and, subsequently, verifies its application;
- receives and systematically examines the documentation concerning the most significant aspects of corporate life in relation to the requirements of the Model; to this end, it identifies the flow of information to be received and makes a request to the company;
- receives reports of possible violations of the Model and carries out the relevant investigations to verify their justification, in which case it informs the Board of Directors together with, where appropriate, the proposal to adopt sanctions; it likewise proceeds in the event that it has direct knowledge of violations or breaches of the Model and the Code of Ethics; as a general rule, reports received anonymously are not taken into account, unless the Supervisory Board considers them to be particularly significant, or if anonymity is due to the particular personal situation of the reporter;
- in any case, in their examination and processing, the Supervisory Board must ensure that due safeguards are observed with regard to the confidentiality of the persons concerned (including, in particular, the person who forwarded the report, who is now expressly protected also pursuant to the new wording of Article 6 of the Decree on *whistleblowing*), also ensuring that they cannot be subjected to retaliatory or discriminatory actions, or in any case to actions detrimental to their protected interests, as a result of the fact of the Supervisory Board's investigation. Reports must be made in writing (including by e-mail); in order to be taken into consideration, they must relate to conduct relevant to "231" offences, or in any case to violations of the Model, including the Code of Ethics.
- if the violations detected show the need for changes to the Model, it proposes the necessary measures to the Board of Directors and then monitors their implementation.
- identifies and suggests to the company the actions and methods of informing recipients (so-called *stakeholders*) inside and outside the company, such as suppliers, about the adoption of the Model and the Code of Ethics and their contents.
- identifies and suggests, if necessary also participating directly in agreement with the company, the actions and methods for training personnel in relation to the contents of the Model and its possible evolutions. The implementation and effectiveness of these actions are subject to verification by the Supervisory Board.

The Supervisory Board may make use of the financial resources constituted by the annual budget specifically earmarked for the performance of its activities, such as the possible use of third parties for audits, or for any self-updating and self-training initiatives on '231' matters (such as courses, conferences, subscriptions).



## *The Rules of the Supervisory Board*

The Supervisory Board, within the scope of the prerogatives and tasks provided for by the Model in the section "Statute and Discipline of the Supervisory Board", defines, on the basis of the autonomy with which it is endowed, the modalities relating to its functioning and the performance of its activities, by drafting a specific Regulation, to be made known to the company.

The Regulation regulates, in summary, the following aspects:

- methods of taking minutes, keeping minutes, keeping records pertaining to and in any case of interest to the Supervisory Board;
- modes of operation;
- ways of carrying out verifications;
- ways of dealing with reports received;
- ways of acquiring information and documentation.

## The Code of Ethics

The Code of Ethics contains the ethical principles to which the company's policy and related acts refer, as well as the conduct of directors, managers, employees, collaborators and suppliers; it constitutes a reference for the actions of these subjects, orienting them with binding force towards compliance with the prescriptions contained in the Model of which, therefore, the Code of Ethics is an integral part.

All persons who operate, in various capacities, in the name of and on behalf of the company, in its interest or on the basis of contractual relations with it, are addressees of the Code of Ethics and are therefore required to conform their conduct (and to ensure that the conduct of those who come into contact with them for reasons related to the company conforms, as far as it falls within their sphere of competence) to the principles and rules contained therein.

This constitutes a guarantee of conduct that is homogeneous in its correctness and transparency, insofar as inspired by particularly high and shared ethical values and consistent with them, to safeguard both the company's image and the interests of those who have relations with it, and ultimately the general interest as regards the company's way of being on the market.

The Code of Ethics consists of three parts:

- part one: contains an indication of the general principles that should inspire the activities of all the addressees of the Code;
- Part Two: contains a statement of the rules of conduct to be adopted by the addressees, consistent with and in application of these principles;
- part three: sets out the procedures for informing the addressees and monitoring their compliance with the Code of Ethics, as well as details on reporting violations of the Code and the application of the relevant sanctions.

Below is a summary of the contents of the Code of Ethics, developed in the relevant section.

### *Part One - General Principles*

This part contains the general principles that inspire the Company's policy, and to which it refers when conducting its business, issuing its acts and managing its internal and external relations. These principles are:

- legality - compliance
- confidentiality and data protection
- occupational health and safety protection
- dignity, integrity, respect and enhancement of the person

- equality and equality between human beings
- fairness, diligence, spirit of service
- impartiality
- honesty, integrity and loyalty
- quality
- environmental protection
- safeguarding, protection and respect for cultural and landscape heritage
- responsibility towards the community.

These principles are applied in the company's various areas of intervention and/or activity, such as: relations with the community, relations with public institutions, relations with associations, trade union organisations and political parties, relations with national and international operators, relations with the shareholder and group companies, relations with customers and suppliers, relations with employees.

### *Part Two - Rules of Conduct*

The aforementioned general principles correspond, in terms of application, to the rules of conduct dictated for the different types of recipients of the Model and the Code of Ethics in particular.

For each of these types, in fact, while all the ethical principles set out in the previous section apply in general, rules of conduct are dictated that are specific to the type of activity carried out and the responsibilities held.

In referring to the specific document, we exemplify the most salient rules of conduct for the individual categories.

### *Directors, auditors and managers*

They are required to be autonomous, independent, loyal and correct in the performance of their duties, to maintain due confidentiality with regard to the information they come into possession of in the performance of their duties, and to refrain from intervening in acts in which they are involved in a conflict of interest; they are also required to pay the utmost attention to the adoption of all the prevention and safety measures required by law and in any case necessary in relation to the work activities carried out, the utmost attention to the health of workers in relation to the work environment, and the utmost care of the environment in which the company operates.

They must protect the confidentiality of persons who report offences or breaches of the Model, and refrain from and/or prevent retaliatory or discriminatory acts against them.

### *Other employees (managers, clerks, workers)*

Employees are obliged to comply with the law, contractual provisions and rules of conduct laid down by the company, with particular reference to occupational safety regulations and the use of personal protective equipment.

They too must protect the confidentiality of persons reporting offences or breaches of the Model and, if they hold coordinating roles, refrain from and/or prevent retaliatory or discriminatory acts against them.

### *Relations with the P.A.*

Particular rules are laid down for relations with the Public Administration, with the prohibition of giving public officials gifts or donations in cash or in the form of other benefits, with the intention of procuring advantages for the Company.

### *Conflicts of interest*

Directors, managers and employees are required to avoid actions and situations in which they are in conflict of interest with the company, and to promptly inform the corporate bodies of their position if this occurs.

### *Relations with the shareholder and group companies*

The documents concerning the company's financial performance are drawn up with the utmost fairness, truthfulness and transparency.

The same applies to documents of a corporate and contractual nature.

Actions and relationships are informed by fairness and loyalty.

### *Commercial activity*

Directors, managers and employees are also called upon to exercise the utmost fairness in the management of processes aimed at acquisitions to customers or potential customers, and in the execution of contracts.

### *Relations with suppliers*

Relations with suppliers must also be characterised by fairness, avoiding favouritism or discrimination.

The same suppliers, moreover, in addition to having to meet the industrial, commercial and organisational requirements laid down in the procedures, must formally undertake to comply with the Company's Code of Ethics, as well as, in particular, the regulations in force concerning safety at work, environmental protection, tenders and the employment of personnel in terms of tax and social security compliance and in relation to immigration legislation.

### *Internal Controls*

Everyone, in whatever position they work, is required to carry out the controls within their competence and to report to those in charge (hierarchical superiors, safety officers, Supervisory Board) any dysfunctions, whether objective (of an organisational nature) or subjective (due to behaviour) in the control system.

### *Confidentiality*

The obligation of confidentiality with regard to information that has come to one's knowledge by reason of or on the occasion of one's activity for the company, already referred to with regard to directors, is also imposed on employees. This obligation continues even after termination of the relationship.

#### *Company Assets*

Employees have an obligation to safeguard and protect the company's assets, using due diligence with regard to the assets entrusted to them.

#### *Third party recipients*

Third parties who come into contact with the company are required to know and observe, to the extent of their competence, the Code of Ethics. Therefore, the company shall ensure that those who have relations with it are aware of it, and shall include in contractual documents the commitment to comply with it, refusing to enter into relations with those who do not make such a commitment and providing appropriate clauses, including termination clauses, for those who fail to do so.

#### *Relations with the Supervisory Board*

Particular emphasis is also placed on the obligation of the recipients of the Code of Ethics to cooperate with the Supervisory Board; the company structures are required to provide the Supervisory Board with the information and documentation requested, and to forward to it reports of breaches of the Model, or dysfunctions in its application, of which they have become aware.

#### *Part Three - Communication, Training and Information, Violations and Sanctions*

As mentioned, this part sets out the procedures for informing the addressees of the content of the Code of Ethics and requires their commitment to comply with it; it also provides details on how to report breaches of the Code and the application of the relevant sanctions.

## The disciplinary system

According to Legislative Decree 231/2001, the Model, in order to constitute an exemption, must not only be adopted, but also effectively implemented. It is therefore essential that it also contains a disciplinary system, so that its provisions are backed up by sanctions in the event of non-compliance, infringement or violation.

Consequently, conduct adopted in breach of the protocols, the procedures as referred to in the Model, the principles and rules of conduct contained in the Code of Ethics, and the provisions of the Model in general are sanctioned; a fortiori, conduct that integrates the predicate offences included in the scope of the decree is sanctioned.

Moreover, following the recent introduction of *whistleblowing protections* in Article 6 of the decree, conduct that disregards these protections is also sanctioned.

The addressees of the disciplinary system are the same as the addressees of the Model or the Code of Ethics: i.e. directors, managers, other employees, collaborators in various capacities, suppliers, and any business partners.

For each of these types, the disciplinary system provides for specific sanctions, appropriate to the category to which they belong, in the event of non-compliance with the Model and the Code of Ethics.

The offences envisaged and the corresponding sanctions, as well as the procedure for contesting the charge and the possible imposition of the sanction, are set out in the "Disciplinary System" section, respectively in the parts devoted to:

- administrators;
- executives
- other employees (managers, clerks, workers);
- collaborators;
- other third-party recipients.

Sanctions are graduated in proportion to the seriousness of the infringement, taking into account the circumstances, the possible concurrence of more than one person, and possible recidivism.

The persons who may be subject to sanctions contained in the disciplinary system may in any case oppose or appeal against them, exercising the rights recognised to them by law, by contracts or in any case by regulatory sources binding the parties.

**Communication, information and training. Updating the Model.**

For the purposes of the effective implementation of the Model and the Code of Ethics, the company shall disseminate them to all recipients - members of corporate bodies, employees, collaborators - by means of delivery or, in any case, by making a copy available; the copy may be made available in hard copy or electronic format, again depending on the specific logistical situations.

The Model and the Code of Ethics are also posted on the company's website; a copy is delivered, or in any case made known, to collaborators and suppliers, and in general to third party recipients, requesting them to undertake to comply and communicating the sanctions related to any violation by them of the provisions contained therein.

Without prejudice to the foregoing, the company takes care of the training and information of its staff on the contents of the Model, carrying out targeted initiatives according to the category they belong to and the role they hold, and verifying their effectiveness in terms of the recipients' learning of the Model's contents.

It also ensures timely information and training on updates to the Model that occur over time, following its adoption.

**ORGANISATION, MANAGEMENT AND CONTROL MODEL  
pursuant to Legislative Decree No. 231 of 8 June 2001**

**SPECIAL PART**



## Foreword

On the basis of the analysis carried out and the mapping of the areas of risk, both the predicate offences in respect of which there is, in abstract terms, a greater risk of commission depending on the corporate purpose and activity of the company, and the areas in which the risk of commission of such offences is deemed to be greater, were identified.

These offences are analysed in the different sections of this special section, in each of which the protocols, prescriptions and controls considered appropriate to prevent their commission are set out.

However, it should be pointed out that, since it is not possible to absolutely exclude the commission of offences for which the probability is deemed to be lower, therefore, the protocols and control points, and above all the criteria on which they are based, have been drawn up with the aim of preventing, in general, all the predicate offences included in the scope of application of Legislative Decree No. 231/2001.

They are defined on the basis of the corporate purpose of the company's organisation and business activity, so that the procedures must conform to them and the activities and behaviour of the corporate bodies, senior management and employees of PIOMBINO LOGISTICS, and in general of any person acting in the name of and/or on behalf of the company, must comply with them.

Therefore, given the strong interdependence between Piombino Logistics and Jsw Steel Italy Piombino S.p.A and the resources of the latter company which work for PIOMBINO LOGISTICS by virtue of the services provided on the basis of the existing framework agreement and of the powers of attorney granted to executives of Jsw Steel Italy Piombino S.p.A must also comply with them.

## General criteria on which protocols and controls are based

### *Segregation of functions and/or activities*

As a general rule, and consistent with the organisational set-up, operational activities should be separated as far as possible from control activities and related responsibilities.

In the specific situation of Piombino Logistics, this aspect is facilitated by the fact that various staff and control activities are provided, within the framework agreement existing between the two companies, by structures of Jsw Steel Italy Piombino S.p.A with which, therefore, maximum integration is necessary in order to ensure due homogeneity of management.

With particular reference to administrative and financial activities, the following requirements must be observed:

- receipts
  - must always correspond to active invoicing, or in any case to the issuance of documents justifying collection must correspond to the contractual documents from which they originate
  - must be made in the manner and by the means of payment prescribed by law, and in any case must always be traceable even if made in cash within the legal limits

- payments:

- must always take place on the basis of, and be consistent with, formalised contractual commitments
- the amount must correspond to the foreseen commitment of expenditure, or to the variations subsequently made and authorised in accordance with the delegation system in force
- are made only after verification that the company has actually acquired the goods or services purchased and that they correspond quantitatively and qualitatively to the goods or services ordered
- must be made in the manner and by the means of payment prescribed by law, and in any case must always be traceable, even if made in cash within the legal limits.

- accounting activities:

- must comply with correct accounting principles and legal regulations

- budget-related activities:

- the truthfulness and correctness of the data must be verified and checked
- the financial statements are prepared on the basis of correct accounting principles and in compliance with statutory regulations.

### *System of delegated powers and powers of signature to the outside:*

Compliance with the system of powers and delegations is mandatory. Subsequent ratifications are only permitted if expressly provided for or in exceptional situations of proven urgency and/or seriousness, such as imminent danger to the safety and security of workers or third parties, environmental protection.

### *Traceability of processes and acts*

In general, traceability of processes aimed at making decisions, issuing or performing relevant acts towards staff or third parties is required,

By way of example but not limited to, processes aimed at adopting acts or taking decisions that entail expenditure commitments or in any case the possibility of economic burdens for the company, or changes in the position of employees or collaborators, significant impact on the environment, changes in safety measures (e.g. changes in the suppliers of PPE), applications or petitions to the public administration, must always have the requirement of traceability, and be consistent with the system of powers and delegations.

Formal acts must always be accompanied by the documentation on which they are based. By way of example, here are two cases that are particularly sensitive for 231 purposes:

- the process of checking and settling invoices must be based on the verification (and archiving) of the contractual documentation from which the commitment arose, as well as of the documentation proving

the qualitative and quantitative correspondence of the service or product received with those requested;

- payment or collection processes presuppose the verification (and archiving) of the contractual documents on which they are based and of the correspondence of the service/product received or rendered.

All proceedings relating to the following must also be traceable:

- relations with parties (individuals, entities and institutions) of the PA
- requests for tenders;
- receipt of offers;
- purchasing, procurement and contracting;
- personnel selection and recruitment;
- preparation of accounting, economic and financial statements;
- active and passive invoicing;
- payments;
- takings;
- personnel management activities that result in changes to workers' situations;
- formation of accounting documents;
- preparation and approval of the budget, interim situations, forecast situations;
- judicial and extrajudicial, tax and administrative litigation
- inspection visits and their outcomes.

#### *Reporting on major activities*

Activities which result, directly or indirectly, in a decision or in the assumption of responsibility, or which are at greater risk of the commission of predicate offences, are subject to reporting to higher hierarchical bodies by means of an exposition of the most significant aspects and phases of the activity, the relevant outcome and the elements for easily tracing the relevant documentation.

By way of example, activities relating to the following aspects are subject to reporting:

- relations with the public administration (the term P.A. also includes the ordinary, accounting and administrative courts)

- purchasing, procurement, commissioning
- relations with customers or potential customers
- personnel management activities that result in the recruitment or modification of the individual and/or collective position of workers
- activities related to workplace safety
- activities that may have an impact on the environment
- activities in application of data protection legislation
- possible disputes.

## **Predicate offences, conduct potentially leading to their commission and activities at risk of offence, protocols and controls to protect against them**

Below is a list of the predicate offences considered to be most at risk of being committed, with a brief indication of the conduct that integrates them, in relation to company activities. Specific sections of this special section are then devoted to them, with the relevant protocols, prescriptions and controls to protect against them.

### *Crimes against the Public Administration: general notions.*

They are among the predicate offences included since the first drafting of Legislative Decree 231/2001, which, indeed, was originally intended essentially to prevent such offences (set out in detail in the specific section of this special section).

Despite the fact that the company's reference market is essentially private, and that by far the prevailing customer to date is **JSW Steel Italy Piombino S.p.A.**, **offences against the P.A. nevertheless retain their relevance also with** reference to PIOMBINO LOGISTICS: the theoretical risks of commission of such offences are mainly referable to relations with the P.A. aimed at obtaining licences or financing, or relating to fulfilments (tax, contributions, etc.). As mentioned above, offences relating to relations with the judiciary should also be considered in abstract in this category.

Relations with the PA are therefore a sensitive aspect of the Model; they are therefore dealt with in a specific section of the special section, and are also dealt with in the Code of Ethics.

For the purpose of identifying the type of offences, some clarifications are provided below as to what is to be understood by public administration (briefly also P.A.) for the purposes of the decree.

The P.A. consists by far the majority of public subjects (such as the state administration and local authorities regions, provinces, municipalities, as well as bodies of the European Union); however, although to a lesser extent, it is also made up of private subjects but governed by public law rules (such as mixed companies, subjects with functions of contracting station for public activities or works), and in general of those subjects

that perform public functions either directly on the basis of their institutional nature, or in substitution of the public administration, insofar as they are delegated tasks typical of it or recognised by law as such (e.g., , the public administration, the public administration of the Member States, the public administration of the Member States, the public administration of the European Union, the public administration of the Member States, the public administration of the European Union, etc.), a notary public is a public official insofar as he performs the functions assigned to him by law in matters of public faith).

In this context, two figures are of particular importance: the 'public official' and the 'person in charge of a public service'.

By 'public official' is meant *'anyone who performs a legislative, judicial or administrative public function'* (Article 357 of the Criminal Code); as regards the latter, that provision specifies that *'an administrative function is public if it is governed by rules of public law and authoritative acts and is characterised by the formation and manifestation of the will of the public administration and by its performance by means of authoritative and certifying powers'*.

It should be noted that, in accordance with Article 322 bis of the Criminal Code, offences against the P.A. also exist when they concern foreign public officials, i.e. persons who perform functions similar to those of Italian public officials within EU bodies, other EU Member States, foreign states or international public organisations. This provision should be borne in mind especially with regard to commercial, economic and financial relations with foreign public officials, especially following the amendments and additions made to Articles 24 and 25 of the Decree by Legislative Decree 75/2020.

A person in charge of a public service is, according to Article 358 of the Criminal Code, a person who performs *'an activity governed in the same manner as a public function, but characterised by the lack of the powers typical of the latter and excluding the performance of simple orderly tasks and the performance of merely material work'*.

The basic distinction between the two figures of public official and person in charge of a public service is, in essence, as follows: the former exercises real power, the latter performs a public activity, but without the exercise of power.

### Other subjects

It should be pointed out that, in addition to relations with persons belonging to the public administration, it is also necessary to take into account relations with other persons, in the context of which the preconditions may be created for the commission of various offences, including those dealt with here. One thinks of the scheme, of which there are abundant examples in judicial experience, consisting in the creation of hidden funds through business relationships with private persons, and the subsequent use of those funds to obtain advantages from public officials or public service appointees. The setting up of an effective control system must therefore also take into account these prior phases, in order to prevent conduct that constitutes the condition for the subsequent commission of relevant predicate offences pursuant to Article 231, such as crimes against the P.A., or, as reported in the respective sections, tax offences and money laundering or self-laundering offences, of which tax offences may constitute a prodromal phase.

The activities potentially at greatest risk with regard to offences against the PA are:

- relations with public entities (national, EU or non-EU) competent, directly or indirectly, in relation to the evaluation of the outcome of tenders for the acquisition of contracts.
- relations with public entities (national, EU or non-EU) for obtaining public financing and subsidies: these are the activities concerning the request for and obtaining from the competent authorities of financing and subsidies for the purposes of various corporate initiatives (e.g. training initiatives), licences, concessions, etc., which in abstract terms entail the risk of commission of bribery offences against persons belonging to the PA;
- personnel management, with reference, by way of example, to recruitment, salary improvements or career advancement in order to please public officials, or to the risk of corruption of public officials in the event of inspections, findings or warnings by inspection bodies on social security, tax, environmental or safety matters, or the alteration of data and information in order to gain advantages for the company, etc.
- activities of an administrative nature, again with possible corruptive purposes towards persons belonging to the public administration in relation to the tax authorities or other public authorities or bodies, or through the alteration of data;
- any disputes both with the PA and with private individuals (by means of corrupt activities towards public officials, magistrates, office technical consultants, arbitrators, etc., or alteration of data and information);
- gifts and entertainment expenses in favour of officials and public bodies.

The risk of offences in respect of the aforementioned offences on the part of senior persons consists, again in the abstract, in the following conduct:

- carrying out the criminal activities themselves;
- incitement to commit criminal activities by collaborators or third parties;
- failure to monitor possible criminal conduct by collaborators.

The conduct to be adopted for preventive purposes by means of are as follows, all of which are geared towards making the relationships and activities in question traceable:

- participation in meetings with PA representatives, of at least two persons, as far as possible compatible with the organisational set-up
- reporting to superiors
- preservation of records (minutes, reports and the like)
- report to the Board of Directors when such reports are kept by senior persons.



### *Corporate offences*

These are, for the most part, offences connected with the formation and representation of balance sheet data, accounting records or, in any case, connected with activities pertaining to the financial sphere. Therefore, they are to be seen in connection with those staff activities provided by JSW Steel Italy Piombino S.p.A.

under the framework agreement between the two companies.

Moreover, particular mention should be made of the offence of bribery among private individuals referred to in Article 2635 of the Civil Code, which, among other things, although it was introduced rather recently in the context of the 231 predicate offences, was the subject of a further legislative intervention (Article 2635-bis of the Civil Code) which broadened its scope and the number of persons who may be involved in it. This offence, in fact, can in abstract terms be committed directly by company structures, given the subjects with whom they come into direct contact, such as suppliers and carriers (including shipowners); since carriers are largely of foreign nationality, there may also be implications for transnational offences.

### *Computer offences*

The IT activity is included among those on which there is an interrelation with JSW Steel Italy Piombino S.p.A., in application of the aforementioned framework agreement stipulated between PIOMBINO LOGISTICS and AFERPI. In this specific case, therefore, it is also necessary for the competent structures of the latter to be aware of and comply with the protocols set out in the relevant section.

### *Offences against the individual personality*

These are offences whose commission is hardly conceivable in PIOMBINO LOGISTICS: they are offences relating to child pornography, sexual violence, enslavement and the like, so much so that it would not have been deemed necessary to devote a specific session to them, if the so-called offence of 'caporalato' (illegal labour) had not been recently introduced, with an amendment to Article 25-quater, which is in abstract terms more compatible with an industrial-type activity than the others mentioned above. The specific section therefore sets out the prescriptions and prohibitions to be observed for preventive purposes.

*Manslaughter and grievous or very grievous bodily harm, committed in violation of the rules on accident prevention and the protection of hygiene and health in the workplace (Article 25-septies of Legislative Decree 231/01) - Manslaughter (Article 589 of the Criminal Code) Grievous bodily harm (Article 590, 3rd paragraph, of the Criminal Code)*

These offences occur when the events referred to under the heading occur as a result of the failure to adopt, or failure to comply with, or failure to monitor compliance with occupational safety regulations.

The holders of delegated powers and security responsibilities may incur, in accordance with their respective powers and, indeed, responsibilities, in the commission of the offences in question, should the event occur, essentially because of:

- lack of, insufficient or inadequate preparation of the prescribed documents (e.g. DVR, DUVRI);
- failure to provide safety information and/or training;

- failure to issue, insufficient or inadequate security proxies;
- lack of, insufficient or inadequate provision of adequate preventive measures;
- failure, insufficiency or inadequacy of adequate control systems and reporting.
- Lack of, insufficient or inadequate exercise of delegated powers;
- Lack of, insufficient or inadequate control over the efficacy of the headmasters;
- failure, insufficient or inadequate compliance by employees.

Operational personnel may incur the commission of these offences by:

- Lack of, insufficient or inadequate compliance with safety regulations;
- Lack of, insufficient or inappropriate use of PPE;
- Lack of, insufficient or inadequate reporting of security issues.

#### *Receiving stolen goods and money laundering - Self laundering*

The preconditions for the commission of the offences of receiving stolen goods and money laundering, which were introduced in the 231 framework at the end of 2007, can in abstract occur in the context of administrative and financial activities, in which the necessary safeguards must therefore be put in place, consisting first and foremost of:

- payments made and received only by traceable means, giving priority in any case to bank transfers; should such transactions, for any reason whatsoever, be made in cash (provided that to the extent permitted by the relevant laws in force), they shall be accounted for with appropriate documentation;
- control and proper storage of all documentation, both contractual and internal, from which payment and collection orders originate;
- congruence check between receipts/payments with respect to the respective reasons and amounts.

In addition to the offences described above, the offence of *selflaundering* was also introduced at the beginning of 2015. The risk of this offence being committed is particularly high: the elements of the offence of self money laundering, in fact, can be integrated by any conduct, provided that it is of a wilful nature, such as misconduct, disloyalty or untruthfulness of the data reported in the accounting records and in the preparation of the financial statements, resulting in the concealment of items or in any case sums of money that are subsequently re-invested or reinvested in the interest or to the advantage of the company. In order to prevent the commission of the offence of self money laundering, the protocols set out in the specific section must be observed, as well as those set out more generally for the prevention of the offence of money laundering and those, insofar as relevant to the subject, set out in the section on corporate offences.



#### *Organised crime offences (criminal association)*

A special section is also devoted to these offences, although the risk of their being committed in practice in the company is not particularly high.

The protocols and controls are again formulated according to the general criteria of traceability, segregation of duties between operational and control activities, and compliance with the system of powers and delegations and procedures.

#### *Inducement not to testify or to give false testimony to a magistrate*

In order to prevent this offence, the above-mentioned general criteria and, in particular, the following requirements must be observed:

- it is forbidden for anyone in any position within the company, and in particular superiors, to provide company employees or persons working on behalf of the company, or third parties, who are questioned as witnesses or as persons with knowledge of the facts, with indications of any kind, aimed at directing their testimony away from the facts;
- it is forbidden for anyone in any position within the company, and in particular for persons occupying coordinating positions, to dissuade employees of the company or persons working in the company or on its behalf, or third parties, from testifying.

#### *Industrial property and copyright offences*

The commission of this type of offence, introduced by Laws L. 94/2009, L. 99/2009 and L. 106/2009, seems scarcely probable given the corporate purpose of PIOMBINO LOGISTICS, so there is no need to provide for specific protocols and control points in this regard, without prejudice to the general criteria and principles and conduct provided for by the code of ethics.

These offences, in any case, are listed in the list of predicate offences in the appendix to this Model, so that all addressees are aware of the liability of the company that would result from the possible commission of these offences (e.g., in the abstract, in-house production of patented equipment).

#### *Environmental offences*

This category of offences is connected both to the type of materials and products handled and transported, and to the management of waste resulting from industrial cleaning and maintenance activities and the substances used in them, and to the fact that the land on which part of the company stands has been affected by industrial processing over time. This ensures that adequate interest is devoted to this aspect, as, moreover, demonstrated by the special power of attorney granted to the Director of Operations. Reference is therefore made to the section devoted to this subject in this special section.

#### *Employment of illegally staying third-country nationals*

The prerequisites for the commission of this offence may occur, in the abstract, both in the employment of one's own personnel and in the case of subcontracting. The involvement in this matter of the structures of

JSW Steel Italy Piombino S.p.A. dedicated to personnel management and supervisory services, within the framework of the aforementioned framework agreement, must be borne in mind.

A separate section in this Special Section is devoted to this subject, to which reference is made.

On a practical level, however, ad hoc controls must be envisaged and carried out, within the framework of the normal controls on the employment of personnel by the contractor, through which the regularity of the personnel used by the latter must be verified, while also avoiding providing the competent public authorities with altered or falsified data, in which case this would also fall within the scope of offences against the public administration.

#### *Offences concerning racism and xenophobia*

As can be seen in the relevant section, these are offences with a low probability of being committed in the Company.

However, see the protocols specifically provided for.

#### *Offences related to sporting events*

This type of offence is also to be considered a low probability of being committed. As mentioned for the offences referred to in the previous paragraph, however, the specific protocols must be followed.

#### *Tax offences*

This type of offence was recently introduced into the 231 system, and even more recently extended by Legislative Decree 75/2020: these offences are particularly sensitive in view of both the high risk, in the abstract, of being committed and the serious penalties provided for by the legislator.

We therefore recommend the utmost care in following the protocols indicated in the appropriate section.

#### *Smuggling offences*

These offences were also recently introduced in the list of predicate offences by Legislative Decree 75/2020. Given the Company's activity, special attention must be paid to the protocols provided for in the relevant section.

#### *Transnational offences*

They are mentioned here purely for the sake of completeness. In fact, it is not believed that there exists, at least at present, an actual risk of commission of this type of offence. Even though the ultimate ownership, as for JSW Steel Italy Piombino S.p.A. , is located abroad, at present, the company's small number of customers and lack of foreign operations does not make their commission likely. In the abstract, such a risk may be related to the foreign nationality of many carriers and shipowners, as mentioned above in relation to bribery between private individuals.

It is therefore advisable, for all good purposes, that these offences be known to the addressees; for their description, however, please refer to the list of predicate offences in the Appendix.

*Failure to comply with prohibitory sanctions (Article 23 of Legislative Decree 231/2001)*

Finally, again for the sake of completeness, mention is made of this further predicate offence, which is of a secondary nature compared to the other offences, in that its commission is only possible following a previous judicial finding of another offence pursuant to 231: this offence consists in the failure to comply with the obligations or prohibitions laid down following the imposition of a sanction pursuant to 231.

Having exhausted the list of offences at greater risk of being committed, it should be pointed out that conduct in breach of the provisions of the Model, even if it does not constitute a predicate offence, nevertheless constitutes an infringement of the Model itself, and therefore exposes its perpetrators to the sanctions laid down in the disciplinary system.

*Non-compliance with the Code of Ethics*

Breaches of the rules of conduct laid down in the Code of Ethics do not in themselves necessarily lead to the commission of a predicate offence. This may only occur in certain cases, where the rules of conduct coincide with criminal rules underlying the administrative offences provided for in the decree.

Moreover, as mentioned above, the company has chosen to include the Code of Ethics within the Model; non-compliance with the Code of Ethics, therefore, constitutes an infringement of the Model with the relevant consequences at disciplinary level.

It follows that:

- The Model's safeguards and controls are aimed not only at the prevention and detection of offences under 231, but also at the prevention and detection of conduct in conflict with the Code of Ethics;
- such conduct is therefore liable to the application of the sanctions set out in the disciplinary system, and falls within the competence of the supervisory body;
- The fact that such conduct, even where it does not constitute a predicate offence, may indirectly facilitate its commission constitutes an aggravating circumstance for the purposes of determining the penalty.

**Protocols and controls to protect the crimes at greatest risk of being committed and their respective sensitive areas**

**OFFENCES IN RELATIONS WITH THE PUBLIC ADMINISTRATION**

This section describes the protocols and prescriptions whose observance is necessary in order to prevent the commission of the predicate offences provided for by the decree on the subject of relations with the PA by the persons required to comply with the Model.

These offences are mainly set out in Articles 24 and 25 of the decree; Article 24 is headed as 'Undue receipt of funds, fraud to the detriment of the State, a public body or the European Union or to obtain public funds, computer fraud to the detriment of the State or a public body and fraud in public supplies', Article 25 as 'Embezzlement, extortion, undue induction to give or promise benefits, bribery and abuse of office'.

It should be noted that these articles were recently amended by Legislative Decree 75/2020, which implements European Union Directive 2017/1371; this decree also amended Article 25-quinquiesdecies (see) and introduced Article 25-sexiesdecies (see).

Moreover, tax offences may also be included in this category, which have recently entered (following Law 157/2019, in force since 25.12.2019) into the list of predicate offences pursuant to Legislative Decree 231/2001, expanded by Legislative Decree 75/2020 and dealt with in the specific section of this Model.

The full list of these predicate offences is set out in detail in the appendix; the main ones are summarised below:

- Article 316-bis of the Criminal Code: embezzlement to the detriment of the State or the European Union
- Article 316-ter of the criminal code: undue receipt of funds to the detriment of the State
- Article 640(2)(1) of the Criminal Code: fraud to the detriment of the State or other public body
- Article 640-bis of the Criminal Code: aggravated fraud to obtain public funds
- Article 640-ter of the Criminal Code: computer fraud
- Article 318 et seq. of the Criminal Code: the various cases of corruption
- Article 319-ter of the Criminal Code: bribery in judicial acts
- Article 319 quater of the Criminal Code: undue inducement to give or promise benefits
- Giving or promising money or other benefits to a public official or a person in charge of a public service - Article 321 of the Criminal Code
- trafficking in unlawful influence - Article 346-bis of the criminal code
- Article 322 of the criminal code: incitement to corruption
- Article 317 of the Criminal Code: extortion
- Article 322-bis of the Criminal Code, Article 356 of the Criminal Code, Article 314, first paragraph,

Article 316 and Article 323 of the Criminal Code: embezzlement, extortion, bribery and incitement to bribery of members of European Union bodies and officials of the European Union and foreign States -

- tax offences, as extended by Legislative Decree 75/2020
- inducement not to make statements or to make false statements to the judicial authorities.

The notions of public official and person in charge of a public service have already been provided at the beginning of this special section, and cognitive elements have also been offered in relation to the public administration and other persons who, although not being public officials, could constitute vehicles for the commission of offences against the PA.

Offences against the PA can be committed either directly or through the intermediation of third parties, for instance by setting up funds intended for criminal use against persons in the PA, or by using public bodies, institutional figures or politicians for the purpose of obtaining unlawful advantages (awarding tenders or orders, financing, contributions, etc.). These relations, such as the purchase of goods and services, the disbursement of contributions, and the awarding of consultancy services, therefore also constitute sensitive activities for the purposes of the offences dealt with herein.

### **Sensitive areas of activity**

Since the company's customers are mainly private individuals, its business activities are not particularly at risk with respect to the commission of offences against the public administration.

Risks cannot, however, be excluded in the case of participation in tenders where the contracting authority is, even on the single occasion, a public entity.

More likely is the risk in connection with applications for funding, licences, authorisations, or inspections.

Tax offences, which have recently entered (Law 157/2019, in force since 25.12.2019) into the list of predicate offences pursuant to Legislative Decree 231/2001, and which are dealt with in the appropriate section, may also be included among offences against the P.A.

With this in mind, the following are identified as sensitive activities:

- activities relating to the so-called funding processes: payments and receipts; purchase of goods and services; assignment of tasks; recruitment of personnel; promotions/incentives/discretionary bonuses granted to employees; disbursements by way of contributions or donations; gifts; entertainment expenses. All these activities, in fact, are in abstract susceptible to procuring money/favours/utilities in general to be allocated to P.A. persons for the above purposes;
- applications for public grants, concessions, authorisations, licences;
- audits, checks and inspections by the competent bodies and authorities, in the field of safety at work, tax and social security compliance, employment of personnel, environmental protection;

- undue disbursement or promise of money or other benefits
- trafficking in unlawful influence (Article 346-bis of the criminal code)
- falsification and alteration of documentary data
- falsification, alteration or omission of periodic statements
- falsifications in the asset and liability cycle and in the invoicing process
- forgery in tax compliance,

Generally speaking, the above-mentioned unlawful conduct may be adopted against the following persons:

- bodies (national, EU or non-EU) in charge of evaluating the outcome of tenders;
- bodies responsible for issuing authorisations, licences and certifications, when applying for them and in the ensuing process;
- public bodies and institutions (national, EU or non-EU) responsible for deciding on the disbursement of grants and subsidies, when applying for them and in the ensuing process;
- persons belonging to the administration of justice, in the course of litigation of various kinds;
- competent bodies for inspections, audits and investigations, in the course of conducting the audit (ASL, inspection services of the DTL and of social security and insurance institutions, of the financial administration);
- offices in charge of managing personnel recruitment, with particular reference to those belonging to protected categories or whose recruitment is facilitated
- revenue agency (for tax offences).

### Monitoring protocols and controls

With respect to so-called provisioning processes, it is required:

- compliance with the system of powers and delegations
- compliance with the provisions of the Model concerning receipts and payments and the relevant procedures
- compliance with the procedures concerning the purchase of goods and services and the awarding of appointments and consultancies

With regard to liberal disbursements and contributions, it is requested:

- compliance with the system of powers and delegations



- the verification of the relevance of the contribution and of the person to whom the contribution is made with the corporate purpose;
- the limitation of the amount.

Economic and/or grading improvement interventions towards personnel must be adopted in compliance with contractual provisions and, in the case of discretionary interventions, on the basis of objective criteria and in observance of the system of powers and delegations.

Recruitment must be carried out on the basis of objective and verified organisational needs, on the basis of objective and predetermined criteria, in compliance with the system of powers and delegations and with the criteria of traceability of the process and proper record keeping.

With regard to the application for public grants, concessions, authorisations, licences, possible participation in public tenders or the acquisition of public contracts, the following is required:

- compliance with the system of powers and delegations
- the traceability of the preliminary investigation and decision-making process
- the preservation of the relevant documents
- formal reporting on contacts with relevant PA representatives
- the correct and truthful presentation of data and, in the case of grant applications, the correct and truthful reporting.

In the event of audits and inspections, it is required:

- compliance with the system of powers and delegations
- the formal and traceable identification of the corporate entities entrusted with the competence to entertain such relations
- the correct and truthful presentation of the data and situations relevant to the audit
- formal reporting on contacts with verifiers and the results of the audit/inspection.

In particular, it is forbidden to engage in the conduct listed below (or other similar conduct) towards public officials or persons in charge of a public service, either directly or through the interposition of other persons such as relatives, relatives-in-law, friends, intermediaries, professionals and subsidiaries or affiliated companies.

#### Prohibitions

- making gifts or promises of money or other assets of significant value, or other benefits;
- bestowing gifts or other favourable benefits: i) outside the rules established by corporate practice; ii) exceeding the value established by the code of ethics; iii) without complying with the authorisation

- powers established by the system of powers and delegations; iv) outside the periods deriving from established practices (such as Christmas holidays, etc.);
- bestowing or promising favours and advantages of any kind, such as recruitment, awarding of contracts, supplies and consultancy services to persons or companies close to such persons or reported by them;
  - submitting untruthful declarations to national or EU public bodies in order to obtain advantageous positions in tenders, public grants, contributions or subsidised loans;
  - in the case of commercial initiatives by private treaty, pressurise or influence persons in the P.A. responsible for the award of contracts or otherwise able to influence it;
  - in the case of tenders called by the P.A. (again, in the broad sense), circumventing the provisions of the law and the rules laid down in the call for tenders by engaging in conduct capable of unduly disrupting or influencing the proper conduct of the tender in the interest or to the advantage of the company;
  - during the performance of contracts acquired by the P.A. and during testing, evade contractual obligations, and engage in conduct likely to or aimed at causing the client and/or the persons in charge of testing to improperly overlook contractual breaches (defects, non-conformities, failure to meet deadlines and the like).
  - filing tax returns or issuing false tax documents in order to obtain tax advantages;
  - allocate sums received from national or Community public bodies by way of disbursements, contributions or financing for purposes other than those for which they are institutionally intended;
  - altering data provided to bodies with inspection or authorisation powers in order to avoid sanctions or obtain the issuance of undue acts and measures;
  - accepting or favouring the reintroduction into the company, in any form whatsoever, of sums that have been embezzled or unduly received from public persons through conduct constituting offences of embezzlement. Administrative functions are particularly aware of the control and prevention of such conduct.

#### Prescriptions

- relations with the P.A. in respect of the aforementioned areas of activity at risk must be managed, as a matter of course, by the persons in charge on the basis of the company organisation, in compliance with the roles established therein and the system of powers and delegations;
- in the case of occasional assignments to other persons, the assignment must be made in accordance with the power and delegation system and must be traceable;

- Appointments to suppliers, consultants and external collaborators must be made in writing; they must be managed, for the various stages of the process, from the conferment to the verification of the effectiveness of the services to the payment of the consideration on the basis of the contract, by the respectively competent functions, drafted and signed (always in accordance with the power and delegation system), with the explanation of the remuneration, and be countersigned by the recipient before the start of the service. Any exceptions for reasons of urgency must be expressly provided for and regularised as soon as possible;
- assignments and orders must contain clauses committing the other party to compliance with the Model and the code of ethics, with the express provision of the relevant sanctions, including, where appropriate, an express termination clause in the event of non-compliance: these clauses are set out in the appendix to this Model;
- Payments for supplies and services of third parties shall be made only after delivery of the supply or verification of proper and punctual performance, respectively, in connection with the order or assignment;
- payments are made by traceable means of payment, by the competent functions. Any payments in cash, only for small sums, are made in compliance with the regulations on the use of cash within the permitted limit; they too are made only by the functions envisaged by company rules and procedures, and are in any case traced and justified by means of a written report;
- the declarations and documentation provided to national or foreign (EU or non-EU) public entities for the application for funding or contributions, as well as the related reporting activities, must be complete and truthful;
- persons who identify conduct and/or situations in conflict with this protocol are required to promptly report them to the Supervisory Board or to their hierarchical superior, who, in this case, is obliged to report to the Supervisory Board.

In order to prevent the commission of the offences referred to in this section, compliance with the code of ethics is also required, and in particular with the rules of conduct relating to gifts, gratuities and any other form of benefit towards PA persons.

In addition, the prohibited conducts include those that may constitute smuggling offences introduced, even more recently, by Article 25-sexiedecies, insofar as they harm the customs interests of the European Union, offences that are dealt with in the relevant section.

**CORPORATE OFFENCES**

Given that, as for all the other predicate offences, a complete list of the offences covered by Article 25-ter is set out in the appendix, a summary of the main ones is provided below.

- False corporate communications (Articles 2621 and 2622 of the Civil Code)
- False statements in the reports or communications of the auditing firm (Article 2624 of the Civil Code)
- Obstruction of control (Article 2625 of the Civil Code)
- Fictitious capital formation (Article 2632 of the Civil Code)
- Wrongful restitution of contributions (Article 2626 of the Civil Code)
- Illegal distribution of profits or reserves (Article 2627 of the Civil Code)
- Illegal transactions involving shares or quotas of the company or the parent company (Article 2628 of the Civil Code)
- Transactions to the detriment of creditors (Article 2629 of the Civil Code)
- Failure to disclose a conflict of interest (Article 2629 bis of the Civil Code - only for listed companies)
- Improper distribution of company assets by liquidators (Article 2633 of the Civil Code)
- Bribery among private individuals (Article 2635 and Article 2635-bis of the Civil Code)
- Unlawful influence on the shareholders' meeting (Article 2636 of the Civil Code)
- Market rigging (Article 2637 of the Civil Code)
- Obstructing the exercise of the functions of public supervisory authorities (Article 2638 of the Civil Code)
- False prospectus (Article 2623 and 173-bis of Legislative Decree no. 58/1998). In this regard, it should be noted that Law no. 262 of 28.12.2005 repealed Article 2623 of the Italian Civil Code relating to false prospectus, which was one of the predicate offences of Legislative Decree no. 231/2001, and introduced Article 173-bis in the Consolidated Law on Finance, which is not, however, referred to in Legislative Decree no. 231/2001. 231/2001, and introduced Article 173-bis into the Consolidated Law on Financial Intermediation, which, however, is not referred to in Legislative Decree 231/2001: it is therefore considered that, as things stand, the aforementioned Article 173-bis does not constitute, unlike the repealed Article 2623 of the Civil Code a predicate offence pursuant to Legislative Decree 231/2001: it is therefore considered that a legislative gap has thus been created, which may only be filled by a subsequent intervention of the legislator).

**N.B. :** Law 68/2015 introduced certain amendments to the offence of false corporate communications, which are set out at the end of this section.

### Sensitive Activities

The areas of sensitive activities, in which the commission of the offences dealt with herein is in abstract considered possible, have been identified as follows.

- **Preparation, drafting and approval of financial statements, reports and corporate communications.** These activities, in the context of the provisions of the framework agreement with AFERPI, are carried out in cooperation with the competent structures of said company, which are therefore required to observe the specific protocols and, more generally, the provisions of the relevant Model. The activities in question consist in the collection and processing of accounting data provided by the company, for the formulation of forecast and final documents: annual balance sheet and profit and loss account, interim forecast and final situations, annual budget.

They must be carried out in accordance with correct accounting principles and in compliance with civil law; they must meet the requirements of traceability and transparency; the related documentation must be adequately preserved, so that it is always possible to compare the final documents with the documentation on the basis of which they were drawn up; all the processing and approval stages must be carried out in compliance with the law, the provisions of the articles of association and the system of powers and proxies; complete traceability must be ensured, also with reference to the passages between the structures of the two companies.

Any changes in the accounting data must be adequately justified, documented in writing and authorised by those with authority.

- **Relations with the shareholder, with JSW Steel Italy Piombino S.p.A, with the independent auditors and with the Board of Statutory Auditors.** All obligations carried out by the bodies and structures of the company and JSW Steel Italy Piombino S.p.A, as far as the latter is concerned on the basis of the service provided on the basis of the framework agreement, aimed at providing the shareholder and the control bodies with the documentation and information necessary for the exercise of their respective functions, are regulated; therefore, the parties authorised to do so, the methods (in any case inspired by criteria of maximum cooperation and transparency) with which the relations are maintained, the methods of keeping the mandatory books, the security measures adopted to regulate access to the documentation are defined.
- **Communication, conduct and reporting of BoDs and Shareholders' Meetings: the persons responsible for the various stages are identified in advance,** and the methods and timing for providing information and preparing documentation are also defined in advance. Management of profits and reserves, operations on capital: these are the activities aimed at managing and formalising operations on operating results and capital. In this regard, the roles responsible for preparing the documentation, making decisions, checking their correctness and compliance with the law, and the proper filing and storage of documentation are identified in advance.

With reference to the areas of activity listed above, the following requirements are strictly observed, which also constitute checkpoints for verifying the correctness of the operations performed:

- Traceability. All steps must be traceable; documentation must be prepared in writing and properly stored by those expressly appointed and/or authorised.
- Segregation of duties. The persons responsible for the preparation of information and documentation, decision-making and control, respectively, are identified.
- Compliance with the Code of Ethics. All persons involved in the activities in question are required to observe the principles and rules of the Code of Ethics to the extent relevant. Any basic non-compliance entails the application of the sanctions provided for in the disciplinary system.
- Compliance with the power and delegation system. The persons involved in the activities referred to in this protocol shall strictly comply with the competences assigned to them and the system of powers and delegations.

The activities provided by JSW Steel Italy Piombino S.p.A are carried out in compliance with the requirements set out in this protocol.

### **Bribery between private individuals**

This predicate offence is provided for in Article 2635, paragraph 3 of the Civil Code, transposed at a fairly recent time by Article 25-ter, letter *s-bis*, and amended at an even more recent time by Legislative Decree 38/2017, in force since 14.4.2017, which also added Article 2635 bis of the Civil Code (Instigation to corrupt private individuals).

The new rules broaden the subjective scope of application, extending the persons to whom the predicate offence may be charged to non-peer roles, and add the offence of incitement.

In terms of application, the aforementioned rules apply to relations with third parties such as customers, suppliers, contractors, consultants.

From a systemic point of view, it should be noted that the aforementioned Articles 2635 and 2635-bis are located in Book V ("Of Labour"), Title XI of the Civil Code, under the heading "Criminal provisions relating to companies and consortia": on the basis of this, it tends to be assumed that relationships with natural persons are excluded from their scope of application. Obviously, however, the conduct envisaged and punished by the rules in question must also be avoided and prevented in dealings with this category of persons.

In any case, the protocols contained in this section, and in the parts of the Code of Ethics dealing with the subject matter, are equally applicable to relations with entities and companies as with individuals.

### Prescriptions

All relations with third parties (entities, companies and natural persons such as professionals, etc.) having a direct or indirect economic content must be inherent to the corporate purpose; the giving or even promising of goods or other benefits lacking this characteristic is therefore prohibited.

These relations shall be kept on the basis of the procedures in force in the company; the relevant decisions



shall be consistent with the system of powers and delegations.

The relationships in question must be formalised in writing; the relevant documentation must be properly stored, so that the relevant processes can be traced.

Entertainment or sponsorship expenses, in addition to being inherent to the corporate purpose, must be authorised in advance in accordance with the power and delegation system.

Payments to suppliers, consultants, etc. must correspond to the contractual commitments and the service received; payments or donations of other benefits not already provided for in the contractual commitments are excluded.

The same applies to all commercial relationships with carriers, including shipowners: these relationships are particularly risky, considering that many carriers and shipowners are foreign nationals and may come from countries with a lower level of attention to legality than ours.

Any contributions to third parties by way of sponsorship or donations must be brought to the attention of the Supervisory Board.

Failure to comply with the aforementioned requirements constitutes an offence under the disciplinary system and entails the application of the sanctions provided for therein.

This also applies to the rules of the Code of Ethics applicable to the relationships dealt with here.

Again in relation to the offence of bribery between private individuals, particular attention must be paid to accounting operations and the preparation of financial statements.

In fact, the possible correlation with the offence of self money laundering should be borne in mind: this offence, provided for in Article 25-octies, has been included in the list of predicate offences since 1 January 2015, and is dealt with in greater detail in the relevant section of the Model, to which reference should therefore be made. In any case, the utmost attention should be paid to the truthfulness and correctness of the accounting records and balance sheet data: in fact, it should be noted that the possible fraudulent concealment of sums of money or balance sheet items may constitute a precondition for the commission of the offence of selflaundering, if such sums are reused or reinvested in the interest or to the advantage of the company.

#### **Amendments to the offence of false corporate communications**

With Law No. 69 of 27 May 2015, which came into force on 14 June 2015, amendments were made to the offence of false corporate communications and other related provisions of the Civil Code; on this occasion, Article 12 introduced 'amendments to the provisions on the administrative liability of entities in relation to corporate offences'.

The offence of false corporate communications provided for in Article 25-ter c. 1 lett. a), previously qualified as a contravention, has thus been requalified as a crime, with reference to the predicate offence provided for in Article 2621 of the Civil Code, as replaced by Law 69/2015: this article punishes, "outside the cases provided for in Article. 2622, directors, general managers, managers in charge of preparing corporate accounting documents, statutory auditors and liquidators, who, in order to obtain for themselves or for others an unjust profit, in financial statements, reports or other corporate communications addressed to



shareholders or to the public, provided for by law, knowingly state material facts that are not true, or omit material facts whose disclosure is required by law on the economic, asset or financial situation of the company or of the group to which it belongs, in a manner that is concretely likely to mislead others".

The persons listed above are punishable "even if the falsehoods or omissions relate to assets owned or administered by the company on behalf of third parties."

The relevant fine has been increased, and in the current wording ranges from a minimum of 200 to a maximum of 400 quotas.

#### Offence of false corporate communications committed by minor acts

It is constituted by the case provided for in Article 2621-bis of the Civil Code (petty acts), introduced by Article 10 of the aforementioned Law 69/2015.

In that case, the fine to be paid by the company ranges from a minimum of 100 to a maximum of 200 quotas.

#### Offence of false corporate communications by listed companies

Said offence, which is reported for mere completeness since it does not apply to PIOMBINO LOGISTICS, is constituted by the offence referred to in Article 2622 (offence of false corporate communications of listed companies), as amended by Article 11 of the aforementioned Law 69/2015.

The fine to be paid by the company ranges from 400 to 600 quotas.

To further specify what has been said above concerning the changes made in relation to the offence of false corporate communications, the text of Article 12 of Law 69/2015 is set out below:

Article 12 . Amendments to the provisions on the administrative liability of entities in relation to corporate offences.

1. Article 25-ter(1) of Legislative Decree No. 231 of 8 June 2001 is amended as follows:

(a) the introductory sentence shall be replaced by the following: *'In relation to corporate offences under the Civil Code, the following financial penalties shall apply to the entity*

b) letter a) shall be replaced by the following: *"a) for the offence of false corporate communications set forth in Article 2621 of the Civil Code, a monetary sanction ranging from two hundred to four hundred shares"; c) after letter a) the following letter shall be inserted: "a-bis) for the offence of false corporate communications set forth in Article 2621-bis of the Civil Code, a monetary sanction ranging from one hundred to two hundred shares";*

d) letter b) shall be replaced by the following: *"b) for the offence of false corporate communications set forth in Article 2622 of the Civil Code, a monetary sanction ranging from four hundred to six hundred shares";*

e) letter c) shall be repealed.

**COMPUTER CRIMES AND UNLAWFUL PROCESSING OF PERSONAL DATA**

These predicate offences are provided for in Article 24-bis.

A list of the main ones is given below, referring to the appendix for the complete list and text:

- computer documents (Article 491-bis of the criminal code)
- Unauthorised access to a computer or telecommunications system (Article 615-ter of the criminal code)
- Unauthorised possession and dissemination of access codes to computer or telecommunications systems (Article 615-quater of the Criminal Code)
- dissemination of computer equipment, devices or programmes aimed at damaging or interrupting a computer or telecommunications system (Article 615-quinquies of the criminal code)
- unlawful interception, obstruction or interruption of computer or telematic communications (Article 617-quater of the criminal code)
- installation of equipment designed to intercept, prevent or interrupt computer or telematic communications (Article 617-quinquies of the criminal code)
- Damage to computer information, data and programmes (Article 635-bis of the criminal code)
- damage to computer information, data and programmes used by the State or other public body or in any case of public utility (Article 635-ter. of the Criminal Code)
- damaging computer or telecommunication systems (Article 635-quater of the criminal code)
- damaging computer or telecommunication systems of public utility (Article 635-quinquies of the criminal code)
- computer fraud by the person providing electronic signature certification services (Article 640-quinquies of the criminal code).

However, one must also bear in mind the rules on access to and improper use of data relating to personnel or third parties (Legislative Decree 196/2003).

The offences of virtual pornography and possession of child pornography material, provided for in Article 600-quater of the Criminal Code, and offences against the person in general (listed in the appendix to the text of the decree and in the list of offences) are also referred to because of their close correlation.

The activities provided as a service by JSW Steel Italy Piombino S.p.A. must also be taken into account for the offences envisaged in this section, whose managers must therefore be made aware of the protocols envisaged herein and scrupulously observe them.

In addition to the functions of the company, also those functions of JSW Steel Italy Piombino S.p.A directly and indirectly involved in the IT activities of PIOMBINO LOGISTICS must ensure, in order to prevent the

commission of the offences dealt with in this section, the correctness and legitimacy of data processing, which must therefore be carried out in full compliance with the law.

The areas of activity that are sensitive (i.e. at risk) with respect to this type of offence are identified as follows:

- those of a general nature, such as the management of personal data of members of corporate bodies, employees and relevant third parties in the light of data privacy legislation;
- those specific to the company's object, which concern the learning and processing of data collected in the course of the company's operations;
- the information technology area, in charge of software and hardware management with reference both to the activities carried out by the company's structures and to those provided as a service by JSW Steel Italy Piombino S.p.A, whose resources assigned to them are therefore called upon to be aware of and comply with the specific prescriptions set out in this section, the Code of Ethics and more generally the Model of PIOMBINO LOGISTICS with direct or indirect reference to the conduct that may, in abstract terms, give rise to the commission of the offences set out in Article 24-bis .

The prescriptions and controls identified are as follows:

- all those who have access to the system or to a PC must be provided with a confidential password, not to be communicated to others and to be changed, at the automatic request of the system, at predetermined intervals;
- access to sites liable to lead to the commission of offences under this section or, more generally, under the decree (such as those containing child pornography) or, in any case, to non-compliance with the code of ethics, must be barred to all company operators;
- access to *files* containing sensitive data must be allowed only to the persons assigned to that specific activity, who must be made aware of the specific requirements of the law and the Model;
- the system must provide for the possibility of recording the operations carried out on the company's programmes, so as to ensure their traceability;
- the use of PINs (as in the case of access to *home banking*), digital signatures or certified e-mail is regulated, limited only to certain persons identified in advance and expressly authorised;
- the most appropriate measures made available by technology must be taken in order to preclude access by outsiders to company *files* in general, and to those containing sensitive data in particular;
- appropriate measures (*firewalls*) must be in place to prevent intrusions into the computer system;
- effective and timely data back-up measures must be taken (*back-up* at a predetermined frequency, *cloud computing* or equivalent);
- Servers must be located in premises that guarantee security and restrict access;

- effective measures must be taken in terms of *disaster recovery*.

The person in charge of data processing and, where applicable, 'persons in charge' of data processing pursuant to Legislative Decree 196/2003 are identified.

Reference is also made to the Provision of the "Garante" Authority for the protection of personal data concerning the reuse and recycling of IT materials and equipment, reproduced at the end of the section on environmental offences, for the implications that the relevant provisions may have for preventing the offences dealt with in this section.

Finally, it should be pointed out that the IT area is particularly involved in the implementation and implementation of channels for reporting offences or breaches of the Model (*whistleblowing* - Article 6 of the Decree), guaranteeing effective accessibility and confidentiality.

For the sake of completeness, reference is made to the provisions of Law No. 133/2019 converting Decree-Law No. 105/2019 on national cybersecurity, which, moreover, has little impact, at present, on the company, and which partially amended Article 24-bis of Legislative Decree No. 231/2001 and whose regulations relevant for the purposes of the decree itself are set out in the appendix, in the catalogue of predicate offences.

## PERSONNEL SELECTION, RECRUITMENT AND MANAGEMENT

Recruitment, selection and hiring activities are based first and foremost on the principles of transparency and impartiality. Recruitment is carried out on the basis of ascertained needs, and according to the possession of the personal and professional requirements for the position to be filled. To date, in the event of recruitment needs, priority is given to resources already present in the group, provided they meet the professional requirements corresponding to the company's needs.

On this basis, the search and selection process is initiated. The selection process takes place, depending on the type of position to be filled, by means of interviews, technical and aptitude tests conducted by qualified company personnel in cooperation with the competent functions of JSW Steel Italy Piombino S.p.A. and, should it be necessary due to the particular nature of the position to be filled, with the help of specialised external subjects; it usually ends with a final interview conducted by a member of the company's top management. Persons who may have a conflict of interest do not take part in the selection process. The results of the selection process and the assessments of the candidate, based on the candidate's personal and professional characteristics in relation to the requirements, are formalised and kept in the appropriate file; the CVs of other candidates, if any, and their assessments are also kept on file. Recruitment is formalised on the basis of the proxy system.

With regard to personnel management activities, those forms of conduct that may give rise to the risks of committing offences against the individual, provided for in Article 25-quinquies of the decree, must be avoided and prevented, with particular reference to the possession and dissemination of child pornography. In this regard, the prescriptions set out in the "Computer crimes" section must also be borne in mind and applied, in order to prevent access to sites with child pornography content, as well as the principles and rules of conduct set out in the Code of Ethics on this matter.

In the personnel selection, recruitment and management activities, the strictest compliance with the law and contractual provisions governing professional grading, economic and regulatory treatment, and social security and insurance obligations is required, all without taking advantage of any disadvantageous situations in which the worker may find himself. In this respect, it should be recalled that Article 25-quinquies of Legislative Decree no. 231/2001 was amended by Article 6 of Law no. 199 of 29.10.2016, which introduced the predicate offence of 'caporalato' (illegal extraction of labour), provided for in Article 603-bis of the Criminal Code. It should also be borne in mind that the so-called offence of 'caporalato' can also be committed in conjunction with those giving rise to the offence provided for in Article 25-duodecies, entitled 'Employment of third-country nationals whose stay is irregular', given the condition of social disadvantage in which these persons often find themselves. The requirements set out in the relevant section must therefore also be taken into account.

## OFFENCES AGAINST THE INDIVIDUAL PERSONALITY

The administrative offence resulting from the commission of these offences is provided for in Article 25-quinquies. The relevant predicate offences, which are quite numerous, are listed in the appendix. However, see also what is reported and prescribed in this regard in the section 'Selection, Recruitment and Personnel Management'.

Here, briefly, it is recalled that they cover sexual violence, child pornography, sexual acts on minors, enslavement, trafficking in persons, and finally, as of 29 October 2016, those conducts that integrate the so-called crime of 'caporalato'.

This type of offence (with the exception of the offence of 'caporalato', discussed below and also mentioned in the section 'Selection, recruitment and personnel management') has a decidedly low probability of being committed in the company. Moreover, even in this case, the administrative liability of the company would only exist if the offence was committed in the interest or to the advantage of the company, which makes the hypothesis even more unlikely. It should also be borne in mind that, should one of these offences be committed in the absence of interest or advantage for the company, there would still be a breach of the Code of Ethics (without prejudice to any criminal liability profiles against the natural person who had committed them).

We therefore set out below the prescriptions and prohibitions aimed at preventing the commission of the offences in question:

- The filming or dissemination of videos and photos with pornographic and child pornographic content is prohibited;
- the principles and rules contained in the Code of Ethics concerning respect for the human person and the protection of his or her psycho-physical health are expressly referred to.
- control mechanisms are put in place to prevent outsiders from entering the company's premises and areas;
- activities carried out on the company's premises are in any case subject to control in accordance with the law.

Reference is also made to what is set out in this regard in the section on 'Computer crimes and unlawful data processing', as well as, for the part in which they are applicable, to the provisions set out in the Order of the Garante for the protection of personal data, set out at the end of the section on 'Environmental offences'. Of a different tenor, and with a greater degree of likelihood of commission, at least in the abstract, is the so-called offence of 'caporalato' referred to in Article 603-bis of the Criminal Code, introduced by a special amendment made by Article 6 of Law no. 199 of 29.10.2016 to Article 25-quinquies (see the appendix to the text of the decree and the list of offences). In order to prevent this offence, the utmost respect must be observed for the rules on economic-normative treatment and contribution obligations, without taking advantage of any disadvantageous situations in which such personnel may find themselves. In this regard, see what is reported on the specific subject in the section on personnel selection and management. All the prescriptions set out in the latter section, as well as in this one, must therefore also be observed by the competent functions of JSW Steel Italy Piombino S.p.A. insofar as they are within their competence pursuant to the framework agreement signed between the two companies.



**HEALTH AND SAFETY AT WORK - Legislative Decree 81/2008 - Legislative Decree 106/2009****Art. 25 septies Legislative Decree 231/2001****Crimes of manslaughter and culpable injury in the field of safety at work.**

Legislative Decree No. 81 of 9 April 2008 was enacted in implementation of Law No. 123 of 3 August 2007 (Measures concerning the protection of health and safety at work and delegation to the Government for the reorganisation and reform of the relevant legislation) and constitutes, together with the subsequent Legislative Decree No. 106/2009, which made some amendments to Legislative Decree No. 81/2008, the legislative source of reference on safety in the workplace. With Legislative Decree 81/2008 (which at the time was referred to as the 'Testo Unico' of safety), the offences of 'culpable homicide and grievous and very grievous bodily harm, committed in violation of the rules on accident prevention and on the protection of hygiene and health at work' thus became part of the scope of Legislative Decree no. 231 of 8 June 2001.

With the transposition of these provisions within the framework of Legislative Decree No. 231 of 8 June 2001, and more precisely with Article 25-septies, the responsibilities of the entities were extended to include the offences of manslaughter and serious and very serious culpable lesions, if resulting from the violation of accident prevention, health and hygiene at work regulations. The text of Article 25-septies, with a description of the aforementioned offences, is set out in this Model, within the full text of the decree.

Below are the articles of the criminal code referring to the above-mentioned offences.

**Article 589. Manslaughter.**

*Whoever culpably causes the death of a person shall be punished by imprisonment of six months to five years. If the offence is committed in violation of the rules for the prevention of accidents at work, the penalty is imprisonment for two to seven years.*

*In the event of the death of more than one person, or of the death of one or more persons and injuries to one or more persons, the sentence that should be imposed for the most serious of the violations committed shall apply, increased by up to three times, but the sentence may not exceed fifteen years.*

**Article 590. Unintentional bodily harm**

*Whoever culpably causes personal injury to another person shall be punished by imprisonment of up to three months or a fine of up to EUR 309.*

*If the injury is serious, the punishment shall be imprisonment from one to six months or a fine from EUR 123 to EUR 619; if it is very serious, imprisonment from three months to two years or a fine from EUR 309 to EUR 1,239.*

*If the acts referred to in the second paragraph are committed in breach of the rules for the prevention of accidents at work, the punishment for serious injuries shall be imprisonment from three months to one year or a fine ranging from EUR 500 to EUR 2,000 and the punishment for very serious injuries shall be imprisonment from one to three years.*

*In the case of injuries to more than one person, the penalty that should be imposed for the most serious of the violations committed shall be applied, increased by up to threefold; but the penalty of imprisonment may not exceed five years.*



*The offence is punishable on complaint by the offended person, except in the cases provided for in the first and second paragraphs, limited to acts committed in breach of the rules for the prevention of accidents at work or relating to occupational hygiene or which have resulted in an occupational disease.*

**Article 583 of the penal code - Aggravating circumstances**

*"The personal injury is serious and imprisonment of three to seven years is applicable:*

*(1) if the act results in an illness endangering the life of the offended person, or an illness or inability to attend to ordinary occupations for a period exceeding forty days;*

*(2) if the act results in the permanent impairment of a sense or organ.*

*The personal injury is grievous, and imprisonment from six to twelve years shall apply, if the act results in such injury:*

*1) an illness that is certainly or probably incurable;*

*2) the loss of meaning;*

*(3) the loss of a limb, or a mutilation rendering the limb useless, or the loss of the use of an organ or the capacity to procreate, or a permanent and serious impairment of speech;*

*4) deformation, i.e. permanent disfigurement of the face.*

**The worker health and safety management system in PIOMBINO LOGISTICS**

This section is devoted to the prevention of the offences in question. It contains specific provisions (rules of conduct, protocols, etc.); moreover, it refers to procedures, documents, roles and responsibilities that constitute the company's security system and which, therefore, have the same binding value as the provisions of the Model itself.

The company's organisation and management system relating to the safety and health of workers is built in substantial conformity with the indications of Article 30 of Legislative Decree no. 81/2008. Legislative Decree No. 81/2008. It is made up of the set of appointments, procedures, standards, documents, provisions, communications and activities prepared in the field of safety; all company subjects in any capacity involved in the prevention and protection process contribute to its application, with a constant tendency to its improvement.

**Sensitive Activities**

First and foremost, situations and activities directly or indirectly related to occupational safety and health requirements are crucial, such as:

- existence of identification and appointment of key safety figures required by legislation
- existence, adequacy and updating of the DVR
- existence, adequacy and updating of the DUVRI
- verification of the application of these documents
- adequacy of relevant procedures
- adequacy and availability of personal protective equipment (PPE)
- Adequacy of controls on the actual use of PPE
- proper maintenance of work equipment, buildings, facilities, equipment, etc.
- monitoring the effectiveness of the maintenance system

- ditto verification of the effectiveness of fire regulations and the efficiency of the relevant devices
- effective, systematic and timely information of employees on risks, correct working practices, use of PPE and safety systems
- effective implementation and adequacy of relevant training/information actions
- worker health checks, periodic visits
- occupational health surveys
- health equipment
- proper management of contracts and relations with suppliers and external security consultants
- adequacy of supplies of security-related materials (PPE, equipment, substances, etc.).

On all these aspects, the company actively works to ensure and improve the adequacy of the management of its safety system, organisational structure and application methods to the requirements of Legislative Decree 81/2008 and Legislative Decree 106/2009.

The Model expressly refers to this system, in compliance with the provisions of Article 30 of Legislative Decree 81/2008 concerning the requirements of the model for the purposes of health and safety in the workplace. In particular, the following actions are ensured, the permanence of which must be constantly and systematically monitored: identification of the Employer pursuant to Article 2, letter b) of Legislative Decree 81/2008, as amended by Legislative Decree 106/2009. To date, the Employer is correctly identified in the A.D. The Employer has also issued extensive and detailed power of attorney on safety matters to the Director of Operations, further demonstrating the attention paid by the company to safety matters.

- a) appointment of the RSPP
- b) appointment of the competent doctor
- c) election of the workers' safety representative (RLS)
- d) Appointment of supervisors: persons in positions of coordination of operational activities who are given specific delegated powers in matters of safety may be considered as such
- e) Designation of workers responsible for the implementation of: 1) fire prevention measures; 2) evacuation of workers in case of danger; 3) first aid; 4) emergency management.
- f) identification of risks
- g) drafting and updating the Risk Assessment Document (DVR)
- h) drafting and updating, where required by working conditions, of Interference Risk Assessment Documents (DUVRI)
- i) identification of prevention measures with respect to the risks set out in the DVR and DUVRI
- j) drafting of the safety plan and preparation/arrangement of measures to prevent the risks highlighted in the DVR and DUVRI
- k) definition of spending powers in relation to safety and hygiene at work, and the protection of the internal and external environment
- l) drafting and updating security procedures
- m) information activities on health and safety and workers: correct use of equipment and facilities, personal protective equipment (PPE), specific risks, correct prevention practices
- n) planning and implementation of safety training initiatives and programmes

- o) personal protective equipment (PPE) management process: purchase, suitability check, identification of workers to be provided with it, delivery, monitoring of its use
- p) traceability of the entire IPR management process
- q) checks on the safety of installations, equipment, offices, buildings, fire-fighting devices
- r) related maintenance activities
- s) documentation of control and maintenance activities for traceability purposes
- t) periodic medical examinations: carrying out the examinations on time, documentation, actions following the results in relation to the task to which the workers are assigned
- u) inspection of workplaces by the competent doctor
- v) verification of the existence and adequacy of first aid equipment
- w) verification of the suitability of the prescriptions for first aid actions (both by internal means and by the intervention of external structures), with the identification and designation of the persons to whom they are entrusted.

Given the peculiar nature of the corporate purpose of PIOMBINO LOGISTICS, which also entails the performance of activities subject to specific regulations such as those relating to railway movement, road traffic and those carried out in the maritime sphere, particular attention is paid to professional and personal requirements, also in terms of the psycho-physical suitability of personnel, as well as to the punctual observance of training and updating phases. The use of means and equipment for handling, in fact, entails specific characteristics of suitability as well as knowledge of the rules that regulate the activity (such as the rules on railway movement, road traffic and those in force in the maritime sphere), to which express reference is made. These rules must be brought to the attention of all stakeholders, who for their part must know and observe them, since they are expressly referred to in the Model. For this purpose, what is set out in this regard in the Request for the issue of a Submission Deed sent to the Port Authority of Piombino and Elba on 24.6.2016 is also a useful reference.

### **Attributions, delegations and key figures in occupational safety and health.**

#### **Delegations of functions.**

PIOMBINO LOGISTICS aims to ensure that there is direct and systematic control over security.

To this end, the Employer has granted the Director of Operations a special power of attorney to ensure that the utmost attention is paid to this matter by those whose role is directly related to operational activities.

All the persons vested with powers and proxies in the field of safety operate with the aim of achieving maximum effectiveness in overseeing activities and carrying out controls on the subject, while ensuring the separation of duties and responsibilities required in general by Regulation 231, and in particular by Article 30(3) of Legislative Decree 81/2008, and maximum integration between roles.

#### **Attributions and delegations.**

The following positions are established and appropriately filled:

#### **Employer**

The Employer is identified in the figure of the Chairman, pursuant to Article 2, paragraph 1, letter b) of Legislative Decree 81/2008; the Company has also implemented a Delegation of Functions pursuant to Article 16 of Legislative Decree 81/2008, with the limits set forth in Article 17 of Legislative Decree 81/2008.

This is in accordance with the provisions of Article 2(1)(b) of Legislative Decree 81/2008, according to which the Employer must be identified as the holder of the employment relationship with the worker or, in any case, as the person who, according to the organisation structure within which the worker works, is responsible for the company itself or the production unit insofar as he exercises decision-making and spending powers. It should also be noted that, as a rule, the Employer coincides with the top management body.

The Employer may delegate some of the duties pertaining to his role, with the exception of the following, which cannot be delegated in any way, in compliance with Article 17 of the same Legislative Decree. Legislative Decree 81/2008:

- risk assessment, with the related preparation of the DVR required by Art. 28;
- the designation of the person in charge of the risk prevention and protection service.

### **Head of the Prevention and Protection Service (RSPP)**

This figure is identified on the basis of the definition in Article 2(1)(f) of Legislative Decree 81/2008, according to which the RSPP must be a person in possession of the professional capacities and requirements set out in Article 32, to coordinate the risk prevention and protection service.

The tasks of the prevention and protection service against occupational risks (SPP) are defined in Art. 33 and following:

- provides for the identification of risk factors, the assessment of risks and the identification of measures for the safety and health of the working environment, in compliance with the regulations in force on the basis of specific knowledge of the company organisation;
- draws up, to the extent of its competence, the preventive and protective measures referred to in Article 28(2) and the control systems for these measures;
- draws up security procedures for the various company activities;
- proposes information and training programmes for workers;
- participates in consultations on health and safety at work, as well as in the planned periodic meeting (Art. 35);
- provides workers with the necessary information (Art. 36).

### **Competent Doctor**

He is appointed in the person of a professional in possession of the legal requirements; to date he is jointly with JSW Steel Italy Piombino S.p.A.

The competent doctor is defined in Article 2(1)(h) as the doctor in possession of one of the qualifications and training and professional requirements referred to in Article 38, who collaborates, in accordance with Article

29(1), with the employer for the purposes of risk assessment and is appointed by the same employer to carry out health surveillance and for all the other tasks provided for in the same decree.

### **Workers' safety representative (RLS)**

According to Art. 2(1)(i), this is the person elected or appointed to represent workers with regard to aspects of health and safety at work.

This figure is also covered and is the recipient of the necessary training initiatives.

### **Manager and supervisors**

The figure of the Manager is identified with that of the Director of Operations who, by the way, at the time of the approval of this Model, is the only person in a managerial position.

As already mentioned, the Director of Operations, in addition to the powers and responsibilities conferred by the rule under review, is granted specific power of attorney in this regard, to which reference is made.

The persons in charge, identified as those responsible for coordinating operational and maintenance activities, are appointed and given appropriate delegated powers directly related to the activities entrusted to them on the basis of their role.

### **Rules of conduct.**

All recipients of the Model are required to comply not only with the legal obligations, but also with the rules of conduct set out herein and the specific procedures laid down in the company security system.

It should be noted that failure to comply with these rules of conduct and the relevant procedures constitutes a violation of the Model and is therefore sanctioned in accordance with the provisions of the disciplinary system.

All persons who, in any capacity and in any role, intervene in the process of activities relating to safety at work are required to comply with the law and company regulations (Model protocols, procedures and provisions issued by the competent figures) on the subject, with particular reference to the rules aimed at preventing risks, accidents, injuries and occupational diseases.

Anyone who personally verifies or otherwise becomes aware of risk situations that may affect his or her own safety, or that of colleagues or third parties who may come into contact with the source of the risk, shall immediately inform his or her superior (or the Employer, the Operations Director or the RSPP), or, depending on the urgency or specific competence anyone else who is in a position to intervene effectively and promptly to put an end to the hazardous situation, or again, when it is within his or her possibilities and capabilities without incurring further risks himself or herself, to intervene personally in order to ensure that the hazardous situation ceases or to prevent others from coming into contact with it.

### **Principles and criteria for the implementation and improvement of the occupational health and safety management system**

All safety provisions and decisions, as well as all actions and behaviour that are to some extent susceptible to safety repercussions, must comply with the following general principles:



- the general and primary objective is always to prevent accidents, injuries to the physical integrity and health of workers of both a temporary and permanent nature;
- risks must be identified, avoided, prevented, removed, and communicated in good time to colleagues, superiors or third parties;
- if, only exceptionally and in situations of emergency or state of necessity that cannot be avoided, the risk is of such a nature that it cannot be completely eliminated, all the necessary precautions and measures must be taken immediately in order to make the occurrence of the event as unlikely as possible and to limit its consequences. Once the emergency has passed, action must be taken to eliminate the source of the risk, preventing anyone from coming into contact with it in the meantime. It must be borne in mind that injury to the physical integrity or health of the worker, as well as of third parties who come into contact with the places where company activities are carried out, never constitutes an acceptable risk;
- workplaces, equipment, working methods must be designed and structured according to the overall prevention objective;
- PPE, safety devices, equipment must be adapted and constantly improved according to both the statistical trend of accidents and injuries and technological and regulatory developments;
- all safety actions must be oriented towards prevention;
- safety actions must be planned and included in a system that is consistent with the objectives set out here, and systematically monitored in terms of effectiveness, updating and improvement. Only in exceptional and emergency cases can measures, even unplanned ones, be taken immediately, which at the moment appear to be the most suitable to prevent risks;
- the monitoring of the safety management system must be oriented towards progressive and continuous improvement, according to the results of experience, statistical data, technological evolution and regulatory developments;
- all company activities directly or indirectly related to safety, including therefore purchases and administrative and financial management, must take into account and be inspired by the general principles contained in this protocol, and thus be functional to the prevention and improvement of safety standards;
- the safety, health and physical integrity of contractors' collaborators and workers must be given the same attention as that given to employees, through the use of the information, provision and control tools associated with the relevant contractual cases; the same applies to third parties who come into contact with the workplace;
- Adequate information and instructions must always be given and made known to workers, as well as to external personnel who in any capacity are present in workplaces or otherwise pertaining to the company.

## Workers' obligations

Without prejudice to the obligations imposed by law and those arising from company regulations, workers are required to observe the following rules of conduct:

- avoid any behaviour that entails a risk to one's own safety, health or physical integrity or that of one's colleagues and/or third parties who are for any reason in the places where work activities are carried out;
- comply with the safety and prevention provisions and instructions issued by the employer or other competent persons for the purposes of individual and collective protection
- correctly use the means of transport, road and rail infrastructures, equipment and any hazardous substances that are used in the operational process, as well as safety devices, correctly carry out the activities for which they are responsible in relation to the means, plant, machinery, premises, etc. entrusted to them;
- use PPE correctly
- comply with the operational practices relating to their activities;
- promptly notify their superior, the RSPF, the Director of Operations or the Employer of any deficiencies or malfunctions in the means, PPE, safety devices, equipment or installations used or with which they come into contact in the performance of their activities;
- promptly report to the same parties any hazardous conditions of which they become aware directly or indirectly
- endeavour in an emergency, within the scope of their competences and possibilities and in compliance with safety regulations, to eliminate or limit dangerous situations;
- avoid removing, modifying or tampering with safety, signalling or control devices for any reason whatsoever;
- avoid carrying out operations or manoeuvres not within one's competence that may compromise one's own safety, the safety of colleagues or third parties.

Workers are also required to be proactive in the safety management system.

They are therefore obliged to:

- take part in education, information and training initiatives planned by the employer;

undergo the health checks and inspections required by law or ordered by the company through the competent doctor. They are also required to report anything deemed useful for identifying and eliminating risk situations, as well as for improving safety.

### Obligations of the supervisor

Without prejudice to the obligations laid down for supervisors by law and company regulations, they are obliged to check that workers behave in the way they are supposed to when carrying out their activities.



They are also under an obligation to detect, report, correct or put an end to employee conduct that deviates from those to which they are bound.

They must promptly detect and report any existing risk conditions that they have encountered or that have been reported to them, taking care to ensure that activities subject to the risk cease and are not carried out as long as the risk remains.

They elaborate, collect and provide the relevant figures (RSPP, Director of Operations, Employer) with all useful elements to improve safety standards.

### **Protocols on safety, health and hygiene in the workplace**

In order to manage, monitor, implement and improve the occupational health and safety management system, the following protocols are set out, which are concretely applied in the company's procedures, provisions and working methods.

### **Risk assessment**

All risks to which workers are exposed by virtue of carrying out the tasks entrusted to them are carefully analysed and assessed.

The Risk Assessment Document (DVR) referred to in Articles 17(1)(a) and 28 of Legislative Decree 81/2008 is drawn up in accordance with the requirements of the law.

The DVR contains:

- a report on the assessment of health and safety risks related to the work activity, in which the criteria adopted for the assessment are specified;
- an indication of the prevention and protection measures implemented and the personal protective equipment adopted following the risk assessment;
- the programme of measures deemed appropriate to ensure the improvement of security levels over time;
- the identification of the procedures for the implementation of the measures to be carried out as well as the persons within the company organisation who are to carry them out;
- the name of the RSPP and the competent doctor who participated in the risk assessment.

The DVR complies with the requirements of specific risk assessment standards where these are applicable in practice.

The DVR is drawn up after consultation with the RLS.

The DVR is kept available at the company's premises.

The risk assessment is constantly and systematically updated in the event of changes in the organisational structure, changes in operating methods and changes in technology that have an impact on workers' health and safety.

The DVR is made available to workers to the extent of their competence.

All activities relating to risk assessment must be documented and tracked, and the relevant documentation properly retained.

### **Preparation of prevention and protection measures**

All appropriate prevention and protection measures to guard against the risks identified in the DVR must be adopted and implemented.

They are updated according to organisational and production changes, where these are relevant to occupational health and safety, or according to technological developments. Workers are provided with the PPE necessary and suitable for protection against the risks to which they are exposed as a result of their work activity.

The delivery of the appropriate PPE is recorded.

PPE must retain its suitability for its protective function over time; to this end, it is periodically subjected to the necessary overhaul and maintenance, or is replaced when its suitability is impaired.

Activities relating to the identification, preparation and implementation of prevention and protection measures are documented and tracked; the relevant documentation is properly stored.

### **Technical standards relating to equipment, facilities, workplaces, load handling, etc.**

Specific procedures are adopted and applied to ensure the safety of plant, equipment and workplaces, and their compliance with the relevant standards.

These procedures govern:

- the maintenance, cleaning and periodic inspection of premises, facilities and work equipment;
- verification of the functionality of work equipment and facilities;
- general rules of hygiene in premises and working areas;
- traffic routes and emergency exits;
- fire-fighting devices;
- possible leakage of gaseous substances or spillage of liquid substances;
- first aid measures;
- the use, control, maintenance and replacement of PPE;
- the way in which documentation is archived and products and goods are stored;

Maintenance and control activities are documented; the relevant documentation is properly and correctly stored.

Procedures and/or operational practices are adopted and applied to ensure the safety of workers with respect to exposure to specific risks, including:

- lifting, handling and transporting loads;
- use of moving vehicles;
- video terminals;
- physical agents;
- chemical agents.
- waste management, including waste from electronic equipment.

Particular attention is paid to the risks associated with the proximity of work areas to the sea, with the consequent adoption of appropriate PPE.

The relevant activities are documented and tracked; the documentation to which they refer is properly stored.

**First aid, fire, emergencies**

The intervention plans to be implemented in the event of emergency situations and serious danger to workers and third parties present in the places where the company's activities are carried out or in any case pertaining to the company (by way of example: first aid, fire, evacuation of premises) are drawn up and adopted.

The management of first aid boxes or first aid kits is adequately regulated; the places where they are located, the roles and specific functions within the company are identified and made known.

The availability and expiry dates of first aid materials are systematically checked and regularly replenished in accordance with the planned stocks. The persons identified as responsible for the aforementioned checks and replenishments are expressly instructed and made known.

Adequate fire-fighting facilities shall be set up in order to prevent the occurrence or spread of fires, or at least to contain their effects.

They are subject to systematic checks at the prescribed time intervals, as well as adequate maintenance.

Suitable evacuation plans shall be drawn up to allow, in the event of fire or other serious and imminent danger, immediate evacuation from the premises; these plans, brought to the attention of all personnel, shall indicate the preferred route and at least one alternative route in the event that the preferred route is unusable. Evacuation plans are periodically tested by means of evacuation tests.

Activities related to emergency management (such as evacuation tests, checks and maintenance of fire-fighting equipment, etc.) are also documented and tracked; the relevant documentation is properly maintained.

**Delegations and appointments**

All persons entrusted with authority in the field of workers' health and safety are duly filled; in the event of a sudden vacancy, they are promptly replaced.

Appointments are made following specific checks on the personal and technical-professional suitability of the persons identified (whether internal staff or external collaborators). Similar preventive checks are carried out in respect of all persons to whom activities or supplies are to be entrusted that have repercussions on workers' health and safety (such as supplies or maintenance of plant, premises, equipment, PPE).

The process and outcome of these checks are properly documented and tracked, and the relevant records are properly and adequately preserved.

All persons who, in various capacities, have safety responsibilities report to the Employer and/or the RSPP, in accordance with their respective competences, on a systematic basis and in any case whenever necessary as a result of significant anomalies, malfunctions, accidents and/or injuries.

**Expenditure on safety and hygiene at work and environmental protection**

These expenses are determined on the basis of the needs dictated by the activities as well as the state of the equipment and facilities.

The procedure for triggering the necessary security expenditure must be streamlined, and no obstacles must be placed in the way of structure and decision-making processes. Exceptions to the ordinary procedures are

permissible if these expenses are necessary for emergency or urgent situations, or in any case for the restoration of security conditions.

### Statistical Surveys and Situations

A system for the statistical detection and classification of relevant phenomena on the subject (accidents, incidents, occupational diseases, statistical results of periodic visits and inspections) is set up and made available to the Employer/RSPP and the other figures involved in various ways in the aspects of safety, in order to have the necessary data for monitoring and improving the workers' health and safety management system.

### Medical examinations and assessments

Inspections and examinations are planned and carried out periodically, in accordance with the law and company regulations, in order to verify the workers' state of health and their suitability to perform the tasks for which they are responsible, particularly for workers entrusted with activities involving exposure to specific risks.

These checks and examinations are compulsory. If the worker, duly notified, fails to undergo them without adequate justification, the measures provided for in the Disciplinary System of this Model shall be taken against him/her, as applicable.

Following a result certifying unsuitability for certain jobs, the worker may no longer be assigned to them. In such cases, subject to legal and contractual provisions and in line with the company's organisation, a search will be made for another work assignment in line with the ascertained state of health.

The data on the performance and results of the periodic visits and inspections are included in the statistical surveys mentioned in the previous paragraph.

All relevant documentation is properly and correctly stored, always respecting the privacy of individual workers.

The systematic exchange between the competent doctor and the RSPP, if necessary with the participation of the Employer, of their respective experiences and findings is envisaged, in order to foresee and implement possible improvements in workplaces, equipment and work practices, as well as refinements of clinical investigation methodologies.

### Information to workers - Information to personnel present on the premises where company work is carried out or otherwise pertaining to the company

Workers are adequately and systematically informed, by means of a system of easily accessible and immediately comprehensible communications, of the risks associated with the activities entrusted to them, the PPE to be used and its correct use, and the actions to be taken in the event of an emergency or imminent danger.

The names of persons to whom safety delegations and tasks are delegated are brought to the attention of workers, as well as their location in the company, telephone numbers and, where existing, e-mail addresses, in order to facilitate and make communication with them immediate, where necessary.

External persons who access or are present, habitually or occasionally, on the Company's premises shall be provided with the necessary information to prevent their exposure to risks, access to dangerous places or involvement in possible accidents or injuries. If such persons are required to access places where the use of IPDs is envisaged, these shall be provided to them and their use shall be demanded, illustrated in advance. Information activities are documented and tracked; documentation is properly maintained.

## Education and training of workers

Education and training initiatives are organised and carried out concerning the safety and health of workers. The planning of such initiatives is carried out first of all on the basis of legal regulations and according to parameters such as: the risks detected, the needs identified by those entrusted with safety mandates or assignments, the results of company and external experience, the results of statistical situations, the seniority, specialisation, and education of workers.

These courses, in addition to fulfilling legal obligations where so provided. Their purpose is to induce and sharpen workers' awareness of their own safety and that of their colleagues, to make them aware of the risks to which they are exposed and to provide them with the appropriate knowledge to prevent them, also by deepening the information currently received in the company.

Depending on requirements, courses can be general in nature or can be targeted at specific jobs or professions.

The topics covered in the courses are

- the specific risks related to the different professions and activities
- the correct use of machinery, equipment, work tools and PPE
- substances and materials used in work activities
- work processes, operational practices and the rules governing them (see movement of railways and means of transport in general, loading and unloading of vessels)
- prevention and protection measures
- emergency plans
- the company's organisational structure, with particular reference to safety-related roles and their tasks and responsibilities
- company safety-related laws, procedures and regulations.

Monitoring and evaluation of the effectiveness of the courses in terms of participants' learning is systematically carried out, also with a view to improving, where appropriate, the programming and teaching methodologies.

The profile of the lecturers must be appropriate to the purpose of the courses.

Security training activities are documented and tracked, and the relevant documentation is properly retained.

## Supervisory and control activities

The compliance of the occupational health and safety management system with legal provisions and prevention requirements is systematically audited at least once a year.

On the basis of the results of the audits, any adjustments or improvements to the system are planned and implemented.

The persons entrusted with security mandates and/or assignments constantly verify, within the scope of their competence, the compliance with and adequacy of the rules and provisions, as well as their application, with particular reference to:

- identification and assessment of risks
- prevention and protection measures
- IPR
- fire-fighting devices
- emergency plans.

Workers' reports, as well as requests and reports made by the RLS, are adequately examined and assessed by the Employer, the RSPP and the other figures entrusted with safety tasks.

Activities relating to the supervision and control of the occupational health and safety management system are documented and tracked, and the relevant documentation is properly stored.

### **Activities entrusted to third parties (contractors, suppliers, collaborators, professionals, self-employed workers)**

If external services are used, the protocols below will also apply.

The assignment is carried out, in compliance with the system of powers and delegations, in accordance with the law and company regulations, and having regard to the technical and professional suitability of the assignees in relation to the object of the assignment.

Co-operation and co-ordination in the adoption of measures of prevention and protection from risks at work are always ensured by the company, and requested from collaborators; this also, and in particular, in the event of interference of workers of PIOMBINO LOGISTICS with workers of third party companies, or between workers of several third party companies, are in any case guaranteed. In such cases, the DUVRI is drafted indicating the measures aimed at eliminating or at least circumscribing and minimising, and in any case making known, the interference risks.

Contracts for the award of works contracts expressly provide for the costs of measures aimed at worker safety.

### **Referral**

The Organisational, Management and Control Model of PIOMBINO LOGISTICS expressly refers to the procedures, provisions and measures provided for and adopted by the Company in the management system for the prevention, safety and health of workers, in application of the abovementioned protocols.

### **Documentation**

All documentation relating to the management system for the prevention, safety and health of workers must be properly and correctly stored.

### **Cogency of the requirements contained in this section**



The protocols and prescriptions contained in this section must be observed by all recipients of the model, as must the procedures and provisions to which it refers.

Failure to comply with these protocols and prescriptions therefore constitutes a violation of the Model and is sanctioned pursuant to the Disciplinary System.

### **Relations with the Supervisory Board (SB)**

The Supervisory Board is notified of all company rules, procedures and provisions on safety, as well as of the appointments of persons delegated or entrusted with safety-related tasks and any changes thereto; it also receives periodic reports on safety, accidents, injuries.

He is promptly informed of serious accidents/incidents.

Anyone who discovers, either directly or by receiving communication, anomalies in the management of workers' health and safety such as to constitute a violation of the Model is required to report them to the Supervisory Board.

### **Actions in the event of a situation of contagion, epidemic, pandemic**

During the Covid 19 pandemic, the company put in place procedures and took measures to prevent the spread of infection among workers and to third parties.

These actions were taken in accordance with the regulatory provisions issued for the occasion, as well as on the basis of the indications given by the competent health authorities, taking into account the specific nature of the company's activity.

These measures will, where necessary, be updated, both in terms of strengthening and slowing down, according to changes in standards and health claims that occur.

The bodies in charge of monitoring these measures have verified and are monitoring the application of these measures for as long as they are in force.

Beyond the contingent situation, the company will pay the utmost attention to the possible and unfortunate hypothesis that situations of contagion, epidemics or pandemics may arise again in the future; to this end, it has standard procedures and regulations in place to guarantee an acceptable level of security, to be implemented if necessary, depending on the seriousness of the situation that arises.

In this process, the persons in charge of the preparation, implementation and control intervene, according to their competence, on the basis of the regulations in force, with particular reference to Legislative Decree No. 81 of 9 April 2008 (TUSL, the Consolidated Workplace Health and Safety Act) and, more generally, to Article 2082 of the Italian Civil Code.



## PURCHASE OF GOODS AND SERVICES - COMMISSIONING AND CONSULTANCY

The purchase of goods and services is regulated by a specific procedure, managed by computerised means through systems borrowed from JSW Steel Italy Piombino S.p.A.

This activity is also, for the most part, provided as a service by JSW Steel Italy Piombino S.p.A. within the scope of the relationships governed by the framework agreement between the two companies; exceptions are cases related to specific items, strictly connected with the company's *core business*.

The structures of JSW Steel Italy Piombino S.p.A engaged in this activity must therefore be made aware of the Model and undertake to comply with it to the extent of their competence.

The procedure is characterised by the various stages ranging from the detection of the need, the purchase request, the identification of suppliers, the request for a quotation, and the issuing of the order/order, to be returned signed for acceptance.

The stages upstream of the issuing of the order are characterised by the intervention of several parties, in accordance with the criteria of segregation of duties and traceability.

The conformity of the goods or services with the order in terms of quantity, quality and delivery terms shall be checked and verified, prior to the payment of the contractually agreed consideration, by the parties provided for in the procedure.

The identification of suppliers, professionals, etc. is carried out on the basis of a list of suppliers classified on the basis of qualitative criteria, increased on the basis of appropriate prior assessments and updated in relation to the type and quality of the services rendered. The procedure also regulates the formation and updating of the supplier list.

In the case of major commitments in terms of expenditure or type of activity, quotations are usually requested from several suppliers, usually three.

This may not be the case in the case of small quantities or modest expense commitments, as well as in the case in which the already known and proven reliability of the subject, the particularity or delicacy of the service, the degree of specialisation, or special requirements of confidentiality, make direct awarding appropriate. In such cases, the reasons are given, without prejudice to the verification of the appropriateness of the fee requested.

Contracts are awarded on the basis of thorough market surveys and balancing the requirements of cost-effectiveness with those of quality of service.

Purchases and appointments must be strictly inherent to the corporate purpose; with regard to appointments and consultancies in particular, before outsourcing, it is advisable to verify the possible availability of internal resources capable of providing the requested service on the basis of their professionalism and experience.

Orders and assignments must in any case be assigned not only in compliance with the relevant procedure, but also in line with the provisions of the code of ethics: it is therefore necessary to avoid favouring certain suppliers over others for reasons other than those strictly complying with the criteria of cost-effectiveness and quality, as well as assigning orders and appointments in the absence of actual business needs, and/or for the purpose of pleasing external or internal persons within the company or group.

**ORGANISED CRIME OFFENCES**

These offences were introduced into the scope of application of Legislative Decree No. 231/2001 by Article 24-ter, by Law No. 94/2009, Article 2, Paragraph 29.

Below is a list and brief description of the main criminal offences of reference (as for all administrative offences under the decree, the full list of predicate offences and their texts are given in the appendix).

- a) Conspiracy (Article 416 of the criminal code): the offence occurs when three or more persons join forces in order to commit several offences;
- b) Mafia-type association, including foreign ones (Article 416 bis of the Criminal Code): without prejudice to the provisions of Article 416 of the Criminal Code, an association is defined as mafia-type in function of the intimidating force of the associative bond and the consequent condition of omertà (code of silence) and subjection, with the aim of obtaining economic advantages, limiting the exercise of the vote, and illegitimately procuring electoral advantages.
- c) political-mafia electoral exchange (Article 416 ter of the Criminal Code): the same punishment as for mafia-type association also applies to the promise of votes against the payment of sums of money.
- d) Kidnapping for the purpose of extortion (Article 630 of the criminal code): this consists in the kidnapping of a person for the purpose of receiving an unfair profit in return for the release of the kidnapped person.
- e) association for the purpose of unlawful trafficking in narcotic or psychotropic substances (Presidential Decree 309/1990, Article 74): this offence occurs when three or more persons associate in order to cultivate, produce, manufacture, extract, refine, sell, offer or put up for sale, dispose of, distribute, trade, transport, procure for others, send, pass or send in transit, deliver for any purpose, without the prescribed authorisations, narcotic or psychotropic substances.

**N.B.:** following the recent amendment of Article 25-duodecies of the decree, the predicate offences set out therein concerning the employment of workers from third countries (see the relevant section), as well as the relevant protocols, must also be taken into account in the context of the rules for combating organised crime. The analysis carried out suggests that, in general, the commission of this category of offences is highly unlikely; in particular, the offences referred to in points d) and e) are characterised by a very low risk of being committed in practice.

In the abstract, the risk of commission of the offences referred to in points (b) and (c) could be considered possible, although still low. More risky is the offence referred to in point (a), which may in theory constitute a 'container' for various offences. In other words, it is characterised by the characteristic of 'transversality', i.e. it could be extended, provided that the prerequisite of the association exists, to practically any criminal offence provided for by criminal law, which would lead the scope of application of the decree to expand disproportionately. With regard to the offence referred to in point b), however, the risk, albeit not particularly high, associated with the foreign nationality of most of the carriers, including the shipowners with whom the company comes into contact, must be borne in mind.

The protocols and prescriptions to be adopted are similar to those already provided for the prevention of other types of offences, namely:

- the procedures governing the purchase of goods and services and the awarding of appointments and consultancies must be strictly applied and adhered to;
- economic and financial transactions must be inherent to the corporate purpose and commercially and economically reasonable; the consideration must always be predetermined, quantitatively and qualitatively proportionate to the good or service, and in line with market parameters;
- all economic and financial transactions are carried out in the manner prescribed by law, and with traceable means of payment;
- any contributions and donations, which must in any case be of a wholly exceptional nature and for modest amounts), must be consistent with the corporate purpose or other objective parameters (such as the geographic location of the recipient, for the purpose, for example, of promoting the company's image in the territory);
- all the above operations must be carried out in strict compliance with the system of powers and delegations;
- The provisions of the code of ethics must be scrupulously observed, particularly with regard to the receipt and disbursement of gifts and donations, relations with external associations with the public administration, etc.

Since the legislation in question provides that, in order for the offence in question to be committed, the association must be of a stable nature, an expedient may consist in separating operational responsibilities from control responsibilities (so-called 'segregation of duties') and, as far as possible and compatibly with the organisational structure, alternating resources and/or placing several resources side by side in the most delicate tasks and responsibilities (e.g. contacts with the public administration).

It should be borne in mind that the legislator considers the commission of association offences to be particularly serious, so much so that if it is established that the company or one of its organisational units is permanently used for the commission of such offences, the disqualification sanction set out in Article 16(3) of the Decree would be applied.

**RECEIVING STOLEN GOODS, MONEY LAUNDERING AND USE OF MONEY, GOODS OR OTHER BENEFITS OF UNLAWFUL ORIGIN , AS WELL AS SELF-LAUNDERING. MISUSE AND POSSESSION OF MEANS OF PAYMENT**

The offences in question, provided for in Article 25-octies, were introduced for the first time into the scope of application of Legislative Decree no. 231/2001 by Legislative Decree no. 231/2007, with a singular coincidence of numbering which facilitates their connection, while the offence of self money laundering was included at a later date, and exactly from 1.1.2015.

The legislator, considering their commission to be particularly serious, has provided not only for fines of up to 1,000 quotas, but also for prohibitory sanctions (see in detail the text of the decree in the appendix).

A brief description of the offences in question is given below.

**Money laundering** (Article 648 bis of the criminal code). It is constituted by the replacement, transfer or other transaction of money, goods or other utilities aimed at obstructing the identification of their criminal origin.

**Receiving stolen goods** (Article 648 of the criminal code). It consists in the purchase, receipt or concealment of money or things derived from unlawful activity. (or in facilitating such conduct)

**Use of money, goods or other benefits of unlawful origin** (Article 648 ter of the Criminal Code). It is constituted by the use in economic or financial activities of money, goods or other benefits of unlawful origin.

The areas in which, in the abstract, the conditions for the commission of the aforementioned offences may exist are the following:

- awarding of contracts
- conferment of appointments or consultancies
- administrative and financial activities
- economic and financial relations with the sole shareholder. and/or other group companies.

The prescriptions in this respect and the related checks are as follows:

- the reliability and consistency on an industrial, commercial and professional level of the persons with whom relations of an economic-financial nature are entered into must be checked in advance, verifying whether they are or are being subjected to bankruptcy proceedings, criminal proceedings or other proceedings related to criminal, civil or administrative offences; these checks must be periodically repeated even when the relationship has been initiated and is ongoing;
- payments and collections are made and received by traceable means of payment (bank transfer, bank drafts, etc.);

- cash payments and collections in character are made only in exceptional cases, and always within the limits of the law;
- documentation giving rise to payments or receipts is always subject to control on the basis of the roles provided for by the company organisation and the delegation system, and is properly filed and stored;
- the company organisation provides for checkpoints on the fact that payments and receipts must be consistent and congruent, in terms of reasons and amounts, with the contractual transactions that give rise to them, and inherent with the corporate purpose. All transactions with economic content are traceable;
- distinction of roles between those who carry out operations and those who control them;
- compliance with the system of powers and delegations;
- compliance with the company's procedure on the purchase of goods or services and the awarding of appointments and consultancies.

The requirements set forth in this section must be complied with by the competent structures of JSW Steel Italy Piombino S.p.A that perform all or part of the above activities within the framework agreement between the two companies.

### **Self-money laundering**

Article 3(5) of Law 186/2014, which came into force on 1 January 2015, introduced into the catalogue of predicate offences, alongside the offences summarised above, the offence of selflaundering, amending Article 25-octies to that effect. The text of Article 25-octies is reproduced below.

#### *Article 25-octies*

- 1. In relation to the offences set out in Articles 648, 648-bis, 648-ter and 648-ter.1 of the Penal Code, a monetary sanction of 200 to 800 quotas is applied to the entity. In the event that the money, goods or other benefits originate from a crime for which a maximum term of imprisonment of more than five years is established, a pecuniary sanction of 400 to 1,000 shares is applied. In cases of conviction for one of the offences referred to in paragraph 1, the disqualification sanctions provided for in Article 9, paragraph 2, are applied to the entity for a period not exceeding two years.*
- 3. In relation to the offences set forth in paragraphs 1 and 2, the Ministry of Justice, after hearing the opinion of the FIU, shall make the observations set forth in Article 6 of Legislative Decree No. 231 of 8 June 2001.*

The text of Article 648-ter. 1 of the Criminal Code, introduced by the aforementioned Law No. 186/2014, is also reported.

#### *Article 648-ter. 1. (Self laundering).*

*A sentence of two to eight years' imprisonment and a fine ranging from EUR 5,000 to EUR 25,000 shall be imposed on any person who, having committed or having taken part in the commission of a non-culpable offence, uses, substitutes, transfers, in economic, financial, entrepreneurial or speculative activities, the money, goods or other utilities deriving from the commission of such offence, in such a way as to concretely hinder the identification of their criminal origin.*

*The penalty shall be imprisonment for a term of between one and four years and a fine ranging from EUR 2,500 to EUR 12,500 if the money, goods or other benefits originate from the commission of a non-culpable offence punishable by a maximum term of imprisonment of less than five years.*

*In any case, the penalties provided for in the first paragraph shall apply if the money, goods or other utilities originate from an offence committed under the conditions or for the purposes set forth in Article 7 of Decree-Law No. 152 of 13 May 1991, converted, with amendments, by Law No. 203 of 12 July 1991, and subsequent amendments.*

*Apart from the cases referred to in the preceding paragraphs, conduct whereby the money, goods or other benefits are intended for mere personal use or enjoyment shall not be punishable.*

*The penalty is increased when the acts are committed in the exercise of a banking or financial activity or other professional activity.*

*The punishment shall be reduced by up to one half for those who have taken effective steps to prevent the conduct from being carried out to further consequences or to secure evidence of the offence and the identification of assets, money and other utilities derived from the offence.*

*The last paragraph of Article 648 applies.*

It should be borne in mind that the new legislation on self money laundering presents particularly significant risks: in fact, the offence of self money laundering may be committed when wilful conduct involving impropriety, disloyalty or untruthfulness of accounting data resulting in the concealment of items or sums of money is followed by their reutilisation or reinvestment in the interest or to the advantage of the company. Characterise. As mentioned above, for the offence to be committed, the conduct must be intentional; however, the distinction between intent and fault is not always easy: think of the difficult distinction between conscious fault and possible intent. Therefore, it is essential that the protective controls provided for in this section are put in place and effectively exercised, as are those provided for in the "Corporate Offences" section, with reference to the preparation of accounting records and financial statements.

In addition, it should be borne in mind that even tax offences, which have recently been introduced as predicate offences (see the relevant section), can be a prelude to the commission of the offence of selflaundering, insofar as they lead to the concealment or unlawful appropriation of sums which are then re-invested in the company.



In addition, Legislative Decree No. 184 of 8 November 2021, which came into force on 14 December 2021, which introduced Article 25-octies.1 on counterfeiting of means of payment, implementing EU Directive 2019/ 713 on combating fraud and counterfeiting of non-cash means of payment.

With regard to the latter, offences have been introduced concerning the misuse and falsification of non-cash payment instruments, under Article 493 ter of the Criminal Code, and computer fraud, under Article 640 ter of the Criminal Code.

The possession and dissemination of computer equipment, devices or programmes aimed at committing offences involving non-cash payment instruments is also prohibited.

It is therefore essential, in order to avoid incurring the aforementioned conducts, to introduce prevention and control tools in the areas concerned so that they are not carried out or, if carried out, are promptly detected.

In this regard, we recommend reading the text of Article 25-octies.1 of Legislative Decree No. 231/2001 and the relevant prerequisite ratifications, set out in the appendix.



**ENVIRONMENTAL OFFENCES - ECO-CRIMES**

These offences were introduced into the scope of application of Legislative Decree No. 231/2001 with Article 25-undecies by Legislative Decree 121/2011, which transposed Directives No. 2008/99/EC on environmental offences, and No. 2009/123/EC on ship-source pollution. Subsequently, with Law 68/2015, the so-called **eco-crimes**, which are dealt with later in this section.

Below are the main regulations concerning offences introduced in 2011:

1. Legislative Decree 152/2006 (the so-called Consolidated Environmental Act) as amended and supplemented, and in particular:
  - a) Article 137 (unauthorised discharge of industrial waste water containing hazardous substances)
  - b) Article 256 (unauthorised waste management)
  - c) Article 257 (pollution of soil, subsoil, surface water and groundwater)
  - d) Article 258 (breach of duty and falsification of certificates)
  - e) Article 259 (illegal waste trafficking)
  - f) Article 260 (organised activities for the illegal trafficking of waste)
  - g) Article 260 bis (forgery offences relating to SISTRI, i.e. the computerised waste traceability control system)
  - h) Article 279 (air and atmosphere abatement violations - unauthorised operation of establishment)
2. Law No. 150 of 7 February 1992, as amended and supplemented (regulating offences relating to the application in Italy of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, signed in Washington on 3 March 1973, referred to in Law No. 874 of 19 December 1975, and EEC Regulation No. 3626/82, as amended, as well as rules for the marketing and possession of live specimens of mammals and reptiles that may constitute a danger to public health and safety)
3. Law No 549 of 28 December 1993 (Article 3(6): Measures to protect stratospheric ozone and the environment)
4. Legislative Decree No 202 of 6 November 2007, implementing Directive 2005/35/EC (intentional and unintentional pollution of waters, animal or plant species caused by spills of polluting substances at sea from ships)

5. Article 727 bis of the criminal code (killing, destruction, capture, taking, possession of specimens of protected wild animal or plant species)
6. Article 733 bis of the criminal code (destruction or deterioration of habitats within a protected site).

The analysis showed that the risks of commission of these offences are linked to the type of materials transported, the management of waste, and the state of the land on which the company sits, on which steel activities have been carried out for several decades.

In this regard, a high level of attention must be maintained in order to constantly monitor the situation with respect to the findings emerging from internal analyses or those carried out by specialised or inspection bodies, and to intervene in the event of findings indicating risk situations.

With reference to operational activities, several areas of sensitive activities can be identified: the handling and transport of materials and products related to the steel industry or, in any case, to industrial activities; the disposal of waste deriving from the activities envisaged by the corporate purpose, such as industrial cleaning and maintenance; the management of materials and substances present on the grounds of industrial areas; finally, although this is an area of decidedly lower risk, the disposal of waste deriving from computer equipment and accessories (e.g. toner cartridges); under this last aspect, the correlation with aspects relating to computer crime must also be borne in mind, as regards, for example, the disposal of PCs, disks, etc. The interrelationship with JSW Steel Italy Piombino S.p.A. must be kept in mind on this subject.

As for the management and disposal of waste, recalling that the company has applied for the AUA (Single Environmental Authorisation) and is therefore in line with the specific regulations, it is necessary to implement and constantly and punctually monitor compliance with the prescriptions set forth in the regulations in force for the individual types of waste, recalling that the relative activities can only be carried out by authorised parties. In particular, special attention must be paid to the classification of production residues and materials present in the areas of competence, so as to distinguish various types of waste, which must be disposed of in accordance with the law, and materials that cannot be considered waste, which can be, if necessary depending on their nature, marketed.

Failure to comply with these requirements may lead to the commission of environmental offences and consequently to the administrative liability of the Company pursuant to Legislative Decree 231/2001.

With regard to the reuse and recycling of waste electrical and electronic equipment (external hard disks, printers, obsolete media, etc.), as well as the disposal of waste electrical and electronic equipment, reference should be made to the provision of the Garante "Waste Electrical and Electronic Equipment (WEEE) and Personal Data Security Measures" - 13 October 2008 - G.U. no. 287 of 9 December 2008, with particular reference to Annex A) and Annex B), to which reference should be made, and to the subsequent interpretative provisions of February 2011. as reported at the end of this section. In this regard, it must be borne in mind that the Garante's provision concerns, even more than environmental aspects, those relating to the protection of personal data and therefore, in the final analysis, must also be taken into account for the purposes of preventing computer crimes and crimes against the person. Also in this respect, the oft-mentioned interrelationships with JSW Steel Italy Piombino S.p.A. must be borne in mind.

Hypothetically speaking, there could be a case of complicity with other persons in the offences provided for by Legislative Decree No. 202 of 6 November 2007 (intentional and negligent pollution of water, animal or plant species caused by the spillage of polluting substances into the sea from ships), where the company's operators facilitate the commission of such offences or, if they become aware of them, do not promptly report the case to the competent authorities. It should be noted, in any case, that in this case, which is not very likely, the liability of the company would exist (as indeed in the commission of all predicate offences) only if the offence was committed in the interest or to the advantage of the company itself.

In any case, although the subject matter is somewhat disparate with respect to the company's corporate purpose, it is advisable for operators to be adequately made aware of their obligation to report any infringements on the subject by third parties, should they become aware of them, in order precisely not to risk being involved in hypotheses, even if remote, of complicity in the offence. By way of example, a hypothesis of the commission of such offences in complicity with others could be the case where Piombino Logistics personnel, in agreement with personnel of a ship, allow polluting materials to be spilled into the sea in order to obtain the advantage, for the company, of avoiding disposal costs. Such conduct must therefore be expressly prohibited.

With regard to the disposal of waste resulting from processing on the company's premises, the company adopts procedures and processes in line with the *best practices* in use in the sector, with the most up-to-date industrial procedures made available on the basis of technological evolution, and with the regulations in force on the subject of classification and disposal.

With regard to the use of electronic equipment, an aspect that, given the company's activity, presents a low risk of the commission of predicate offences per se, but which is also related to safety in the workplace, all legal measures must be taken to monitor and contain the relevant emissions within normal values.

Finally, it is considered that the risk of commission, either by PIOMBINO LOGISTICS or by third parties working for it, of offences relating to the protection of specimens belonging to protected wild animal species or protected wild plant species is entirely marginal. In this regard, it is sufficient to comply with the provisions and prohibitions of the law, set out in the appendix in the list of predicate offences relating to Article 25-undecies.

All activities relating to the above-mentioned areas of activity are monitored in any case; the results are properly stored, in accordance with the principle of traceability.

## ECOCRIMES

Article 1, c. 8 of Law no. 68 of 22 May 2015, which amended and supplemented Article 25-undecies, introduced into the scope of application of Legislative Decree no. 231/2001, additional environmental offences, the so-called 'ecological offences'; this definition was given to them because their commission is likely to cause particularly serious damage to the environment; the new wording of the article is set out in the appendix, in the text of the decree. Without prejudice to the fact that experience will, over time, provide adequate elements on the orientation of jurisprudence and doctrine in this regard, given the rather recent entry into force of the provision, at present, in order to prevent this type of offence, the provisions of the law and the prescriptions set out in this section must in any case be followed.

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Below, is the text of Article 1 paragraph 8 of Law 68/2015, as well as a brief description of the offences in question.

**L. 68/2015 - Art. 1**

(omissis)

8. Article 25-undecies of Legislative Decree No. 231 of 8 June 2001 is amended as follows: a) in paragraph 1, letters a) and b) are replaced by the following:

"a) for any breach of Article 452-bis, a monetary sanction ranging from two hundred and fifty to six hundred shares; b) for any breach of Article 452-quater, a monetary sanction ranging from four hundred to eight hundred shares; c) for any breach of Article 452-quinquies, a monetary sanction ranging from two hundred to five hundred shares; d) for any crime of aggravated criminal association pursuant to Article 452-octies, a monetary sanction ranging from three hundred to one thousand shares; e) for the crime of trafficking in and abandonment of highly radioactive material pursuant to Article 452-sexies, a monetary sanction ranging from two hundred and fifty to six hundred shares; f) for the breach of Article 727-bis, a monetary sanction up to two hundred and fifty shares; g) for the breach of Article 733-bis, a monetary sanction ranging from one hundred and fifty to two hundred and fifty shares";

b) the following paragraph shall be inserted after paragraph 1: "1-bis. In cases of conviction for the offences set forth in paragraph 1, letters a) and b) of this Article, the disqualification sanctions set forth in Article 9 shall be applied, in addition to the pecuniary sanctions set forth therein, for a period not exceeding one year for the offence set forth in the aforementioned letter a)".

**Environmental pollution** (Article 452-bis of the Criminal Code; Article 25-undecies c.1 lett.a) Legislative Decree 231/01)

This offence is committed by anyone who unlawfully causes significant and measurable impairment or deterioration:

- 1) water or air, or large or significant portions of the soil or subsoil;
- 2) of an ecosystem, biodiversity, including agricultural biodiversity, flora or fauna.

In the event of administrative liability of the Entity, the fine ranges from 250 to 600 quotas.

The application of the prohibitory sanctions listed in Article 9 of Legislative Decree 231/01 is expressly provided for, for a period not exceeding one year.

**Environmental disaster** (Art. 452-quater of the Criminal Code; Art. 25-undecies c.1 lett.b) Legislative Decree 231/01)

This offence is committed by anyone who, outside the cases provided for in Article 434 of the criminal code, unlawfully causes an environmental disaster.

They alternatively constitute an environmental disaster:

- 1) the irreversible alteration of the balance of an ecosystem;
- 2) the alteration of the balance of an ecosystem whose elimination is particularly costly and can only be achieved by exceptional measures;

(3) the offence against public safety by reason of the importance of the act in terms of the extent of the impairment or its detrimental effects or the number of persons injured or exposed to danger.

The fine ranges from 400 to 800 quotas.

The application of the prohibitory sanctions listed in Article 9 of Legislative Decree 231/01 is expressly provided for.

**Culpable offences against the environment** (Article 452-quinquies of the Criminal Code; Article 25-undecies c.1 lett.c) Legislative Decree 231/01)

The case of culpable offences against the environment, which are predicate offences (like the previous ones) for the entity's administrative liability, provides that if any of the facts referred to in the offences of 'environmental pollution' and 'environmental disaster' (Articles 452-bis and 452-quater of the Criminal Code respectively) are committed through negligence, the penalties for individuals are reduced.

If the commission of the above acts results in the danger of environmental pollution or environmental disaster, the penalties are further reduced.

In the event of administrative liability of the Entity, the fine ranges from 200 to 500 quotas.

**Aggravated association offences** (Article 452-octies of the Criminal Code; Article 25-undecies c.1 lett.d) Legislative Decree 231/01)

The fine ranges from 300 to 1000 quotas.

**Trafficking and abandonment of highly radioactive material** (Art.452-sexies of the Penal Code; Art.25-undecies c.1 lett.e) Legislative Decree 231/01)

The offence punishes anyone who unlawfully disposes of, purchases, receives, transports, imports, exports, procures for others, holds, transfers, abandons or disposes of highly radioactive material. The regulation provides for some aggravated offences.

The fine ranges from 250 to 600 quotas.

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As announced above, the decision of the Garante for the protection of personal data on the disposal of waste electrical and electronic equipment is reproduced below, recalling in this regard that it remains topical, and must therefore also be taken into account for the purposes of preventing computer crimes and crimes against the person, because of the correlations with them.

**"Waste Electrical and Electronic Equipment (WEEE) and Personal Data Security Measures - 13 October 2008**

*Official Gazette no. 287 of 9 December 2008*

**"Waste Electrical and Electronic Equipment (WEEE) and Personal Data Security Measures - 13 October 2008**

*Official Gazette no. 287 of 9 December 2008*



**THE PERSONAL DATA PROTECTION AUTHORITY "GARANTE"**

Today's meeting was attended by Prof. Francesco Pizzetti, president, Dr Giuseppe Chiaravalloti, vice president, Dr Mauro Paissan and Dr Giuseppe Fortunato, members, and Dr Giovanni Buttarelli, secretary general;

HAVING REGARD TO the official documents concerning the issue of the discovery of personal data inside electrical and electronic equipment handed over to a reseller for disposal or sale or following repairs and replacements; having regard, furthermore, to recent press reports concerning the discovery by the purchaser of a used hard disk, marketed through an Internet site, of bank data relating to more than one million individuals contained in the same disk;

HAVING REGARD TO Legislative Decree no. 196 of 30 June 2003 (Personal Data Protection Code), with particular reference to Articles 31 et seq. and 154(1)(h), as well as Rules 21 and 22 of the technical specifications on minimum security measures **annexed 'B' to the Code**

HAVING REGARD TO Legislative Decree No 151 of 25 July 2005 (Implementation of Directives 2002/95/EC, 2002/96/EC and 2003/108/EC on the reduction of the use of hazardous substances in electrical and electronic equipment and the disposal of waste), which provides for measures and procedures aimed at preventing the production of waste electrical and electronic equipment and promoting the reuse, recycling and other forms of recovery of such waste so as to reduce the quantity of waste for disposal (see Article 1(1)(a) and (b))

CONSIDERED that the application of the rules contained in the aforesaid legislative decree no. 151/2005, aiming (inter alia) at favouring the recovery of components from waste electrical and electronic equipment (WEEE), also in the form of their reuse or recycling in goods subject to (new) marketing (see in particular Articles 1 and 3, paragraph 1, letters e) and f), legislative decree no. 151/2005), entails a high risk of "circulation" of "used" electronic components containing personal data, even if sensitive, that have not been properly erased, and consequent access thereto by unauthorised third parties. No. 151/2005), entails a high risk of "circulation" of "used" electronic components containing personal data, even sensitive data, which have not been properly erased, and of consequent access to them by unauthorised third parties (such as, for instance, those who carry out the aforesaid preparatory operations for re-use or who purchase the aforesaid equipment);

CONSIDERED that "reuse" consists of operations allowing the use of electrical and electronic waste or components thereof "for the same purpose for which the equipment was originally conceived, including the use of such equipment or components thereof after its delivery to collection facilities, distributors, recyclers or manufacturers" (Art. 3(1)(e), Legislative Decree No. 151/2005) and "recycling" is the "reprocessing in a production process of waste materials for their original function or for other purposes" (Art. 3(1)(e), Legislative Decree No. 151/2005);

CONSIDERED that risks of unauthorised access to stored data also exist in relation to waste electrical and electronic equipment sent for disposal (Article 3(1)(i) of Legislative Decree No 151/2005);

NOTING the need to draw the attention to such risks of legal persons, public administrations, other entities and natural persons who, having made use of such data in the performance of their activities, in particular industrial, commercial, professional or institutional activities (hereinafter briefly referred to as "data



controllers": Art. 4(1)(f) of the Code), dispose of computer systems or, more generally, electrical and electronic equipment containing personal data (as well as of the persons who, on an individual or collective basis, arrange for the reuse, recycling or disposal of the waste of such equipment);

ministerial decree of 8 April 2008, concerning "Discipline of the collection centres for urban waste collected in a differentiated manner as provided for by art. 183, paragraph 1, letter cc) of the legislative decree of 3 April 2006, no. 152 and subsequent amendments") does not affect the obligations of the data controllers with regard to security measures in the processing of personal data (and the consequent liability);

NOTING that each data controller must therefore adopt appropriate organisational and technical measures aimed at ensuring the security of the personal data processed and their protection also against unauthorised access that may occur when the aforementioned electrical and electronic equipment is decommissioned (Articles 31 et seq. of the Code); this is also in view of the fact that, without prejudice to any agreements providing otherwise, manufacturers, distributors and service centres of electrical and electronic equipment do not appear to be subject, on the basis of the particular sector regulations, to specific obligations to destroy any personal data stored in the electrical and electronic equipment delivered to them;

NOTING that failure to comply with the security measures may result in the data controller incurring criminal liability (Article 169 of the Code) and, in the event of damage caused to third parties, civil liability (Article 15 of the Code and Article 2050 of the Civil Code);

NOTING that similar obligations relating to the destination of the data are incumbent on the data controller in the event that the decommissioning of the equipment coincides with the cessation of processing (Article 16 of the Code);

NOTING that the measures to be adopted when decommissioning electrical and electronic components liable to store personal data must consist in the effective deletion or transformation into non-intelligible form of the personal data contained therein, so as to prevent unauthorised persons who have the material availability of the media for various reasons from gaining knowledge of them without having the right to do so (e.g. personal data stored on the hard disk of personal computers or in electronic mail folders, or stored in the address books of electronic communication terminals);

CONSIDERING that these measures are already provided for as minimum security measures for the processing of sensitive or judicial data, on the basis of rules 21 and 22 of the technical specifications on minimum security measures governing the custody and use of removable media on which the data are stored, which bind the reuse of the media to the effective deletion of the data or their transformation into non-intelligible form;

CONSIDERING that the data controllers, when decommissioning the aforesaid electrical and electronic equipment, where they lack the necessary expertise and technical means to erase personal data, may resort to the assistance of or appoint technically qualified entities capable of putting in place the appropriate measures to effectively erase or render unintelligible the data, such as service centres, manufacturers and distributors of equipment who certify that such operations have been carried out or undertake to carry them out;

CONSIDERING that whoever re-uses or recycles waste electrical and electronic equipment or its components must in any case ensure that personal data on the media do not exist or are rendered unintelligible, acquiring, where possible, authorisation to erase or render them unintelligible;

WHEREAS, without prejudice to the adoption of further appropriate precautions aimed at preventing the undue acquisition of personal information, even by chance, by third parties, the aforesaid measures, which may be updated in the light of technological developments, may in particular also consist, as appropriate, in the procedures set out in the attached documents, which form an integral part of this measure;

CONSIDERING the need to ensure that the public is made aware of the relevant rules on the processing of personal data and of the purposes thereof, as well as of the data security measures (Article 154(1)(h) of the Code), with reference to the decommissioning of electrical and electronic equipment, also by publishing this provision in the Official Gazette of the Italian Republic;

HAVING CONSIDERED the comments made by the Secretary-General pursuant to Article 15 of the Garante's Regulation No. 1/2000;

REPORTER Dr Giuseppe Fortunato;

**ALL THE FOREGOING THE GARANTE**

1. pursuant to Article 154(1)(h) of the Code, draws the attention of legal persons, public administrations, other entities and natural persons who, having made use of them in the performance of their activities, in particular industrial, commercial, professional or institutional activities, do not destroy, but dispose of media containing personal data, to the need to adopt suitable precautions and measures, also with the help of technically qualified third parties, aimed at preventing unauthorised access to personal data stored in electrical and electronic equipment intended to be:

a. reused or recycled, including following the procedures in **Annex A**);

b. disposed of, also following the procedures in **Annex B**).

These measures and precautions may also be implemented with the help of or by entrusting technically qualified third parties, such as service centres, manufacturers and distributors of equipment, who certify that the operations have been carried out or who undertake to carry them out.

Whoever reuses or recycles waste electrical and electronic equipment or its components is in any case obliged to ensure that personal data on the media are erased or rendered unintelligible;

2. orders that a copy of this order be forwarded to the Ministry of Justice - Office for the Publication of Laws and Decrees, for publication in the Official Gazette of the Italian Republic.

Rome, 13 October 2008

THE PRESIDENT

Pizzetti

THE RELATOR

Fortunato

**Annex A) to the Order of the Garante of 13 October 2008****Reuse and Recycling of Waste Electrical and Electronic Equipment**

*In the case of the reuse and recycling of waste electrical and electronic equipment, measures and precautions to prevent unauthorised access to the personal data contained therein, adopted in compliance with sector regulations, must allow for the effective deletion of the data or ensure that they are not intelligible. These measures, also in combination, must take into account existing technical standards and may consist, inter alia, of:*

*Preventive technical measures for the secure storage of data, applicable to electronic or IT devices:*

1. *Encryption of individual files or groups of files, from time to time protected with confidential keywords, known only to the user owning the data, who can use these to proceed to subsequent decryption. This mode requires the application of the encryption procedure each time it is necessary to protect a piece of data or a portion of data (files or collections of files), and entails the need for the user to keep track separately of the keywords used.*

2. *Storage of data on hard disks of personal computers or on other types of magnetic or optical media (cd-rom, dvd-r) in an automatically encrypted form at the time of writing, through the use of confidential keywords known only to the user. It can be performed on entire volumes of data recorded on one or more hard disk-type devices or on portions of them (partitions, logical drives, file-systems) by implementing the functions of a so-called cryptographic file-system (available on the main operating systems for computers, including personal computers, and electronic devices) capable of protecting, with a single confidential keyword, against the risks of undue acquisition of the recorded information. The single volume keyword will be automatically used for encryption and decryption operations, without modifying in any way the behaviour and use of the software programmes with which the data are processed.*

*Technical measures for the secure deletion of data, applicable to electronic or IT devices:*

3. *Secure deletion of information, which can be achieved by means of computer programmes (such as wiping programs or file shredders) that provide, once the user has deleted files from a disk drive or similar storage media with the normal tools provided by the various operating systems, to repeatedly write into the empty areas of the disk (previously occupied by the deleted information) random sequences of "binary" digits (zeros and ones) so as to minimise the likelihood of information recovery even by means of electronic data analysis and recovery tools.*

*The number of repetitions of the procedure considered sufficient to achieve reasonable security (to be related to the sensitivity or importance of the information to be prevented) varies from seven to thirty-five and*

proportionally affects the application time of the procedures, which on high-capacity hard disks (over 100 gigabytes) may take several hours or several days), depending on the speed of the computer used.

4. Low-level formatting of hard disk-type devices (low-level formatting-LLF), where applicable, following the instructions provided by the manufacturer of the device and taking into account the possible technical consequences on the device, up to its possible subsequent unusability;

5. Demagnetisation (degaussing) of memory devices based on magnetic or magneto-optical media (hard disks, floppy disks, magnetic tapes on open reels or in cassettes), capable of guaranteeing the rapid deletion of information even on devices that are no longer functional to which software deletion procedures (which require accessibility of the device by the system to which it is interconnected) may not be applicable.

## **Annex B) to the order of the Garante of 13 October 2008**

### **Disposal of electrical and electronic waste**

In the case of the disposal of electrical and electronic waste, the effective deletion of personal data from the media contained in electrical and electronic equipment may also result from procedures that, in compliance with sector regulations, involve the destruction of optical or magneto-optical storage media in such a way as to prevent the undue acquisition of personal data.

Destruction of media involves the use of different procedures or tools depending on their type, such as:

- punching or mechanical deformation systems;
- physical destruction or disintegration (used for optical media such as cd-roms and dvds);
- high intensity demagnetisation.'

**EMPLOYMENT OF NATIONALS OF THIRD COUNTRIES WHOSE STAY IS ILLEGAL - Art. 25-duodecies**

Article 25-duodecies of the decree (headed as 'Employment of third-country nationals whose stay is irregular'), as amended by Law No. 161/2017, which introduced amendments to Article 25-duodecies involving more restrictive measures and cases relating to the fight against organised crime, inserting paragraphs 1-bis, 1-ter and 1-quater, reads:

"1. In relation to the commission of the offence referred to in Article 22, paragraph 12-bis of Legislative Decree No. 286 of 25 July 1998, a pecuniary sanction of between one hundred and two hundred shares, within the limit of €150,000.00, shall be applied to the entity".

1-bis. In relation to the commission of the offences referred to in Article 12, paragraphs 3, 3-bis and 3-ter, of the Consolidated Act referred to in Legislative Decree No. 286 of 25 July 1998, and subsequent amendments, the pecuniary sanction of four hundred to one thousand shares shall apply to the entity.

1-ter. In relation to the commission of the offences set forth in Article 12, paragraph 5, of the Consolidated Act set forth in Legislative Decree No. 286 of 25 July 1998, and subsequent amendments, the pecuniary sanction of between one hundred and two hundred shares shall apply to the entity.

1-quater. In cases of conviction for the offences referred to in paragraphs 1-bis and 1-ter of this Article, the disqualification sanctions provided for in Article 9(2) shall apply for a period of not less than one year."

The offence is committed in the event of the employment of a non-EU national whose residence permit is wholly or partly irregular under the relevant rules in force, including those newly introduced as part of measures to combat organised crime.

Although in practice the risk of this offence being committed is to be considered rather low, given the context in which the company operates and its corporate purpose in the abstract, the following areas may be considered sensitive areas:

- recruitment and management of personnel;
- the performance of contracted activities, in the event that the unlawful employment is carried out by the contractor, in the absence of adequate control measures by PIOMBINO LOGISTICS;
- the use of temporary employment agencies.

**Prescriptions and controls**

In the case of direct recruitment by the company, the following protocol must be applied.

- The employment of foreign workers who do not hold a regular residence permit, or whose permit has expired or been revoked and for which no application for renewal has been submitted, is prohibited;
  - the employment of foreign nationals found on the national territory for tourism is prohibited;
- in the case of foreign nationals already present in Italy, they may only be lawfully employed if they are in possession of a valid residence document entitling them to work;



- Foreign nationals who are in Italy with a residence permit for study purposes may only be employed in the cases expressly provided for by law;
- in the case of citizens residing in countries outside the European Community and who are abroad: the employer who intends to hire these citizens as employees (whether for permanent or fixed-term work) must request the relevant nulla osta from the prefecture responsible for the place of work; the nulla osta will be forwarded to the worker, who will then be able to apply to the Italian consulate or embassy of the country in which he is located for an entry visa for work purposes.

Once the worker's submission of the application for a residence permit has been verified, by producing the relevant receipt, it will be possible to carry out the recruitment; the relevant compulsory notifications must be made within the deadlines and in the manner stipulated by law.

The economic and normative treatment must correspond to that provided for by the sector's CCNL and by the laws in force; the fulfilment of contribution and insurance obligations must be duly carried out.

In the event that the expiry of the residence permit is prior to the date set for the end of the employment relationship, the employer must verify that the worker has timely submitted an application for renewal at a post office authorised to do so, and request the relevant receipt.

Obviously, should the legal modalities be changed, timely compliance will still be required.

However, in the case of employment of third-country workers, a special list must be kept, the expiry dates of the permits must be recorded and kept under control, so as to verify that the worker submits the request for renewal within the time limits laid down by law, and a copy of the relevant receipt must be filed.

In the case of contracting or temporary employment, the contractor or temporary employment company respectively will be reminded of the obligation to observe the aforementioned rules in the case of the employment of third-country workers, requiring a declaration of responsibility to this effect and inserting in contracts an express termination clause in the case of non-compliance with this commitment.

Lastly, we would point out the possible correlation of this offence with the one referred to in Article 25-quinquies of the decree following the introduction into the scope of application of Legislative Decree no. 231/2001 of the so-called 'caporalato' offence (Article 603-bis of the criminal code). In fact, the possible disadvantaged position of third-country nationals who are irregularly in Italy may, in abstract terms, encourage their exploitation. Reference is therefore also made to the prescriptions set out in the section "Selection, recruitment and management of human resources", also recalling the interrelations with the competent structures of JSW Steel Italy Piombino S.p.A. by virtue of the framework agreement between the two companies.

In any case, reference is made not only to the new text of Article 25-duodecies, but also to the relevant predicate offences, which are set out in the appendix and should be noted.



## RACISM AND XENOPHOBIA - Article 25-terdecies

With Art. 5 of Law no. 167 of 20 November 2017 (published in the Official Gazette of 27.11.2017 and entered into force on 12.12.2017), which transposes the European Law 2017, offences relating to racism and xenophobia become part of the '231' regulatory complex.

The text of the article is reproduced below:

Art. 25-terdecies - (Racism and xenophobia)

1. In relation to the commission of the offences referred to in Article 3, paragraph 3-bis of Law No. 654 of 13 October 1975, the pecuniary sanction of two hundred to eight hundred shares shall apply to the entity.
2. In cases of conviction for the offences referred to in paragraph 1, the disqualification sanctions provided for in Article 9(2) are applied to the entity for a period of not less than one year.
3. If the entity or one of its organisational units is permanently used for the sole or prevalent purpose of enabling or facilitating the commission of the offences indicated in paragraph 1, the sanction of definitive disqualification from carrying out activities pursuant to Article 16(3) shall apply.

By itself, the text of the article does not sufficiently clarify the tenor of the predicate offences; therefore, the criminal law provision providing for them is set out below:

Article 3(3-bis), Law No. 654 of 13 October 1975:

"the punishment of imprisonment from two to six years shall apply if the propaganda or incitement and incitement, committed in such a way as to give rise to a real danger of dissemination, is based in whole or in part on the **denial of the Shoah or of crimes of genocide, crimes against humanity and war crimes**, as defined in Articles 6, 7 and 8 of the Statute of the International Criminal Court, ratified pursuant to Law No 232 of 12 July 1999".

From a reading of the law, it is clear that the risk of committing these offences may be high, especially in associations, of various kinds, of a political-ideological inspiration, and is much less concrete in companies aimed at the production of goods or services.

In fact, the punishable conducts are not so much those referring to ethnic discrimination, but those more specifically referring to acts of propaganda, incitement and incitement concerning crimes against humanity, genocide, etc.

In any case, both the prescriptions and prohibitions laid down in Article 25-terdecies and those contained in the criminal law provisions defining the predicate offences must be borne in mind so that no person, in whatever capacity a recipient of the Model, becomes the author of actions that in any way conflict with said provisions and prohibitions.

On this issue, reference is also made to the provisions of the Code of Ethics, which on this matter, as on others, has a broader scope than the legal provisions strictly contained in the 231 system, recalling that failure to comply with the rules and prohibitions contained therein constitutes a breach of the Model and the Code of Ethics, and entails the application of the sanctions laid down in the Disciplinary System.

**OFFENCES RELATING TO FRAUD IN SPORTS COMPETITIONS, ABUSIVE GAMBLING OR BETTING A GAME AND GAMBLING CARRIED OUT BY PROHIBITED EQUIPMENT - Article 25-quaterdecies**

Law No. 39 of 3 May 2019 implemented the Council of Europe Convention on the Manipulation of Sports Competitions, concluded in Magglingen on 18 September 2014.

Article 5 c. 1 of the aforementioned law, which came into force on 17 May 2019, introduced Article 25-quaterdecies into Legislative Decree No. 231 of 8 June 2001.

Given the nature of these predicate offences, their commission within the company is quite unlikely.

This does not detract from the fact that the functions in charge will also have to exercise their current control activities with regard to any conduct that is contrary to the rules under consideration, also from an IT perspective.

The text of Article 25-quaterdecies and of Law No. 39 of 3 May 2019 are reproduced below for ready reference, while the texts of the regulations providing for the relevant predicate offences ([Articles 1 and 4 of Law No. 401 of 13 December 1989](#)) are given in the Appendix.

*Article 25m*

*(Fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices)*

1. In relation to the commission of the offences referred to in Articles 1 and 4 of Law No. 401 of 13 December 1989, the following pecuniary sanctions shall apply to the entity:

(a) for offences, a fine of up to five hundred shares;

(b) for infringements, a fine of up to two hundred and sixty shares.

2. In the event of conviction for one of the offences referred to in paragraph 1(a) of this Article, the disqualification sanctions provided for in Article 9(2) shall apply for a period of not less than one year.

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*Law No 39 of 3 May 2019 - Article 5*

*Offences relating to fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices*

1. The following is inserted after Article 25-terdecies of Legislative Decree No. 231 of 8 June 2001:

*"Art. 25-quaterdecies (Fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices)*

1. In relation to the commission of the offences referred to in Articles 1 and 4 of Law No. 401 of 13 December 1989, there is  
apply the following pecuniary sanctions to the entity:

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- (a) for offences, a fine of up to five hundred shares;
- (b) for infringements, a fine of up to two hundred and sixty shares.

*In the event of conviction for one of the offences referred to in paragraph 1(a) of this Article, the disqualification sanctions provided for in Article 9(2) shall apply for a period of not less than one year.*

**TRIBUTARY OFFENCES - Art 25-quinquiesdecies Legislative Decree 231/2001**

Article 25 quinquiesdecies, introduced by Article 39 of Law 157/2019 and whose predicate offences are contained in Legislative Decree 74/2000, has included tax offences in Legislative Decree 231/2001, which were previously absent among the rules providing for the administrative liability of entities.

Moreover, with Legislative Decree 75/2020, the list of these offences was further increased.

The relevant predicate offences are detailed in the appendix.

The prohibited conduct in order not to incur this offence is punctually described in Article 25-quinquiesdecies, and does not differ significantly, as do the risk profiles, from the provisions of the previous version of the same article.

In summary, they consist of:

- in fraudulent misrepresentation by issuing invoices for non-existent transactions or other contrivances;
- in the false declaration;
- in the omission of a declaration;
- in Undue Compensation;
- in the issuance of invoices or other documents for non-existent transactions;
- in the destruction or concealment of accounting documents;
- in fraudulent evasion of tax.

In addition, offences committed as part of cross-border fraud schemes and with the aim of evading value added tax for a total amount of at least ten million euro:

The activities at greatest risk of these offences being committed are clearly administrative and financial, purchasing and commission of orders, and commercial; however, other areas of activity cannot be ruled out where, in the abstract, the relevant prerequisites may be created (such as certification of non-existent services).

The protocols aimed at preventing the commission of these offences are as follows:

- the issuance of invoices and the related accounting transactions (receipts, payments) must always be preceded by the certification of the actual performance by the function that provided or received the service, and accompanied by the relevant supporting documentation;
- the service user entity must have access, for verification purposes, to the relevant invoice;

- Tax declarations must, first and foremost, be duly issued in accordance with specific regulations and deadlines, must be truthful, and must always be supported, for verification purposes, by documentation relating to the invoicing and accounting transactions from which they originate, and by the relevant certificates of conformity;
- cross-border transactions must be regular in terms of value added tax (for amounts of not less than EUR 10 million for the purposes of preventing the commission of the relevant predicate offences, but with no minimum limit for the purposes of compliance with the code of ethics).
- No undue offsetting must be made in tax returns and subsequent payments, e.g. on the basis of non-existent or higher than actual tax credits;
- hierarchical superiors are prohibited from requesting their collaborators to carry out operations contrary to the protocols established herein.

It should be noted that the legislator attributes particular gravity to this class of offences, so much so that in the event of their being committed with the liability of the entity, the prohibitory sanctions set out in Article 9(2)(c), (d) and (e) are applied.

It follows that the infringement of the above prohibitions relating to tax offences constitutes a serious breach of the Code of Ethics and the Model, for the purposes of the application of the sanctions set out in the Model's Disciplinary System.

**OFFENCES RELATING TO COUNTERFEITING - Article 25-sexiesdecies of Legislative Decree 231/2001**

This article, as well as the amendments to Articles 24, 25 and 25-quinquiesdecies, was also introduced by Legislative Decree No. 75 of 14 July 2020, which came into force on 30 July 2020, implementing Directive (EU) 2017/1371 on the fight against fraud to the detriment of the Union's financial interests by means of criminal law (PIF Directive, an acronym for Protection of the Financial Interests of the European Union).

The legislation on customs exchanges is contained in Presidential Decree No. 43 of 23 January 1973, also known as the 'Testo Unico Doganale' (TUD).

The goods protected by the legislation in question are customs duties, i.e. *'indirect taxes levied on the value of products imported and exported by the country imposing them'*. This is because customs duties are an economic resource of the European Union, forming part of the EU budget.

Articles 36 et seq. of the Consolidated Customs Act specify the prerequisites giving rise to the offence of smuggling, understood as *'the conduct of a person who brings into the territory of the State, in breach of customs provisions, goods that are subject to border duties'*.

The offence of smuggling in its various manifestations is set out in the following articles:

Art. 282 (Smuggling in the movement of goods across land borders and customs areas)

Art. 283 (Smuggling of goods in border lakes)

Art. 284 (Smuggling in the maritime movement of goods)

Art. 285 (Smuggling in the movement of goods by air)

Art. 286 (Smuggling in non-customs areas)

Art. 287 (Smuggling by undue use of goods imported with customs facilities)

Art. 288 (Contraband in bonded warehouses)

Art. 289 (Smuggling in cabotage and traffic)

Art. 290 (Smuggling in the export of goods eligible for refund of duties)

Art. 291 (Smuggling in importation or temporary exportation)

Art. 291-bis (Smuggling of foreign tobacco products)

Art. 291-ter (Aggravating circumstances of the offence of smuggling foreign tobacco products)

Art. 291-quater (Criminal association for the purpose of smuggling foreign tobacco products)

Art. 292 (Other cases of smuggling)

Art. 294 (Penalty for smuggling in the case of failure to detect or incomplete detection of the object of the offence)

Infringements of Title VII Chapter II, i.e. the offences provided for therein, but only if they exceed EUR 10,000 in evaded border duties (Article 302 et seq.).

It is clear that the risk of the offences set out in Articles 291-bis, ter and quater being committed is quite unrelated to the company's corporate purpose.

As for the others, the relationship with the shippers and the role of the corporate functions in charge of it is crucial.



Forwarding agents must be carefully selected, with the same care taken as for the selection of suppliers. In addition, they must be made aware of the company policy that eschews any conduct that could in the abstract constitute one of the aforementioned networks, and they must sign the same declaration of liability, with an express termination clause, provided for suppliers, at the foot of the Model.

The corporate functions in charge of relations with shippers must be expressly made aware of the absolute prohibition to engage in conduct that might constitute one or more of the predicate offences referred to above.

On the positive side, these functions must:

- prepare documentation for shippers adhering to the relevant standards;
- verify that the documentation prepared by forwarding agents adheres to the rules and corresponds to the characteristics of the export/import goods;

The company's procedures relating to import/export activities provide for control points aimed at preventing operators from engaging in conduct that would constitute the aforementioned offences.

**Crimes against cultural heritage - Art. 25-septiesdecies**

As mentioned in the general part, this class of offences (it is emphasised, all offences and not contraventions), as well as those referred to in Article 25-duodicies below, was introduced by Law 22/2022, which came into force on 23 March 2022.

This law introduced amendments to the Criminal Code; in particular, as far as we are interested here, Article 2 inserted, after Title VIII of Book Two, Title VIII-bis, entitled 'Crimes against the cultural heritage', comprising Articles 518-bis to 518-undevicies.

Article 3 of the same law inserts Articles 25-septiesdecies and 25-duodevicies into Legislative Decree No. 231/2001, respectively entitled "Crimes against cultural heritage" and "Laundering of cultural assets and devastation and looting of cultural and landscape assets".

Please note that the legislation on cultural heritage and landscape is contained in Legislative Decree no. 42 of 22.1.2004, as amended and supplemented (Cultural Heritage and Landscape Code).

From the analysis carried out, due to the nature and purpose of the Company, this class of offences may entail a risk of commission, since it holds documents that are, or may be, considered cultural assets subject to protection.

Therefore, the reference standards must be known and complied with by all the recipients of the Model, which provides for specific protocols on the subject in this paragraph.

The text of Article 25-septiesdecies is reproduced below:

- 1. In relation to the commission of the offence set forth in Article 518-novies of the Penal Code, the entity is subject to a monetary sanction of between one hundred and four hundred shares.*
- 2. In relation to the commission of the offences set forth in Articles 518-ter, 518-decies and 518-undecies of the Penal Code, a financial penalty of two hundred to five hundred shares shall be applied to the entity.*
- 3. In relation to the commission of the offences set forth in Articles 518-duodecies and 518-quaterdecies of the Penal Code, a financial penalty of between three hundred and seven hundred shares shall be applied to the entity.*
- 4. In relation to the commission of the offences set forth in Articles 518-bis, 518-quater and 518-octies of the Penal Code, a financial penalty of four hundred to nine hundred shares shall be applied to the entity.*
- 5. In the event of conviction for the offences referred to in paragraphs 1 to 4, the disqualification sanctions provided for in Article 9, paragraph 2, are applied to the entity for a period not exceeding two years.*

The protocols to be observed for the prevention of this category of offences are set out in the next section.

The full text of the predicate offences can be found in the appendix, to which reference is made.

## **Laundering of cultural goods and devastation and looting of cultural and landscape assets - Art. 25-duodevicies**

Having said that even for these offences there is a risk of commission, albeit of a lesser degree of probability than those referred to in the previous paragraph, the following protocols must nevertheless be followed; first of all, the text of the article is reproduced:

*1. In relation to the commission of the offences set forth in Articles 518-sexies and 518-terdecies of the Penal Code, a financial penalty of five hundred to one thousand shares shall be applied to the entity.*

*2. If the entity or one of its organisational units is permanently used for the sole or prevalent purpose of enabling or facilitating the commission of the offences indicated in paragraph 1, the penalty of definitive disqualification from carrying out the activity pursuant to Article 16(3) shall apply.*

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Below are the protocols to be observed for the prevention of the offences referred to in these two articles.

It should be noted that, in view of the complexity of the regulatory complex in question, it is nevertheless recommended to read and comply with the aforementioned rules, set out in the appendix, avoiding any conduct that might constitute one of the offences envisaged.

Without prejudice to the foregoing, particular attention must be paid to the two predicate offences set out in Articles 518-duodevicies (*Destruction, dispersal, deterioration, defacement, embellishment and unlawful use of cultural and landscape heritage*) and 518-terdecies (*Destruction and looting of cultural and landscape heritage*).

In fact, the offence referred to in the first rule may be committed if the Company holds or guards assets subject to protection and causes, by wilful misconduct or even mere omission, their deterioration, defacement or destruction: for example, archives containing assets subject to protection, or protected areas; or in the second rule, in the event of devastation of the asset.

In general, the following rules must therefore be followed:

- First of all, check whether the company holds or guards assets subject to protection; and if it holds or guards protected property:
  - ensure the widest possible dissemination of the presence of restricted assets in the company, in order to raise awareness at all decision-making and operational levels;
  - set up an appropriate organisational and functional system for their management, identifying the relevant roles of responsibility;

- to ensure the proper preservation of the protected assets, taking into account the nature of the assets and by placing them in a healthy and non-damaged environment, accessible only to authorised personnel and subject to control and constant maintenance of these conditions;
- check whether the areas on which the Company's installations are located are subject to environmental constraints;
- in which case, refrain from unauthorised modifications in accordance with the regulations in force;
- ensuring the valorisation of assets through constant updating on relevant public issues;
- maintain constant and fruitful relations with the public bodies responsible for the protection and enhancement of assets;
- evaluate every possible form of public-private collaboration and synergy capable of enhancing the principles of conservation and enhancement.

It will therefore always be necessary:

- obtain the necessary authorisations, where foreseen, for any activities due for the management of the tied assets;
- exercise constant control over the proper storage of assets;
- facilitate controls by the authorities in charge.

Controls are put in place to monitor the following:

- traceability of any necessary authorisation processes;
- proper keeping and filing of any necessary authorisation documents;
- periodic report on the conservation of protected assets and the premises where they are kept, by the competent functions;
- list, periodically updated, of held assets subject to protection and the premises where they are kept;
- list, periodically updated, of restricted areas belonging to the Company;
- Any work on assets subject to protection or on restricted areas must be decided and carried out in compliance with the system of delegation of powers and the segregation of duties between operational and control functions.

With particular reference to the Company, it must be borne in mind that the documentary archive of the Piombino steelworks (now JSW Steel Italy Piombino S.p.A. - Piombino Logistics S.p.A. and GSI Lucchini S.p.A.), and named by the Municipality of Piombino as the "Documentary Archive of the Piombino Steelworks") has been declared, by a Decree of the Tuscan Archival Superintendence Office", to be of particularly important historical interest" (*Article 10, paragraph 3, letter b* of the Code of Cultural and Landscape Heritage).

This implies that all documents (including plans, technical drawings and the like) produced in the company during work activities must be managed according to the rules imposed by the aforementioned Code.

These documents are subdivided into:

- current archive (normally in use and frequently consulted and/or relating to 'active' files)
- deposit archive (relating to documents of 'closed' files and which need not be consulted frequently, but only exceptionally)
- historical archives (relating to files that are dated and/or have for various reasons lost their usefulness for current operations) by reference to what is provided for public archives, i.e. once they are more than 30 years old.

Furthermore, the rules of correct conservation require that, at the time when the Deposit Archive can take on the character of Historical Archive, the Company, if it does not intend to (or does not have space to) further conserve these documents, must notify the Superintendence (the so-called "Discard") who will carry out an inspection and may proceed to their release (even partially); as a consequence, the part that has been released shall be destroyed by means of a formal certified procedure, while the part that has not been released - therefore qualified as Historical Archive - shall be preserved, protected and enhanced, i.e. kept in suitable premises, not humid, at a constant temperature, with active fire-fighting systems, intact and dust-free, with timely and periodic checks on the possibility of its proper use.



**WHISTLEBLOWING - Art. 6 D. Legislative Decree 231/2001**

The persons referred to in Article 5 of the Decree (°) who report offences or breaches of the Model or the Code of Ethics of which they have become aware by reason of their office, enjoy the protections provided for in Law 179/2017 and Article 6 of Legislative Decree 231/2001, to whose provisions express reference is made, and provided for in this Model.

The company adopts channels (more than one, anyway), both traditional and computerised, that ensure the confidentiality of the reporter.

At least one of the above-mentioned channels has IT features that guarantee the confidentiality of the reporter's identity. Traditional channels are in any case provided in order to make reporting possible for those who do not have workstations equipped with IT tools.

These channels are brought to the attention of the aforementioned persons, who are also made aware of the system of protections provided for by the Model itself and by Article 6 of the Decree.

The Supervisory Board is the natural, though not exclusive, recipient of the above-mentioned reports, which may be sent to it in the manner provided for and communicated to the addressees of the Model.

If the report is received by a recipient other than the Supervisory Board, the recipient must still forward it to the Supervisory Board.

The plurality of the above-mentioned channels ensures both against the possibility that reports received are kept hidden by the receiving party and the effectiveness of access to all possible reporters.

The whistleblower receives timely acknowledgement of receipt of the report from the person to whom he or she forwarded it. Failing this, he repeats the report by forwarding it to another channel set up by the company.

The report, without prejudice to the obligation to forward it, in any event, to the Supervisory Board, shall be handled, by the person receiving it, in agreement with the organisational structure of the company, provided that this allows the effectiveness of the safeguards envisaged for the reporter.

Given the safeguards adopted with regard to the confidentiality of the reporter's identity, the reporter is required to clearly identify himself/herself to the recipient of the report.

Any anonymous reports will in any case be dealt with in accordance with the general provisions of this Model.

The report must be circumstantiated and based on objective and reasonably grounded circumstances and facts (as well as 'precise and concordant', as expressly required by Article 6).

Reports that are manifestly and/or knowingly unfounded, or of a defamatory nature and intent, and/or forwarded for the purpose of taking advantage of the reporter, are strictly forbidden; they will be assessed in the same way as breaches of the Model and the Code of Ethics, according to the criteria laid down therein. It is forbidden to disregard the whistleblower's confidentiality protections.

It is forbidden, pursuant to Law 179/2017 and Article 6 of Legislative Decree 231/2001, to take retaliatory, discriminatory or otherwise detrimental actions against the whistleblower, all the more so if they are directly or indirectly a consequence of the whistleblowing. In this respect, the company adopts the appropriate preventive and control measures.

This is without prejudice to the adoption of possible disciplinary sanctions in the event of reports that are manifestly and knowingly unfounded, or of a defamatory nature and intent.

Failure to comply with the prescriptions and prohibitions contained in this section, as well as with the principles and rules in this respect contained in the Code of Ethics, shall be sanctioned pursuant to the Disciplinary System of this Model, in accordance with the criteria laid down therein.

The adoption of retaliatory or discriminatory acts against the whistleblower constitutes, in any case, a serious offence under the Disciplinary System.

- (°) a) persons entrusted with the representation, administration or management of the entity or of one of its organisational units with financial and functional autonomy, as well as persons exercising, including de facto, the management and control thereof;  
(b) persons subject to the direction or supervision of one of the persons referred to in (a).

**STATUTES AND RULES OF THE SUPERVISORY BODY**

## Foreword

The functions and duties of the Supervisory Board (hereinafter also 'SB') are summarised in Article 6 of Legislative Decree No. 231/2001.

According to the concise wording of the regulation, the Supervisory Board has the task of verifying the suitability and effective application of the Model, and of monitoring its updating.

Case law and practice have subsequently made it possible to better specify the prerogatives of the body.

The criteria for the establishment of the Supervisory Board, its tasks, powers and responsibilities are therefore precisely regulated in these Articles of Association.

On the other hand, the Supervisory Board's operating procedures are defined in the special Regulation, which the Supervisory Board, within the framework of the provisions of these Articles of Association, adopts autonomously, in application of the principles of autonomy and independence that must characterise its activity.

## Appointment, composition and requirements of the Supervisory Board

The Supervisory Board is appointed by the Board of Directors, to which it is accountable in the performance of its duties. The Board of Directors also fixes the remuneration of the Supervisory Board, a necessary aspect, among others, to meet the requirements of autonomy and independence.

The company, in view of its current size and its recent incorporation, has currently provided for the establishment of a Supervisory Board with a monocratic composition, covered by an external professional expert in the field.

Since the members of the Supervisory Board (both in collegiate and monocratic composition) are allowed to be both internal and external to the Company, it should be noted that, in the case of internal members, it is advisable that they hold staff functions, are not involved in the operational process and occupy a sufficiently high hierarchical position to allow the requirements of autonomy and independence to be met.

## Duration of assignment

As things stand, the Supervisory Board of PIOMBINO LOGISTICS remains in office for one year.

The appointment of the Supervisory Board is renewable.

## Termination of office of the Supervisory Board and its member(s): causes and modalities

The causes of termination of the mandate of the Supervisory Board, both as a body and in relation to aspects concerning the individual member, are as follows:

### Expiry of mandate

The appointment of the Supervisory Board as a body ceases at the natural expiry of the term of office, if it is not renewed, or at the expiry of the last renewal.

### Revocation of mandate

The term of office of the Supervisory Board may be revoked, by resolution of the Board of Directors, only for the reasons set out below, always on the grounds of the requirements of autonomy and independence.

Revocation may take place for just cause, in the event of a serious omission or breach of duty, which may or may not have given rise to proceedings against the Company pursuant to Legislative Decree No. 231.

The removal of the member as an individual may also be adopted, in addition to just cause pursuant to the preceding paragraph, in the event that the individual's requirements cease to exist, one of the causes of incompatibility or a significant conflict of interest arises, provided that the member himself does not renounce pursuant to the following paragraph.

#### Waiver of mandate

Another cause for termination is the resignation of the mandate by the individual member or all the members of the Supervisory Board; the resignation must be notified in writing to the Board of Directors.

In the cases of termination of office listed above, the Board of Directors shall promptly appoint a new member of the Supervisory Board.

If the new member is not appointed at the same time as the termination, the member affected by the termination shall in general remain in office until the new member is appointed, without prejudice to cases of incompatibility, conflict of interest or supervening impossibility.

### **Requirements of the Supervisory Board**

#### **Personal requirements of member(s) and grounds for incompatibility, ineligibility and disqualification**

The person who serves as a member of the Supervisory Board must meet the following individual requirements:

- must be particularly professionally qualified and possess proven experience in the legal field, control procedures and company organisation, as well as specific expertise in 231;
- must meet the honourability requirements provided for in Articles 2382 and 2399 of the Civil Code, as well as Article 109 of Legislative Decree No. 385 of 1 September 1993;
- must not have any kinship, affinity or marriage ties with members of corporate bodies or senior management;
- must not have significant economic constraints or hold positions in the Company of such a stable nature as to condition its operations; in the case of an internal member, the same must hold staff positions, and not directly involved in the operational process, in a hierarchical position with significant autonomy requirements;
- must not find himself in situations of conflict of interest that could influence his activity. In this regard, the members of the Supervisory Board at the beginning of their term of office shall issue an express written statement certifying the absence of conflict of interest. Should situations of conflict of interest or presumed conflict of interest arise during the term of office, the member concerned shall promptly inform the Board of Directors, for the appropriate evaluations and determinations;

- must not be bankrupt, disqualified or incapacitated, or have been convicted of criminal offences, even if not final, for offences against property, for offences entailing the definitive or temporary disqualification from public office or for offences covered by Legislative Decree 231/2001.

### Requirements of the body as a body

The Supervisory Board as a body must meet the following requirements:

- autonomy and independence;
- professionalism, as a summary of the individual requirements of the member of the Supervisory Board set out in the first paragraph above;
- respectability: this is the result of the individual requirements of the member of the Supervisory Board set out in the second paragraph above.

In application of the principles of autonomy and independence, the Supervisory Board reports exclusively to the Board of Directors, through the CEO or the Chairman; there is no hierarchical subordination to corporate bodies, top management or other corporate structures.

The requirements of independence and autonomy of the Supervisory Board must also be met.

Therefore, the body shall be endowed with an annual budget of an amount indicated by the body itself on the basis of the activities it is expected to perform and defined in agreement with the competent corporate structures, taking into account the company's economic compatibilities and included, under a specific item, in the company's annual budget. The body shall dispose of this sum according to the needs identified by it; following its request, the competent corporate structures shall, from time to time, accordingly, issue orders or assignments and make payments in compliance with the signature powers in force, abstaining from assessments of merit and guaranteeing due confidentiality.

In any case, the Supervisory Board reports on the use of the budget allocated to it to the Board of Directors.

The reasons why the Supervisory Board may need to draw on its budget are, by way of example:

- carrying out checks with the support of external specialists;
- recourse to qualified external parties in the event of any need for specialised input for the purposes of updating the Model (for instance, in the event of the introduction of predicate offences implying particularly high technical or technological knowledge);
- meetings with SBs from other companies requiring relocation costs;
- self-education/information needs in order to better fulfil their function in the interest of the company (participation in meetings, conventions, purchase of material for documentation purposes, etc.).

### Rules of the Supervisory Board



The Supervisory Board, within the scope of its autonomy, shall, in accordance with the provisions of these Articles of Association, adopt its own rules of procedure, in which the operating methods of the body itself are laid down.

The following aspects are regulated in the regulation:

- scheduling of meetings and/or sessions;
- methods of drafting and keeping the minutes, the documentation attached thereto or in any case of relevance and interest to the Supervisory Board;
- ways of carrying out verifications;
- ways of dealing with and managing reports received;
- ways of requesting and obtaining information and documentation;
- ways of communicating the need to update the Model;
- modes of information/training on the Model;
- methods of reporting to the corporate bodies, provided that they comply with the criteria and intervals established in the Model.

While the regulation is an expression of the autonomy and independence of the Supervisory Board, it is duly brought to the attention of the Board of Directors.

### **Functions, tasks and powers of the Supervisory Board**

As mentioned at the outset, the role of the supervisory body is provided for, albeit in a rather concise formulation, by Legislative Decree No. 231/2001; subsequently, it has become more precise and refined over time, through the guidelines issued by the main employers' associations (first and foremost by Confindustria), the elaborations of doctrine, the development of case law and practice.

The Supervisory Board of PIOMBINO LOGISTICS also has the task of overseeing the suitability of the Model, its effective implementation and application, and its observance by the recipients; the Supervisory Board of PIOMBINO LOGISTICS also has the task of updating the Model, in cases where significant changes occur in the organisational or corporate structure, new legislation is introduced by the legislator which modifies (generally, on the basis of experience, extends) the scope of application of Legislative Decree 231/2001, deficiencies in the Model in relation to its suitability or application, or breaches of the Model itself. Decree 231/2001, deficiencies of the Model emerge with regard to its adequacy or application, or breaches of the Model itself.

The Supervisory Board performs its function through three types of activities:

- verification activities;
- activities of a proactive nature on the appropriateness of updating the Model, procedures and control mechanisms;

- information and reporting activities.

#### Verification activities

According to Article 7 of the decree, the Model must be suitable for the prevention of the predicate offences and effectively implemented.

First of all, therefore, these are the aspects that the Supervisory Board is required to verify.

Verification of the Model's suitability to prevent predicate offences is carried out in the following respects:

- correctness and completeness of the identification of risks, and of the relevant areas and activities;
- consistency of the Model with the company's corporate purpose, corporate structure and organisational structure;
- completeness of its constituent parts (indication and description of the predicate offences at risk of being committed and of the conducts that integrate them, correct and complete presentation of the protocols for prevention and control, existence of an effective disciplinary system);
- suitability, in the event of the commission of predicate offences, to the function of exempting or mitigating the company's administrative liability;
- effectiveness of control procedures, compliance of the organisational structure with the principles of the decree, with particular reference to the separation between execution and control activities, adequacy of the system of powers and delegations, and consistency of the same with the organisational structure and distribution of responsibilities.

The verification of effective implementation covers the following aspects:

- dissemination of the Model and information on its adoption and contents to all addressees, both internal and external to the company;
- appropriate staff training;
- verification of the application of the provisions and prohibitions of the Model by the addressees;
- completeness and timeliness of the information provided to the Supervisory Board by the corporate structures;
- definition, and correct communication, of the procedures for making reports to the Supervisory Board on alleged conduct in breach of the Model.

The Supervisory Board also verifies the updating of the model, with respect to:

- introduction by the legislature of new prerequisite remains or amendments to those already provided for in the decree;

- significant changes in the company's object, corporate composition, *governance*, organisational structure, plant structure, and manner of performing the activity.

Audits can be carried out either after scheduling or due to the occurrence of certain events and situations. The former are normally scheduled in the annual programme drawn up by the Supervisory Board, based on the following criteria:

- activities considered most at risk of offence;
- enactment of legislation introducing new predicate offences or changes to existing ones into the decree;
- time elapsed since the last verification on previously verified areas;
- need to monitor the implementation of the suggestions made by the Supervisory Board during previous audits.

Outside the periodic planning, the need to carry out checks may however arise in the following cases:

- significant changes in the corporate, organisational or plant structure that occur during the year;
- reports received by the Supervisory Board on actual or alleged breaches of the Model or on its deficiencies;
- information or requests by senior management or organs of the company.

Verifications may also be carried out unannounced if the situation so requires for reasons of urgency or to avoid changes to the situation to be verified.

Verifications may be carried out directly by the Supervisory Board, or delegated, subject to prior agreement to this effect with the top management, to corporate structures possessing the necessary competences in relation to the subject of the verification, it being understood that no structure may be delegated to verify activities falling within its competence.

In some cases, it may be necessary or appropriate to entrust the audit to external persons; this may occur either when the performance of the audit requires technical or technological skills so specialised that they cannot be present within the Supervisory Board, or when, in addition to highly specialised technical aspects that do not fall within the scope of the Supervisory Board's knowledge, there are also particular reasons for confidentiality.

In such cases, the fee for the external auditor is charged to the budget of the Supervisory Board.

During checks, the company structures must allow the Supervisory Board access to the necessary documentation, and provide it with complete and truthful information at their disposal.

The Supervisory Board is entitled to hear all persons who can provide indications and information regarding the audit, regardless of their position in the company.

When the verification is based on a report received by the Supervisory Board, the latter may also hear the author of the report as well as the person against whom the report was made, guaranteeing both the necessary confidentiality until the verification is completed.

The results of the audits, contained in a special report, are brought to the attention of the Board of Directors through the President for their decisions.

Propositional activities on the appropriateness of updating the Model, procedures, control mechanisms

The Supervisory Board, on the basis of the checks carried out and the information received or autonomously, proposes to the company the adoption of measures concerning

- improvements in information and communication methods in relation to the Model;
- opportunity to plan and implement training actions on the Model and on the subject of '231'; this may occur, for example, when updates to the Model are made, or in the event of new personnel joining the company;
- improvements in the way the Model is implemented;
- the need to adapt or update the Model, in the event of interventions by the legislator to amend Legislative Decree 231/2001, or when significant changes occur in the corporate, organisational, plant or production structure, or when infringements or shortcomings of the Model are discovered;

The actions listed above are carried out with adequate timeliness, compatible with the necessary technical timeframe, in order to prevent the degree of effectiveness of the Model from being reduced for too long.

When it becomes necessary to update the Model, the Supervisory Body, in compliance with the provisions of these Articles of Association, shall proceed directly with the relevant activities; if necessary, if the updating activity is particularly complex or requires special technical expertise, it may make use of the contribution of company expertise where available or of external parties, in which case the fee shall be taken from the Supervisory Body's budget.

Information and reporting activities.

At the end of the financial year or at the end of the annual term of office, the Supervisory Board submits a report to the Board of Directors summarising the activities carried out during the period and providing indications on the lines that should, in its opinion, constitute the programme for the following year; a copy of the report is also forwarded to the Board of Auditors for their information.

Furthermore, it promptly reports to the Board of Directors if events of particular importance occur during the year, such as reports of breaches of the Model, detection of deficiencies therein, events of particular importance or seriousness in the field of safety or the environment and the like. If the situations to be reported concern accounting or financial aspects or in any case matters falling within the competence of the Board of Auditors, the information is also forwarded to that body.

On these aspects, the Supervisory Board in any case maintains periodic relations with the Board of Statutory Auditors and the Auditing Firm, for the appropriate exchange of information as far as their respective competences are concerned.

As already mentioned, the Supervisory Board informs the Board of Directors, by means of an appropriate report, of the results of the checks carried out, so that the latter may adopt the appropriate measures, consisting of disciplinary sanctions or measures to improve the organisation.

Should it find, in its own verification activities or as a result of reports, violations of the model, it shall promptly inform the Board of Directors, also proposing the necessary corrective actions and, where appropriate, the adoption of measures pursuant to the disciplinary system.

It also fulfils its obligations to inform external bodies when such obligations are provided for by law, such as when it becomes aware of suspicious transactions, contrary to anti-money laundering legislation.

### **Functioning of the SB - prerogatives of the body**

#### Support from the company and information flow to the Supervisory Board

In general, in order to perform its tasks, the body may avail itself of the cooperation of the company structures, which must make themselves available for this purpose in terms of timeliness, commitment and professionalism.

In particular, the Supervisory Board can benefit from the following contributions from the company:

- may require, if necessary, logistical support when convening persons or setting up meetings, for the performance of editing or computer work, for the archiving and maintenance of minutes and other documentation;
- may request the hearing of personnel of all qualifications, and if necessary of senior management and members of corporate bodies;
- may, in the cases specified above, make use of company resources or external specialists to carry out the checks;
- may make use, if necessary according to the criteria specified above, of specialist contributions from external parties to update the model;
- has access, upon request, to the company documentation required for the performance of its tasks;
- is the recipient of the information flows necessary for the performance of its mandate; to this end, it communicates its needs to top management, which issues the relevant instructions to the structure. As a general rule, and without prejudice to requests for further information, the Supervisory Board is provided with the following information:
  - service orders, organisational charts and in general documentation relating to organisational changes;

- variations in the system of powers and delegations;
- extracts of the Board of Directors' resolutions;
- personnel and staffing changes;
- applying for and obtaining public funding;
- reports and statistics on safety and prevention at work;
- environmental reports and statistics;
- changes in the quality assurance system, as well as in the systems designed to protect the health and safety of workers and environmental protection;
- inspections, audits and measures against the company by external bodies with powers of inspection, control and sanction;
- criminal proceedings against employees or other persons in any way related to the company of which they are aware;
- legal proceedings in which the company is a party in civil, labour or administrative matters;
- disciplinary proceedings initiated for infringements related to the model's requirements.

Except in the case of information that, due to its nature, must be provided promptly, the frequency of the forwarding of information is agreed by the Supervisory Board with the company, in order to reconcile the completeness and timeliness of the information with the normal activity of the structures.

#### Reports to the Supervisory Board

Reports on alleged violations of the model must be addressed to the Supervisory Board; all recipients of the Model and the Code of Ethics are required to forward such reports, without distinction of any kind.

The modalities for reporting are made known by the company;



In particular, the telephone numbers, fax numbers and dedicated e-mail addresses to which reports should be sent are communicated.

The reports must in any case be formalised in writing and sent by e-mail or by internal mail, or by ordinary mail with the indication of the Supervisory Board as addressee and preferably with the wording "Confidential", to the address of the Company's headquarters. In any case, correspondence coming from outside and addressed to the Supervisory Board shall be directly delivered to the same, without being previously opened for the purposes of confidentiality.

In the event of receiving reports of alleged breaches of the Model, the Supervisory Board promptly initiates the appropriate checks, in order to ascertain as soon as possible their reliability and grounds, and at the same time informs the Board of Directors and, if the report concerns a member of that body, the Board of Statutory Auditors, while complying with the confidentiality criteria mentioned above.

Upon the outcome of the audit, the Supervisory Board shall communicate its findings to the Board of Directors by means of a specific report, in order to allow the company to adopt the measures aimed at preventing, ceasing and, where appropriate, sanctioning any unlawful conduct that may have emerged. In this respect, it suggests the application of the sanctions provided for by the Disciplinary System, if it finds the prerequisites.

The sanctions are imposed by the competent functions of the company in agreement with the competent structures of JSW Steel Italy Piombino S.p.A., in accordance with the provisions of the framework agreement between the two companies.

### **Principles and Criteria for the Conduct of the Supervisory Board**

All the activities of the Supervisory Board are inspired by criteria of confidentiality and discretion.

Without prejudice to compliance with the rules in force on the protection of personal data, the Supervisory Board shall in any case handle the reports and information it receives, as well as the data of which it becomes aware, with the utmost confidentiality, in order to protect the persons to whom the information and data refer.

The Supervisory Board, in compliance with the provisions of Article 6 of the decree and the Model, takes particular care to ensure confidentiality towards the authors of reports of offences or breaches of the Model itself, also taking care that they are not exposed to retaliatory or discriminatory actions or in any case to unfairly prejudicial reactions towards them on account of the reports made. The same confidentiality is adopted in respect of those who are the subject of the reports as alleged perpetrators of breaches of the Model or conduct in conflict with it or parts of it, or the commission of offences pursuant to 231.

All the activities of the Supervisory Board are carried out with due professional care, with loyalty, fairness and with respect for the dignity of the individual.

The Supervisory Board, in order to fulfil the tasks assigned to it by Legislative Decree 231/2001, operates with continuity of action: that is, it performs its functions systematically and assiduously, as well as promptly whenever necessary, such as when it receives reports of breaches of the Model or otherwise becomes aware of them.

It should be noted that, given the provisions of the framework agreement between the two companies and the organisational interrelations with JSW Steel Italy Piombino S.p.A., this Model must be brought to the attention of the latter's structures.

Without prejudice to the fact that the natural interlocutor of the Supervisory Board of PIOMBINO LOGISTICS is the Board of Directors of the latter company, it cannot be ruled out that reports concerning the Model, its application and any infringements may also be made by the functions of JSW Steel Italy Piombino S.p.A. competent within the scope of the aforementioned framework agreement, just as it cannot be ruled out that the Supervisory Board may refer to said functions for clarifications, information, access to documents.

In such cases, for the sake of fairness, the Board of Directors or the top management of PIOMBINO LOGISTICS must be informed at the same time, depending on the relevance of the individual issues.

**CODE OF ETHICS**

## FOREWORD - GENERAL ASPECTS

### Purpose - Scope

The Code of Ethics of PIOMBINO LOGISTICS S. p.A - A Jsw Enterprise- constitutes an integral part of the Organisation, Management and Control Model adopted by the company pursuant to Legislative Decree no. 231/2001.

It contains the ethical principles and rules of conduct to which persons acting in the name of, on behalf of or in the interest of the company, or collaborating or entertaining with it, must conform their conduct.

They therefore include: members of corporate bodies, managers, other employees, collaborators, consultants, *partners* of various kinds, customers, suppliers.

In addition, the subjects of Jsw Steel Italy Piombino S.p.A who perform on behalf of PIOMBINO LOGISTICS activities or services envisaged by the framework agreement in force between the two companies must comply with it.

The Code of Ethics stands alongside all other regulatory sources, whether emanating from the outside such as laws, regulations, rules, provisions, orders issued by public authorities, or provided for by internal documents such as the Model, procedures, service orders, organisation charts; it has the same binding force as these sources.

In application of the above, all the activities of PIOMBINO LOGISTICS must be inspired by the principles and rules of conduct prescribed by the Code of Ethics; the same applies to the actions of its *partners* (or *stakeholders*).

It should be noted that the observance of the Code of Ethics, in addition to guaranteeing compliance with company policy in terms of conduct, is also functional to the prevention of predicate offences pursuant to Legislative Decree No. 231/2001, and is therefore a complementary element to the protocols, prescriptions and prohibitions laid down by the Model for individual cases.

### Cogency of the Code Ethics

As mentioned above, the Code of Ethics constitutes a set of principles and rules that are binding on the addressees; it follows that compliance with it constitutes a contractual obligation on the part of said addressees, depending on the nature of the relationship, whether of an employment or autonomous nature.

It therefore applies to the company bodies, the so-called 'apical' persons, employees including managers, collaborators, consultants, suppliers.

For each of these categories, therefore, non-compliance with the Code of Ethics is sanctioned according to the respective provisions of the Disciplinary System; for some, moreover, such as suppliers, there are also consequences of a compensatory nature.

As for customers, it is clear that the binding nature of the Model and the Code of Ethics may be, for certain parts, mitigated by the specific type of relationship; moreover, consider that it is generally the customer who requires their suppliers to comply with their own model.

A careful balance between the different sources will therefore be necessary.

Moreover, it must be clear that PIOMBINO LOGISTICS cannot accept derogations from the fundamental ethical principles, nor can it accept conduct that could give rise to the commission of offences. It is therefore appropriate that the Model and the Code of Ethics are brought to the knowledge of the Customer and that careful monitoring is carried out in this regard.

## PART ONE

### General Principles

PIOMBINO LOGISTICS, in the exercise of its business and for the achievement of its objectives, is inspired by the general ethical principles listed below; the conduct of all those who operate in its name and on its behalf must therefore conform to them, and to the rules that derive from them.

### Legality - Compliance

First of all, compliance with international and EU regulations is envisaged insofar as they are applicable, with national and regional laws having the force of law, with regulations and, in any case, with all regulatory sources having binding force.

In this regard, it should be recalled that as of 25 December 2020, tax offences also became part of the predicate offences provided for by the decree, and were further increased by Legislative Decree 75/2020, which also introduced among the predicate offences the offences relating to smuggling (see the relevant section of the Special Section).

Not only that, with Legislative Decree 75/2020 the principle of protecting the interests of the European Union became part of the 231 system, whereby the concept of legality and compliance must be extended to European regulations, insofar as they are transposed by national legislation.

Violations with respect to the provisions of the Code of Ethics are in no way tolerated, neither for personal interest nor in the interest or to the advantage of the company; it is recalled that in the latter case, if the violation integrates the elements of a predicate offence, the company may be exposed to the risk of being charged with an administrative offence pursuant to Legislative Decree 231/2001.

### Confidentiality and data protection

Compliance with the applicable data protection laws must be ensured at all times.

Information of which the addressees become aware in the course of their work shall be handled with due confidentiality; it may not be used for unlawful purposes, either for personal interest or to benefit the company.

See also, below, the confidentiality protections for those who report offences or breaches of the Model, referred to in the **Whistleblowing** section.

**Occupational health and safety protection**

The safety and health of workers working on behalf of the company, whether they are the company's own employees/collaborators or those of third parties, are considered primary assets by the company and anyone acting on its behalf.

This also applies to employees and all third parties who are in any way on the company's premises and areas. Working environments and areas are functional for the safety of workers and third parties who have access to them.

**Dignity, integrity, respect and valorisation of the person**

The health and psychophysical integrity of the person constitute inalienable values. They inspire the Model's safety protocols and the company's entire safety system, to which the Model refers.

Another fundamental value is the dignity of the person, with regard to both employees and all other persons with whom the company has relations, meaning the complex of personal, moral and cultural values of the person, regardless of physical condition, political opinion, religious belief, economic status, gender differences, race, ethnicity, union affiliation.

All human resources management, from work organisation, to career paths, to working conditions, must aim at the professional enhancement of workers, their motivation and involvement in the improvement of working practices and safety conditions.

Respect for the dignity of the person is also expressed by practising treatment in accordance with the law and contractual rules.

All conduct that may be detrimental to the individual personality in the form of pornography, child pornography, seeking and exhibiting pornographic material and similar conduct is prohibited.

**Fairness, diligence, spirit of service**

The conduct of the addressees must be characterised by:

- fairness: this implies truthfulness and completeness of data and information, compliance with contractual obligations, respect for roles, while legitimately exercising individual rights;
- diligence: involves due care in the performance of activities within one's competence, avoiding carelessness, distraction, inattention;
- spirit of service: it consists in carrying out one's activities with the awareness that they are aimed at company objectives, and not at personal interest.

All forms of conduct, carried out in the workplace or in any case within the scope of the work activity, unrelated to the same, including those that may constitute offences relating to fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices, referred to in Article 25-quaterdecies of the decree, are prohibited.



## Impartiality

In application of this principle, in any activity that may have a competitive or comparative nature (such as selections, recruitment, promotions, tenders, assignment of orders and tasks), the persons concerned must always be put on an equal footing; any form of favouritism must be avoided, for whatever purpose, be it personal, company or third party.

Consequently, any form of discrimination on grounds of age, gender, health status, marital status, ethnicity, social conditions, political opinions, religious beliefs is prohibited.

## Honesty, integrity and loyalty

The addressees are required to act honestly, with straightforwardness and transparency of conduct, mutual cooperation and respect for the rules, and to avoid deliberately or knowingly misleading their interlocutors.

## Quality

This principle is applied across the board to all aspects of company life: to work processes, materials and their procurement, maintenance, safety, and environmental protection.

The degree of quality is constantly monitored in order not only to maintain it, but also to improve it in accordance with technological development, legislative developments and the expectations of the market and the social context.

## Environmental Protection

As mentioned when discussing environmental offences, the impact of the company's activities on the environment is essentially linked to the type of materials and products handled, waste management, and the condition of the land in some of the areas in which PIOMBINO LOGISTICS operates.

In any case, the company's attention to the environment is utmost, which translates into total compliance with the relevant legal regulations and constant monitoring by operators at all levels of the maintenance of safety conditions: the correlation that often exists between the environment and safety at work must in fact be borne in mind.

## Preservation, protection and respect for cultural and landscape heritage

In view of the recent inclusion in Decree 231 of the relevant offences, the Company, to the extent of its competence, assumes among its values, along with the protection of the environment, the protection of cultural heritage and the landscape, implementing the necessary measures should such a need arise.

## Responsibility towards the community

This is a transversal principle with respect to all company activities, pursuant to which the company, in the pursuit of its corporate purpose, must take into account the needs of the social context in which it operates, mainly - but not exclusively - in terms of safety and environmental protection.

**Prevention of offences and breaches of the Model (Protection of whistleblowing - Art. 6 Legislative Decree 231/2001)**

The prevention of the commission of offences or breaches of the Model and the Code of Ethics that in any case involve the company is a common value for all the recipients of the Model.

The reporting of such offences or infringements is therefore required of every addressee of the Model, even in cases where this does not constitute an obligation established by law.

The company, for its part, considers the protection of whistleblowers to be an essential value, in terms of both confidentiality and abstention from retaliatory or discriminatory acts against them by anyone, and adopts the consequent preventive measures.

**Equality and equality among all human beings**

The company, the members of its management and supervisory bodies, its employees and its collaborators assume as fundamental values the equality and parity of all human beings, regardless of gender, ethnicity, social and economic conditions, political or religious beliefs.

Their every act, action and behaviour are inspired by these values.

Similarly, they shall demand equal respect for these values from those with whom they interact by reason of their office, avoiding all forms of commercial, economic and institutional relations that are not inspired by them or that conflict with them.

**PART TWO****Rules of Conduct**

From the general principles set out in the first part, which define the company's policy from an ethical point of view, the rules of conduct to which the conduct of the addressees of the Code of Ethics must adhere are derived on a practical level.

**Conduct in business management**

First and foremost, the company in all its articulations conforms its actions to these principles towards the shareholder, the other group companies and the management and control bodies (shareholders' meeting, Board of Directors, Board of Statutory Auditors, auditing company, Supervisory Board), guaranteeing transparency, truthfulness and completeness of the information relating to management.

The general principles set out are then concretely applied to all activities that constitute corporate management.

In particular, the following aspects are mentioned for their sensitivity:

- accounting records
- payments and receipts
- declarations for tax purposes
- compliance with customs regulations
- embezzlement
- control activities
- confidentiality of data and information
- anti-corruption
- Receiving stolen goods, anti-money laundering and self-money laundering
- organised crime and counter-terrorism
- conflict of interest
- gifts and giveaways
- contracting
- protection of company assets
- information systems
  
- safety in the workplace
- environmental protection
- preservation, protection and respect for cultural and landscape heritage
- relations with and between employees
- relations with customers

- relations with suppliers, partners, external collaborators and consultants
- relations with the P.A. and the authorities
- relations with political parties and movements, trade unions and associations
- relations with subsidiaries, investees or associates
- media relations
- behaviour of heads of directorates, managers, heads of functions.

#### *Accounting records*

All transactions with an economic content are recorded in the company accounting system, in accordance with the law and the correct accounting principles; they are accompanied by the relevant contractual documentation, attesting to their relevance to the corporate purpose, to the consistency and congruity with the contractual sources from which they derive, to the appropriateness of the amounts, and to compliance with the system of powers and proxies in the authorisation process.

#### *Payments and collections*

All payments and receipts must be by traceable means of payment (cash only in exceptional cases, and in any case within the limits of the law) and in the presence of the relevant supporting documentation. All payments must be authorised in compliance with the power and delegation system.

#### *Declarations for tax purposes*

Conduct that contravenes current tax laws, and in particular fraudulent declaration by issuing invoices for non-existent transactions or other contrivances, issuing invoices for non-existent transactions, destroying or concealing accounting documents, and fraudulent evasion of tax are prohibited.

It is forbidden for superiors to request their employees to operate in derogation of the tax rules in force, and in particular of the prohibitions set out in the preceding paragraph.

Users of the service are likewise prohibited from requesting the administrative functions, and vice versa, to operate in derogation of the tax rules in force, and in particular the prohibitions set out in the first paragraph.

Infringement of the above prohibitions relating to tax offences constitutes a serious breach of the Code of Ethics and the Model, for the purposes of the application of the sanctions set out in the Model's Disciplinary System.

#### *Compliance with customs regulations*

In the context of respecting the interests of the European Union, the rules on customs duties and fees must be respected.

The company figures involved in the import/export processes and the figures outside the company who work on its behalf in this field must refrain from any activity that contravenes the relevant regulations, ensuring

instead that they are complied with, and ensuring the correspondence between the documentation and the goods covered by it.

#### *Embezzlement*

There must be no dealings with persons belonging to the public administration from which peculation offences may be committed against them; all the more so, if such offences may benefit the company, e.g. if the proceeds of the offence should or could be reinvested or re-invested in the company itself.

#### *Control activities*

The control system must be suitable for the continuous monitoring of compliance with the law and other external regulatory sources (contracts, regulations), as well as internal regulations (Model, procedures, service orders, organisational charts), the safeguarding of company assets and, in general, the regularity of management; the control system must ensure the necessary timeliness in communicating any irregularities detected to the competent bodies, in order to prevent their continuation or repetition.

The addressees are therefore required to contribute, according to their role, to the application and improvement of the control system.

#### *Confidentiality of data and information*

First and foremost, compliance with the relevant legal provisions, and in particular with Legislative Decree 196/2003, must be ensured. In any case, the processing, management and communication of sensitive data, personal data, and information related to the company's activities must be carried out with the utmost confidentiality, both in compliance with the principles laid down in this Code of Ethics and in order to prevent the commission of offences.

#### *Anticorruption*

We speak of both active bribery (towards third parties) and passive bribery (by third parties towards persons working in or on behalf of the company).

Therefore, without prejudice to what is provided in the Special Section in order to prevent the predicate offences on the subject when the corrupt conduct is carried out in the interest or to the advantage of the company, more generally the recipients must abstain from any act of a corruptive nature, including attempts, towards both public and private parties consisting in the promise or giving (directly or through third parties) of money or other benefits, even if this occurs in the personal interest of the agent, and therefore outside the scope of application 231. The same also applies in the case of receipt, since in such a case, although not a relevant offence under Legislative Decree No. 231/2001, the fundamental principles of honesty and integrity would nevertheless be infringed.

Recipients who become aware of corrupt conduct are obliged to report it to their superior and to the Supervisory Board, unless the superior himself/herself does so.

#### *Receiving stolen goods, anti-money laundering and self-money laundering*

In order to avoid incurring these offences, all the precautions provided for in the special section in terms of the traceability of means of payment in financial transactions and compliance with the legal limits on the use of cash are first and foremost necessary.

Moreover, all checks must be carried out on the counterparty, both before the start and during the course of relations, not limiting them to formal findings (such as current or previous involvement in bankruptcy or criminal proceedings), but also extending them, as far as possible, to profiles relating to the moral integrity and reputation of interlocutors and counterparties in economic and financial transactions, and avoiding initiating or maintaining relations with persons who do not provide the necessary guarantees in this regard.

In the case of purchasing and procurement, the checks must also extend to the appropriateness of prices, in order to avoid the purchase of materials of illegal or dubious origin, or the awarding of contracts to companies that do not comply with the proper treatment of personnel and/or the relevant contribution and insurance obligations.

Moreover, with particular reference to self-laundering, in all operations relating to the recording and display of accounting and tax data, the law must first of all be applied; the principles of honesty and integrity must also be observed, avoiding the creation of hidden sums or the unlawful allocation of sums, including by means of tax evasion or avoidance, or the incorrect valuation of assets, revenues, receivables or payables; if such conduct is committed, the possible reutilisation or reinvestment of the aforementioned sums may give rise to the predicate offence of self-laundering, if their concealment is committed with intent.

It should also be noted that, should the concealment or unlawful appropriation of sums be due to negligence and not to wilful misconduct, such conduct would still constitute a serious breach of the Code of Ethics even in the absence of the commission of the predicate offence.

#### *Organised crime and counter-terrorism*

The company's activity makes involvement in such cases unlikely.

In this regard, in addition to compliance with the protocols provided for in this respect in the special section, it is in any case necessary to carefully verify, especially by top management and those involved in commercial or purchasing activities, the requirements of the persons with whom relations are established, in order to avoid coming into contact, even unknowingly, with persons belonging or contiguous to terrorist organisations or criminal associations.

It must be borne in mind that the rules laid down on the employment of workers from third countries are also relevant for the purposes of this paragraph, in that no conduct in conflict with them may be engaged in, even less so if in the context of unlawful dealings with criminal organisations.

#### *Conflict of interest*

All addressees, whatever role they occupy, who find themselves in situations such as to conflict, for personal or family reasons or interests, with the interests of the company or with the normal performance of activities, are required to abstain from taking decisions or adopting acts, or in any case from participating in the process of their formation, in which such interests are even indirectly involved.



They must also promptly inform their superiors of their position, of which the Supervisory Board must also be informed.

The following is a non-exhaustive list of cases in which directors, managers, other employees, consultants or collaborators of the company find themselves in such situations:

- if such persons, or members of their families, put themselves forward as suppliers, customers or competitors of the company, or hold shares in companies in one of these positions;
- if they use, for their own benefit or for the benefit of third parties, information they possess on the basis of their role in the company; such conduct is even more serious where damage to the company results from it;
- if the aforementioned persons perform professional or work activities of any kind at or for customers, suppliers, competitors;
- if such persons carry out, on their own account, activities that are similar to or in competition with the tasks they perform in the company; in cases where the activities they carry out on their own account are not similar to or in competition with those performed in the company, the company must be notified in advance for the relevant assessments;
- if such persons are involved in selection processes for recruitment, tenders or decisions for the allocation of orders or assignments in which individuals or companies related to them by ties of kinship or participation are involved.

Managers or employees who hold positions in other companies of the group must check in advance any situations of conflict of interest before assuming or participating in deliberations that also concern PIOMBINO LOGISTICS.

### *Gifts and giveaways - Sponsorships*

#### Gift-giving

The general rule is that it is not the company's policy to pay gifts or gratuities to third parties.

This possibility is therefore only permitted in predetermined situations and under the following mandatory conditions:

- gifts may only be made with the express written authorisation of the person empowered to do so, and after careful assessment by him/her in relation to the requirements of this Code of Ethics;
- if paid, must in any case be of modest intrinsic value according to common sense, must not be binding nor such as could even potentially constitute an encumbrance for the recipient;
- must never consist of sums of money;
- are paid only on holidays and festivities, according to custom;
- must not be concomitant with or connected to acts favourable to the company, or to individual members of the company, performed by or at the request of the addressee.

Alternatively, alternative forms such as cards stating that, in lieu of the gift, charity or support to needy persons has been provided are preferable.

Any forms of hospitality in the context of commercial or institutional relations must be authorised in advance by the person in authority (who will carry out, leaving a written record of the reasons, the appropriate assessments in light of the provisions of this Code of Ethics) and must be of an occasional nature. The relevant expenses must be of limited amount and adequately documented.

#### Acceptance of gifts

Managers and other employees of the company may only accept, on holidays or anniversaries, gifts of modest value, provided they are in no way connected to acts performed in the performance of their duties in the company.

Should this occur, the gift must not be accepted and the senior management must be informed.

The above rules must also be observed by external parties acting on behalf of the company (suppliers, consultants, collaborators).

#### Sponsorships

Generally speaking, sponsorship is not a company policy.

Should the opportunity arise, they may only be carried out under the following conditions:

- must not be repetitive;
- must be of a modest amount, in relation to the uses and economic compatibility of the company;
- must be inherent to the corporate purpose, or in any case strictly related to the legitimate interests of the company in terms of promoting its image in the territory in which it operates or in the reference market;
- must in no way be directed to organisations, associations, foundations operating, directly or indirectly, for political or trade union purposes (with the exception of the employers' association to which they belong), or on behalf of specific social categories, in the latter case with the aim of avoiding favouritism or discrimination;
- must only be authorised in advance by the competent bodies.

#### *Relations with and between employees and other stakeholders - Conduct within the working environment*

As mentioned in the first part, respect for the person in all its aspects (physical, moral, social, cultural, intellectual, professional) is considered a primary value. It must therefore inspire all the conduct of those working within the company or on its behalf.

As a first consequence, the company takes special care of the safety of the working environment. This is dealt with specifically below, in a separate section.

Working conditions and working environments also respect the personal dignity of those who work there, in addition to safety and psycho-physical integrity.

The company organisation is designed in such a way as to guarantee equal opportunities for employees in the manifestation and development of their professional skills, with express prohibition of any form of discrimination on any ground whatsoever (gender, ethnicity, religious belief, political affiliation, trade union affiliation).

Relationships characterised by mutual respect must exist between those in coordination roles and their co-workers, as well as between workers in general.

Manifestations or expressions of physical or verbal violence (see below in the relevant paragraph), threats, offence, defamation or in any way detrimental to the honour and respectability of colleagues, superiors, employees and, in general, of persons working within or on behalf of the company, regardless of their roles and hierarchical position, are not allowed.

In particular, belonging to coordination roles does not allow in any way to deviate from the aforementioned rules of conduct, just as offensive, threatening or disrespectful behaviour towards superiors is not allowed.

Discussions on work-related issues must always be characterised by fairness, politeness and respect for the interlocutor.

Behaviour contrary to the above rules must be reported and, if confirmed, will be sanctioned in accordance with the Disciplinary System.

Employees are required to provide their work services in accordance with the principles of fairness, loyalty and diligence and their assigned roles in the company organisation.

The normative, remuneration and contribution treatments and in general the relations connected to the work performance are in accordance with the provisions of the law and collective bargaining at the various levels.

The functions in charge, including those of Jsw Steel Italy Piombino S.p.A as far as they are competent within the scope of the provisions of the framework agreement between the two companies, work to ensure that no exceptions are made in this respect, devoting (also in relation to the offence of 'caporalato' (forced labour) dealt with in the special section) particular attention to the treatment applied to staff in situations of social disadvantage.

The allocation of tasks and professional development and salary improvement paths meet criteria of professionalism and merit based on objective and measurable criteria and parameters. The relevant procedures are all justified and documented, with due respect for confidentiality. The competent functions of Jsw Steel Italy Piombino S.p.A. are also made aware of this, insofar as they are required to apply and verify it, again on the basis of the framework agreement mentioned above.

The establishment of employment relationships, neither formally nor de facto and not even temporarily, by PIOMBINO LOGISTICS or its contractors or, in any case, by persons operating on its behalf, with staff without residence permits is not permitted; also in this case, the competent functions of JSW Steel Italy Piombino S.p.A. are required to observe and control compliance with this rule.

#### *Harassment*

One of the rules of conduct that characterise labour relations is the absolute prohibition to engage in, induce, encourage or tolerate conduct that constitutes harassment of a person, as exemplified below:

- intimidation, explicit or implicit manifestations, all the more so if repeated, of hostility or ridicule, persecutory attitudes;
- marginalisation or incitement to isolation against individuals or groups of individuals;
- expression of disparaging judgments, all the more so if repeated, against other persons, on physical characteristics or personal conduct or on the quality of work performance;
- concealment of merits or attribution of non-existent faults to others, due either to a desire to prevaricate or to belittle the abilities of others;
- sexual harassment.

With regard to the latter aspect, the request for or offer of sexual favours depending on the hierarchical position held in the company by the person making the request or receiving the offer constitutes an aggravating circumstance for the purposes of applying the sanctions provided for by the Disciplinary System, even in the absence of recurrence or repetition. A further aggravating circumstance exists where such conduct is attributable to actual or hoped-for career advancement or economic improvements.

Managers and persons in coordinating positions are required to promote the aforementioned standards of conduct, also by personal example.

Any infringements must be promptly reported to the Personnel Department as well as to the Supervisory Board.

#### *Violence*

Actions of a violent nature, whether physical or moral, potentially or actually capable of harming the psycho-physical integrity or the personal or patrimonial sphere of colleagues, superiors, collaborators or other persons, whether or not belonging to the company, are not permitted in the workplace or in the course of work.

It is forbidden to bring weapons of any kind, either one's own or improper, into the workplace and, a fortiori, their use, except by persons expressly authorised to do so.

#### *Smoking , drugs , alcoholic substances, gambling and betting*

Smoking is forbidden in the workplace, in compliance with the law in force. This prohibition applies to all persons, including those in high positions in the company hierarchy, who are indeed required to set an example by their behaviour.

Related to this ban is the right of everyone not to be subjected to passive smoking, in accordance with the general principle of health protection.

*The introduction and use of drugs in the workplace is prohibited.*

The abuse of alcoholic substances is forbidden, abuse being defined as an infringement of the laws in force, with particular, though not exclusive, reference to the driving of means of transport; the normal consumption of alcoholic beverages (wine, beer) during meals is permitted, provided that the values remain within the legal limits.

Non-compliance with the requirements and prohibitions set out in this paragraph constitutes an offence under the Disciplinary System, which is aggravated if the non-compliance relates to the use of drugs or the abuse of alcohol; a further aggravating circumstance is the occurrence of injuries or accidents as a result of or due to the use of drugs or the abuse of alcohol.

In application of the general principles, all conduct, whether in the workplace or in any case within the scope of the work activity, unrelated to the same, including conduct that may constitute offences relating to fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices, as referred to in Article 25-quaterdecies of the decree, is prohibited.

#### *Safety and health protection in the workplace*

The safety and health of workers working for or within the company, whether they are the company's own employees/collaborators or those of third parties, as well as of anyone who has access to the workplace, are considered primary assets; the working conditions and environment must be such as to safeguard the psychophysical integrity of workers.

It follows from this that:

- all parties must be informed and made aware of the relevant legislation and procedures;
- its application must be continuously verified by the persons in charge;
- Preventive means, protective equipment and operational practices are constantly monitored and adjusted according to the development of safety indicators and statistics and medical and technological advances on the subject;
- the training initiatives required by law and those deemed necessary according to company performance are implemented;
- periodic examinations are carried out regularly, which workers are obliged to undergo;
- worker input in terms of advice and suggestions for improving safety, the environment and working conditions is favoured and encouraged.

The persons who hold roles of responsibility in safety matters are required to implement and control, as far as they are competent, the provisions of the law, the protocols dictated by the Model, the procedures and all the prescriptions and prohibitions that make up the safety system of PIOMBINO LOGISTICS. They must ensure the correct operation of equipment and devices aimed at prevention, the availability and correct use of PPEs, intervening in the event of risks, also, if necessary, by interrupting risky operations, and promptly reporting them to the persons in charge.

Workers, for their part, are also obliged to comply with the aforementioned set of provisions to the extent of their competence; they must therefore:

- correctly use the facilities, equipment, means of transport and personal protective equipment made available to them;
- promptly report any deficiencies found in this respect;
- Promptly report dangerous situations and, if necessary, intervene on condition that one's own safety is not endangered;
- exercise due care in the performance of their activities, in order to avoid endangering their own safety or that of others.

The rules relating to the company's activities, with particular reference to those relating to road traffic, rail movement and those carried out at sea, must be brought to the attention of the operators and strictly applied, as they are considered mandatory by the company.

It is forbidden for anyone to remove, modify or tamper with the devices installed for security, signalling or control purposes.

All the provisions contained in the security system adopted by the company (Model, Code of Ethics, procedures, appointments and documents) have a binding character; they must be known and strictly applied by all the recipients of this Code and the Model, which expressly refers to them. Conduct in conflict with them constitutes a serious violation of the Code of Ethics and the Model, and is sanctioned pursuant to the Disciplinary System.

#### *Situations of contagion, epidemic, pandemic*

The company pays the utmost attention to the possible and unfortunate hypothesis that situations of contagion, epidemic or pandemic may arise; to this end, it has standard procedures and regulations in place to guarantee an acceptable level of security, to be implemented if necessary, depending on the seriousness of the situation that arises.

In this process, the persons in charge of the preparation, implementation and control intervene, according to their competence, on the basis of the regulations in force, with particular reference to Legislative Decree No. 81 of 9 April 2008 (TUSL, the Consolidated Workplace Health and Safety Act) and, more generally, to Article 2082 of the Italian Civil Code.



## *Environmental Protection*

Environmental protection is also a primary value for society.

As mentioned several times, the operational activities of PIOMBINO LOGISTICS can have an impact on the environment in various aspects: type of materials and products moved, waste and substances handled in the execution of industrial cleaning and maintenance activities, the state of the land in the areas where the company operates.

The company, aware of the above, carefully monitors the aspects potentially at risk, also in close synergy with the competent function of JSW Steel Italy Piombino S.p.A.

It pays due attention to the environmental implications related to the nature of the materials and products handled and transported, and to the management of waste of various kinds, strictly applying the regulations on the subject according to the various types; likewise, it operates with regard to emissions into the atmosphere, discharges into water and the soil, consumption of energy, water, paper, complying with all existing regulations on the subject as well as any prescriptions issued by the authorities on the subject. It avoids, as far as possible, the use of polluting products and materials, the improper use of which is in any case prohibited.

The staff is therefore appropriately sensitised in this regard.

## *Preservation, protection and respect for cultural and landscape heritage*

All operators, at any level, whenever they find themselves in situations where there is a risk of defacing cultural assets that even occasionally fall within their sphere of competence, shall take steps to ensure that such defacement does not occur; a fortiori they undertake not to engage themselves in conduct likely to deface or even worse destroy such assets.

In any case, reference is made to the protocols specifically provided for in the relevant section of the Special Section.

## *Confidentiality and data protection*

All recipients are required first and foremost to comply with the provisions of the GDPR 679/2016 on the protection of personal data, as transposed by Legislative Decree 101/2018; in any case, the conduct of all recipients, and in particular of the persons in charge of the processing of personal data, or who in any case have knowledge of them, must safeguard the confidentiality of personal data.

The acts and documents of a confidential nature are kept on company premises or in any case in premises suitable to prevent their disclosure (competent departments of Jsw Steel Italy Piombino S.p.A in the cases provided for by the framework agreement between the two companies, notaries or other professionals bound to confidentiality or professional secrecy); otherwise, they may be taken outside only in the cases provided for by law or in any case for legitimate purposes and subject to written authorisation by the persons authorised under the system of powers and delegations.

Any person must refrain from disseminating outside the company news and information of which he/she has become aware in the course of his/her work, with the sole exception of those who are authorised to do so

on the basis of the roles defined by the company organisation or expressly authorised by the persons entitled to do so on the basis of the system of powers and proxies.

#### *Diligence and good faith of employees and collaborators*

The duty of employees to perform their work with diligence, fairness and good faith is laid down in Articles 2104 and 2105 of the Civil Code. They must therefore conform their conduct in the workplace to this legal dictate.

However, external collaborators, consultants, professionals, etc. are also required to fulfil their contractual obligations in accordance with the general principle of fairness and good faith.

The parameters for verification, by the control bodies, of the consistency of conduct with these principles are the correctness of data and information, compliance with the system of powers and delegations, the roles provided for by the company organisation, procedures, service orders, and of course the protocols provided for by the Model and the dictates of the Code of Ethics.

Persons working in coordination positions must refrain from issuing unlawful instructions to their co-workers or instructions that are not compatible with their role.

#### *Selection and recruitment*

At the current stage, recruitment can take place in two ways:

- mainly through the absorption of personnel employed by JSW Steel Italy Piombino S.p.A., based on the agreements signed and the progress of the overall industrial project;
- by means of personnel selection on the market, should it become necessary to fill important positions for which resources with the necessary requisites are not available among JSW Steel Italy Piombino S.p.A. personnel.

In the first case, the criteria established in the agreements are applied, using objective parameters based on workers' professionalism in relation to the company's needs, avoiding favouritism and discrimination of any kind. In this sense, the harmony between the top management of the company and the structures of JSW Steel Italy Piombino S.p.A. competent on the basis of the framework agreement is fundamental.

For the possible filling of positions for which no personnel from JSW Steel Italy Piombino S.p.A. can be found, in the search and selection stages, criteria of transparency and impartiality shall in any event be used, excluding, also in this case, any form of discrimination or favouritism.

The selection process is conducted by persons authorised to do so within the company organisation, endowed with the necessary professional skills and able to provide adequate guarantees in terms of reliability and fairness. Depending on the figures to be identified, some phases may be entrusted to external subjects, subject to verification of the necessary experience and specialisation, and professional and moral reliability and seriousness, and always under the coordination and control of the competent corporate figures.

The search and selection process is based, in all its stages up to recruitment, on criteria of professionalism, competence and experience in relation to the requirements for the roles to be filled; account is also taken of the moral qualities of the individuals, their availability and their relational skills, so as to employ staff that corresponds to the ethical principles and conduct applied in the company. It should be recalled that, also with a view to preventing the perpetration of the predicate offence of 'caporalato' (forced labour), the hiring and treatment of personnel outside the strictest compliance with the rules deriving from the law and collective bargaining is not permitted, much less taking advantage of any disadvantageous condition of the persons hired.

Candidates are always placed on an equal footing with each other.

Persons who find themselves in situations of conflict of interest for any reason whatsoever, as exemplified in the relevant section of this Code, may not participate in the search, selection and recruitment process.

The rules established in this paragraph must be known and respected not only by the persons belonging to PIOMBINO LOGISTICS, but also by the competent structures of JSW Steel Italy Piombino S.p.A.

#### *Protection of corporate assets*

The corporate assets of PIOMBINO LOGISTICS consist of both tangible assets, such as patents, designs, product technology, *know-how*, technical and commercial information, and documents.

The company, with a view to safeguarding its primary interests, has among its main objectives the protection and conservation of these assets, as well as their valorisation.

All persons acting on behalf of the company must work to safeguard, preserve and correctly manage the company's assets, consisting of both tangible assets (money, plant, machinery, means of transport, buildings, infrastructure, IT equipment) and intangible assets (licences, technology, *know-how*, technical and commercial information, documentation). They must take steps to avoid or prevent their misappropriation, damage or illegitimate or improper use.

Damage, misappropriation, improper or illegitimate use of company property, whether tangible or intangible, or conduct that aids or abets the aforementioned conduct, whether intentionally or negligently, shall be sanctioned pursuant to the Disciplinary System, as well as in accordance with the law and the CCNL, without prejudice to compensation for damages.

Anyone who becomes aware of episodes such as those mentioned above is required to promptly report them to the competent functions, who will in turn inform the Supervisory Board.

#### *Information systems*

The company, in full harmony and synergy with the competent functions of JSW Steel Italy Piombino S.p.A. adopts and uses security systems designed to prevent access by unauthorised persons to its information systems and databases.

It also adopts data back-up and *disaster recovery* systems to prevent the loss or total or partial destruction of its databases.

Users are provided with the credentials (for the use and confidentiality of which they are responsible) necessary to access and use the systems and to access the Internet according to their role.

The system envisages limitations on access to information systems according to the roles held, avoiding access to confidential information and sensitive and personal data by persons not authorised to do so; it also envisages limitations on access to potentially risky Internet sites, such as pornographic or child pornography sites, also for the purpose of preventing the commission of the predicate offences envisaged in this area.

The adoption and effectiveness of the above measures is implemented and monitored over time by the competent functions of the company and JSW Steel Italy Piombino S.p.A.

Moreover, users are also responsible for the proper use of the IT tools entrusted to them and the systems to which they have access, which must take place in accordance with the principles of fairness and honesty and with due respect for confidentiality.

Access to sites with pornographic or child pornographic content is prohibited, as is the possession, dissemination and display of pornographic or child pornographic material.

The following are in any case prohibited and sanctioned under the Disciplinary System: unauthorised access to protected computer systems by persons not authorised to do so, damaging computer data and programs, undue disclosure and/or appropriation of access credentials.

It is also prohibited to use computer systems or tools for the purpose of engaging in conduct related to betting in the sporting or other fields, all the more so if in conflict with the provisions of Article 25-quaterdecies of the decree (fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices).

### *Customer relations*

In relations with customers, it is first and foremost necessary to bear in mind and observe, both with regard to private customers and with regard to any public customers or, in any case, those who have the legal status of public contracting stations, the protocols laid down in the special section of the Model; this is for the purpose of preventing the various offences involved and, in particular, with regard to private customers, receiving stolen goods, money laundering, self-laundering, corruption between private individuals and, in relations with public customers, offences against the Public Administration.

Furthermore, business relations are always inspired by respect for the principles contained in the Code of Ethics: fairness, transparency, reliability, truthfulness of information, loyalty.

Influencing the customer or potential customer through the payment of money, gifts and other benefits, or through threats, blackmail, retaliation or other unlawful conduct is not permitted.

Normal competition in commercial activities, be it negotiations or participation in tenders, is exercised through the parameters that characterise the company's activity and its results (economic conditions, delivery times, quality, reliability), in compliance with the principles of fairness, transparency and loyalty.

On the other hand, unfair competition, actions tending to put competitors in a bad light, and the dissemination of untrue information about both the services offered by the company and its competitors are prohibited.

In order to avoid discrepancies in conduct with respect to the prescriptions of the Model, it is advisable that business activities are carried out by the persons appointed for this purpose within the company organisation, as well as by the Top Management of the company.

*Relations with suppliers, partners, external collaborators and consultants*

The principles of transparency, fairness and loyalty must also apply to relations with suppliers, business partners, collaborators and consultants.

They must be placed on an equal footing when carrying out selection procedures for the awarding of jobs or orders; the procedures must be carried out according to criteria of free and fair competition.

The allocation of assignments, contract orders or supplies must be made exclusively on the basis of professional, qualitative, economic parameters, and must not be influenced by favouritism of any kind.

The assignment of orders and assignments is always preceded by an adequate check of the possible assignees, not only on the possession of the appropriate technical-professional requirements, experience, industrial consistency and economic-financial soundness, but also of the necessary moral requirements in terms of honour and reputation.

Contractual relations following the award of orders and assignments are characterised by the reciprocal application of the following criteria: compliance with and punctual application of the contractual clauses, correspondence of the object of the service to the contractual commitments, compliance with the delivery or execution deadlines on the one hand, and with the payment terms and conditions on the other hand, congruence of the economic considerations and their correspondence to the contractual commitments.

Allocations are normally made on the basis of competitive procedures based on the criteria and rules listed in this paragraph.

Exceptionally, direct assignment may take place in the following cases:

- through the criterion of *intuitus personae*, in cases where the service required is intimately linked to the professional and personal characteristics of the subject;
- in cases of particular urgency or even imminent danger, through the use of persons available within the necessary timeframe and of proven reliability;
- where the service required is high-tech or requires specialisation, which only well-known suppliers with proven experience and reliability in the field possess;
- in the case of particularly small amounts.

In the case of both competitive procedures and direct awarding, the relevant procedure and decision-making phase are traced and documented, and the relevant documentation properly filed.



The list of suppliers (which includes the various categories of collaborators, consultants, contractors) is formed, fed and maintained on the basis of research and verification based on the criteria listed above.

Under no circumstances are prejudices or favouritism of any kind allowed; orders and assignments may not be used as a means of exchange either for the benefit of the company or for personal purposes.

In particular, the conferring of tasks or the assignment of orders for the purpose of favouring the assignees or persons close to them, connected to them or liked by them, in order to obtain advantages in return or, in the case of public persons, acts connected with their office, are not permitted.

It is not permissible to give orders or appointments to make the recipient a vehicle for the transit of sums of money, goods, favours or other benefits to other persons, public or private, for the purpose of obtaining from them advantages or, in the case of public persons, acts connected with their office.

The object of the order or assignment must be inherent to the corporate purpose of the company.

The remuneration must be congruous with respect to the service requested; where possible, it must correspond to objective parameters such as product price lists or professional parameters or tariffs. In the absence of these references, parameters such as current market valuations, comparisons with previous or similar cases on the basis of company experience, and the like must be used.

All the requirements and prohibitions set forth in this paragraph must also be known and observed by the functions of JSW Steel Italy Piombino S.p.A responsible for purchasing, in accordance with the provisions of the framework agreement between the two companies and the organisational provisions concerning the relative allocation.

*Relations with the P.A., with authorities and bodies with inspection, supervision and control and sanctioning functions, with national and foreign institutions, both EU and non-EU, and with the judicial authorities*

These reports are kept exclusively by executives or employees of the company (or of JSW Steel Italy Piombino S.p.A in application of the framework agreement between the two companies) expressly appointed or by external parties (such as lawyers or accountants) expressly delegated to do so.

In these relationships, the persons acting on behalf of the company must only behave lawfully and in a spirit of cooperation, provide complete and truthful information and data, avoid concealing situations subject to audits or investigations, or artfully misleading the persons in charge of them, allow them access to the information and data in the company's possession to which they are entitled under the applicable laws.

They must also avoid making untruthful statements, as well as refrain from any conduct, manifestation or expression that may constitute bribery or attempted bribery, undue pressure or conditioning through promises, threats or violence, all aimed at obtaining acts contrary to official duties, whether in the interest or to the advantage of the company or for personal interests.



The rules (with particular reference to, but not limited to, the rules deriving from the European Union, the national rules on the treatment of employees, the rules on contributions and insurance, the rules on tax and fiscal matters and the rules on the fight against smuggling), decisions, rulings issued by public authorities are respected, observed and enforced in accordance with the law; against them, in cases where they are not considered fair or adequately motivated, recourse shall be had only to the legal means of appeal, avoiding any form of circumvention or non-compliance beyond what is legitimately permitted .

As provided for in the special section, it is prohibited to induce persons called upon to make statements before the judicial authorities in various capacities (witnesses, company representatives, persons informed on the facts) to make false or otherwise untrue or incomplete statements, or to conceal, conceal, conceal or distort facts and circumstances of which they are aware.

*Relations with political parties and movements, trade unions and associations*

It is not the company's policy, and therefore not permitted, to make contributions of any kind, directly or indirectly, overtly or covertly, to political parties and movements, organisations or committees with political aims (overtly or covertly, even when they take the form of organisations, foundations, cultural movements and the like), trade unions, or to their exponents, representatives or candidates or in any case to persons related to them or liked or suggested by them.

Conduct aimed at influencing or exerting undue pressure on individuals and political or trade union representatives, in the interest or to the advantage of the company or for personal interest, is not allowed.

The aforementioned prohibitions also extend to other associations representing the interests of their categories (e.g. trade associations - with the exception of the payment of fees due to the employers' associations to which they belong - environmental associations, consumer associations) towards which such contributions could take on the nature of support in favour of certain categories rather than others, or of undue pressure for the purpose of obtaining benevolent attitudes towards the company with respect to activities or situations concerning it.

Relations with trade union representatives and organisations are entrusted exclusively to the persons (of the company and of JSW Steel Italy Piombino S.p.A, in application of the aforementioned framework agreement) expressly delegated to do so within the company organisation; said relations are based on the principles of fairness and loyalty, within the scope of the provisions of law and collective bargaining.

Recipients are precluded from carrying out political activities in the company and from using for political purposes goods, tools, including IT tools, and documents made available by the company or of which they have access by reason of their activity.

Recipients who find themselves expressing political opinions outside of work must make it clear that they are expressed in a personal capacity and do not commit the company in any way.

*Relations with other companies in the group (partner, associated companies, pledge holders)*

These relations are conducted in accordance with the general principles set out in this Code of Ethics, and are marked by: loyalty, transparency in communications, truthfulness and completeness of information and

data, respect for roles, balancing of management autonomy and control powers, all in compliance with the rules dictated by the Civil Code and the special laws on the subject, as well as in application of the correct accounting principles.

#### *Media Relations*

The management of relations with the media is based on criteria of fairness and loyalty; impartiality towards the various media is ensured, avoiding forms of favouritism or discrimination.

The relations in question are maintained exclusively by the persons appointed for this purpose within the company and group organisation, and comply with the criteria dictated by the company and group policy on external relations.

No person other than those expressly delegated to do so is authorised to provide the media with news about the company.

Without prejudice to the truthfulness of the information provided, persons who have relations with media bodies must, while respecting the information needs of those bodies and public opinion, take into account the company's confidentiality requirements; they must therefore avoid providing information that could prejudice the company in any way.

The competent functions within the meaning of the division of activities established by the framework agreement between PIOMBINO LOGISTICS and JSW Steel Italy Piombino S.p.A are required to be familiar with and comply with the provisions of this paragraph.

#### *Behaviour of managers, heads of functions and persons in coordination roles*

The aforementioned parties are obliged to:

- promote, also through personal example, knowledge of and compliance with the Model and the Code of Ethics among its collaborators, making it clear that such compliance is an integral part of the work performance and, therefore, of the synallagmatic relationship between employer and workers;
- where possible and within the scope of their respective competences, use as a criterion for selecting employees and collaborators and for assigning tasks to them also their reliability with regard to compliance with the Code of Ethics, in terms of experience, references, etc;
- promptly and punctually report to their hierarchical superior or to the Supervisory Board violations of the Model and/or the Code of Ethics of which they have become aware, either directly or through employees or external collaborators;
- intervene promptly if they find conduct that does not comply with the Model and/or the Code of Ethics;
- protect the confidentiality of employees or collaborators who report violations of the Model and/or the Code of Ethics, avoiding acts and situations from which the risk of retaliation or in any case negative repercussions against them may arise.

*Whistleblowing protections - Art. 6 D. Legislative Decree 231/2001*

Without prejudice to the provisions of the last paragraph above, we set out below the rules of conduct with which all addressees of the Model must comply, depending on their role and their relationship with the company.

Any person who, by reason of his or her office, becomes aware of offences or breaches of the Model committed within the company's sphere of activity is requested to report them through the channels made available for this purpose by the company.

If the report is not made directly to the Supervisory Board, the recipient is nevertheless required to forward it to the Supervisory Board.

The whistleblower has the right, on the part of the recipient of the report and of anyone who becomes aware of it, to confidentiality as provided for by law and by the Model.

This right of the whistleblower is matched by an obligation on the part of the person receiving the report, as well as any other person who becomes aware of it, including the whistleblower's supervisors according to the hierarchical ladder provided for by the corporate organisation, to protect the whistleblower's confidentiality by making it effective.

The person receiving the report, as well as any other person who becomes aware of it, including the reporting person's managers according to the hierarchical scale provided for by the corporate organisation, are prohibited from taking or having taken any retaliatory, discriminatory or otherwise detrimental measures against the reporting person.

The whistleblower must take it upon himself to verify the validity of the facts and circumstances that are the subject of his report, which must always respect the principle of good faith.

Reports that are manifestly and/or knowingly unfounded, or made for the purpose of harming others, and/or for the purpose of taking advantage of the reporter, are strictly prohibited.

Failure to comply with the rules and prohibitions set out in this paragraph constitute breaches of the Model and/or the Code of Ethics, and shall be sanctioned in accordance with the provisions of the Disciplinary System of this Model, having regard also to the provisions of the Special Part thereof.

#### *Racism and xenophobia*

The conduct that the addressees of the Model adopt in the activities in any case related to their relationship with the company is marked by the utmost respect for the values of equality and parity among all human beings, as defined in the general principles in this Code of Ethics.

Acts, actions, behaviour of a discriminatory nature on grounds of sexual, ethnic, social, political or religious differences are prohibited.

Failure to comply with the aforementioned prohibitions constitutes a serious breach of the Code of Ethics and, consequently, of this Model, which contains it, and entails the application of the sanctions laid down in the Disciplinary System.

Recipients of the Model who become aware of conduct, within the company's sphere of competence, that is in conflict with the aforementioned principles, rules and prohibitions, must report them according to the channels made available by the company, in the knowledge that their confidentiality will be adequately protected, as will that due in the case of any other report of offence or breach of the Model, pursuant to the provisions of this Model on whistleblowing (see in particular the special section on whistleblowing, as well as the provisions of the Articles of Association and Discipline of the SB and the Code of Ethics in this regard). In particular, the relevant section of the Special Section, as well as the relevant provisions of the Statute and Discipline of the Supervisory Board and the Code of Ethics).

### **PART THREE - COMMUNICATION, TRAINING AND INFORMATION , VIOLATIONS AND SANCTIONS**

#### *Communication, training and information*

The company shall disseminate the Model and the Code of Ethics to all recipients, ensuring that they are aware of them.

These documents are therefore made available in hard copy and/or in electronic format, depending on logistical situations, so that they can be easily accessed by all recipients.

The addressees, for their part, certify by means of an appropriate declaration that they have read them, that they have a copy of them (in paper or electronic format), and undertake to comply with them.

The company shall, also upon the suggestion or opinion of the Supervisory Board, plan and implement the information and training actions deemed necessary to enable the addressees to effectively know and fully understand the Model and the Code of Ethics.

On the occasion of changes in the corporate bodies and the hiring of new staff, the company provides a copy of the Model and the Code of Ethics to new members and new employees, who on that occasion issue a declaration stating that they have read the documents in question, that they are available and that they are committed to complying with them.

A copy of the Model, including the Code of Ethics, is posted on the company's website. The shareholder, other group companies and the company's various interlocutors (*stakeholders*) (collaborators, suppliers, customers and third parties in general) are informed of this, and can therefore view and consult it.

Contracts and orders with collaborators, consultants and suppliers contain specific clauses committing them to comply with the Model and the Code of Ethics, and set out the contractual consequences in the event of non-compliance.

#### *Penalty system*

Conduct in breach of the provisions of the Model and the Code of Ethics constitutes, without prejudice to any further liability profiles, an offence under the Model's Disciplinary System and entails the imposition of the sanctions provided for therein.

As for employees, such violations constitute disciplinary offences under the relevant CCNL and Article 7 of Law No. 300/70.

As far as collaborators, consultants and suppliers are concerned, such violations constitute a breach of contract, given the aforementioned clauses included in the respective contracts committing them to comply with the Model, and may give rise to the sanctions provided for in the Model's Disciplinary System, as well as repercussions on the contractual level, up to and including termination of the contract, without prejudice to compensation for damages.

As repeatedly recalled, any failure to comply with the Model and the Code of Ethics by members of the corporate bodies also constitutes an offence under the Disciplinary System, and may lead to the application of the sanctions specifically provided for.

*Reports of breaches of the Code of Ethics*

Any addressee who becomes aware of breaches of the Code of Ethics is required to report them to his or her direct superior, or to the Director of Operations, or to the Supervisory Board.

In the event that the report is addressed or addressed to one of the first two subjects, they are in any case obliged to report it to the Supervisory Board, which, since the Code of Ethics, according to the philosophy followed by the company, is an integral part of the Model, has full jurisdiction over its violations.

The handling by the Supervisory Board of the reports received is carried out in the manner laid down in the Articles of Association and Rules of Procedure of the Supervisory Board.

The Supervisory Board, upon receipt of the report, initiates and carries out the appropriate investigations, guaranteeing, in application and within the limits of the law, due confidentiality with regard to both the person making the report, in order to prevent any retaliatory action against him/her, and the person against whom the report is made, in order to preserve his/her image should the report prove to be unfounded; the outcome of the investigation, and report its findings to the Board of Directors, accompanying them if necessary with a proposal to adopt the measures provided for in the Disciplinary System for any breaches that may have emerged.

In investigations conducted by the Supervisory Board, the persons questioned have a duty to ensure full cooperation, to provide complete and truthful information, and to make available any documentation deemed necessary by the Supervisory Board for the purposes of the investigation.

The company shall inform the addressees of the procedures for forwarding reports of violations of the Code of Ethics and the Model to the Supervisory Board.



**DISCIPLINARY SYSTEM**

## General part

This Disciplinary System sanctions violations of the provisions of the Organisational, Management and Control Model of PIOMBINO LOGISTICS S.p.A. -A Jsw Enterprise-, and of the Code of Ethics contained therein and which forms an integral part thereof and constitutes an essential element for the effective implementation of the Model itself, in compliance with the provisions of Article 7 of Legislative Decree 231/2001.

In particular, all conduct, whether intentional or negligent, carried out in conflict with the prescriptions and prohibitions contained in the Model and in the Code of Ethics, or in any case without complying with them, shall be sanctioned.

The Disciplinary System complements the legal provisions applicable, as the case may be, to the different types of relations between the recipients of the Model and the company: members of corporate bodies, managers and other employees, suppliers, collaborators, consultants.

As far as managers and other employees are concerned, it also goes hand in hand with the respective CCNLs, which, together with the law, remain the primary source regulating the employment relationship, also for aspects of a disciplinary and sanctioning nature.

In other words, with regard to employees, the Disciplinary System, far from constituting a substitute source for the applicable CCNLs, which remain fully effective with respect to employees belonging to the respective categories, represents a supplementary source, leaving the sanctions system provided for therein unchanged.

The applicable national collective agreements are, for executives, the National Collective Labour Agreement for executives of companies producing goods and services and, for other employees, the National Collective Labour Agreement for the metalworking sector for workers in the private metalworking and plant installation industry.

The application of the sanctions provided for by the Disciplinary System therefore entails compliance with the law (with particular reference to Law 300/1970) and the applicable collective agreement, also with regard to the dispute procedures. Similarly, the appeal against the sanctions imposed under the Disciplinary System shall take place in accordance with the procedures established by the aforementioned rules.

Given that PIOMBINO LOGISTICS arose from a demerger of AFERPI, and that its employees come from AFERPI and Lucchini, it is considered that the content of the disciplinary system must be substantially homogeneous with that of AFERPI, now JSW Steel Italy Piombino S.p.A, since the differences between the two companies in terms of corporate purpose and activities have an impact on the conduct and areas at risk of offences, but not on the type of sanctions.

Having said this, we move on to define the persons to whom the sanctions provided for in the Disciplinary System are applicable; in practice, they coincide with the recipients of the Model, in whatever position they operate and whatever their relationship with the Company.

These subjects are classified as follows:

- the members of the corporate bodies;
- persons in top positions;
- managers;
- other employees;
- target third parties: contractors, suppliers, collaborators, consultants, partners and, in some respects, customers.

The aforementioned persons are liable to incur the sanctions provided for in the Disciplinary System when they engage in conduct that conflicts with or violates the protocols, prescriptions and prohibitions of the Model and the Code of Ethics, which is an integral part of the Model.

The sanctions provided for in this Disciplinary System are proportionate to the infringement committed, and graduated according to the following criteria:

- gravity;
- recurrence and repetitiveness;
- recidivism;
- type of relationship between the subject and the company.

For the purposes of severity, the following aspects are verified:

- whether the infringement was committed through **negligence** or **wilfully**. We speak of guilt in the event that the non-compliance with the Model is due to negligence, carelessness, superficiality; naturally, serious guilt entails harsher sanctions than slight guilt. We speak of wilful misconduct, which entails the application of more severe sanctions, in the event that there has been intent to contravene the Model and its provisions;
- whether the infringement leads to the commission of one of the predicate offences under 231, or whether it is such that it is likely to facilitate or has actually facilitated the commission of a predicate offence;
- whether the infringement is likely to prevent or hinder, or has actually prevented or hindered, the detection or prevention of a predicate offence;

- whether the same conduct involved multiple infringements;
- whether more than one person participated in the commission of the infringement, without prejudice to the assessment of the responsibility of each of the offenders;
- whether there are any negative consequences for the company, and to what extent, due to or as a result of the infringement.

In general, non-compliance with the rules, protocols and procedures on health and safety in the workplace, environmental protection and the protection of personal dignity constitutes an aggravating circumstance, in that it infringes the general principle of safeguarding the person's psycho-physical integrity.

Serious infringements are also considered to be those in breach of Article 6(2a) et seq. on *whistleblowing* (protection of the confidentiality of whistleblowers and prohibition of retaliatory action against them).

In any case, all those expressly defined as such in the Model are considered serious infringements.

Aggravating circumstances also include recurrence and repetition, i.e. whether the infringement has been committed several times within the same organisational area, function or activity; the aggravating circumstance concerns both the persons who have committed the infringement and those who hold coordinating or supervisory roles in the area concerned.

Recidivism occurs when the same person is guilty of the same offence several times over time (specific recidivism) or of different offences. The respective seriousness (generally greater in the case of specific recidivism) is assessed on the basis of the individual episodes. With regard to employees, pursuant to Article 7, last paragraph, of Law No. 300/1970, there is a repeat offence when the breach is repeated within two years.

With regard to all other persons, those who have previously committed infringements of the Model, or who have been convicted with a final sentence, for predicate offences provided for in Legislative Decree No. 231/2001 are considered repeat offenders.

For the purposes of assessing the seriousness of the offence, account shall also be taken of the type of relationship between the company and the person who committed it, as well as the position held, with particular regard to whether the person concerned is a senior manager or a person subject to the direction of others, pursuant to Articles 5, 6 and 7 of the Decree.

The procedure for contesting the charges is initiated following a report of an infringement of the Model or the Code of Ethics contained therein received by the SB, or an infringement detected by the SB itself, or by the solicitation of the SB by the Board of Directors or the corporate structures in the face of situations of their direct knowledge.

In any case, recipients who become aware of a violation of the Model shall promptly inform the Supervisory Board, which in turn shall notify the company, just as promptly, either directly to the Board of Directors or through the competent structures, as the case may be.

It should be noted that the protections provided for in Article 5 of Legislative Decree No. 231/2001 apply to the reporting persons referred to in Article 6 of the decree; the non-application of such protections constitutes in turn a serious infringement, sanctioned pursuant to this Disciplinary System.

Similarly, it is an offence under the Disciplinary System to make, with intent or gross negligence, reports that turn out to be unfounded.

The Supervisory Board first of all verifies whether the episode or circumstance contained in the report actually constitutes a breach of the Model, and therefore falls within its competence: in the abstract, conduct may in fact be conceivable which, although relevant from a disciplinary point of view, does not fall within those in conflict with the Model protocols, with the procedures to which it refers, or with the provisions and prohibitions of the Code of Ethics.

Once it has ascertained that the violation falls within its sphere of competence, the SB carries out its own investigations according to the procedures set out in the section "Statute and Discipline of the SB". At the end of the investigation, the SB communicates its findings and its assessments in a report sent to the Board of Directors, formulating, if necessary, proposals, adequately motivated, regarding the adoption of a sanction under the Disciplinary System. The phases relating to the disciplinary procedure, from the notification of the infringement to the adoption, communication and application of the sanction are directly taken care of by the functions of the company, in concert with those of JSW Steel Italy Piombino S.p.A. in application of the framework agreement between the two companies, competent according to the person who committed the infringement (employee, third party, member of the corporate bodies), and in compliance with the system of powers and proxies.

From the fact that, as mentioned, the Disciplinary System constitutes a supplementary source with respect to legal provisions and collective agreements, the following consequences follow:

- in the event of an established offence, the sanctions provided for shall apply even if the perpetrator has not been subjected to criminal proceedings for the commission of a predicate offence, or has not been convicted for it, or even if the company has not been prosecuted following the commission of such an offence, circumstances which may constitute aggravating circumstances for the purposes of the severity of the sanction;
- in the event of the application of sanctions under the Disciplinary System, the rights and protections - also with reference to the means and methods of appeal - provided for by law, regulations, collective agreements, company agreements remain available to the sanctioned person;
- for any matters not covered by the Disciplinary System, the law, regulations, collective agreements, agreements and company rules apply.

Dissemination of the Disciplinary System

The Disciplinary System, being an integral part of the Model, has the same circulation as the latter.

The company shall ensure that it is known to all addressees.

Limited to the part concerning disciplinary sanctions against employees, it is also posted on the appropriate company notice boards.

The parts dealing with sanctions against third parties (contractors, suppliers, consultants), to the extent of their competence, are expressly referred to in the relevant orders or letters of assignment.

N.B.: in the light of the legislative changes recently introduced on the subject of *whistleblowing*, addressees who become aware of a violation of the Model shall promptly inform the Supervisory Board, which in turn shall notify the company, just as promptly, either directly to the Board of Directors or through the competent structures, as the case may be.

It should be noted that in favour of the reporting persons referred to in Article 5 of Legislative Decree No. 231/2001, the protections provided for in Article 6 of the decree apply; the non-application of such protections constitutes in turn a serious infringement sanctioned under this Disciplinary System.

Similarly, it is an offence under the Disciplinary System to make, with intent or gross negligence, reports that turn out to be unfounded.



## Special Part

### Members of corporate bodies

Violation of the Model, including the Code of Ethics, by directors and auditors of the company gives rise to the application of the following sanctions:

- written recall;
- written warning against further violations of the Model;
- curtailment of remuneration up to a maximum of 50% of the emoluments still to be received at the time of the dispute;
- revocation of the assignment.

The above sanctions shall be applied in a graduated manner according to the seriousness, recurrence and recidivism of the breach, in application of the criteria set out in the general part of the Disciplinary System.

They are adopted on the basis of the powers vested in them by law and by resolutions of the shareholders' and board meetings.

The procedure for contesting the charges and imposing and enforcing sanctions is as follows:

Once the Supervisory Board becomes aware of the breach on the basis of the checks carried out or reports received from corporate bodies, corporate structures or third parties, it shall promptly notify the Board of Directors, through the Chairman and/or the Managing Director, and the Chairman of the Board of Auditors.

The communication, accompanied by supporting documentation, shall contain a description of the violation, as well as the facts and circumstances in which it occurred, the identification of the alleged perpetrator, and an indication of the part of the Model that is the subject of the violation.

Upon the outcome of the investigation, it communicates its findings to the Board of Directors by means of an appropriate report containing, if the breach is confirmed, the possible proposal, adequately motivated, for the adoption of disciplinary sanctions, based on the seriousness of the breach according to the criteria set out in the general part of the Disciplinary System; this proposal, although binding, is taken into account by the body that will have to take the relevant decision.

The Board of Directors shall meet to deliberate on the matter in accordance with the procedures laid down by law, with an urgent procedure if the nature of the breach and/or the role played by the perpetrator so require, and in any case no later than thirty calendar days from receipt of the notice sent by the Supervisory Board pursuant to the preceding sentence, also placing on the agenda the summoning of the person or persons indicated by the Supervisory Board and the relevant reasons.

The summons is, at the same time as the Board of Directors' meeting, sent in writing to the persons subject to it; it contains the reasons for the summons and the contested charges, with an invitation to avail themselves of the right to present their version of the facts and any counter-arguments to the charges, either verbally or in writing.

The Supervisory Board may be invited to take part in the meeting by means of a written communication at the same time as the convocation containing the agenda.

During the meeting, the interested party/parties shall be heard and their statements shall be recorded, and any observations and counter-arguments formulated in writing shall be filed; if the elements available are deemed sufficient, the Board of Directors shall decide on the possible adoption of measures pursuant to this Disciplinary System, taking into account the opinion, albeit non-binding, expressed by the Supervisory Board.

Should it be deemed necessary, the Board of Directors shall order an additional investigation by acquiring further elements and/or conducting further investigations, in which case it shall keep the session underway open or adjourn to a new session to be held as soon as possible.

If the sanction consists in the reduction of the remuneration or the revocation of the mandate, the Board of Directors shall promptly convene the Shareholders' Meeting, which shall decide on the matter upon the proposal of the Board of Directors.

The sanction measure adopted is communicated in writing to the persons concerned by the Board of Directors, which also arranges for it to be enforced.

The Supervisory Board, present at the Board meeting or, if absent, informed by the Chairman thereof or by the CEO, verifies the application of the sanction adopted.

#### Persons in top positions

At present, on the basis of the current corporate and organisational structure, the Chairman and the delegated attorneys for the exercise of the functions covered by the same power of attorney (including the Director of Operations) are certainly to be considered persons in an apical position, according to the definition given in Article 5(1)(a) of Legislative Decree No. 231/2001.

The sanctions provided for members of corporate bodies apply to the office of Chairman (as well as to members of the Board of Statutory Auditors). Even if a person is, in addition to being a member of the management body, a manager of another company, it is considered that the capacity of member of the management body takes precedence over the contractual qualification.

If, on the other hand, disciplinary action is taken against persons who accumulate in themselves the status of "top management" and that of executive (even if of another company), but who do not hold positions in corporate bodies, the sanctions and procedures set out in the following paragraph shall apply.

## Managers

Given the peculiarity of the category, the provisions of the national collective labour agreement for executives of companies producing goods and services, to which reference is therefore expressly made, apply for the purposes of the procedure of contestation of charges and the adoption and application of sanctions.

In the event of an infringement detected directly by the Supervisory Board or of a report received by it, the body verifies its reliability and proceeds with the relevant investigations.

If the investigation reveals that the detection or report is well-founded, the Supervisory Board transmits a report to the Board of Directors containing the relevant findings, its assessment of the infringement, its extent and, where appropriate, a proposal for the adoption of disciplinary sanctions; the Board of Directors activates the competent corporate structures for this purpose through the Chairman.

The competent structures shall proceed, in accordance with the law and the contract, to any disciplinary sanctions to be imposed on the basis of what has been established in the previous phase, in compliance with the system of powers and delegations and the collective agreement.

## Non-managerial employees

This category includes all staff with a subordinate employment contract, whether fixed-term or open-ended, employed by PIOMBINO LOGISTICS and to whom the national collective labour contract - metalworking sector for workers employed in the private metalworking and plant installation industry applies.

Activation of the procedure takes place in the manner described in the previous section.

The procedure for notifying the charges, the nature of the sanctions and the process of infliction and application of the sanction are (in the context of the more general rules laid down in Article 7 of Law No. 300/1970) those laid down in the national collective labour agreement for the private metalworking and plant installation industry applied by PIOMBINO LOGISTICS, to which express reference is therefore also made for the purposes of the sanctions, which are as follows

- verbal warning;
- written warning;
- fine not exceeding three hours' hourly pay calculated on the minimum wage;
- suspension from work and pay for up to three days;
- dismissal for misconduct pursuant to Article 10, which is reproduced below.

However, the statutory provisions on individual dismissals are not affected. In this regard, the text of the relevant article of the CCNL is given below:

**Art. 10 - Dismissals for misconduct**

**A) Dismissal with notice**

An employee who commits breaches of discipline and diligence at work which, although more serious than those referred to in Article 9, are not so serious as to make the sanction in subparagraph B) applicable, shall be subject to that measure.

By way of illustration, these infringements include:

(a) insubordination to superiors;

(b) culpable damage to plant equipment or processing material;

(c) carrying out minor work on the holding on one's own account or on behalf of third parties without permission without

(d) brawling in the plant outside the processing departments;

use of company equipment; e) abandonment of the workplace by personnel specifically entrusted with supervisory, custodial, control tasks, outside the cases provided for in point e) of B) below;

(f) unjustified absences lasting more than four consecutive days or repeated absences three times in a year on the day following a holiday or holiday;

(g) sentence of imprisonment imposed on the employee by a final judgment, for an act committed not in connection with the performance of the employment relationship, which affects the moral character of the employee;

h) recidivism in any of the offences referred to in Article 9, when two suspension measures referred to in Article 9 have been imposed, without prejudice to the last paragraph of Article 8.

**B) Dismissal Without Notice**

This measure is imposed on an employee who causes serious moral or material harm to the company or who, in connection with the conduct of the employment relationship, performs actions that constitute an offence under the law.

By way of illustration, these infringements include:

(a) serious insubordination to superiors;

(b) theft in the company;

(c) theft of sketches or drawings of machines and tools or other objects, or company documents;

(d) deliberate damage to company equipment or work material;

(e) abandoning the workplace where the safety of persons or the safety of plant may be prejudiced or, in any case, performing actions involving the same prejudices;

f) smoking where this may cause harm to the safety of persons or the safety of installations;

(g) carrying out without permission work on the farm on one's own account or on behalf of third parties that is not of minor importance and/or with the use of material from the company;

(h) brawling within processing departments.

### Third parties

As a rule, and subject to the express exceptions indicated below, third parties (meaning, by way of example and not exhaustively consultants, suppliers, attorneys, proxies, agents, commercial *partners*, and in general all those persons authorised to act in the name and on behalf of PIOMBINO LOGISTICS) are required to comply with the Code of Ethics and the Model for the parts pertaining to them; therefore, they are subject to this Disciplinary System for any conduct in breach of or in contrast with the principles and rules of conduct contained herein.

### *Sanctions*

The sanctions provided for against third parties are as follows:

- written reprimand, to be communicated by letter;
- written reprimand with a warning not to commit further breaches of the Model or the Code of Ethics;
- reduction of the contractually agreed consideration for the service by the application of a penalty, to the extent expressly stated in the contract or the letter of assignment;
- termination of the contract.

These sanctions are set out in an appendix to the contract or to the letter of appointment (see annexes to the Model), in which the third party undertakes to comply with the Code of Ethics and the Model insofar as relevant; these documents are attached in copy to the contract or, in any case, notice is given of their availability on the company's website.

Without prejudice to the application of the aforementioned sanctions, the company's right to compensation for any damage suffered shall remain unaffected.

A separate discourse must be made for customers. In fact, the particular nature of the relationship does not allow, in most cases, for their application. However, in the event that a customer engages in conduct that constitutes a particularly serious predicate offence, the company may act accordingly, excluding it from contractual relations with that person for the future and retaliating against him if his conduct has caused damage to the company.

By way of example, consider the hypothesis in which a client company is normally used, without the knowledge of PIOMBINO LOGISTICS, to launder money of illicit origin: when such a circumstance emerges, the company will interrupt all relations with that client, reserving the right to retaliate in the event that the criminal conduct of that client involves it in criminal proceedings or causes it damage to its image and commercial reputation in the market sector in which it operates.

*Contestation of charges against third parties, and imposition and enforcement of sanctions*

The procedure starts as indicated in the general part of this Disciplinary System.

Upon receipt of the Supervisory Board's report, accompanied by the supporting documentation and containing the proposal of possible sanctions, the Board of Directors shall promptly forward it to the Chairman, for the adoption of the appropriate measures by the competent corporate structures.

The company shall therefore, through the competent structures and with due timeliness, compatibly with any further investigations that may be necessary, notify the third party in writing of the charges made, inviting him, if he deems it necessary, to provide any clarifications or counter-deductions.

The decision on the sanction to be adopted, taking into account the opinion expressed by the Supervisory Board, albeit non-binding, is taken on the basis of the system of powers and delegations in force.

Following the decision taken, the third party is notified of the measures taken and one of the above sanctions is applied.

In all cases, the company shall inform the Supervisory Board of any sanctions that may have been adopted against any of the recipients of the Disciplinary System.



**APPENDIX**

**Text Legislative Decree 231/2001 (updated 23 March 2022)**

**List of offences within the scope of Legislative Decree 231/2001 (updated 23 March 2022)**

**Declaration of responsibility and absence of conflicts of interest**

**Declaration and express termination clause in relations with third parties**

**Risk mapping - Notes (\*)**

**(\*) The contents of the previous update are reported as, even though the corporate framework has changed, the risk areas relating to individual activities can still be considered current, reserving the right to review them when fully operational.**