ORGANISATION, MANAGEMENT AND CONTROL MODEL

pursuant to Legislative Decree No. 231 of 8 June 2001

Update: November 2022

GSI Lucchini S.p.A
Subject to Management and Coordination of JSW Steel ltd C. S. €2,736,000.00 C. F. and VAT no. 01189370495 R.E.A. Livorno no. 10523
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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

Firmato digitalmente da:
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Data: 06/02/2023 14:07:54

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Summary

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

List of predicate offences for the purposes 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

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GENERAL PART

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Foreword

After several updates made by the Supervisory Board to the original 2013 Model, in 2020 it was deemed necessary to proceed with the drafting of a new Model, since both the governance and the organisational structure of the Company had profoundly changed, and furthermore, there had been many subsequent interventions of the legislator on Legislative Decree 231/2001.

A further update became necessary as a result of further legislative innovations introduced after the 2020 Model: in fact, Law 22/2022 introduced the following articles: 25 septiesdecies and 25-duodevicies, respectively entitled *Crimes against cultural heritage* and *Laundering of cultural goods and devastation and looting of cultural and landscape heritage.*

Regulatory framework and '231 regulatory system'

Legislative Decree No. 231 of 8 June 2001

Legislative Decree 231/2001, concerning 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 was issued in implementation of the delegation provided for in Law No. 300 of 29 September 2000 in order to bring Italian legislation on the liability of legal persons into line with various international conventions signed by the Italian State: 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 its Member States; the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in economic and international transactions.

Subsequently, with Law 146/2006, Italy ratified the United Nations Convention and Protocols against Transnational Organised Crime, adopted by the General Assembly on 15 November 2000 and 31 May 2001.

Since the first draft of the decree, there has been a considerable increase in the number of predicate offences over time, with numerous interventions by the legislature that have expanded the catalogue of offences whose commission in the interest or to the advantage of the company integrates the administrative offences provided for in the decree.

The innovation of Legislative Decree No. 231/2001 in the Italian legal system was of great importance: never before had a formally administrative liability, but substantially comparable to criminal liability, been envisaged for entities.

In fact, it is recalled that, according to Article 27 of the Constitution, criminal liability is personal, in line with the Latin proverb *'societas delinquere non potest'.*

Some authors, upon the decree's release, even went so far as to complain that it was unconstitutional, which is now to be ruled out given the considerable lapse of time since the decree was issued and the absence of any decisions attesting to its unconstitutionality.

For the purposes of the decree, 'bodies' are understood to be: bodies having legal personality, companies, associations, even if they do not have legal personality; on the other hand, the State, territorial public bodies, non-economic public bodies and those performing functions of constitutional importance are excluded.

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The liability of the entity arises in the event of the commission, in the interest or to the advantage of the entity itself, 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

The liability of the body exists in the event that the predicate offences provided for in the decree are committed, by the aforementioned persons, in the interest or to the advantage of the body. Where the interest or advantage does not exist, there is no administrative liability for the entity, but only the natural persons who committed the offence are liable. On the contrary, if the commission of the offence results in damage to the organisation, the latter shall be considered an injured party.

The fact remains that even when the prohibited conducts are not carried out in the interest or to the advantage of the company and therefore do not entail its administrative liability, they are nevertheless in conflict with the Code of Ethics and therefore subject to the sanctions provided for by the Disciplinary System.

Compared to the first draft of the decree, which - it should be recalled - was created essentially to counter corrupt phenomena, the catalogue of predicate offences is currently much broader, having expanded over time as a result of the numerous and repeated interventions of the legislator.

To date, the types of predicate offences under the decree are 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

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- 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 (recently introduced by Law No. 157 of 19 December 2019 and increased by Legislative Decree 75/2020)
- contraband 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 assets (introduced by Law 22/2022)
- non-compliance with disqualification sanctions ordered by the court pursuant to the decree.

For the purposes of ascertaining the liability of the entity, the same criminal court that is competent for proceedings relating to offences committed by the natural person is competent.

The full list of predicate offences can be found in the Appendix.

Sanctions

The sanctions provided for in the event of administrative liability of the entity are:

- Financial penalties:

  are determined by the judge on the basis of a rather complex system of quotas, ranging from a minimum of one hundred to a maximum of one thousand and amounting to between a minimum of €258.22 and a maximum of

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€1,549.37 each. The number of quotas is determined on the basis of the seriousness of the offence, the degree of liability of the entity, the conduct followed by the entity, after the commission of the offence, in order to eliminate or mitigate its consequences, and to prevent the commission of further offences, while the amount of the individual quotas depends on the entity's economic and asset conditions.

- Disqualification sanctions:

- these sanctions, which are stricter, limit partially or totally, temporarily or permanently the activity of the entity, in particular in relation to the specific activity within the scope of which the offence was committed.

Disqualification sanctions may be imposed only in the cases strictly provided for following the commission of the predicate offences expressly specified in the decree, if the entity has derived significant profits from the commission of predicate offences by persons in a senior position, or by persons subject to the direction of others, if serious organisational deficiencies have been found to have determined or facilitated the commission of the offence.
Disqualification sanctions are normally of a temporary nature, ranging from a minimum of three months to a maximum of two years.
Moreover, Article 16 provides for definitive disqualification sanctions in cases of particular gravity and recidivism. These sanctions were, at the time, considered by some authors to be unconstitutional, inasmuch as they conflicted with the constitutional principle according to which punishment must also have a re-educational character. In the absence, however, of Constitutional Court rulings upholding this view, they are fully effective:

- disqualification;

- suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;

- prohibition of contracting with the public administration, except to obtain the performance of a public service;

- exclusion from benefits, financing, contributions or subsidies and the possible revocation of those already granted;

- ban on advertising goods and services.

However, it should be noted that, instead of prohibitory sanctions, the judge may order the continuation of the entity's activity by a commissioner appointed by him. This provision is useful both in the event that the body's activity is of particular public or social utility.
Disqualification sanctions may also be imposed as a precautionary measure (i.e. at a stage prior to the definition of the trial), where there are serious indications of the Entity's liability for an administrative offence dependent on a crime, 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 conducted.

- 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).

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Organisation, Management and Control Model required by Legislative Decree 231/2001

In addition to specifying the cases in which the entity incurs administrative liability following the commission of one of the predicate offences by the persons indicated in Article 5, the decree also provides, however, in Articles 6 and 7, for forms of exemption from such liability.

In particular, Article 6(1) provides that the entity is exempted from administrative liability when the offence is committed by the persons referred to in Article 5(1)(a), i.e. by part of the so-called senior management, if proven:

- having adopted and effectively implemented, prior to the commission of the offence, organisational and management models capable of preventing offences of the kind committed;
- to have entrusted 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 updated;
- 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).

Article 6(2) sets out the requirements that the models must fulfil:

- identification of the activities within the scope of which the predicate offences may be committed, i.e. the activities with the highest risk of being 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 point b), i.e. the SB (supervisory body);
- Introduction of an appropriate disciplinary system to sanction non-compliance with the measures indicated in the model.

(*) Without prejudice to the fact that both analysis and experience have made it possible to identify the areas at greatest risk, the Model proposes to dictate protocols (rules, prescriptions and prohibitions) suitable for preventing the commission of all the predicate offences provided for by the decree, since in the abstract it cannot be excluded that even a predicate offence whose commission is considered unlikely in the corporate context (e.g. female genital mutilation or offences relating to racism and xenophobia) could be committed. For this purpose, the general principles and rules of conduct of the Code of Ethics, which is as binding as the other parts of the Model, also help.

It is recalled that the effectiveness of the Model can be further enhanced when it is drafted on the basis of guidelines drawn up by the associations representing the entities and communicated to the Ministry of Justice.

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If, on the other hand, as provided for in Article 7(1), the offence was 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 the obligations of management or supervision by the persons who should have exercised them, unless the entity has adopted and effectively implemented the above-mentioned model.

Therefore, the model must provide for appropriate measures to prevent, in the performance of the activity, the commission of the predicate offences provided for in the decree; however, this is not sufficient if the model is not effectively implemented (in other words, if its prescriptions remain on paper).

Indeed, for the model to be effectively implemented, it is necessary:

- periodic verification of the suitability of the model;
- the updating of the model itself when significant violations of the prescriptions emerge, or when significant changes occur in the organisation or activity, or when legislative interventions increase or modify the predicate offences;
- the adoption of an appropriate disciplinary system to sanction non-compliance with the protocols (prescriptions and prohibitions) laid down in the model.

It should be noted here that Article 6 was, quite recently, amended with respect to the original drafting with the introduction of the so-called *whistleblowing* institute, i.e. the system of protections in favour of those who report the commission of predicate offences and infringements of the Model.
These rules do not appear particularly homogeneous with respect to the rest of the article; however, they are of particular importance as they introduce into the Italian legal system a hitherto absent institution from the Anglo-Saxon world.
This is dealt with briefly in the General Section and analytically in the Special Section of the Model.

Guidelines drawn up by trade associations.
After Legislative Decree 231/2001 came into force, the main trade associations drew up 'codes of conduct' as provided for in Article 3(6).

These 'codes of conduct', which constitute genuine guidelines dictated by the various trade associations for the conduct of their members, were subsequently updated, in line with the periodic increase in predicate offences by the legislature.

In the case of GSI Lucchini, the Guidelines drafted, and subsequently updated, by Confindustria (which was also the first trade association to draft such a document) are of particular interest.

The first guidelines were in fact issued in March 2002, and subsequently updated several times in accordance with 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

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This institution, provided for in Article 6, paragraph 2-bis of the Decree, was introduced by Law No. 179 of 30 November 2017, published in the Official Gazette on 14 December 2017 and in force since 29 December 2017.
This institution derives from Anglo-Saxon law and concerns the reporting of relevant offences under Legislative Decree 231/2001 or breaches of the model.
It is designed to ensure the protection of the persons envisaged in Article 5 of the decree **(*)**, who report offences (or violations of the organisation and management model of the entity) of which they have become aware by reason of their duties.
The aforementioned provision is not limited to the provision of protections for whistleblowers, referred to below, but also makes changes to the part of Article 6 of the decree that dictates the suitability requirements of organisational, management and control models pursuant to 231.
Therefore, the models, in addition to possessing the features already provided for and illustrated above, must also 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, must be provided: the alternative channel, therefore, must be computerised or traditional, as an alternative to the characteristics of the other channels.
Both the protections provided for in Article 6, and taken over by the Model, and the channels made available for reporting purposes must be made known to potential whistleblowers.
Reports of unlawful conduct relevant for the purposes of the decree and/or breaches of the Model must be based on precise and concordant factual elements.
In addition to the protection of the confidentiality of whistleblowers, other forms of protection are provided for in their favour: in fact, retaliatory or discriminatory acts, whether direct or indirect, are prohibited against the whistleblower for reasons directly or indirectly linked to the report.
Organisational models must also provide for disciplinary sanctions against those who violate the measures put in place to protect whistleblowers.
Therefore, GSI Lucchini's Model provides, in the special part, protocols in line with the prescriptions and prohibitions laid down in Article 6 of the decree and, in the Code of Ethics, principles and rules of conduct consistent with these dictates.
Violations of the protections provided for in favour of the whistleblower, both those concerning confidentiality and the prohibition of retaliatory acts, therefore constitute a serious breach of the Model, and are sanctioned in accordance with the Disciplinary System.

(*) a) persons who hold 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 who exercise, 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).

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Company structure, corporate purpose, structure, system of powers and proxies

GSI Lucchini S.p.A. is now part of the group headed by JWS Steel Italy S.r.l., which constitutes its majority shareholder, in turn a wholly owned subsidiary of JSW Steel Ltd. after a series of changes in the corporate structure.

Management, coordination and control activities are therefore to be referred to JWS Steel Italy S.r.l.

Governance is traditional in character.

GSI Lucchini carries out its activities within the areas owned or under the availability of JWS Steel Italy Piombino S.p.A. The registered office is in Piombino.

GSI Lucchini has a predominantly international customer base, in respect of which it acts as an autonomous entrepreneurial entity operating in the market.

In line with the group's philosophy, its activities are inspired by the utmost ethicality both in its promotional and commercial activities, and in its production activities, with particular reference to safety in the workplace and environmental protection, in respect of which it also makes use of the systematic collaboration of external specialists.

The corporate purpose is, in brief, as follows:
manufacture of objects in iron, copper and other metals

Despite the limited size of the company and its workforce, the company organisation is structured in such a way as to allow compliance with the principle of 'segregation' between operational activities and control activities.

The same applies to the system of delegation, whereby powers and responsibilities are well defined, both within the company and in relations with the parent company.

Procedures and protocols
Due to its small size, the company operates under quality assurance and holds certifications that constitute a highly procedural system.
The aptitude for quality assurance has fostered an environment receptive to the establishment and maintenance of a collective mentality oriented towards compliance with the Model, verified over time.

The protocols contained in the Model are inspired by the following fundamental criteria:

- separation ('segregation') of duties, and in particular between operational and control activities, creating a 'virtuous conflict' between functions;
- documentation, verifiability and traceability of activities;
- proper documentation, properly kept, of the checks carried out.

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The organisation, management and control model pursuant to Legislative Decree 231/2001 adopted in GSI Lucchini S.p.A.

Drafting the model

The company, after a first edition of the Model approved in 2013 and subsequent updates made by the Supervisory Board, deemed it appropriate to proceed with the drafting of a new organic Model.

Therefore, starting from the first edition, and on the basis of the periodic updates carried out, a new Organisation, Management and Control Model was drafted, which takes into account the current text of Legislative Decree 231/2001 deriving from the numerous interventions of the legislator and the relative catalogue of predicate offences, which have consequently increased significantly over time, the corporate and organisational changes that have taken place, the consistency of the system of powers and proxies with the corporate and organisational structure, and the experience deriving from the constant monitoring carried out by the Supervisory Board.

With reference to the relations between the company and JWS Steel Italy Piombino S.p.A., the points of interrelation between the two companies were taken into account.

In this way, those activities that had already been identified as theoretically most at risk of commission of the offences provided for in the decree ('sensitive' activities) were verified.

Consequently, the system of controls for preventing the commission of the predicate offences provided for in the decree was audited.

Finally, the conduct to be implemented at the various levels was rewritten, and a new disciplinary system was drafted to penalise violations.

With reference to conduct, in addition to the protocols aimed at the prevention of predicate offences, the Code of Ethics was rewritten, containing both the ethical principles that must inform the company's policy and activities, and the rules of conduct to be implemented in practice, consistent with the aforementioned principles.

In this sense, therefore, the Code of Ethics has a broader scope than the protocols contained in the Model, since the latter are aimed at preventing predicate offences, whereas the rules of the Code of Ethics are intended to guide conduct so as to avoid conduct that is in conflict with the ethical principles that inspire the company, even if they do not constitute one of the predicate offences.

The Components of the Model

The GSI Lucchini Model is composed as follows:

- General Part, in which the structure, spirit and purpose of Legislative Decree No. 231/2001 are briefly outlined, the predicate offences and the penalties to which the administrative offences resulting from their commission give rise are briefly listed, the corporate purpose of the company and its corporate and organisational structure are briefly described, and a summary of the structure and contents of the Model is provided.

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- Special Part, which contains the protocols and controls to protect against administrative offences and predicate offences under Legislative Decree 231/2001
- Code of Ethics, which, as mentioned above, sets out the ethical principles that inspire the company in its activities, as well as the consequent rules of conduct.
- Statute and Discipline of the Supervisory Board, containing the prerogatives and tasks of the Supervisory Board.
- Disciplinary System, in which the sanctions for violation of the Model by the individual categories of addressees of the Model are set out.

The Model describes the methods of communication, dissemination and information on the Model itself and its contents. Attached to the Model are the declarations of responsibility to be issued by the recipients of the Model who hold positions of responsibility in the management and control of the company, as well as clauses to be included in contracts with third parties, in order to commit them to comply with the Model and the Code of Ethics and to represent the consequences in the event of this commitment being disregarded.

The Appendix contains the full text of the decree and the catalogue of predicate offences whose commission gives rise to administrative offences against the Company.

In the General Section, the various components of the Model are summarised below.

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The Supervisory Board of GSI Lucchini S.p.A.

The part of the Model entitled 'Statute and Rules of the Supervisory Board' (SB) governs:

- the composition of the Supervisory Board;
- the duration in office;
- attributions, prerogatives and tasks;
- the method of appointment, grounds for ineligibility, grounds for revocation, if any, and the modalities thereof;
- information flows to the Supervisory Board.

General notes

Composition, characteristics of members and permanence in office

On a personal and moral level, the Supervisory Board must meet the requirements of autonomy and independence, professionalism, honourableness and absence of conflict of interest; on a professional level, it must possess specific skills and experience appropriate to the role.

The body may be collegial or monocratic; in the case of GSIL, the latter solution was chosen.

As a general rule, the members of the Supervisory Board (both in collegiate and monocratic composition) may be either external or internal to the Company; in the latter case, 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.

Budget of the Supervisory Board

The company's annual budget provides for the allocation of a sum at the disposal of the Supervisory Board in order to ensure the effective exercise of its prerogatives, always applying the criteria of autonomy and independence.

The reasons why the Supervisory Board may make use of its annual budget may consist, for example, in the use of third parties to carry out its own audits (see *below*), for possible self-updating and self-training initiatives (such as courses, conferences, etc.).

Tasks and Attributions

First of all, it must be made clear that in the case of the SB, it is improper to speak of 'powers', whereas it is correct to speak of tasks, attributions and prerogatives.

Pursuant to Article 6(1) of the decree, the Supervisory Board has the task of supervising the operation of and compliance with the Model, as well as checking that it is kept up-to-date.

Updating the Model is necessary first and foremost when the legislator intervenes in the decree; it is also necessary to update the Model when there are significant changes in the corporate purpose, corporate structure or organisational structure.

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In the case of GSI Lucchini, it is the Supervisory Board itself that provides for the drafting of updates, on the basis of information received from the Company's structures, within the framework of the established information flows, which will be discussed below.
Again with reference to GSI Lucchini's Model, the Code of Ethics is an integral part of the Model.
This has a number of important consequences:

- First of all, the Supervisory Board is responsible not only for verifying the application of and compliance with the other parts of the Model, but also for the Code of Ethics;

- Moreover, non-compliance with the principles and rules contained in the Code of Ethics constitutes a breach of the Model, and is therefore liable to sanctions under the Disciplinary System.

The Supervisory Board performs its duties through the following modes of action:

- verifies the suitability of the Model to prevent conduct contrary to Legislative Decree 231;

- verifies the effective application of the Model, through constant monitoring of the company's activities as well as by periodically carrying out checks on sensitive areas, either because they are considered to be at greater risk of the commission of predicate offences, or because they are affected by interventions by the legislator, or because they are affected by organisational changes involving changes, for example, in the allocation of responsibilities.

  These audits may be carried out directly or in cooperation with company structures; in certain cases requiring particular confidentiality or specialised expertise, it may also make use of external parties, drawing on the budget made available to it for the economic aspects;
- verifies the updating of the Model with respect to the following aspects:

  - legislative interventions that amend the decree or broaden its scope, for instance by introducing new predicate offences;

  - changes in legal interpretations requiring the modification of certain protocols provided for in the Model;

  - significant changes in the corporate structure or organisational structure;

  - Infringements of the Model, checking whether they entail the need to adapt certain protocols and controls to safeguards, if it does not appear sufficient to intervene on the conduct of the addressees.

- analyses the validity of the reports received on alleged violations of the Model, or of violations of which it has become directly aware, informing the company; if the reports prove to be well-founded, the Supervisory Board proposes, where appropriate, the adoption of disciplinary sanctions against the person(s) who has/have committed the violation and analyses the cause thereof.

  Reports must be made in writing, or by e-mail, or in any case through one of the channels specifically set up by the company (see in this respect the provisions of both the General Section and the Special Section following the new wording of Article 6 of the decree on *whistleblowing.*

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Anonymous reports are not normally taken into account unless they are of such seriousness, depending on the facts reported or the persons concerned, that they cannot be ignored, or if, for instance, the fact that the reporter wishes to remain anonymous is justifiable on account of his or her particular situation.
In any case, in the examination and processing of reports, the SB ensures 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 also protected pursuant to the aforementioned new wording of Article 6 of the decree on *whistleblowing*), while also ensuring that they cannot be subjected to retaliatory or discriminatory actions, or in any case to actions that harm their protected interests as a result of the fact of the SB's investigation.

- It reports periodically (normally annually, except for situations requiring timely information) to the Board of Directors and the Board of Auditors on its activities;

- It verifies that the addressees are provided with adequate information on the Model, and suggests, where necessary, the adoption of training actions on the same, to be carried out through the competent corporate structures or even directly.

The Rules of the Supervisory Board

The Supervisory Board shall independently draw up its own Rules and Regulations in which it defines the modalities for the functioning and exercise of the body's activities, in line with the powers and tasks provided for by the decree and the Model.

The Regulation regulates, in summary, the following aspects:

- the way in which minutes are taken, minutes are kept and records are maintained;

- modes of operation;

- ways of carrying out verifications;

- ways of dealing with reports received;

- ways of acquiring information and documentation.

The Rules drawn up by the Supervisory Board are made known to the company and its structures.

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The Code of Ethics

As mentioned above, GSI Lucchini's Code of Ethics constitutes an integral part of the Model, so it has the same binding effect as the other parts of the Model.
It contains the ethical principles that must inform the company's policy, the conduct of directors, managers, other employees, collaborators and suppliers; from these principles derive the rules of conduct to be adopted by said subjects in the performance of individual acts and activities carried out on behalf of the company or in any case within the scope of their relationship with it.

The Code of Ethics is divided into three parts:

- the first part sets out the general ethical principles guiding the company's policy;
- the second part contains the rules of conduct to be adopted, consistent with the above principles, by persons acting in the name of and on behalf of the company, or in any case having contractual relations with it, in the performance of the same;
- the third part contains the methods of information on the contents of the Code of Ethics, details on the management of reports of violations of the Code and the application of the relevant sanctions under the Disciplinary System.

The section of the Special Section devoted to the Code of Ethics contains the above-mentioned contents in detail, a brief description of which is provided below.

<u>Part One - General Principles</u>
As mentioned, it sets out the general principles that must inspire the company's policy, and to which it must therefore adhere in the adoption of its acts, in its internal management, for example in its relations with employees, and in its relations with the outside world (public administration, associations, trade unions and political parties, national and international operators), as well as with the shareholder and with companies belonging to the group.

The general principles that inform the company's activities are as follows:

- equality and equality between human beings
- legality
- confidentiality and data protection
- occupational health and safety protection
- dignity, integrity, respect and enhancement of the person
- fairness, diligence, spirit of service
- impartiality

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- honesty, integrity and loyalty
- quality
- environmental protection
- preservation, protection and respect for cultural and landscape heritage
- responsibility towards the community.

Part Two - Rules of Conduct

These ethical principles must be translated, in practice, into the company activities of the addressees of the Model, through the adoption of conduct in line with them.

The most significant rules of conduct are summarised below, and are indicated analytically in the section of the Special Section dedicated to the Code of Ethics.

Corporate bodies (directors and auditors) and managers

The actions and deeds of these persons must be free from internal or external influences that lead to unlawful conduct, and must be characterised by loyalty and fairness; these persons are required to maintain due confidentiality on the data and information they become aware of in the performance of their duties; they must also refrain from performing acts, or intervening in the process of forming and deciding acts, in which they may have a conflict of interest, even potential.

Given the company's corporate purpose, they are required, in accordance with their role, to take the utmost care in adopting the prevention, health and safety measures in the workplace and in the company's areas of relevance required by law, as well as in monitoring their observance.

They must also, according to their role, pay due attention to environmental protection.

Particular attention must be paid to the provisions of Article 6 of the decree on *whistleblowing*, ensuring that the reporting channels envisaged by the rule are activated, that the confidentiality of those who report offences or breaches of the Model is effectively protected, and that no retaliatory or discriminatory acts are performed against them**.**

Other employees (managers, clerks, workers)

All employees are obliged to comply with the law, contractual provisions and rules of conduct laid down by the company, with particular reference, given the company's corporate purpose, to occupational safety regulations, the use of personal protective equipment and environmental protection provisions.

They too are required to maintain the confidentiality of the data and information concerning the company in their possession in connection with their activity; they are also required, again on the basis of the aforementioned Article 6 of the decree, to maintain confidentiality towards persons who report offences or breaches of the Model if they become aware of them; those in coordination roles must also refrain from directly or indirectly favouring or advocating retaliatory or discriminatory acts against reporting persons**.**

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Relations with the Public Administration

In addition to refraining from engaging in conduct liable to constitute the offences against the public administration provided for in the decree, the Code of Ethics imposes particular prescriptions and prohibitions, such as, for example, that of giving public officials gifts or donations in cash or in the form of other benefits, all the more so if they are aimed at procuring advantages for the Company.

It should be noted that, given the company's customer base, these requirements concern public officials from foreign countries, both EU and non-EU.

Conflicts of interest

All addressees, whether members of corporate bodies, managers or other employees, must avoid situations of conflict of interest with the company.

Should this occur, they must promptly inform their superiors or corporate bodies, depending on their position in the company, and in any case refrain from carrying out acts in which they have a conflict of interest.

Relations with partners

Such relations must be inspired by fairness and loyalty.

Consequently, all documents and reports relating to the management of the company and its economic-financial performance must be drawn up and prepared with the utmost fairness, truthfulness and transparency.

Commercial activity

Marketing and commercial activities aimed at obtaining orders must be inspired by loyalty and fairness towards customers or potential customers, avoiding actions of unfair competition or denigration of competitors.

The same applies to the drafting of contract documents and the execution of contracts.

Relations with suppliers and collaborators

In relations with suppliers, with regard both to their selection and to the awarding of contracts, supplies or consultancy services, only objective criteria of an economic, qualitative and moral nature must be used, avoiding favouritism on the one hand and discrimination on the other.

Suppliers and collaborators, for their part, in addition to being bound to the utmost fairness in the execution of contracts, must undertake to observe the Company's Code of Ethics, as well as, in particular, the regulations in force concerning safety in the workplace, environmental protection, tenders and the employment of personnel in terms of tax and social security compliance, and in relation to the regulations in force concerning the employment of personnel from third countries and the fight against 'caporalato' (illegal labour).

Control system

All those who work for the company and/or within it (directors, managers, other employees), must carry out the controls within their competence, reporting to those in charge (hierarchical superiors, safety officers, Supervisory Board) any dysfunctions in the control system due to organisational deficiencies or inappropriate behaviour.

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Confidentiality

As mentioned above in relation to the various categories of addressees, all those who work in the name of and on behalf of the company or who are in any case bound by contractual relations with it, have an obligation of confidentiality in relation to the information they have come to know in the course of their activities, as well as with regard to those who report offences or infringements of the Model.

Company assets

All those who work in the name and on behalf of the company or are otherwise bound by contractual relations with it are required to use due diligence in relation to the assets entrusted to them, or in any case not to cause damage to them, in order to safeguard and protect the company's assets.

Third party recipients

In general, all third parties who have contractual relations with the company are required to observe the principles and rules of the Code of Ethics.

To this end, the company shall bring the Code of Ethics to the attention of all parties with whom it has contractual relations (including customers or potential customers).

Suppliers and collaborators, when signing contracts with the company, must formally undertake to abide by the Code of Ethics, also signing specific clauses, including an express termination clause of the contractual relationship, if this commitment is not fulfilled.

Suppliers and collaborators who refuse to enter into such commitments and clauses may not enter into contractual relations with the company.

In view of the different contractual power relations, an invitation to comply with the Code of Ethics should in any case be made to customers, it being understood that, in the event of a serious breach thereof, the company will assess whether or not to continue the relationship.

Relations with the Supervisory Board

All the addressees of the Code of Ethics must cooperate with the Supervisory Board; the company structures are required to provide the Supervisory Board with the information and documentation it may request, both systematically and for individual situations, and to promptly notify it, if they become aware of breaches of the Model or malfunctions in its application.

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

The third part contains the procedures for informing the addressees about the content of the Code of Ethics, requesting a commitment to its observance, reporting its violation and applying the sanctions provided for in the Disciplinary System.

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The disciplinary system

Article 6(2)(e) of the decree expressly provides that, in order for the entity to be exempt from administrative liability in the event of the commission of offences committed by the persons referred to in the decree, in addition to the adoption of the model and the establishment of the supervisory body, 'a disciplinary system capable of sanctioning non-compliance with the measures indicated in the model' must be introduced**.**

Non- compliance that translates into:

- violations of protocols (requirements and prohibitions);
- non-compliance with the procedures since, although not an integral part of the Model, they are referred to therein;
- non-compliance with the Code of Ethics

It should be pointed out that not only conduct that constitutes predicate offences is sanctioned, but also conduct that, while not constituting predicate offences, may integrate the extremes of other offences or may not even be criminally punishable, but is in conflict with the protocols of the Model and the Code of Ethics.

The persons liable to be sanctioned under the Disciplinary System are the same as the recipients of the Model or the Code of Ethics, i.e. directors, managers, other employees, collaborators in various capacities, suppliers, business partners, third-party recipients.

Obviously, the company's disciplinary power cannot extend to customers; however, in the event of a breach of the Code of Ethics or even the commission by them of predicate offences, the company will have to carefully assess the advisability of continuing the relationship, both from a purely ethical point of view and, above all, in order to avoid any involvement of a jurisdictional nature.

The disciplinary system provides for sanctions for each category of recipients, depending on their role and responsibilities. The penalties shall be proportionate to the seriousness of the infringement; their extent shall also take into account the circumstances in which the infringement occurred, the possible recidivism, the possible concurrence of several persons or the commission of several infringements by the same person.

It is understood that sanctions imposed under the Disciplinary System may always be challenged by the means provided for, depending on the person on whom they were imposed, by the law or applicable collective agreements.

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Communication, information and training on the Model and its updates

Once the Model, or its updates, have been approved, the company must ensure that it is brought to the attention of all addressees, including third party recipients such as suppliers and collaborators; this, depending on logistical conditions, can be done either by sending it in electronic format, or by delivering a hard copy when electronic format is not possible, or by making a copy available in accessible and precisely indicated locations.

When deemed necessary by the company and/or the Supervisory Board, targeted information or training actions are carried out, both in general on the subject of '231', and on the Model, its particular aspects or any updates.

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

SPECIAL PART

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Foreword

Given that the company already had a Model, which was systematically updated over the years following both the various changes in the corporate structure and legislative innovations, the risk areas are clearly identified.

Notwithstanding the fact that the Model is designed to prevent the commission of all the offences set out in the Decree, particular emphasis has been placed on the areas that present, in abstract terms, a greater risk of commission.

In the present case, given the company's manufacturing activity, which is carried out in an environment that requires precise safety measures, particularly in relation to safety and noise pollution, particular attention is paid to aspects relating to safety in the workplace and the environment in which the company operates.

In addition, given the fact that the clientele is predominantly private and largely foreign, aspects relating to bribery between private individuals and transnational offences must be particularly monitored.

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.

In this regard, the interdependencies between GSI Lucchini and Jsw Steel Italy Piombino S.p.A. must also be taken into account.

General criteria on which the protocols are based

'Segregation' (separation) of functions and activities

In spite of the company's small size, it is advisable for operational activities to be as distinct as possible from control activities**.**

In administrative and financial activities, the following requirements must be observed:

- <u>as to receipts</u>

- must always correspond to active invoicing, or in any case to the issuance of documents justifying collection (e.g. financing or other); documents relating to 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 limits of the law;

- <u>as to payments</u>:

- must always take place on the basis of and in accordance with the contractual commitments entered into and duly formalised;

- the amounts of payments must correspond to the relevant expenditure commitments, without prejudice to any subsequent variations, provided they are duly authorised under the system of powers and delegations;

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- Before payments are made, the actual acquisition by the company of the goods/services purchased, and their conformity in quantity and quality to the order, must be verified;

- Payments shall be made in the manner and by the means of payment prescribed by law; in any case, they 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 veracity 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 internal delegations and external powers:
The company must have a formalised system of powers and delegations known to all operators.
Its observance is mandatory, so all internal and external acts must be consistent with it. Subsequent ratification is exceptionally only possible in cases of urgency and/or seriousness, e.g. in the case of imminent expiry of deadlines whose expiry could be detrimental to the company, imminent danger to the safety and security of workers or third parties, or imminent environmental protection reasons.

Traceability of processes and acts
All processes aimed at taking decisions, issuing and executing relevant acts must be traceable and accompanied by the relevant reasons, whether they concern, for instance, decisions involving expenditure commitments or otherwise economic burdens for the company, changes in the position of employees or collaborators, significant effects on the environment or safety, or in the case of applications or requests to the public administration.
In addition, formal acts must always be accompanied by the relevant supporting documentation.
In this respect, two significant examples are given, relating to sensitive activities:

- Invoices shall be checked and cleared after verification of the contractual documents that gave rise to the commitment of expenditure, and of the consistency, in quantitative, qualitative and economic terms, between the services or products ordered and those received;

- payment or collection processes take place after verification of the contractual documents on which they are based and of the correspondence of the service/product received or rendered;

- all the above-mentioned documentation must be properly filed and retained for traceability purposes.

Again by way of example, the procedures for which the requirement of traceability is essential are listed below:

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- relations - contractual, institutional or even informal - with persons belonging to the public administration, national or foreign;
- requests for tenders, receipt of offers, formulation of commercial offers;
- participation in competitions;
- acquisition of orders;
- purchasing, procurement and contracting;
- personnel selection and recruitment;
- preparation of accounting, economic and financial statements and documents;
- active and passive invoicing;
- payments;
- takings;
- personnel management activities involving changes in the position of employees;
- 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

All activities that constitute decision-making processes and/or economically commit the company must be reported to higher levels, and contain both the description of the steps of the activity as well as the relevant decisions.

By way of example, the following activities constitute reporting:

- relations with the public administration (in a broad sense, also including the ordinary, accounting and administrative courts and the European institutions)
- relations with suppliers, procurement, appointments, consultancies
- customer and business relations
- personnel management activities when they involve recruitment or changes in the individual position of workers or changes in collective treatment
- activities that may have an impact on workplace safety

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- activities that may have an impact on the environment
- activities in application of data protection legislation
- any disputes
- relations with bodies with powers of inspection
- handling of reports of breaches of the Model.

Predicate offences, at-risk activities, protocols and controls to protect against them

Set out below are the predicate offences that in abstract terms may be considered at greater risk of being committed in the company, and the conducts likely to constitute them. The respective sections of the special section illustrate the protocols considered suitable for their prevention.

Crimes against the Public Administration: general notions.
It should be recalled that Legislative Decree 231/2001 was originally created essentially to prevent such offences.
It is true that the market in which the company operates is mainly made up of private entities; it is also true, however, that these offences are also relevant for GSI Lucchini, which in any case has relations with the PA for everything concerning licences, possible financing, and inspections by inspection bodies, given the type of production in particular.
As a preliminary step, it is appropriate to clarify the concept of Public Administration for 231 purposes.
The P.A. is by far predominantly made up of public entities (such as the state administration and local authorities: regions, provinces, municipalities, the judiciary and, particularly following Legislative Decree 75/2020, also the European institutions); it can also be made up of private entities governed by public law (e.g. mixed companies, companies acting as contracting stations for public activities or works), and in general of all entities that perform public functions either directly on the basis of their institutional nature or as substitutes for the public administration, when they are their own, mixed companies, companies that act as contracting stations for public activities or works), and in general by all entities that perform public functions either directly on the basis of their institutional nature, or as a substitute for the public administration, when they are entrusted with functions typical of the latter or recognised by law as such (e.g, 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 respect, the figure of 'public official' and 'person in charge of a public service' are of particular interest.
A 'public official' is, pursuant to Article 357 of the Criminal Code, '*anyone who performs a legislative, judicial or administrative public function*'; the 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*'.
The term 'person in charge of a public service' is understood, in the mind of Article 358 of the Criminal Code, to mean 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 tasks of order and the performance of merely material work'.*

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Thus, the two figures are distinguished in that the public official exercises a real power, whereas the person in charge of a public service performs a public activity, but does not exercise a power.
It should be borne in mind that the two aforementioned figures are qualified as such not only, and not always, insofar as they belong to or depend on a public body, but with reference to the nature of the activity concretely performed. Therefore, a person who, although not belonging to the Public Administration, performs on certain occasions the activities referred to in Articles 357 and 358 of the above-mentioned Criminal Code may also be qualified as a public official or person in charge of a public service.
By way of example, the following are considered public officials:

- persons performing a public legislative or administrative function (members of parliament, members of government, regional, provincial and municipal councillors, members of the European Parliament and members of the Council of Europe, persons performing ancillary functions);

- persons performing a public judicial function: magistrates of any body, justices of the peace, members of parliamentary commissions of enquiry, persons performing related functions (officers and agents of the judicial police, financial police and carabinieri, chancellors, secretaries, court custodians, bailiffs, witnesses, conciliation messengers, bankruptcy receivers, operators in charge of issuing certificates at court registry offices, experts and consultants of the Public Prosecutor, bankruptcy liquidators, extraordinary commissioners of large enterprises in crisis, etc.);

- persons performing a public administrative function: employees of the State, of international and foreign bodies, of territorial bodies (State, European Union, supranational bodies, foreign States, Regions, Provinces, Municipalities, Mountain Communities); persons who perform ancillary functions with respect to the institutional purposes of the State (members of the municipal technical office, members of the building commission, head of the amnesty office, municipal messengers, public land occupation clerks, employment office clerks, employees of State Companies and Municipal Companies;); private individuals exercising public functions or public services (notaries, private entities operating under a concessionary regime, or governed by public law, or carrying out activities in the public interest, or wholly or partly controlled by the State, etc.).

Lastly, it should be noted that, pursuant to 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.

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 case, of which there are abundant examples in the 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 persons in charge of a public

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service. 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 of commission of predicate offences against the PA are:

- dealings with public bodies (national, EU or non-EU) to obtain public funding and subsidies: these are activities concerning the application for and obtaining funding and subsidies from the competent authorities for the purposes of various corporate initiatives (e.g. training initiatives);

- 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.

- managing relations with public officials in the event of inspections, findings or warnings in social security, tax, environmental, safety and security matters,

- Preparation and forwarding of data and information to PA bodies and offices, altered in order to obtain advantages for the company, including tax declarations and documents (financial offences);

- 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);

- personnel management, with reference, for example, to recruitment, salary improvements or career advancement in order to please public officials

- gifts and entertainment expenses in favour of officials and public bodies.

The risk of offences being committed in the above-mentioned activities may be realised either through the carrying out of the criminal activities themselves or, especially by senior persons, through the instigation of collaborators or third parties to carry out criminal activities, or through the omission of controls on the work of one's collaborators, when the offences are committed by the latter.

Below are the conducts to be adopted in order to prevent the predicate offences in question, by making relations with persons belonging to the PA traceable:

- meetings with PA parties should be attended, where possible, by at least two persons

- minutes should be drawn up or on meetings with PA subjects

- minutes, reports and documentation relating to meetings and relations with persons belonging to the PA must be kept on file

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- when such relations are held by senior persons, and in particular when they concern relations that may bind the company or are of a direct or indirect commercial or economic nature, the Board of Directors should be informed of them.

Corporate offences
For the most part, these are offences related to financial activities, such as budgeting and bookkeeping.
Particularly sensitive are also the offences of bribery between private individuals, introduced rather recently and provided for first by Article 2635 of the Civil Code and later supplemented by Article 2635-bis of the Civil Code; these articles, although contained in the Civil Code, are criminal law to all intents and purposes.

Computer offences
They involve the company's IT structures and, to the extent that there is an interrelation with the similar structures of JSW Steel Italy Piombino S.p.A., also the latter.

Its prevention involves careful control by system administrators in terms of access to the server, the various Internet sites and the confidentiality of credentials for staff with IT equipment.

Offences against the individual personality
These are offences relating to child pornography, sexual violence, enslavement and the like, the commission of which is hardly conceivable in GSI LUCCHINI: moreover, the offence of 'caporalato' (forced labour) has been introduced quite recently among the predicate offences under Article 25-quater of the decree.
On the other hand, the commission of this offence is, at least in the abstract, possible in an industrial company, although not particularly at risk in the environment of GSI Lucchini.
Therefore, a special section has been included in the Special Part of the model, which sets out the protocols to be followed in order to prevent this type of offence.

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)
The risks relating to safety in the workplace were the ones deemed most sensitive both during the analysis phase for the purposes of the various updates of the model and during the various audits carried out by the Supervisory Board.
And, in fact, the company pays particular attention to the prevention of accidents and injuries at work, not only in day-to-day management but also through structured and systematic meetings involving the responsible levels of the company, external specialists and the workers themselves.
This is because, in addition to preventing the predicate offences provided for in the decree, the company philosophy aims to prevent as far as possible any accident, anomaly, injury, even a minor one.
With particular regard to the predicate offences provided for in Article 25-septies of the Decree, the relevant offences are committed when the events referred to in Articles 589 and 590(3) of the Criminal Code occur as a result of the failure to adopt, or failure to comply with, or failure to control compliance with the rules on safety at work.

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Both the holders of specific delegated safety powers and the hierarchical managers at the various levels may incur the commission of these offences (thereby also involving the company in the relevant administrative liability pursuant to Legislative Decree No. L231/2001), if the occurrence of the event is due to:

- lack of, insufficient or inadequate preparation of documents required by law (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 prevention measures
- lack of, insufficient or inadequate provision of adequate control and reporting systems
- omitted, insufficient or inadequate exercise of delegated powers in the matter
- lack of, insufficient or inadequate provision of PPE to workers
- failure, insufficient or inadequate monitoring of the use of PPE by workers
- lack of, insufficient or inadequate control over the effectiveness of safety precautions
- failure, insufficient or inadequate monitoring of compliance with safety regulations by employees.

Operating personnel may also incur the commission of these offences if the harmful event occurs due to:

- 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 prevention of these offences, introduced for the first time with Legislative Decree 231/2007 (a singular coincidence in the number of the provision), consists in the provision of adequate safeguards and procedures in the administrative and financial areas, in which the risks of commission are, by their very nature, most present.

Therefore, the following protocols must be adopted:

- Payments and receipts shall be made only by traceable means, preferably by bank transfer; when such transactions, due to the smallness of the amount or for other reasons, are carried out by the use of cash, this must be done within the limits allowed by the applicable laws, and must be duly documented and accounted for;
- the documentation supporting the above operations must be properly filed and retained;

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- a check must always be carried out, and traced, to ensure that the financial movements (receipts and payments) and the related amounts are consistent with the contractual documents or in any case with the documents that gave rise to them.

More recently, and more precisely in 2015, the offence of *self money laundering was* also introduced among the predicate offences under the decree.
This offence has a complex structure, in that it typically consists of two phases: the first consists of any conduct, of a wilful (intentional) nature, consisting in incorrectness, disloyalty or untruthfulness of the data reported in the accounting records and in the preparation of the financial statements, from which derives the concealment of items or in any case of sums of money that are subsequently (second phase) re-invested or reinvested in the interest or to the advantage of the company.
The risk of this offence being committed is particularly high, in the abstract, in all industrial or commercial realities. Therefore, its prevention requires observance not only of the protocols set forth in the specific section of the Special Section, but also of those envisaged for the prevention of money laundering offences, corporate offences and financial offences, recently introduced, insofar as they involve the concealment of items or sums of money susceptible to reinvestment.

Organised crime offences (criminal association)
The risk of this type of offence being committed cannot be considered particularly high at GSI Lucchini.
However, a special section of the Special Section is also dedicated to the prevention of these offences.
Also in this case, the relevant protocols are formulated according to the general criteria of traceability, segregation of duties between operational and control activities, and compliance with the power and delegation system.

Inducement not to testify or to give false testimony to a magistrate
The prevention of this predicate offence, which entails an administrative offence if the reticence or falsity of testimony relates to a proceeding in which the company is involved and occurs in its interest or to its advantage, requires compliance with the following protocols:

- anyone working within the company or in any case on behalf of the company, regardless of their position, must refrain from giving indications or instructions to members of the company, employees, third parties, such as to induce them not to testify as to facts within their knowledge or to testify falsely;

- this prohibition, the breach of which is to be regarded as particularly serious if carried out by senior persons, also extends to lawyers entrusted with the defence of the company or persons connected with it.

Industrial property and copyright *offences*
These predicate offences were introduced into the decree by Laws 94/2009, 99/2009 and 106/2009.
As far as copyright is concerned, the risk of commission appears low given GSI LUCCHINI's corporate purpose.
In the abstract, offences relating to industrial property could be committed, although experience with the company's activities has not revealed a particularly high risk of such offences being committed.
In view of this, there is no need to dedicate a specific section to this type of offence.

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First of all, it will be sufficient to read them, as they are set out in the appendix to the Model, to abide by the general criteria and principles and the rules of conduct laid down in the Model and in the code of ethics and, specifically, to set up appropriate control points at the level of top management and hierarchical superiors in order to prevent patented equipment from being manufactured in-house, or products protected by patents from being manufactured and marketed.

Environmental offences

This category of offences is related to both the type of materials used, the production processes and the products themselves.

Without prejudice to the relevance of these offences, the fact that the company's production can essentially be defined as 'single-product' means that the entire process is now consolidated and regulated by specific procedures that comply with environmental regulations.

The impact on the external environment of the noise of the work process (which is so relevant to safety and hygiene in the workplace that particular attention is paid to it) is essentially negligible, given the soundproofing measures adopted.

The protocols for the prevention of this type of offence are contained in the relevant section of the 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.

Without prejudice to the provisions of the relevant section of the Special Section, as a general rule, internal control mechanisms must be put in place in the case of the use of third-country nationals in the direct employment of the company, and in the case of subcontracting, control mechanisms must be put in place on the contractors, to whom the relevant responsibilities must be formally represented.

Tax offences

With Article 39 of Law 157/2019, which came into force on 25 December 2019, tax offences, provided for in Article 25-quinquiesdecies and contained in Legislative Decree 74/2000, also became part of the decree. Furthermore, with Legislative Decree 75/2020, the list of these offences was further increased, with the addition of offences committed in the context of cross-border fraudulent schemes and for the purpose of evading value added tax for a total amount of no less than ten million euros:

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.

For an analytical examination of these offences, please refer to the specific section devoted to them.

Smuggling

This category of offences was also introduced, with the inclusion in the decree of Article 25-sexiesdecies, by Legislative Decree No. 75 of 14 July 2020, which came into force on 30 July 2020, in implementation of 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 - Protection of the Financial Interests of the European Union).

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Transnational offences

The significant share of production abroad and the associated relationships with foreign entities mean that higher risk conditions may arise for this type of offence than for other group companies.

Therefore, please refer to the relevant legal provisions in the Appendix, which are extremely clear and explicit in this respect.

Since these provisions are 'transversal' in nature, i.e. they may relate to various categories of offences, all the protocols laid down in the model, as well as the general principles and rules of conduct set out in the Code of Ethics, must generally be observed, with particular reference to offences relating to corruption towards public administrations and between private individuals.

In fact, it is well known that in certain foreign countries one can encounter the practice of ingratiating oneself with public and private customers by means of donations of money or other benefits: well, such practices are absolutely forbidden, as adhering to them could lead to the commission of this class of predicate offences, with consequent liability of the company pursuant to 231.

Thus, relations with customers, potential customers and foreign institutions should be marked by the same fairness as in relations with similar domestic entities.

It follows that they must be subject to special control:

- all expenses incurred on the occasion of visits of such persons to the company's premises, as well as all expenses incurred on the occasion of travel abroad by persons of the company, which shall never exceed ordinary acts of hospitality or courtesy;

- the congruence between amounts and underlying performance in all financial transactions with these entities.

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

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 the commission of another predicate offence: it consists in the failure to comply with the provisions following the imposition of a disqualification sanction.

Non-compliance with the Code of Ethics

The Code of Ethics, by the company's specific choice, constitutes an integral part of the Model, so that the protocols contained in the Model are aimed not only at preventing the predicate offences envisaged by the decree, but also at preventing and detecting conduct in conflict with the Code of Ethics.

This leads to the following aspects:

- the competence of the Supervisory Board also extends to breaches of the Code of Ethics;

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- Conduct in violation of the general principles and rules of conduct laid down in the Code of Ethics, even if it does not constitute a predicate offence, nevertheless constitutes a breach of the Model itself, exposing its perpetrators to the sanctions provided for in the disciplinary system;

- where such conduct, while not constituting a predicate offence, also directly facilitates its commission, this is considered an aggravating circumstance for the purposes of assessing the penalty to be imposed under the disciplinary system.

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Protocols for the prevention of offences at greater risk of being committed and the related sensitive areas

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OFFENCES IN RELATIONS WITH THE PUBLIC ADMINISTRATION

This section sets out the protocols to be observed in order to prevent the commission of offences against the public administration.

These offences are provided for, especially with regard to the original text of the decree, in Articles 24 and 25 of the decree. It should be noted that these articles were recently amended by Legislative Decree 75/2020, which transposes European Union Directive 2017/1371; this decree also amended Article 25-quinquiesdecies (see) and introduced Article 25-sexiesdecies (see). Moreover, the tax offences, introduced among the predicate offences of the decree by Law 157/2019, in force since 25.12.2019, and increased with Legislative Decree 75/2020, as well as a part of smuggling crimes, introduced with the aforementioned Legislative Decree 75/2020, may also be attributable to this category. These offences are specifically dealt with in the respective sections of the Model.

This section also deals with the offence of inducement not to make or to make false declarations to the judicial authorities under Article 25-decies.

Today, Article 24 is headed as 'Misappropriation 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 supply', Article 25 as 'Embezzlement, extortion, undue inducement to give or promise benefits, bribery and abuse of office'.

The appendix contains a complete list of predicate offences against the P.A., of which 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

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- Article 322-bis of the Criminal Code: embezzlement, extortion, bribery and incitement to bribery of members of bodies of the European Communities and of officials of the European Communities and of foreign States;
- inducement not to make statements or to make false statements to the judicial authorities;
- tax offences (v.)
- smuggling offences (see)

At the beginning of the special section, the definitions of public official and person in charge of a public service were provided; notions relating to the public administration were also provided, as well as other entities that, although private in nature, could constitute vehicles for the commission of offences against the PA.

Offences against the PA may be committed either directly or in conjunction with other persons, for instance by setting up funds (by means of irregular invoicing operations) intended for the bribery of public officials, who hold institutional or political positions, in order to obtain advantages in an unlawful manner, such as the awarding of tenders or contracts, obtaining public financing or contributions, unlawfully benevolent attitudes during inspections and controls, etc.

Therefore, relations with suppliers, the granting of contributions and donations, and the awarding of consultancy services also constitute sensitive activities for the purposes of these offences.

Sensitive areas of activity

The following are identified as sensitive activities:

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

- commercial area: although the company's customer base is essentially made up of private entities, particular attention must be paid to relations with exponents of foreign countries where the practice of ingratiating oneself with public officials in order to obtain orders is widespread, as well as in the case of participation in tenders in which, even if the contracting authority is private in nature, it is a public entity.
- activities relating to so-called funding processes: payments and receipts; the purchase of goods and services; the granting of appointments; the hiring of personnel; promotions or incentives or discretionary increases granted to employees; disbursements by way of contributions or donations; gifts; entertainment expenses. In the context of these activities, in fact, conduct aimed at procuring money, favours or other benefits for P.A. persons in order to obtain unlawful advantages for the company, such as the awarding of tenders and orders, public grants, concessions, authorisations, can in theory be carried out;
- audits, checks and inspections by the competent bodies and authorities, concerning safety at work, tax and social security compliance, employment of personnel, environmental protection.

Controls for the prevention of offences against the P.A.

Given that, in general, it is necessary to have a clear system of powers and delegations, compliance with which is essential for the prevention of any predicate offence, the following controls are in place to protect against it:

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- with regard to funding processes, the following are required: the establishment and observance of adequate procedures for the regulation of receipts and payments, which provide for the separation of operational and control tasks and are in line with the protocols laid down in the relevant Model; compliance with the procedures relating to the purchase of goods and services and to the conferral of appointments and consultancies

- with regard to donations and contributions (to be made only for exceptional reasons and subject to adequate justification), it is necessary to verify that the contribution and the person in whose favour it is made are in line with the corporate purpose, and that the amount is limited

- interventions in favour of individual employees that improve their economic conditions, classification or position in the company must be adopted in compliance with the contractual rules and, if they are of a discretionary nature, on the basis of objective, verifiable criteria supported by adequate justification

- any recruitment of staff must be carried out only in the presence of objective organisational needs, on the basis of selection processes inspired by objective and predetermined criteria, and adequately motivated as regards the needs giving rise to the persons recruited

- In case of application for public grants (both at national and European level), concessions, authorisations, licences, possible participation in public tenders or the acquisition of public contracts, the following is required:

    - a statement of the reasons that gave rise to the request
    - the traceability of the preliminary investigation and decision-making process
    - the preservation of the relevant documents
    - reporting on contacts with PA actors at the various stages of the proceedings
    - 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:
    - entrusting these relationships exclusively to the competent corporate functions according to the internal organisation and/or the power and delegation system
    - the correct and truthful presentation of the data and situations relevant to the audit
    - reporting on the contacts made with the verifiers at the various stages of the verification and their outcome.

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In order to prevent the commission of offences against the P:A:, compliance with the Code of Ethics is also called for, with particular reference to the rules of conduct and the limitations on the provision of gifts, gratuities or other benefits to persons in the PA.

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CORPORATE OFFENCES

The main corporate offences provided for in Article 25-ter of the Decree are set out below, the full list of which can be found in the appendix, in the 'List of predicate offences' section:

- false corporate communications (Articles 2621 and 2622 of the Civil Code)
- falsity in reports or communications of the auditing company (Article 2624 of the Civil Code)
- impeded control (Article 2625 of the Civil Code)
- fictitious capital formation (Article 2632 of the Civil Code)
- undue return of contributions (Article 2626 of the Civil Code)
- Illegal distribution of profits or reserves (Article 2627 of the Civil Code)
- unlawful 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 N.B.: applies only to listed companies)
- undue distribution of company assets by liquidators (Article 2633 of the Civil Code)
- corruption between private individuals (Article 2635 and Article 2635-bis of the Civil Code)
- unlawful influence on the shareholders' meeting (Article 2636 of the Civil Code)
- agiotage (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). N.B.: Law no. 262 of 28.12.2005 repealed Article 2623 of the Civil Code concerning false prospectus, which was one of the predicate offences of Legislative Decree no. 231/2001, and introduced Article 173-bis into the Consolidated Law on Financial Intermediation, which, however, is not referred to in Legislative Decree no. 231/2001: it is therefore fair to assume that, as things stand, the aforementioned Article 173-bis does not constitute a predicate offence, unlike the repealed Article 2623 of the Civil Code. This has created a legislative vacuum, which can only be filled by a subsequent legislative intervention.

N.B. : It should be noted that Law 68/2015 introduced changes to the offence of false corporate communications, which are discussed at the end of this section.

Sensitive Activities

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The sensitive areas of activity, 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 consist in the collection and processing of accounting data for the formulation of forecast and final documents: annual balance sheet and profit and loss account, forecast, interim and final situations, annual budget.
  They must be carried out in compliance with the correct accounting principles and the rules laid down in the Civil Code; they must be traceable and transparent, as well as accompanied by adequate documentation that is correctly kept, so that the official documents can be matched with the documents that formed the processing; all processing and approval stages must take place in compliance with the system of powers and delegations.
  Any changes to the accounting documents must be supported by adequate justification, suitably formalised and authorised on the basis of the system of powers and delegations.

- **Relations with JSW Steel Italy Piombino S.p.A., the shareholders, the auditing company and the Board of Statutory Auditors**.

  The activities and fulfilments carried out by the company's bodies and structures to report to the shareholders and supervisory bodies on the company's performance are performed by the persons assigned to this task on the basis of the company organisation and the system of powers and proxies, in accordance with the correct accounting principles and on the basis of criteria of maximum cooperation and transparency. The mandatory books are properly kept, and adequate security measures are taken in order to allow access to the relevant documentation only to authorised persons**.**

- **Announcement, conduct and minute-taking of BoDs and assemblies and keeping of related records.**

  First and foremost, they take place in accordance with the timescales defined by the law; the various stages are managed by the persons identified on the basis of the company organisation and the system of powers and proxies; the supporting documentation and minutes are adequately filed and stored, and access to them is permitted, by means of appropriate security measures, only to authorised persons.

- **Management of profits and reserves, capital transactions.**

  These are activities aimed at managing and formalising operations on operating results and capital. In this regard, based on the company organisation and the system of powers and proxies, the persons respectively in charge of preparing the documentation, making decisions, controlling their correctness and compliance with the law, correctly filing and storing the documentation, and defining and controlling the security measures to allow access to the documentation only to authorised persons are identified**.**

All the operations listed above are carried out on the basis of criteria that, in general, are valid for the purpose of preventing all predicate offences but, even more so, are valid in relation to activities from which official data and situations

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defining the entity's performance originate.

- Traceability: all steps must be traceable; documentation must be formalised in writing and properly retained by those responsible.

- Segregation of duties: as far as possible depending on the size of the company, a distinction must be made between those responsible for processing and preparing information and documentation, those responsible for decision-making, and those responsible for control**.**

- Compliance with the Code of Ethics. It is essential that all persons involved, in whatever capacity, in the activities in question observe, in addition to the specific provisions of the law, the internal procedures and the principles and rules laid down in the Code of Ethics as far as relevant. The delicacy of the matter, in fact, requires that the various operations be carried out with diligence, good faith and transparency.

- Respect for the system of powers and delegations. It is essential that all persons who participate, in whatever capacity, in the activities in question operate in strict compliance with the system of powers and delegations and the roles assigned by the company organisation, in order to avoid any dysfunctions, or even violations of the model, being attributable to organisational deficits.

Bribery between private individuals

This category of offences is provided for in Article 25-ter, letter *s-bis* following several legislative interventions that introduced among the predicate offences those provided for in Article 2635(3) of the Civil Code, the initial scope of which was then broadened, and in Article 2635 bis of the Civil Code (Instigation to corrupt private individuals).

Compared to the first legislative intervention, the current rules broaden the scope of application, extending the persons to whom the predicate offence may be charged to other roles in addition to those initially envisaged, and add the predicate offence of inciting bribery between private individuals, which was also not initially envisaged.

These rules extend the scope of predicate offences relating to corruption, previously provided for only towards public administration subjects in line with the original purpose of the decree, to relations with private parties such as, by way of example, customers, suppliers, contractors, consultants.

It should be noted that the aforementioned Articles 2635 and 2635-bis are included in Book V ('Work'), Title XI of the Civil Code, under the heading 'Criminal Provisions Concerning Companies and Consortia': this may lead, and has led various exponents of doctrine, to believe that relations with natural persons are to be excluded.

Prudently, however, the conduct prohibited and punished by these rules must also be avoided and prevented in relations with these persons.

Consequently, in order to prevent the commission of these offences, the protocols as well as the principles and rules of conduct laid down in the Code of Ethics must also be adopted with regard to natural persons**.**

Prescriptions

All relations of an economic nature with private individuals, whether corporations, companies, associations or natural persons such as professionals, consultants, artisans, etc., must be inherent to the corporate purpose; the payment, as well as the promise, of money, goods or other benefits that are not inherent to the corporate purpose is therefore

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prohibited.
These reports must be kept, and the relevant decisions must be taken, exclusively by the persons authorised according to the company organisation and the system of powers and proxies**.**
The above also applies to entertainment expenses, contributions to third parties by way of sponsorship or charitable donations. Any such disbursement must be reported to the Supervisory Board.
Relationships with the private parties in question must be formalised in writing, and accompanied by supporting documentation of the reasons that gave rise to them; the relevant documentation must be properly stored, so as to ensure the traceability of the process**.**
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 prohibited**.**

In order to prevent offences of bribery between private individuals, accounting transactions and activities relating to the preparation, drafting and presentation of financial statements are also particularly sensitive**.**

The possible correlation between these offences and the offence of selflaundering, provided for in Article 25-octies of the Decree and included in the list of predicate offences since 1 January 2015, should be borne in mind. This offence is dealt with specifically in the relevant section of the Special Part, but it is worth recalling here that the wilful concealment of sums of money or balance sheet items, if such sums are reused or reinvested in the interest or to the advantage of the company, may constitute a prerequisite for the commission of the offence of selflaundering.

False corporate communications
This predicate offence has been the subject of various amendments over time by the legislature.
In fact, 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'.
As a result of this, the offence of false corporate communications provided for in Article 25-ter c. 1 lett. a), which was previously qualified as a contravention, has 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. Hence, punishable, "outside the cases provided for in Article. 2622, the directors, general managers, managers responsible for preparing company accounting documents, statutory auditors and liquidators, who, in order to obtain for themselves or for others an unjust profit, in the financial statements, reports or other corporate communications addressed to the shareholders or 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

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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
This offence, which is reported for mere completeness since it does not apply to GSI LUCCHINI, is constituted by the case 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.

For the sake of clarity, the text of Article 12 of Law 69/2015 is reproduced 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.

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COMPUTER CRIMES AND UNLAWFUL PROCESSING OF PERSONAL DATA

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

Below is a list of the main ones, while the complete list and text of the individual articles can be found in the Appendix:

- 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).

It is clear that, given the company's activities, most of these offences are at low risk of being committed.

Moreover, it must be borne in mind that the IT area can also be a critical area for the commission of other predicate offences and for conduct in conflict with the Code of Ethics.

Therefore, this section also deals with broader aspects than just the prevention of predicate offences under Article 24-bis.

In fact, offences against the person in general, and in particular offences relating to virtual pornography and possession of child pornography material, provided for in Article 600-quater of the Criminal Code, can also be related to these predicate offences, when committed through the use of computer tools.

One must also bear in mind the rules on access to and misuse of personnel or third-party data, already regulated by Legislative Decree 196/2003 and now by EU Regulation 2016/679 (GDPR).

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It is therefore necessary for the company's structures to operate in full compliance with the law and respect the dictates of the Code of Ethics, particularly with regard to diligence and fairness in the processing of data, in the use of IT means, in guaranteeing data protection and limiting access to dubious or potentially dangerous sites.
The areas of activity potentially at risk are identified as follows:

- purely IT-related activities, such as software and hardware management;
- the processing of data relevant to the company's operations;
- the management of personal data of members of corporate bodies, employees and third parties**.**

The protocols to be followed are:

- accessing or attempting to access third-party systems or databases covered by confidentiality is prohibited;
- it is prohibited to damage, or attempt to damage, third-party systems or databases, all the more so if for the purpose of benefiting the company;
- access to the system or PCs should only be possible by means of confidential passwords, which must not be made known to others; passwords should be changed periodically, possibly following an automatic request by the system;
- it must be made impossible to access dubious or dangerous sites that are liable to lead to the commission of the predicate offences provided for in this section and those in any case related to computer activities, such as access to child pornography sites and the like;
- access to internal or external databases covered by confidentiality must be made impossible;
- access to *files* containing sensitive data must be made possible only to those employed in that specific activity;
- 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;
- Appropriate measures must be taken to prevent access by outsiders to company *files, and in* particular to *files* containing sensitive data;
- Appropriate measures must be taken to prevent intrusion into the computer system (*firewall*);
- effective, timely and systematic 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;

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- effective measures must be taken in terms of *disaster recovery* to avoid data loss.

A Data Processor is identified and appointed, in accordance with the law; in addition, 'persons in charge' of data processing are also appointed, where appropriate.
At the end of this section is the Provision of the Guarantor for the protection of personal data (reported at the end of the section 'Environmental offences') concerning the reuse and recycling of IT materials and equipment, a provision which, although dated (2010), contains rules of conduct useful for preventing predicate offences connected with the use of IT facilities.
It should also be noted 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.

Finally, for the sake of completeness, reference is made to the provisions of Law 133/2019 converting Decree-Law 105/2019 on national cybersecurity by which Article 24-bis was partially amended.
Although there are no significant risks of offences being committed in the company, it is nevertheless necessary to take note of them; they are contained in the catalogue of predicate offences in the Appendix.

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PERSONNEL SELECTION, RECRUITMENT AND MANAGEMENT

This area of activity can be, in the abstract, critical both for the commission of predicate offences and for conduct in conflict with the Code of Ethics.

Moreover, these activities are carried out in close correlation with the competent structures of JSW Steel Italy Piombino S.p.A., whose Model provides for precise protocols in this regard.

However, the managers and structures of GSI Lucchini are responsible for operating according to the criteria set out below.

Recruitment, selection and hiring activities must comply with principles of fairness, transparency and impartiality.

Recruitment can only be carried out on the basis of actual needs; a mandatory condition is the correspondence between the professional profile to be filled and the personal and professional requirements possessed by the candidates.

In any case, any recruitment must now be agreed with the parent company, given the employment problems present.

The selection process is conducted in cooperation with the relevant functions of JSW Steel Italy Piombino, up to the final stage, which normally includes an interview with the company manager.

Persons with a conflict of interest, e.g. due to family or affinity relations with the candidate, must be avoided in the selection process.

The results of the selection process and evaluations on the candidate are formalised and stored in a special file, as are the *CVs* and evaluations on the other candidates, all with due confidentiality.

In the case of recruitment, this is done on the basis of the system of powers and delegations.

It is clear that compliance with these protocols is essential in order to prevent the commission of predicate offences, especially in the area of corruption, by pandering to public officials or private individuals through the employment of persons acceptable to them.

The same applies to personnel management activities, with regard to promotions, economic improvements, bonus payments, etc.

Such actions must only take place on the basis of objective requirements and within the framework of general company policies, and in any case in compliance with contractual provisions and collective agreements; they may only be undertaken in full compliance with the system of powers and delegations.

Also in this area of activity, there may be risks of committing offences against the individual, as provided for in Article 25-quinquies of the decree, with particular reference to the possession and dissemination of child pornography, as well as risks of conduct in conflict with the Code of Ethics, as regards respect for personal rights in general.

Therefore, any conduct that may give rise to such risks must be avoided, and prevented by those who become aware of it, by following the protocols provided for in the respective sections of the Special Section and the principles and rules of conduct provided for in the Code of Ethics in this respect.

In the selection, recruitment and management of personnel, the strictest compliance with legal and contractual provisions governing professional grading, economic and regulatory treatment, and social security and insurance obligations is also required, without taking advantage of any disadvantageous situations the worker may find himself in.

In this regard, it should be recalled that Article 25-quinquies of the decree was amended by Article 6 of Law no. 199 of 29.10.2016, which introduced the predicate offence of 'caporalato', provided for in Article 603-bis of the Criminal Code.

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In addition, it should be noted that the offence of 'caporalato' may also be related to the predicate offences involving the administrative offence provided for in Article 25-duodecies, the heading of which reads 'Employment of third-country nationals whose stay is irregular', for the protocols of which please refer to the specific section.

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OFFENCES AGAINST THE INDIVIDUAL PERSONALITY

Article 25-quinquies of the decree lists the predicate offences that give rise to this administrative offence.

These predicate offences are numerous and varied in nature and are listed in the catalogue of predicate offences in the Appendix to the Model.

They relate, in short, to sexual violence, child pornography, sexual acts on minors, enslavement, trafficking in persons and the crime of 'caporalato'.

While the risk of committing the offences of sexual violence, child pornography and the like appears rather low in society, let alone if in its interest or to its advantage, the same cannot be said, in the abstract, for the offence of caporalato.

In fact, in theory, it cannot be ruled out that a company, even an industrial one, could commit this type of offence (which basically consists of employing labour without the contractual and legal protections) in order to save on wage, contribution and insurance costs.

However, exploitation of labour also constitutes a breach of the Code of Ethics, and is therefore always punishable under the Disciplinary System.

The protocols aimed at preventing this category of offences are set out below:

- The filming or dissemination of videos and photos with pornographic and child pornographic content is prohibited;
- access to pornographic and child pornographic sites is prohibited and prevented by the system
- 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.
- access to the premises and areas pertaining to the company by outsiders is regulated, such persons are identified, admitted only if on the basis of a valid reason connected with the company's business and if authorised by those who have the authority to do so
- activities carried out on company premises are in any case subject to control in accordance with the law.

For the purposes of preventing this class of predicate offence, reference is also made to the protocols contained in the section on 'Computer Crimes and Unlawful Data Processing' and, insofar as applicable, to the requirements set out in the Order of the Guarantee for the Protection of Personal Data, which is reproduced at the end of the section on 'Environmental Crimes'.

As mentioned above, at least in the abstract, the offence of 'caporalato' provided for in Article 603 bis of the Criminal Code, introduced by Article 6 of Law No. 199 of 29.10.2016, which amended Article 25-quinquies.

The prevention of this offence requires the utmost compliance with all legal and contractual provisions governing the economic and regulatory treatment of employees, contribution and insurance obligations, without taking advantage of any disadvantageous situations in which such personnel may find themselves.

The protocols set out in the section 'Personnel Search, Selection and Management', to which we refer, must also be observed.

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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.

These predicate offences became part of the scope of application of Legislative Decree no. 231 of 8 June 2001 with Legislative Decree no. 81 of 9 April 2008 (then called the 'Consolidation Act' on safety), issued in implementation of the delegation conferred on the government by Law no. 123 of 3 August 2007 (Measures on the protection of health and safety at work and delegation to the Government for the reorganisation and reform of the legislation on the subject). In the following year, however, the subsequent Legislative Decree 106/2009 made amendments to Legislative Decree 81/2008.

With these regulations, culpable offences became part of the catalogue of predicate offences under 231, which among other things caused various perplexities in the doctrine, as for many it was contradictory that culpable offences could be committed for the benefit or in the interest of the entity.

These misgivings were then substantially withdrawn following the argument that, in reality, the omissions in the field of safety at work from which the predicate offences discussed herein may arise may objectively result in benefits for the company in terms of cost savings (e.g., failure to install safety mechanisms and equipment, failure to provide PPE).

Below is the text of the articles of the criminal code referring to these 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 punishment to be imposed for the most serious of the violations committed shall apply, increased by up to three times, but the punishment may not exceed fifteen years.

Article 590. Negligent personal injury

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 party, 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.

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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 Occupational Health and Safety Management System at GSI LUCCHINI

This section contains the protocols designed to prevent the aforementioned predicate offences.
First and foremost, these protocols presuppose that the company is endowed, as it is, with procedures, identification of roles and responsibilities that make up the company's security system as a whole; the protocols refer to them, so they too have binding value on a par with the Model.
GSI Lucchini's safety system complies with the law and, in particular, with the provisions of Art. 30 D. Legislative Decree No. 81/2008, with regard to appointments, roles and procedures.

It is important that all company actors who play a role in this security system not only actively participate in its realisation, but also in its improvement, making use of technological innovations and experience data.

To this end, the company, aware of the relevance of the safety aspect not only in the primary interest of the health and integrity of workers, but also under the profiles more specifically related to the administrative liability of the entity, carries out systematic meetings, with the support of external specialists, in order to collect data deriving from experience in the field (also with the direct involvement of workers) and to draw lessons from it to eliminate any anomalies and introduce elements of improvement in the system.

Sensitive Activities

First of all, the activities entrusted to roles with responsibilities for occupational safety and health of workers are relevant, such as:

- correct identification and appointment of key safety figures required by legislation
- drafting and updating the DVR
- drafting and updating the DUVRI
- monitoring the application of these documents
- drafting and updating security procedures
- availability of personal protective equipment (PPE) and its provision to workers
- control of the actual use of PPE

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- maintenance of work equipment, buildings, facilities, equipment, etc., either systematically or following reports of faults
- maintaining the effectiveness of fire-fighting systems and their systematic control
- adequate and systematic information and training of workers on risks, correct working practices, use of PPE and safety systems
- periodic visits and checks on the health status of workers
- systematic health checks on working environments
- adequacy and availability of sanitary facilities
- correct identification of IPR suppliers and safety mechanisms, based on the quality guarantees provided
- Strict control over the adequacy of supplies of security-related materials (PPE, equipment, substances, etc.).

In line with the provisions of Article 30 of Legislative Decree 81/2008 concerning the requirements of the Model for health and safety in the workplace, the following actions are ensured, the adequacy of which must be constantly and systematically monitored:

a) identification of the Employer pursuant to Article 2(b) of Legislative Decree 81/2008, as amended by Legislative Decree 106/2009.

b) appointment of the RSPP

c) appointment of the competent doctor

d) election of the workers' safety representative (RLS)

e) Appointment of supervisors: these are the persons with responsibility for coordinating operational activities who are given specific delegated safety powers

f) designation of workers in charge of implementing fire prevention measures, evacuation of workers in case of danger, first aid, emergency management

g) identification of risks

h) drafting and updating the DVR (Risk Assessment Document)

i) drafting and updating, when necessary, the DUVRI (Interference Risk Assessment Document)

j) identification of risk prevention measures set out in the DVR and DUVR

k) drafting the safety plan and implementing the measures aimed at preventing the risks highlighted in the DVR and DUVRI

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l) allocation of spending powers in the field of safety and environmental protection, so that the time for committing expenditure and for purchasing or procurement procedures is compatible with any urgency

m) development, updating and dissemination of security procedures

n) systematic information to employees on the correct use of equipment and facilities, PPE (personal protective equipment), specific risks, correct prevention practices

o) planning and implementation of safety training actions

p) proper management of the PPE process, in terms of identification of the number and type, acquisition, suitability check, identification of the workers to whom they are to be supplied, actual delivery, indications on their use and their control; the whole process must be traceable

q) identification of office and building installations, equipment, safety equipment and fire-fighting devices

r) adequate and systematic maintenance of the above installations, equipment and devices

s) documentation of all maintenance, verification and control activities for traceability purposes

t) scheduling and carrying out periodic medical examinations in accordance with the times and procedures laid down by law, and taking follow-up action on their outcomes

u) systematic workplace inspections by the competent doctor

v) adequate provision, in terms of type and quantity, of first aid equipment, and systematic monitoring of its adequacy and consistency

w) Preparation of appropriate prescriptions for first aid actions (both by internal means and by external structures), verification of their adequacy, formal identification of the roles assigned to them and information on them**.**

Delegations, powers and key figures in occupational safety and health

In order to achieve the greatest possible effectiveness in the field of health and safety in the workplace and the prevention of accidents and injuries, the company has all the figures envisaged by the specific legislation, which ensure the most complete integration between them, while respecting the distinction of roles, in accordance with the principle of 'segregation' of duties, which is one of the key criteria of the '231' system.
When assigning roles, special consideration is given to specific individual skills and experience.

The following positions are established and appropriately filled:

Employer
The Employer is now identified as a member of the Board of Directors.

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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 in which the worker works, is responsible for the company itself or the production unit insofar as he exercises decision-making and spending powers.
Pursuant to Article 17 of Legislative Decree 81/2008, the Employer may delegate some of the duties pertaining to his role, with the exception of the following, which may not be delegated in any way:

- 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 cooperates, 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.

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Manager and supervisors

The position of Manager is covered according to the organisational structure of the Company.
It is entrusted with the functions and responsibilities laid down by law.
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.

Protocols for the prevention of security offences

General considerations

The addressees of the Model must comply with the protocols contained in this section, as well as with the procedures laid down by the company security system since, although they are not an integral part of the Model, they are expressly referred to therein.
In addition to non-compliance with the protocols, non-compliance with the relevant procedures also constitutes an offence and entails the application of the sanctions provided for in the Disciplinary System.

First and foremost, all persons who play a role in occupational safety activities are obliged to comply with the legal regulations governing the subject.
They are also obliged to comply with the protocols laid down in the Model, to follow the relevant procedures and the provisions issued by the persons in charge.
Anyone who becomes, directly or indirectly, aware of situations that may entail risks at work for themselves or others, must inform their superiors or one of the persons in charge of safety with all due speed.

In the event of imminent danger, they must immediately take action to request the intervention of anyone capable of averting the risk; where possible, without endangering their own safety, they must intervene personally in order to remove or prevent the dangerous situation.

Protocols

That being said, the protocols aimed at preventing safety offences, as well as conduct in conflict with the rules, procedures and principles and standards of the Code of Ethics that may in any case entail risks to the safety and health of workers and third parties accessing areas pertaining to the company are set out below**.**

Risk assessment

All risks to which, even potentially, workers are exposed by reason of the activities to which they are assigned must be carefully analysed and assessed.
Articles 17(1)(a) and 28 of Legislative Decree 81/2008 prescribe the criteria and methods for drawing up the DVR (Risk Assessment Document).
The DVR contains:

- a report on the assessment of work-related health and safety risks, detailing the criteria adopted for the assessment;

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- the prevention and protection measures implemented and the PPE (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 is prepared after consultation with the RLS, and is made available to workers at the company's premises.
The DVR is systematically updated according to:

- organisational changes
- changes in operational practices and technological upgrades affecting safety aspects.

All steps related to the analysis, drafting and approval of the DVR are traceable and documented, and the relevant documentation is properly filed.

Preparation of prevention and protection measures

The identification of risks contained in the DVR must be followed by the application of appropriate and consistent prevention and protection measures.
Like the identification of risks, prevention and protection measures are also updated as a result of organisational changes, operational practices, and the introduction of new mechanisms with an impact on safety.
All workers are provided with the PPE corresponding to the identified risks, duly maintained, replaced when no longer efficient and updated according to the changes mentioned in the previous paragraph.
The delivery and receipt of PPE is recorded and the relevant documentation duly retained.

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;
- the verification of the functionality of equipment, PPE, means of work and facilities;
- general rules of hygiene in premises and working areas;
- traffic routes, escape routes and emergency exits;
- fire-fighting devices;
- possible leakage of gaseous substances or spillage of liquid substances;
- first aid measures;
- the use, inspection, maintenance and replacement of PPE where necessary;
- the way products and goods are stored;
- how to archive documentation.

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All maintenance and control activities are documented and traceable; the relevant documentation is properly filed and retained.

Procedures and/or operational practices are also 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 special, hazardous and electronic equipment waste.

The above operating procedures and practices as well as their dissemination to operators are traceable and documented, and the relevant documentation is properly filed.

First aid, fire, emergencies

Intervention plans to be implemented in the event of emergency situations and serious danger to workers and third parties present in the workplace, such as first aid, fire, the need to evacuate premises and facilities, are drawn up and adopted**.**

First-aid kits or boxes are provided, the location and method of use of which are made known to workers**.**

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 these checks and replenishments are expressly instructed and made known to the workers**.**

Adequate fire-fighting equipment is installed, on the use and location of which the workers concerned are adequately informed.

These devices are systematically checked and subject to scheduled maintenance.

Appropriate 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 shall be brought to the attention of all personnel. They 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.

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

Delegations and appointments

All the persons envisaged by the legislation to whom tasks and powers are attributed in the field of safety are formally appointed and entrusted.

The appointments are made known to all workers.

In the event of sudden discoveries, replacements will be made promptly.

The persons entrusted must possess proven personal and technical-professional suitability. Particular attention must be paid to the suitability of the persons to be entrusted with security-related activities or supplies.

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The process and outcome of the checks on the fulfilment of appropriate requirements must be documented and tracked, and the relevant documentation properly filed.

Obligations of the supervisor

The persons in charge are essentially entrusted with the task of monitoring and verifying the application, by the workers entrusted to their coordination, of the correct application of safety regulations in particular (such as the use of PPE, compliance with the indications provided by signs on workplaces, procedures) and of correct work practices in general for the purposes, as far as they are concerned, of their own safety, that of their colleagues and third parties.

If they detect misconduct, they must intervene by putting an end to or, in any case, correcting such conduct and, where appropriate, reporting it to superiors or to persons with safety responsibilities for consequent action, which may be of an informative, training or disciplinary nature.

If they become aware, either directly or as a result of a report, of risk situations, they must take immediate action to eliminate them and/or to prevent workers from coming into contact with such situations, and then report them to the appropriate persons.

They provide those entrusted with safety responsibilities with experience data and useful elements to improve safety standards.

Workers' obligations

Not only the persons entrusted with control and/or coordination tasks in the field of safety, but all workers in general are required to comply with the following rules of conduct, in addition to observance of the law, procedures, company regulations and tested and established operational practices:

- any conduct, even omissive, which may entail risks to one's own safety, health or physical integrity or that of one's colleagues and/or third parties must be avoided;
- PPE, safety devices, equipment, means of transport, and any hazardous substances that are used in the operational process must be used appropriately, in accordance with company regulations and instructions received, and in general carry out the activities for which they are responsible correctly, in accordance with the law and company regulations;
- a fortiori, any dangerous situations must be reported immediately to the aforementioned persons, or to anyone in a position to intervene, if necessary also intervening personally, but without putting one's own safety at risk;
- safety, warning or control devices must not be arbitrarily modified, removed or tampered with;
- no operations or manoeuvres must be carried out, all the more so if not within one's competence, contrary to company rules and regulations, such as to entail risks to one's own safety, that of one's colleagues or third parties;
- Workers must attend the education, information and training courses and initiatives set up by the company;
- workers must undergo the health checks and inspections required by law, or those ordered by the company through the competent doctor.

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Furthermore, all workers are involved in the process of improving the safety system, so they participate in meetings and gatherings scheduled by the company, providing reports and suggestions to prevent risk situations and making proposals aimed at improving safety.

Expenditure on safety at work

Procedures concerning the necessary expenditure for security adaptations must allow for a quick turnaround time.
The pre-eminent criterion is to give priority to safety aspects, which must never be sacrificed to economic criteria, subject to prudent business management.
In cases of urgency in order to avoid or prevent imminent risks, preferential routes are also provided by way of derogation from the ordinary procedures.

Statistical Surveys and Situations

In order to have the necessary data and elements for monitoring and improving the safety management system, a system for the statistical detection and classification of injuries, accidents, occupational diseases, and the results of periodic visits is in place (see next paragraph), shared and made available both to the company's top management and to those in charge of safety**.**

Medical examinations and assessments

Periodic examinations to check the health of workers and their suitability to perform the tasks they are assigned to are planned, scheduled and carried out in accordance with the law and company regulations.
Periodic examinations and health checks are compulsory.
Employees who unjustifiably evade them are liable to sanctions under the Disciplinary System.
Any finding of unfitness is governed by the law and contractual provisions.
The data on the performance and results of the periodic visits and inspections are anonymously included in the statistical surveys mentioned in the previous paragraph.
All relevant documentation is properly and correctly stored, and strictly covered by confidentiality in accordance with the law.

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 an easily accessible and immediately comprehensible communication system, 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, their location in the company, telephone numbers and e-mail addresses shall be made known to workers, so that communication is easy.
Outsiders who enter workplaces or, in any case, premises pertaining to the Company shall be provided with all the necessary information to prevent their exposure to risks, access to dangerous places or involvement in possible accidents or injuries. If said persons must access places where the use of IPDs is envisaged, these shall be provided to them and their use shall be demanded, after being illustrated by the Company. Access by third parties is recorded.

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All the aforementioned information activities are documented and tracked, and the relevant documentation is properly archived.

Education and training of workers

The Company organises safety education and training, both where required by law and when the need or opportunity arises, based on

- risk situations detected on the basis of experience
- findings of statistical analyses suggesting action on specific aspects
- any technological innovations with security implications.

These courses are conducted both for the general purpose of sharpening workers' awareness of the subject matter, and for specific purposes to make them aware of particular risks associated with certain work situations.
Therefore, the topics covered in the courses may concern:

- company safety laws, procedures and regulations
- the specific risks related to the various activities and the professional figures assigned to them
- the correct use of machinery, equipment, work tools and PPE
- how to handle substances and materials used in work activities
- work processes, working practices and the rules governing them
- prevention and protection measures
- emergency plans
- an illustration of the tasks entrusted to persons with safety roles within the company organisation.

The outcome and effectiveness of the courses are monitored through specific evaluation tools.
The relevant activities are documented and tracked, and the relevant documentation is properly filed**.**

Supervisory and control activities

The adequacy of the safety management system over time is systematically subject to verification, both on the basis of statistical data on accidents, injuries, occupational diseases, etc., and through periodic meetings involving all levels of the company, in order both to correct any anomalies and to identify and implement improvement actions.
These checks, carried out by top management and persons with delegated safety powers, as well as with the help of external persons with particular expertise in the field, concern:

- identification and assessment of risks
- prevention and protection measures
- PPE
- fire-fighting devices
- emergency plans
- the correspondence of operating practices, equipment and premises to the safety standards required by regulations and in line with technological developments.

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Reports from workers are also taken into account.
All activities relating to the supervision and control of the safety management system are reported; in general, these activities are regularly documented, and the relevant documentation is properly filed.

Protocols to be adopted when entrusting activities to third parties (contractors, suppliers, collaborators, professionals, self-employed workers)

When the use of external services is necessary, the protocols below also apply.
The criteria governing the awarding of contracts are based not only on the law, but also on the technical, professional, personal and moral suitability of the awardees.
Without prejudice to the requirements of economic management, the aforementioned criteria cannot be sacrificed in favour of purely economic criteria.
Entrustment is carried out in compliance with the system of powers and delegations.
In the operational phases, the company and its operators shall ensure that safety standards and the adequacy of measures to prevent and protect against risks at work are guaranteed; this also, and in particular, in the event of interference of the company's workers with workers of third companies, or between workers of several third companies.
In such cases, the DUVRI shall be drawn up indicating the measures to eliminate or at least circumscribe and minimise, and in any case make known, the interference risks.
Contracts for the award of works contracts expressly provide for security costs.

Criteria and actions for the correct implementation and improvement of the security system

All safety provisions and decisions, as well as all actions and behaviours that may have an impact on safety, must be guided by the following criteria, in order to prevent accidents, injuries, injuries to the physical integrity of workers and their health.
To this end, the security system must be seen as a dynamic body, such that it can not only be effectively implemented, but also continuously improved on the basis of experience, the contribution of all employees and technological developments.
Therefore:

- the identification of risks is a prerequisite for their avoidance, prevention and removal, and for their timely and punctual communication to work colleagues, superiors, and those with safety-related roles;
- workstations, equipment, working methods must be designed and implemented in accordance with the overall prevention objective;
- PPE, safety devices, equipment must be adequate, maintained and constantly improved according to statistical trends in accidents and injuries, as well as technological and regulatory developments;
- the security system must be constantly monitored in order to maintain its effectiveness and improve it;
- activities that may have a direct or indirect impact on safety must participate in the primary objective of safety itself and of safeguarding the physical integrity and health of workers. This therefore also applies to purchasing and administrative and financial activities, which must never sacrifice safety to economy;
- the company must also devote adequate attention to the safety, physical integrity and health of third parties, whether they are collaborators, employees of contractors or visitors, by putting in place adequate measures in terms of both

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information on risks and the provision of PPE, as well as safety measures that are necessary according to the premises and facilities to which they have access;

- In general, information must always be made available to both workers and third parties on the risks present at the workplaces to which they have access;
- where there is an emergency situation, the necessary measures, compatible with the concrete situation, must be taken immediately to prevent or at least limit the risk and its consequences, subsequently taking the necessary steps to isolate the area of risk and finally remove the causes.

Cogency of the requirements contained in this section - Referral

Without prejudice to the cogency of the aforementioned protocols, it is recalled that this Model expressly refers to the procedures, provisions and measures provided for and adopted by the Company in the security system, which are therefore equally cogent**.**

Failure to comply with these protocols, as well as with the procedures and other provisions, therefore entails violation of the Model, with consequent application of the sanctions provided for in the Disciplinary System.

Relations with the Supervisory Board (SB)

The Supervisory Board is notified of the appointments of persons entrusted with safety-related tasks or powers. the relevant company rules, procedures and provisions, as well as any changes.

The Supervisory Board is also systematically sent, as part of the information flows it receives, statistics on safety, accidents, injuries, as well as minutes of meetings on the subject.

In the event of serious accidents or injuries, the Supervisory Board .

Anyone who discovers, directly or indirectly, safety management anomalies, risk situations such as to constitute a violation of the Model must promptly notify 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 health standards and indications that will occur.

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

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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.

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PURCHASE OF GOODS AND SERVICES - COMMISSIONING AND CONSULTANCY

These activities are particularly sensitive in order to prevent predicate offences in the areas of corruption, particularly between private individuals, safety at work, based on the quality of the equipment and PPE purchased, the employment of third-country nationals, money laundering and self-laundering.

It follows that the protocols to be followed are particularly strict.

1. First of all, suppliers (in their broadest sense) must be included in a register to be compiled, and if necessary expanded, following careful screening based on criteria of technological suitability, morality, cost-effectiveness.

2. Orders are issued against ascertained and documented needs, within the framework of the suppliers included in the register, except for any new or urgent needs, in which case the screening of the supplier must in any case be carried out on the basis of the above criteria.

3. Already at the level of the order request and order, issued following a tender or direct negotiation, an evaluation of congruity between price and good or service must be carried out, based on existing trade tables or experience.

4. In the case of particularly large purchases, at least three quotations should be available, unless one is in the presence of monopolistic or otherwise tried and tested suppliers.

5. Payment to the supplier shall only be made after the goods or services ordered and the goods or services provided have been checked for conformity with the order, in terms of quality and delivery terms. Payments deviating from the price stipulated in the order are not permitted, unless there is a proven need for variation after the order has been issued.

6. Purchases, tenders and assignments must be strictly inherent to the corporate purpose; in particular, with regard to assignments and consultancies, 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.

7. When awarding contracts, documentation concerning the regularity of contributions and the correct position of the employees employed by the contractor must be requested in advance.

8. Favouritism and discrimination must be avoided in the allocation of orders and assignments.

9. The various phases illustrated above must be entrusted, compatibly with the company structure, to different subjects as far as the operational and control phases are concerned, including those in charge of the passive cycle, in the spirit of the general principle of segregation of duties.

10. The granting of orders and assignments to persons in conflict of interest (e.g. in a relationship of kinship or affinity with senior management, executives or officers of the company), or who have direct or indirect influence on any advantages for the company (e.g. acquisition of orders, authorisations, benevolent attitudes in the event of audits

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or inspections) must be absolutely avoided.

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ORGANISED CRIME OFFENCES

These predicate offences were introduced by Law 94/2009, Article 2, c. 29, which inserted Article 24-ter into Legislative Decree 231/2001.

Before moving on to the specific examination, it is worth recalling that the legislator attributes particular seriousness to the commission of offences of association, so much so as to provide for the application of the prohibitory sanctions set out in Article 16(3) against companies or their organisational units that are permanently used for the commission of such offences.

Having said this, the following is a list of the main criminal provisions of reference and a brief description of them, referring to the appendix for a detailed list and text of the articles.

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): 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 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.

Within the scope of the company, the offences referred to in points c), d) and e) are considered to be at low risk of being committed; the risk of the offence referred to in point b) also does not appear to be particularly high, although, given that the company also operates in foreign countries, it cannot be excluded, at least in the abstract.

For this purpose, it is therefore necessary to comply not only with the protocols laid down in this section, but also with those set out in the respective sections on corruption, both towards public administrations (which, it should be recalled, include foreign ones) and towards private individuals.

Particular attention should be paid to the offence referred to in point (a): in fact, it may relate to various categories of offences, the only prerequisite being that it is committed by several persons in association with each other for the purpose of committing several offences.

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Therefore, in order to create obstacles to the establishment of associative ties between company resources or between them and external parties, the company organisation and procedures must comply with the criteria of transparency, traceability and segregation of duties (with particular reference to the distinction between operational and control responsibilities); moreover, as far as possible and compatible with the slimness of the organisational structure, it is advisable to rotate resources in the various tasks, as well as to have several resources working side by side in certain delicate phases of company life, such as relations with public administration entities.
In general, given the 'transversality' of this type of offence, compliance with the protocols provided for by the Model for all predicate offences is relevant for the purposes of preventing them from being committed.
In particular, however, the protocols most suited to preventing these offences are recalled:

- Procedures concerning the purchase of goods and services and the conferral of consultancy and professional appointments must be strictly adhered to;

- the economic and financial transactions, both active and passive, must be inherent to the corporate purpose and congruous from a commercial and economic point of view; the consideration paid or collected must always be contractually predetermined, consistent both quantitatively and qualitatively with the service received or performed, and in line with market parameters;

- all economic and financial transactions are carried out in accordance with the law and proper accounting principles, against contractual or otherwise formal commitments or obligations, and using traceable means of payment;

- any disbursements of contributions and donations, which are permitted only exceptionally, for modest amounts and duly authorised on the basis of the system of powers and proxies, must be consistent with the corporate purpose, and must be such that a return in terms of image in the territory or market sector in which the company operates can be expected from them;

- 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 complied with, in particular as regards the receipt and disbursement of gifts, entertainment expenses and the like, always of modest value and never in connection with advantages for the company.

Lastly, it should be borne in mind that the offences provided for in Article 25-duodecies concerning the employment of workers from third countries of the decree may also be correlated with associative offences, insofar as they are provided for by rules aimed at combating organised crime; therefore, the protocols provided for in the section on the employment of workers from third countries must also be complied with in order to prevent the offences dealt with here.
The same applies to the protocols provided for offences in the area of caporalato.

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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 predicate offences of receiving stolen goods, money laundering and use of money, goods or other benefits of unlawful origin were introduced with Article 25-octies of Legislative Decree 231/2001 by Legislative Decree 231/2007. Subsequently, the predicate offence of self money laundering was introduced.

It should be noted that the sanctions provided for are particularly heavy, as fines can be up to 1,000 quotas, and in addition, disqualification sanctions are also provided for in the most serious cases.

Below is a summary of the offences in question, also detailed in the Appendix.

Money laundering (Article 648 bis of the Criminal Code). It consists in 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) This consists in using money, goods or other benefits of unlawful origin in economic or financial activities.

The activities at risk of these offences being committed are as follows:

- purchasing and procurement
- appointments or consultancies
- administrative and financial activities
- economic and financial relations with shareholders and other group companies.

The protocols to be followed are as follows:

- the persons with whom economic-financial relations are initiated and maintained must be assessed in advance in terms of their reliability, consistency and morality; it must be verified whether they are the subject of bankruptcy proceedings, criminal proceedings or other proceedings relating to criminal, civil or administrative offences; these characteristics must be verified before the order or appointment is placed, and must be verified during the course of the relationship;
- all incoming and outgoing financial transactions must be carried out by traceable means of payment (bank transfer, bank drafts, etc.), while the use of cash is permitted only in exceptional cases, and in any case within the legal limits;
- the documentation supporting financial transactions (orders, contracts, assignments, etc.) must be checked and approved in advance, in terms of their congruity with the performance and consistency with the corporate purpose, on the basis of the roles established by the corporate organisation and the system of powers and delegations, and must be properly filed and stored;
- segregation of duties between those in charge of operations and those in charge of control;

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- compliance with company procedures on the purchase of goods or services and the conferral of appointments and consultancies.

Self-money laundering

This predicate offence became part of the decree's scope of application with an amendment to Article 25-octies by Article 3, paragraph 5 of Law 186/2014, which came into force on 1 January 2015, and which introduced the offence referred to in Article 648-ter. 1 of the Criminal Code. Below is the text of Art. 25-octies and Art. 648-ter. 1:

"Art. 25-octies

1. In relation to the offences referred to in Articles 648, 648-bis, 648-ter and 648-ter.1 of the Penal Code, the entity is subject to a monetary sanction of 200 to 800 quotas. In the event that the money, goods or other benefits originate from an offence for which a maximum term of imprisonment of more than five years is established, the financial penalty of between 400 and 1,000 shares shall apply.

2. In the event of conviction for one of the offences referred to in paragraph 1, the disqualification penalties provided for in Article 9(2) shall apply to the entity for a period not exceeding two years.

3. In relation to the offences referred to in paragraphs 1 and 2, the Ministry of Justice, after hearing the opinion of the FIU, shall make the observations referred to in Article 6 of Legislative Decree No. 231 of 8 June 2001."

"Art. 648-ter. 1 of the Penal Code - (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.

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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 ensure the evidence of the offence and the identification of assets, money and other utilities derived from the offence.

The last paragraph of Article 648 applies."

The offence of self money laundering is a crime with a complex structure, in the sense that it consists of conduct aimed at reinvesting sums deriving from previous unlawful conduct, and involves considerable risks of commission.
It arises where, as a result of wilful misconduct in the form of impropriety, untruthfulness or untrue accounting data resulting in the concealment of items or sums of money, they are reutilised or reinvested in the interest or to the advantage of the company. With regard to wilful conduct, it must be borne in mind that the distinction between wilful misconduct and negligence is often difficult, in particular between conscious negligence and wilful misconduct. Therefore, the protocols provided for in this section and those provided for in the "Corporate Offences" section, with reference to the preparation of accounting entries and financial statements, must be scrupulously followed, regardless of any assessment of the subjective element, i.e. the specific intent of the agent.
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 forgery 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 counterfeiting 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 concerning non-cash payment instruments is also prohibited.
It is therefore essential, in order to avoid incurring in 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 identified. In this regard, it is recommended to read 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

With Legislative Decree 121/2011, which transposed directives no. 2008/99/EC on environmental offences and no. 2009/123/EC on ship-source pollution, Article 25-undecies was introduced into the scope of Legislative Decree 231/2001. Subsequently, with Law 68/2015, the so-called **ecocrimes** were included in the decree.
The main regulations relating to the offences introduced in 2011 are listed below, while the part relating to ecological offences is dealt with later:

1. D. 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)

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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. D. Legislative Decree No 202 of 6 November 2007, implementing Directive 2005/35/EC (intentional and unintentional pollution of water, animal or plant species caused by the spillage 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).

All industrial activities, and therefore also that carried out by GSIL, are in abstract subject to the risks of the commission of a large part of these offences, depending above all on the management and state of the land on which the company operates.
And in fact, the company devotes systematic attention to the subject, constantly monitoring the situation on the results of analyses carried out on waste, waste water, etc., also making use of external specialised bodies.
The areas of potential risk are mainly related to the nature of processing residues and their disposal.
For the disposal of waste resulting from the company's operations, procedures are adopted in line with the relevant classification and disposal regulations and the most up-to-date industrial procedures.
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 between waste of various kinds, which must be disposed of according to the law, and materials that cannot be considered waste, which can be, if necessary depending on their nature, marketed.

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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.

The disposal of waste from computer equipment and accessories (such as toner or electrical and electronic hardware components), which is also related to computer crime, may have less impact.
In this regard, reference is made to the provision of the Guarantee "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 is made, and to the subsequent interpretative provisions of February 2011, as reported at the end of this section. In this regard, it should be borne in mind that the Guarantee'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.
Finally, the risk of commission of offences relating to the protection of specimens belonging to protected wild animal species or protected wild plant species is considered extremely low. This does not detract from the fact that one should nevertheless be familiar with the relevant legal regulations, which can be found in the Appendix.

ECOCRIMES
As mentioned at the beginning of this section, following the first introduction of predicate offences in the environmental field, the so-called "eco-crimes" were introduced into the decree, so called because their commission can have a significant impact on the environment.
This was brought about by Article 1, c. 8 of Law No. 68 of 22 May 2015, which amended and supplemented Article 25-undecies.
The seriousness of this type of offence requires careful observance of the relevant rules, and of the protocols provided for herein.

Both the text of Article 1(8) of Law 68/2015 and the description of the offences in question, punctually described in the appendix, are given below.

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";

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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 (Art. 452-bis Penal Code; Art. 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 offended 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 associative 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.

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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.

As announced above, the decision of the Guarantee 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.

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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 entities which, on an individual or collective basis, reuse, recycle or dispose 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 aforesaid 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 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);

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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 reuses 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.

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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

THE SECRETARY GENERAL
Buttarelli

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

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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 the device to be accessible 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.'*

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

This predicate offence is set out in Article 25-duodecies of the decree ("Employment of third-country nationals whose stay is irregular"). The original draft was then amended by Law 161/2017, with the insertion of paragraphs 1-bis, 1- ter and 1-quater, under which more restrictive measures were also introduced with a view to combating organised crime.

This implies that, in addition to the protocols provided for in this section, those provided for association and organised crime offences must also be taken into account.

Below is the text:

"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."

This predicate offence is committed in the case of employment of a national of a non-EU country whose residence permit is wholly or partly irregular.

The risk of this predicate offence being committed does not appear to be particularly high at present, given that the company does not normally employ personnel of this type.

However, it should be borne in mind that, in the abstract, the sensitive areas are as follows:

- recruitment and management of personnel;
- contracts, if the contractor employs non-EU personnel;
- use of temporary employment agencies.

Protocols

1. In case of direct employment of non-EU personnel by the company:

- The employment of foreign workers who do not have 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 who are on the national territory for the purpose of 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;

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- 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 (Clearance) 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;
- It will only be possible to proceed with employment once it has been verified that the application for a residence permit has been submitted by the worker, by producing the relative receipt; the relative compulsory communications must be carried out within the deadlines and in the manner laid down by law;
- the workers in question shall be subject to the economic and regulatory treatment provided for in the applicable CCNL and applicable laws;
- Contribution, tax and insurance obligations must be duly fulfilled;
- If the expiry of the residence permit is prior to the planned date of termination of the employment relationship, the company must verify that the worker has applied for its renewal in a timely manner;
- Obviously, should the procedures laid down by law be changed, it will still be necessary to comply with them punctually.
- A special list of third-country workers must be kept, and the expiry dates of permits must also be recorded and monitored, in order to verify that the worker submits the request for renewal within the timeframe provided for by law, and then file and keep a copy of the relevant receipt.

2. <u>In the case of contracting or temporary work</u>

- Contractors and temporary employment companies, when employing workers from third countries, are obliged to comply with the above-mentioned rules, and in any case with the legal regulations in force:
- the employer bears the burden of requiring the above-mentioned parties (contracting company or temporary employment company) to make a declaration of responsibility to this effect and to include an express termination clause in contracts in the event that this commitment is not fulfilled;
- However, the employer should carry out periodic checks to ensure compliance with the regulations.

It should be noted that the offence dealt with herein may also be correlated with the offence of 'caporalato' (forced labour) under Article 603-bis of the Criminal Code and therefore with the related offence provided for in Article 25-quinquies of Legislative Decree no. 231/2001, in the event that workers from third countries who are not regular are victims of exploitation, also on account of their disadvantaged status.

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Therefore, in addition to the protocols set out in this section, the protocols established on human resources management, set out in the relevant section, must also be followed.

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RACISM AND XENOPHOBIA - Article 25-terdecies

Crimes relating to racism and xenophobia have been included in the decree, specifically in Article 25-terdecies, following the entry into force 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 a European law on the subject and which precisely introduces, with Article 5, the offences in question.

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.

For further clarification, the criminal law providing for these offences is also given:

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, are 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".

It is abundantly clear that the risk of commission of such offences in the company, let alone in its interest or to its advantage, is minimal, whereas it may be concrete in entities or associations that in some way engage in activities of a political nature.

In fact, it is made clear that the offences envisaged do not concern conduct of ethnic discrimination or the like, but actual acts of propaganda, dissemination, incitement and the like.

In any case, it is necessary for the recipients of the Model to become aware of these predicate offences, so as to avoid engaging in conduct that would integrate them, and to report similar conduct of which they become aware within the company.

Here too, for similarity of subject, reference is made to the obligation to observe the provisions of the Code of Ethics on the subject of respect for the human person and the prohibition of any discrimination on the basis of ethnicity, religious belief, political ideas, trade union affiliation, etc.

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

The Council of Europe Convention on the Manipulation of Sports Competitions, stipulated in Magglingen on 18 September 2014, was implemented in the Italian legal system by Law No. 39 of 3 May 2019, which came into force on 17 May 2019, and which introduced Article 25-quaterdecies into the decree by Article 5 paragraph 1.

The risk of the commission of these offences, as well as those set out in Article 25-terdecies just discussed, is also decidedly low in the company, even less so if to its advantage or interest.

In any case, any conduct within the company must be avoided that in any way takes the form of betting, gambling, etc., since such conduct, even if not carried out in the interest or to the advantage of the company and therefore not such as to constitute an offence against the company itself pursuant to the decree, is in any case in conflict with the principles and rules of conduct laid down in the Code of Ethics.

Hierarchical managers are therefore under an obligation to ensure that this does not happen, also with regard to the use of computerised tools, such as *online betting* and the like. In this latter respect, blocks must be placed on access to certain sites dedicated to betting and the like, and in this respect reference should be made, by analogy, to the protocols provided for in the section on computer crime.

Below is the text of Article 5 of Law No. 39 of 3 May 2019, which also contains the text of Article 25-quaterdecies of Legislative Decree No. 231/2001.

'Law No 39 of 3 May 2019 - Art. 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:
(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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TRIBUTARY OFFENCES - Art 25-quinquiesdecies Legislative Decree 231/2001

After years of announcements, with Article 39 of Law 157/2019, which came into force on 25 December 2019, tax crimes, provided for in Article 25-quinquiesdecies and contained in Legislative Decree 74/2000, also became part of the decree. Furthermore, with Legislative Decree 75/2020, the list of these offences was further increased, with the addition of offences committed in the context of cross-border fraudulent schemes and for the purpose of evading value added tax for a total amount of no less than ten million euros.

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;

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- 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.

The particular seriousness attributed by the legislature to this offence should be borne in mind, given that in the event of its being found guilty in court, the disqualification sanctions set out in Article 9(2)(c), (d) and (e) shall be applied to the company found liable.

This level of seriousness of sanctions against the company corresponds to a similar level of seriousness of the sanctions imposed in application of the disciplinary system against the person who is found to be the perpetrator of the relevant offences.

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COUNTERBALANCE - 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, in implementation of 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 'Consolidated Customs Act' (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.

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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.

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Crimes against the 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.

By Article 3 of the same law, Articles 25-septiesdecies and 25-duodevicies are inserted 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 pecuniary sanction of between four hundred and 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.

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Laundering of cultural goods and devastation and looting of cultural and landscape heritage - 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.

_____

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-duodecies (*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, for the purpose of raising 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 issues;
- in which case, refrain from unauthorised modifications in accordance with the regulations in force;

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- 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;.

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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.

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

The new wording (compared to the original one) provides, following the entry into force of Law 179/2017, special protections for the persons referred to in Article 5 of the decree who report offences or breaches of the Model of which they become aware by reason of their office.

These subjects are, according to Article 5:

(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).

Consistent with these provisions, the company must adopt several channels of both a traditional nature (intended for persons who do not have IT tools at their workplace) and an IT nature (at least one channel) such as to ensure the confidentiality of the reporting person.

The plurality of these channels therefore ensures effective access to all potential reporting parties.

The addressees of the Model must be made aware of the above-mentioned channels, as well as of the protections provided for in Article 6.

Such reports may be sent both to the Supervisory Board and to other persons delegated for this purpose according to the system adopted in the company, always subject to confidentiality obligations.

Persons other than the Supervisory Board who receive the report must in any case inform the Supervisory Board thereof.

Once the report has been forwarded, the reporting person must receive timely acknowledgement that it has been received by the recipient; should this not be the case, the person will make the report through another channel, subject to internal verification of the reason why the first report was not received.

The report is then handled, by the receiving party, in agreement with the Supervisory Board and with the involvement of any competent functions, always without prejudice to the protections afforded to the reporter.

Reports must be based on objective and 'precise and concordant' circumstances and facts, as provided for in Article 6 of the decree.

On the other hand, it is forbidden to forward manifestly unfounded reports or reports of a defamatory nature and intent: such conduct constitutes a breach of the Model and is punishable under the Disciplinary System, without prejudice to any further liability profiles.

In addition to the confidentiality protections, under which the reporting person is therefore required to identify himself (without prejudice to any exceptional cases in which anonymous reports may also be taken into account in accordance with the provisions of the Model), other protections are expressly provided for.

In particular, retaliatory and discriminatory acts against the whistleblower on account of the report made are expressly prohibited (without prejudice to the adoption of possible disciplinary sanctions in the event of reports that are clearly unfounded, or of a defamatory nature and intent).

The circumvention of this prohibition constitutes a serious breach of the Model and entails the application of the sanctions provided for in the Disciplinary System.

In this respect, both the Supervisory Board and the persons in charge of receiving the report will carry out the relevant monitoring.

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STATUTES AND RULES OF THE SUPERVISORY BODY

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Foreword

The tasks of the Supervisory Board (SB) are summarised in Article 6(1)(b) of the decree, according to which the SB must verify the functioning of and compliance with the Model, and ensure that it is updated.

Subsequently, on the basis of case law decisions, doctrinal elaborations and practical experience, it was possible to specify the tasks of the Supervisory Board in a more analytical manner.

It should be recalled that, again in accordance with the provisions of Article 6, the establishment of the Supervisory Board is one of the conditions that may allow the entity to be exempt from administrative liability under the decree in the event of the commission of one of the predicate offences.

This section sets out in detail the criteria that must govern the establishment of the body and the appointment of its members (in the case of GSI Lucchini, it must be remembered, the body is monocratic, i.e. composed of a single person), the tasks it is called upon to perform, its prerogatives and responsibilities.

The Supervisory Board then draws up, independently, a set of Rules in which the operating methods of its activities are described, in line with the provisions of the Statute.

The Rules are then brought to the attention of the Company**.**

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, upon appointment, also fixes the remuneration of the Supervisory Board: this is one of the aspects that contribute to satisfying the requirement of autonomy of the body expressly required by the aforementioned Article 6(1)(e)**.**

As already mentioned, GSI Lucchini opted, essentially for reasons of operational streamlining, for the appointment of a single-member body, covered by an external professional expert in the field**.**

Duration of assignment

As things stand, the Supervisory Board of GSI Lucchini remains in office for one year. The appointment may be renewed**.**

Causes and modalities for termination of the Supervisory Board's mandate

The mandate of the Supervisory Board may be terminated for the following reasons**.**

1. Expiry of mandate

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

2. 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 in accordance with the autonomy requirements laid down in the decree:

- for just cause, in the event of serious omission or dereliction of duty;
- if the personal requirements of the member are no longer met;
- if one of the causes of incompatibility or a significant conflict of interest arises**.**

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3. Waiver of mandate

Any renunciation of the mandate, with adequate justification, must be communicated in writing to the Board of Directors.

When the term of office of the Supervisory Board ends for one of the above-mentioned reasons, 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 generally remain in office until the new member is appointed, except in cases of incompatibility, conflict of interest or supervening impossibility (such as serious health reasons).

Requirements of the Supervisory Board

Personal requirements of members and grounds for incompatibility, ineligibility and disqualification
The members (the member in the case of GSI Lucchini) of the Supervisory Board must meet the following personal requirements:

- be in possession of solid and proven experience in the legal field, control procedures and company organisation, as well as specific expertise in 231;
- be in possession of the honourability requirements provided for in Articles 2382 and 2399 of the Italian Civil Code and Article 109 of Legislative Decree No. 385 of 1 September 1993;
- have no kinship, affinity or marriage ties with members of corporate bodies or senior management;
- not have significant economic interests in relations with the company, nor hold positions with a stable character that could influence its operations; in fact, if internal members are appointed, they must hold positions in staff functions, and not in operational functions; their hierarchical position must also be characterised by a high degree of autonomy;
- not find themselves in situations of conflict of interest that could influence them in the performance of their role. For this purpose, they shall issue, at the time of appointment, an express written declaration attesting the absence of conflict of interest. If, during the term of office, any situation arises that could lead to a conflict of interest, the member concerned shall promptly inform the Board of Directors for the assessments and determinations of competence, it being understood that in the meantime he/she shall refrain from intervening in situations in which he/she is involved;
- must not be bankrupt, disqualified or incapacitated; must not have suffered criminal convictions, 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, in line with the individual requirements of the member of the Supervisory Board referred to in the first paragraph above;

- honourability: in line with the individual requirements of the member of the Supervisory Board set out in the second paragraph above.

The Supervisory Board, in application of the principles of autonomy and independence, reports to the Board of Directors, without prejudice to the current relations with corporate structures; there are no hierarchical subordination constraints vis-à-vis corporate bodies, top management or corporate structures.
The body, again in compliance with the principles of autonomy and independence, is provided with an annual budget, included in the company's annual budget, the amount of which, indicated by the body itself on the basis of the activities it plans to carry out, is agreed upon with the competent company structures.
The Supervisory Board may use its allocated budget for:

- carry out audits with the support of external specialists, if such audits are particularly sensitive for reasons of confidentiality (e.g. because they are addressed to senior management) or require technical-specialist skills not present in the company;

- call in external specialists to update the Model (for instance, in the event of the introduction of predicate offences implying specialised technical or technological knowledge not present in the company);

- 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.).

The body does not issue orders or assign tasks directly.
Once the need to dispose of the sums allocated on the basis of the reasons set out above has been identified, it refers the matter to the competent structures, which proceed in accordance with the powers of signature in force.
When issuing assignments, the structures shall refrain from evaluations of merit that inhibit the 0action of the Supervisory Board (except in cases of any obvious inconsistency, in which case they shall report to their superiors), and guarantee due confidentiality.
In any case, the Supervisory Board is required to account for the use of the budget allocated to it.

Rules of the Supervisory Board

The Supervisory Board draws up regulations governing the manner in which it carries out its activities.
The Rules, drawn up independently by the body, shall be consistent with these Articles of Association and, once drawn up, shall be communicated to the Company.
It regulates the following aspects:

- scheduling of meetings and/or sessions;

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- 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 the 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 corporate bodies, consistent with the provisions of this section.

Tasks of the Supervisory Board

The Supervisory Board, according to the provisions of Article 6(1)(e) of the decree, is called upon to supervise the operation of and compliance with the models and to ensure that they are updated.

In other words, it must monitor the suitability of the Model, its effective implementation and enforcement, and its compliance by the addressees,

In addition, the Supervisory Board of GSI Lucchini must ensure that the Model is updated in the following cases:

- if new rules are introduced by the legislator that change the scope of application of Legislative Decree 231/2001, by introducing new predicate offences or amending certain rules;
- when significant changes occur in the organisational or corporate structure;
- if significant breaches of the Model occur, or in any case deficiencies emerge in the Model itself or in its application.

The activities by which the Supervisory Board performs its duties are:

- verification activities, both through scheduled audits and through constant monitoring of the application of the Model;
- alerting the company to the advisability of updating the Model (in which case proceeding directly to update it), procedures, and organisational control mechanisms;
- verification of the actions taken by the Company on the information of the Model towards the addressees, identification of the need to promote information/training activities and their implementation, in concert with the company structures;

reporting breaches of the Model.

<u>Verification activities</u>

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According to Article 7 of the decree, the Model must:

- be suitable for the prevention of predicate offences
- be effectively implemented.

Therefore, first and foremost, the Supervisory Board must verify that the Model is not only, on paper, suitable to prevent the underlying offences, containing the relevant protocols and controls, but also that it is actually implemented in the company's reality, i.e. brought to the attention of the addressees and observed**.**

The verification of the Model's suitability for preventing predicate offences covers the following aspects:

- 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 Model's protocols 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.

As for the task of updating the Model, again provided for in Article 6 of the decree, this is carried out in the presence of:

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- legislative amendments to the decree through the introduction of new predicate offences, changes or additions to those already provided for, changes to other aspects such as the extent and type of penalties, changes to procedural aspects;
- significant changes in the company's object, corporate structure or *governance,* organisational structure, plant structure, or manner of performing the activity;
- breaches of the Model attributable, rather than to individual conduct, to possible deficiencies in the control points, such as to require a revision of the protocols**.**

Audits may be scheduled or carried out extemporaneously, due to the occurrence of certain events that suggest a divergence of conduct from the Model's protocols**.**
Scheduled audits are generally announced in the annual programme drawn up by the Supervisory Board in its annual report on its activities, based on the following criteria:

- activities considered most at risk of the commission of predicate offences;
- activities affected by legislation introducing new predicate offences or changes to existing ones into the decree;
- time elapsed since the last verification on previously verified areas;
- feed back on the implementation of findings or suggestions of the Supervisory Board following previous audits**.**

However, situations may arise that require verifications outside the schedule.
This can happen for the following reasons:

- when significant changes occur in the corporate or organisational structure;
- when they reach the Supervisory Board, or the persons envisaged by the channels set up pursuant to Article 6, paragraph 2-bis of the Decree, concerning breaches of the Model;
- information or requests from senior management or company bodies
- when there are interventions by the legislature amending the decree that require immediate checks on the areas concerned**.**

The Supervisory Board generally gives advance notice to the structures concerned by the audits, so that they can prepare the necessary documentation and information, unless reasons of urgency require the audit to be carried out without advance notice**.**

Normally, audits are carried out directly by the Supervisory Board; however, they may also be delegated by the Supervisory Board, depending on the subject of the audit, to corporate structures with the necessary competences (obviously in agreement with the top management), it being understood that no structure may be delegated to audit activities falling within its competence, except for the request for documentation and information.
However, it is not ruled out that in certain cases the Supervisory Board may entrust the audit, again under its supervision, to external parties; this may occur for the following reasons:

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- verification requires particularly specialised technical skills, which are not present in the company and are not part of the Supervisory Board's knowledge base;

- the audit has particular grounds for confidentiality, because it is addressed to senior management or members of corporate bodies, so that it may be inappropriate to involve company structures and it may be necessary to have an attestation from an external party.

In this case, the remuneration of the external auditor is taken from the budget of the Supervisory Board.

In order for the checks to be successful, the company structures must allow the Supervisory Board access to the necessary documentation, and provide it with the information at its disposal in a complete and truthful manner.
The Supervisory Board has the right to hear all persons who can provide indications and information regarding the audit, regardless of their position in the company, thus including senior management and corporate bodies.
When the verification is triggered by a report received by the SB, the latter may also hear the author of the report as well as the person against whom the report was made, guaranteeing both of them the necessary confidentiality until the verification is concluded; at the end of the verification, the confidentiality safeguards must be balanced with the need to communicate the results of the verification, for instance if the report proves to be unfounded and was made merely to discredit the reported person, or if the report proves to be groundless and the reported person is liable to sanctions. This phase, which is particularly delicate, must be handled with the utmost care by the Supervisory Board and the top management of the company or, where appropriate, the corporate bodies.

In any case, the results of the checks are set out by the Supervisory Board wall in a special report, which is brought to the attention of the Board of Directors, through the Chairman, for their decisions

Proactive activities

On the basis of the checks carried out, the information and reports received, the legislative and jurisprudential evolution of the subject, and any significant changes in the company's corporate or organisational structure, the Supervisory Board may propose to the company the adoption of measures in terms of

- opportunity or need to adapt or update the Model,

- improvements in information and communication methods;

- opportunity to plan and implement training actions on the Model and on the subject '231';

- improvements in the way the Model is applied.

In the event of the need to update the Model, the Supervisory Board shall proceed directly, informing the company thereof. In cases where the updating activity requires particular technical-specialist skills, it may make use of the contribution of company skills if available or of external subjects, drawing in the latter case from the budget assigned to it.

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Information and reporting activities.

On an annual basis, the Supervisory Board submits a report to the Board of Directors, as well as to the Board of Statutory Auditors as far as it is competent, summarising the activities carried out during the period and indicating the lines of activity for the following year.

Should particularly significant situations occur during the year, such as serious breaches of the Model, the Supervisory Board shall promptly report to the Board of Directors for the adoption of the appropriate actions, also proposing the necessary corrective actions and, where appropriate, the adoption of measures pursuant to the disciplinary system.

Where such situations relate to accounting, financial or tax aspects, the communication is also forwarded, for competence, to the Board of Auditors.

On these aspects, the Supervisory Board in any case maintains relations with the Board of Statutory Auditors and the Auditing Firm, for the appropriate exchange of information within the scope of their respective competences**.**

The Supervisory Board also fulfils its obligations to report to external bodies in cases where this is required by law, such as when it becomes aware of suspicious transactions, contrary to anti-money laundering legislation.

Functioning and prerogatives of the Supervisory Board

Support from the company and information flow to the Supervisory Board

In order to perform its tasks, the body shall, where necessary, avail itself of the cooperation of the company structures, which must make themselves available for this purpose.

In particular, the Supervisory Board benefits, when deemed necessary, from the following contributions from the company structures:

- may require 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 make use of company resources or external specialists to carry out audits or to update the Model, in the latter case requesting the competent bodies to issue the relevant orders;
- has the right to access company documentation necessary 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;

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- 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.

The periodicity of the forwarding of information to the Supervisory Board is agreed with the structures, except in cases where the information must be provided promptly.

Reports to the Supervisory Board

Reports on alleged violations of the Model are normally addressed to the Supervisory Board, or channelled through the channels set up for this purpose by the company pursuant to Article 6, paragraph 2-bis of the decree.
In this regard, telephone numbers, fax numbers, e-mail addresses and any other channels to which reports can be sent are made known.
In any case, reports, if received from other parties, must be brought to the attention of the Supervisory Board.
All persons covered by the Model are required to make such reports.
The modalities for reporting are made known by the company, also pursuant to the aforementioned 6(2a);
Reports must in any case be formalised in writing and transmitted through the aforementioned channels, e.g. by e-mail, internal mail, ordinary mail with the indication of the Supervisory Board as addressee and preferably marked 'Confidential', to the address of the Company's head office.
Correspondence addressed to the Supervisory Board must be delivered directly to it, without first being opened for the sake of confidentiality.

Management of alerts

In the event of receipt of reports of alleged breaches of the Model, the Supervisory Board shall promptly initiate the appropriate checks, in order to ascertain their reliability and grounds, and at the same time inform the Board of Directors

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and, if the report concerns a member of that body, the Board of Statutory Auditors, while complying with the confidentiality criteria mentioned above.
At the end of the audit, the Supervisory Board communicates its findings to the Board of Directors, suggesting what, in its opinion, may be the measures to be taken, which may consist, depending on the case:

- in taking measures aimed at preventing or stopping certain behaviour;
- in the imposition of sanctions under the Disciplinary System.

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.
In compliance with the relevant provisions of Article 6(2-bis) of the decree, the Supervisory Board uses particular caution for the purposes of confidentiality in respect of the authors of reports of offences or breaches of the Model; it also checks that the reporting persons are not exposed to retaliatory or discriminatory actions or in any case to unfairly prejudicial reactions against them on account of the reports made.
Equal confidentiality is adopted towards those who are the subject of reports as alleged perpetrators of breaches of the model.
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. Furthermore, it carries out its task with continuity of action and with due promptness.

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CODE OF ETHICS

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FOREWORD - GENERAL ASPECTS

Purpose - Scope of application - Cogency of the Code of Ethics

By company choice, and similarly to the other group companies, GSI Lucchini's Code of Ethics is an integral part of the Model, and has the same degree of cogency.
This implies that the Supervisory Board also has jurisdiction over breaches of the Code of Ethics, in addition to the other parts of the Model, and that these breaches constitute, to all intents and purposes, breaches of the Model, and are punishable under the Disciplinary System.
It should be noted that compliance with the Code of Ethics, in addition to guaranteeing compliance with company policy from an ethical point of view, also constitutes a useful complement to the Model's protocols in order to prevent the commission of predicate offences.

The Code of Ethics sets out the ethical principles and rules of conduct that must inspire the behaviour of all those who work in the name of, on behalf of or in the interest of the company, or who collaborate with it or have contractual relations with it.
These persons are first and foremost all those indicated in Article 5(1)(a) and (b), namely: members of corporate bodies, managers, other employees.
In addition, collaborators, consultants, suppliers must comply with the Code of Ethics.
A separate discussion must be held for customers, given the different contractual power relations with the company compared to other categories. However, customers too must be made aware of the Code of Ethics, and must be asked to adapt their conduct to it. The fact remains that, in the presence of serious breaches of the Code of Ethics, the company must ask the customer to realign its conduct and, if appropriate, carefully consider the possibility of terminating the contractual relationship.
Finally, the Code of Ethics must also be complied with by persons who, operating in Jsw Steel Italy Piombino S.p.A., perform activities or services on behalf of GSI Lucchini.

PART ONE - General Principles

GSI Lucchini, in the exercise of its activities and for the achievement of its objectives, is inspired by the general ethical principles listed below; the behaviour of all persons acting in its name and on its behalf must therefore be inspired by these principles, and comply with the rules of conduct that constitute their practical application.

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 between 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.

Legality - Compliance

Compliance is required with international and EU regulations insofar as 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

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be recalled that as of 25 December 2019, tax offences and, as of 30 July 2020, offences relating to smuggling also became part of the predicate offences under the decree.
It should be recalled that a breach of the rules that constitutes the commission of a predicate offence entails the administrative liability of the entity if the offence was committed in its interest or to its advantage; moreover, the Code of Ethics prohibits such conduct, which is punishable under the disciplinary system, even if it is carried out in the exclusive interest of the subject, and not of the company.

Confidentiality and data protection
Compliance with the current legal regulations on the protection of personal data, which have also recently been updated in national law in accordance with the GDPR, must be ensured at all times.
Information of which the addressees become aware in the course of their work must be treated with due confidentiality; moreover, it may not be used for unlawful purposes, either for personal interest or to benefit the company, or to the detriment of others (such as customers, etc.).
We also recall the confidentiality protections established by Article 6, paragraph 2-bis of the decree, in favour of those who report offences or breaches of the Model *(whistleblowing)*; these protections are explained below, in the paragraph devoted to the specific topic.

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 values by the company and anyone acting on its behalf.
Similarly, the safety of employees and all third parties who for whatever reason are on the company's premises and in the areas pertaining to the company is also taken into the utmost consideration.
Working environments and areas are functional for the safety of workers and third parties who have access to them.

Dignity, integrity, respect and enhancement of the person - prohibition of discrimination
The psychophysical integrity and dignity of the person are inalienable values.
The utmost respect is therefore required for all persons with whom the company has relations, whether employees or third parties.
Discrimination of any kind, whether due to physical condition, political opinion, trade union affiliation, religious belief, economic status, gender differences, ethnicity, is prohibited.
The application of these principles must take concrete form in the entire management of human resources, from compliance with legal and contractual provisions in the treatment of employees, to the organisation of work, career paths, and working conditions, which must always aim at the professional enhancement of workers, their motivation and their involvement in the improvement of operational practices and safety conditions.
In addition, all behaviour potentially damaging to the individual personality that manifests itself through practices such as pornography, child pornography, and the seeking and display of pornographic material is prohibited.

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Fairness, diligence, spirit of service

The conduct of the addressees of the Code of Ethics must be guided by the following criteria:

- fairness: the truthfulness and completeness of the data and information provided, compliance with contractual obligations, and respect for the roles established by the company organisation must be ensured, without prejudice to the legitimate exercise of individual rights;
- diligence: all are required to exercise due care in the performance of their duties, avoiding carelessness, inattention, negligence;
- spirit of service: activities within one's remit must be performed in line with the company's objectives, and not in one's own interest.

It should be recalled that the application of these principles also includes the prohibition of fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited apparatuses, referred to in Article 25-quaterdecies.

Impartiality

The company's choices and actions must always be inspired by the utmost impartiality towards employees, collaborators and suppliers: all these subjects, depending on the individual categories, must always be put on an equal footing with respect to situations of a competitive or comparative nature, such as selections, recruitments, promotions, tenders, assignment of orders and tasks, avoiding both discrimination and favouritism.
The above prohibition of discrimination therefore also extends to the above-mentioned situations.

Honesty, integrity and loyalty

Behaviour within the framework of the activity carried out for the company or within the framework of contractual relations with it shall be inspired by honesty, and carried out with straightforwardness and transparency, in a spirit of mutual cooperation and respect for the rules; deliberately or knowingly misleading stakeholders shall be avoided.

Quality

This principle, in its broadest sense, must be applied to all aspects of corporate life: to work processes, materials and their procurement, maintenance, safety, and environmental protection.
The level of quality is subject to constant monitoring not only to prevent its decline, but rather to ensure that it is maintained and progressively improved according to technological development, legislative developments and experience.

Environmental Protection

The company's attention to environmental protection is utmost; therefore, its procedures and operating practices are inspired by it, as well as its control systems, both internal and with the support of specialised external parties.
The operational staff is constantly made aware of this.

Preservation, protection and respect for cultural and landscape heritage

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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, also the protection of cultural assets and the landscape, implementing the necessary measures should such a need arise.

Responsibility towards the community

All the company's activities must take into account the social context in which the company operates, both in terms of safety and environmental protection and in general, avoiding actions in conflict with the Code of Ethics that could harm the community.

PREVENTION OF ILLECTIONS AND INFRINGEMENTS TO THE MODEL - WHISTLEBLOWING PROTECTIONS - Article 6, paragraph 2-bis of the Decree

The company endeavours to prevent the commission of offences or breaches of the Model and the Code of Ethics that may involve it in some way.

This objective includes the requirement that the recipients of the Model who become aware of such actions should report them to the subjects established by the company (Supervisory Board and/or one of the channels set up for this purpose).

The company guarantees whistleblowers the protections provided for in the aforementioned article, ensuring, through the adoption of appropriate preventive measures, the utmost confidentiality and a commitment to refrain from acts of retaliation or discrimination against them by those acting on its behalf.

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PART TWO

Rules of Conduct

The general principles set out in the first part define the company's ethical policy.
They are concretely applied in the following rules of conduct, to which the conduct of all addressees must conform, depending on their role and category.

Business management in general

The company conforms its actions to the aforementioned general 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.
It also ensures that these principles are applied to employees and collaborators in various capacities.
The most sensitive aspects in respect of which the company management incorporates these principles are, in particular, by way of example but not limited to:

- accounting records
- tax declarations
- payments and receipts
- compliance with customs regulations
- control activities
- confidentiality of data and information
- anti-corruption
- Receiving stolen goods, anti-money laundering and self-money laundering
- embezzlement
- organised crime and counter-terrorism
- conflict of interest
- gifts, giveaways and sponsorships
- 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

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- 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 persons with co-ordination and control responsibilities

Accounting records

All transactions with 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 supporting documentation, from which the following must emerge: relevance to the corporate purpose, consistency and congruence with the contractual sources from which they derive, appropriateness of the amounts, compliance with the system of powers and proxies in the authorisation process.

Declarations for tax purposes

Tax declarations and all activity preparatory to their preparation and presentation must be complete and truthful.
Conduct in contravention of current tax legislation is prohibited, in particular: fraudulent declaration by issuing invoices for non-existent transactions or other devices, issuing invoices for non-existent transactions, destruction or concealment of accounting documents, fraudulent evasion of tax.
In general, forms of evasion or avoidance from which an unlawful economic advantage for the company derives are prohibited. It is recalled that in such a case, if these sums were then reinvested, this could even constitute the offence of self laundering (see).
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 administrative functions, and administrative functions from requesting clients, to carry out transactions that deviate from the tax rules in force.

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Money movements, payments and receipts

Payments, collections and in general all movements of money (loans, financing, etc.) must be made by traceable means of payment, such as bank transfers, bank drafts, bank cheques.

They must be supported by the relevant contractual or other documentation that gave rise to them, and must be authorised by the persons authorised to do so on the basis of the power and delegation system and in the presence of the relevant supporting documentation.

Cash movements are permitted only in exceptional cases, for insignificant sums and in any case within the limits provided for by anti-money laundering rules.

Control activities

The system of controls must be effective for the purpose of verifying the regularity of management in general and of individual operations in particular, and their compliance with the system of rules consisting of laws, regulations, the Model including the Code of Ethics, and internal procedures.

Any irregularities detected must be promptly communicated to the competent persons according to their nature (hierarchical superiors, top management, control bodies, including the Supervisory Board).

In such a case, the competent entities shall take action to prevent the continuation or recurrence of such irregularities.

In order to ensure the effectiveness of the control system, the so-called segregation of duties should be effectively applied, compatibly with the corporate organisational structure, entrusting control operations to persons other than those in charge of operational activities.

Anticorruption

Acts of both active (towards third parties) and passive (by third parties towards persons working in the company or on its behalf) bribery are prohibited.

In the first case, it should be recalled that bribery, or attempted bribery, of external persons, belonging either to the public administration or private individuals, may constitute the commission of predicate offences (towards the public administration or between private individuals, respectively) if carried out in the interest or to the advantage of the company.

Moreover, given the broader scope of the Code of Ethics, such actions are prohibited and sanctioned under the Disciplinary System even when they are carried out in the personal interest, and therefore do not constitute a predicate offence. On the contrary, in such a case, it cannot be ruled out, depending on the individual cases, that the company may have to be considered an injured party, for instance for damage to its image.

It is also prohibited to receive sums of money or other benefits in order to facilitate third parties (e.g. suppliers, customers, etc.). Even these forms of passive bribery, while not constituting a predicate offence since they are carried out in the personal interest, are sanctioned under the Disciplinary System, and even in these cases the company may take on the role of injured party.

Receiving stolen goods, anti-money laundering and self-money laundering

First of all, the protocols provided for in the respective section of the special section must be complied with, i.e. the traceability of means of payment in financial transactions and compliance with legal limits on the use of cash.

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In addition, due diligence must be carried out with respect to the other party, both prior to the commencement of the relationship and during the term of the relationship.
These checks must be directed first of all at formal, official and judicial aspects, in order to ascertain whether the subject is involved in bankruptcy proceedings or criminal proceedings for offences against property, corruption or organised crime; they must also be directed at aspects relating to the moral integrity and reputation of the interlocutors.
Where the outcome of such checks denotes judicial or ethical deficiencies, the company shall assess whether, depending on the case and the seriousness of the situations that have arisen, it should avoid entering into relations, or continue in relations already entered into, with such persons**.**
In the case of purchases, procurements and consultancies, the appropriateness of the fees with respect to the service must also be verified, in order to avoid the purchase of materials of dubious or illicit origin, the awarding of contracts or assignments to companies that do not comply with the pay, contribution and insurance regulations for their staff, and the awarding of assignments to persons of dubious honesty**.**
With regard to self money laundering, first of all, the applicable laws in force must be applied in all transactions relating to the recording and presentation of accounting data and in tax returns; the unlawful setting aside of sums or the creation of concealed sums, by means of untrue tax returns or acts of tax evasion or avoidance, or the incorrect valuation of assets, revenues, receivables or payables must be absolutely avoided; if such conduct is carried out, the possible reutilisation or reinvestment of the aforementioned sums may give rise to the predicate offence of selflaundering, if their concealment and setting aside is committed with malicious intent.
In any case, even if the concealment or unlawful setting aside of sums were to occur through negligence (negligence, inexcusable error) and not through wilful misconduct, such conduct would still constitute a serious breach of the Code of Ethics even in the absence of the commission of the corresponding predicate offences, i.e. self laundering or tax offences.

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.

Organised crime and counter-terrorism
As mentioned in the relevant section of the special section, in the light of the company's activities, the commission of predicate offences of this type is scarcely probable.

This being said, in the general logic of preparing protocols aimed at preventing offences with a higher risk of being committed, but also of equipping oneself to prevent offences that are less likely to be committed, in addition to complying with the protocols provided for in the special section in relation to this category of offences, it is necessary to carefully

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check that the persons with whom contractual relations are established meet the requirements of honourableness and respectability, both at judicial and social level, in order to avoid having relations with persons belonging or contiguous to terrorist organisations or criminal associations.

In this regard, it is recalled that the rules on the employment of workers from third countries as well as those on 'caporalato' also serve the purpose of combating organised crime, so the relevant protocols must also be applied for these purposes.

Conflict of interest

Any person to whom the Code of Ethics is addressed must avoid being in conflict, for economic, personal or family reasons or interests, with the interests of the company.

Should this occur, the persons in conflict or potential conflict must promptly inform the Supervisory Board or their superiors, who in turn must inform the Supervisory Board.

In the meantime, they must refrain from taking decisions, adopting acts, or otherwise participating in the process of their formation, in which they are in conflict.

The most frequent cases in which a conflict of interest may arise are as follows, without excluding other cases that may occur:

- if a person bound by a relationship of administration or dependency with the company, or members of his or her family or related relatives, propose themselves as suppliers, customers or competitors of the company, or hold shares in companies in one of these positions;
- where such persons use, for their own benefit or for the benefit of third parties, information that they possess as a result of their role in the company;
- if such persons perform professional or work activities of any kind with or for customers, suppliers, competitors;
- in the event that such persons carry out on their own, outside the company, activities that are similar to or in competition with the tasks they perform in the company; it should be noted that, even in cases where the activities carried out on their own are not similar to or in competition with those performed in the company, the person is nevertheless obliged to give prior notice to the company, which will carry out the appropriate assessments;
- if such persons are involved in selection processes for recruitment, tenders or decisions for the assignment of orders or tasks in which persons related to them by ties of kinship or participation are involved.

Gifts and giveaways - Sponsorships

Gift-giving

It is company policy that, as a rule, no gifts or gratuities are given to third parties.

Exceptionally, this general rule may only be waived under the following conditions:

- in particular cases, to be carefully assessed on the basis of the provisions of the Code of Ethics, gifts may be given, subject to the express written authorisation of the person vested with authority under the power and delegation system, provided that they are not even indirectly related to possible advantages for the company;

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- if paid, must in any case be of modest intrinsic value according to common sense, must not be binding or such as to even potentially condition the recipient to assume benevolent attitudes towards society;
- shall not consist of sums of money;
- may be paid, subject to the above conditions, only on public holidays or anniversaries, according to custom;
- must not be concomitant with or connected to acts favourable to the company that have already been performed or are expected.

In any case, when it is deemed appropriate, without prejudice to the prescriptions of the Code of Ethics, to formulate good wishes or other similar sentiments as a matter of courtesy, it is preferable to accompany them, rather than with a gift, with alternative forms such as, for example, cards in which it is emphasised that, instead of a gift, forms of charity or support for persons in need have been provided.

Any forms of hospitality towards persons with whom business or institutional relations are maintained must be limited to board and lodging expenses only, provided that they have been authorised in advance by the person with authority under the system of powers and delegations and that they are modest in relation to the level of the guest.

Written records must be left and kept of the relevant expenses and the reasons for them (which must be in line with the Code of Ethics). The amounts must, in view of the guest's level, be moderate and in line with current prices.

Acceptance of gifts

Members of corporate bodies, executives and other employees may only accept, on holidays or anniversaries, gifts of modest value, provided that they are in no way connected to acts performed in favour of the donor in the performance of their duties in the company.

Should this occur, or in the case of gifts of a high value, the gift must not be accepted and senior management must be informed.

The above rules must also be observed by external parties working on behalf of the company (suppliers, consultants, collaborators).

Sponsorships

The company's policy generally does not cover sponsorship.

In the event that, at top management level, the opportunity arises, they may only be carried out under the following conditions:

- must not be ripetitive;
- must be of a modest amount, in relation to the company's customs and economic compatibility, so as not to place a significant burden on the profit and loss account;
- must be inherent to the corporate purpose, or in any case strictly related to the legitimate interests of the company, such as the promotion of its image in the territory in which it operates or in the reference market;

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- must not 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 order to avoid favouritism or discrimination;
- must be authorised in advance only by the persons authorised to do so under the power and delegation system;
- in the event that they concern persons who also have relations with the shareholder, the decision must be made after hearing the shareholder concerned.

Contracts

The Company shall ensure that contractual relations include clauses that provide counterparts with knowledge of the adoption of the Model and the Code of Ethics and their contents, and guarantee their effectiveness, through a commitment to their observance.

This also applies to all import/export transactions.

Relationships with employees, employees among themselves and with other stakeholders - Behaviour in the working environment

All the conduct of those working within the company or on its behalf must conform to the general principle of respect for the person.

This implies, first and foremost, that working conditions and working environments not only guarantee the safety and psycho-physical integrity of those working there, but also respect their personal dignity.

The company organisation is conceived in such a way as to guarantee equal opportunities for employees in the expression and development of their professional skills; any form of discrimination for any reason whatsoever (gender, ethnicity, religious belief, political affiliation, trade union affiliation) is prohibited.

Relationships characterised by mutual respect and free of.

In particular, those in coordination roles must not take advantage of their position to treat co-workers disrespectfully, nor must they behave in such a way as to constitute mobbing situations; reciprocally, offensive, threatening or disrespectful behaviour towards superiors is not allowed on the part of co-workers.

In general, manifestations or expressions of physical or verbal violence (see below in the relevant paragraph), threats, offence, defamation or in any case damaging 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.

Discussions on work-related issues must always be characterised by fairness, politeness and respect for the interlocutor.

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.

Regulatory, remuneration and contribution treatments must comply with the provisions of the law and collective bargaining at the various levels. Therefore, no treatment inferior to that provided for by the aforementioned regulatory sources must be practised, having regard also to the provisions on the subject of offences of 'caporalato' (see the specific section in the Special Section), with particular reference to personnel in possible situations of social disadvantage.

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The assignment of tasks and paths of professional development and salary improvement respond to criteria of professionalism and merit based on objective and measurable parameters. The relevant procedures are all justified and documented, respecting due confidentiality.
The establishment or continuation of employment relationships, neither formally nor de facto and not even on a temporary basis, by the company or its contractors or, in any case, by persons working on its behalf, with personnel from third countries whose status is irregular, is not permitted.

Harassment
Also in application of the general principle of respect for the person, it is forbidden to engage in, encourage or tolerate conduct that constitutes harassment of the person, such as:

- 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, personal situations or behaviour, 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 sexual harassment, without prejudice to the relevant general prohibition, 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, even in the absence of recurrence or repetition, constitutes an aggravating circumstance for the purposes of applying the sanctions provided for by the Disciplinary System. A further aggravating circumstance exists where such conduct is correlated with the promise or request of career advancement or economic improvements.
Top management, executives and persons working in co-ordination positions must promote the aforementioned standards of conduct, first and foremost by personal example.

Anyone who becomes aware of any breaches of the aforementioned rules of conduct is obliged to promptly inform the top management and the Supervisory Board.

Violence
Violent actions, 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 into the workplace weapons of any kind, firearms or blunt weapons, whether personal or improper A fortiori, it is forbidden to use weapons in the company, except by persons expressly authorised to do so**.**

Smoking , drugs , alcoholic substances, gambling and betting

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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. This prohibition corresponds to the right of everyone not to be subjected to passive smoking, in compliance with the general principle of health protection.

The introduction and use of drugs in the workplace is prohibited.

The abuse of alcoholic substances in the workplace is forbidden, abuse being understood as the 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 always remain within the legal limits.

Without prejudice to the fact that non-compliance with the rules of conduct contained in this paragraph constitutes an offence under the Disciplinary System, it should be noted that non-compliance relating to the introduction and use of drugs or the abuse of alcohol constitutes an aggravating circumstance; a further aggravating circumstance is the fact that the use of drugs or the abuse of alcohol has caused accidents or injuries at work**.**

In application of the general principles, all conduct in the workplace that does not relate to work activities is prohibited; in this regard, we recall in particular the prohibition to engage in conduct that may constitute offences relating to fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices, as set out in Article 25-quaterdecies of the decree**.**

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Safety and health protection in the workplace

The following rules of conduct derive from the general principle that the safety and health of persons working on behalf of or within the company, whether their own employees/collaborators or those of third parties, as well as of anyone who has access to the workplace, must be ensured:

- all persons working within the company must be informed and made aware of the relevant regulations and procedures;
- the application of safety regulations is systematically monitored by the persons in charge;
- Preventive means and mechanisms, personal protective equipment and operational practices are constantly monitored and adjusted according to the development of safety indicators and statistics as well as medical and technological developments;
- the training initiatives provided for by law are regularly planned and implemented, as well as those deemed necessary in any case according to the company's accident and occupational accident indices;
- regular visits are regularly scheduled and carried out, which workers are obliged to undergo;
- the company systematically involves workers in improving safety, the environment and working conditions.

Individuals with safety responsibilities are required to implement and control, to the extent of their competence, the provisions of the law, the protocols dictated by the Model, the procedures and all the prescriptions and prohibitions that constitute the company's safety system. They must ensure the proper functioning of equipment and devices aimed at prevention, and the availability and proper use of PPE.
In the event of risks being detected, they intervene by promptly reporting them to the responsible persons and, if the risk is imminent, requesting the immediate cessation of operations.

Workers, for their part, are also required to comply with the rules set out here; in particular, they must:

- correctly use the facilities, equipment, means of transport and personal protective equipment made available to them;
- promptly report any deficiencies and malfunctions found;
- promptly report dangerous situations and, if necessary, intervene personally, but without putting one's own safety at risk;
- carry out assigned tasks with due care, avoiding endangering their own safety or that of others.

It is forbidden for anyone to remove, modify or tamper with the devices installed for security, signalling or control purposes.

Situations of contagion, epidemic, pandemic

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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
The company's operations can, by their very nature, have an impact on the environment in several respects: type of materials handled, waste, substances handled in the execution of industrial cleaning and maintenance activities.
To this end, measures are taken in operational practices and controls to avoid negative environmental impacts.
The company carries out periodic analyses of the materials used and those resulting in the course of its work, also contacting specialised bodies and laboratories.
It pays due attention to waste management, strictly applying the relevant regulations according to the various types; it regularly monitors atmospheric emissions, discharges into water and soil, energy consumption, complying with all relevant regulations as well as any prescriptions issued by the competent authorities.

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 processing and 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 processing personal data, or who in any case have knowledge of them, must safeguard the confidentiality of personal data.
In addition, all company subjects are bound to strict confidentiality regarding information they come into possession of as a result of their activity in the company or on its behalf, such as: manufacturing processes or products, all the more so if they are covered by patents, economic situations (unless they are contained in financial statements, which are public), situations or sensitive data concerning members of corporate bodies or control bodies, remuneration situations, etc.

Confidential acts and documents are kept on the company's premises or in any case in premises suitable to prevent their disclosure (competent departments of Jsw Steel Italy Piombino S.p.A., 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 proxies.

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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 only 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

Employees must perform their work with diligence, fairness and good faith, as provided for in Articles 2104 and 2105 of the Civil Code.

In addition to employees, external collaborators, consultants, professionals, contractors and in general persons bound by contractual relations with the company are also required to fulfil their contractual obligations in compliance with the general principle of fairness and good faith.

In practice, this entails: correctness of data and information, compliance with the system of powers and delegations and the roles provided for by the company organisation, procedures, service orders, as well as the protocols laid down in the Model and the dictates of the Code of Ethics.

Persons working in coordination positions must refrain from issuing unlawful instructions to their collaborators or instructions that are not compatible with the principles of diligence and good faith.

Selection and recruitment

At the current stage, recruitment is rather unlikely.

Looking to the future, possible recruitments could take place according to the following criteria:

- through the absorption of personnel employed by JSW Steel Italy Piombino S.p.A.;
- should it become necessary to fill important positions for which no resources with the necessary requisites are available among JSW Steel Italy Piombino S.p.A. personnel, by means of personnel selection on the market.

In the first case, objective parameters should be applied based on the professionalism of the workers in relation to the needs of the company, avoiding favouritism and discrimination of any kind.

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 phases, criteria of transparency and impartiality shall in any event be used, with the exclusion, also in this case, of any form of discrimination or favouritism.

In this regard, the provisions of the relevant section of the Special Section apply, in terms of the use of objective criteria of experience, professionalism and moral and personal qualities, and the prohibition of favouritism or discrimination.

The selection process is conducted by persons authorised to do so within the corporate organisation (except, in cases of search for particular profiles, the use of external specialised persons), endowed with the necessary professional skills and able to provide adequate guarantees in terms of reliability and fairness.

Candidates are always placed on an equal footing with each other.

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Persons who find themselves in situations of conflict of interest for any reason whatsoever, as exemplified in the relevant section of the Code, may not participate in the search, selection and recruitment process.

Protection of corporate assets

The company has, among its objectives, the protection, preservation and enhancement of its corporate assets, consisting of both tangible assets (cash, plant, machinery, means of transport, real estate, infrastructure, computer equipment) and intangible assets, such as licences, patents, designs, product technology, *know-how*, technical and commercial information, and documents.

Accordingly, persons acting on behalf of the company must endeavour to safeguard, preserve and properly manage the company's assets, and avoid or prevent, to the extent possible, 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 maliciously or negligently, shall be sanctioned in accordance with the Disciplinary System, as well as with the law and the CCNL, without prejudice to compensation for damages.

Information systems

The company, in agreement with the competent functions of JSW Steel Italy Piombino S.p.A. where concerned, adopts security mechanisms designed to prevent access by unauthorised persons to its computer systems and databases.
It also adopts data back-up and *disaster recovery* systems in order to prevent the total or partial loss or destruction of its databases.

Users are provided with the necessary credentials to access and use the systems and to access the Internet according to their role.

They are responsible for the use and confidentiality of these credentials.

Barriers to access to information systems must be provided, according to the needs of the different functions.

Therefore:

- Access to confidential information and sensitive and personal data must be allowed only to the competent functions and persons assigned to them;

- access to potentially risky Internet sites, such as pornographic or child pornographic sites, must be prevented, also for the purpose of preventing the commission of the relevant predicate offences;

The adoption and effectiveness of the aforementioned measures is implemented and monitored over time by the competent functions of the company.

This does not exclude the responsibility of users with respect to the correct use of the IT tools entrusted to them and the systems to which they have access, who are in any case required to maintain due confidentiality in cases where this is envisaged in relation to the content of the data, as well as not to connect to sites whose content is incompatible with the

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Code of Ethics in terms of respect for the person and with the protocols envisaged for the prevention of computer crimes and offences against the person.

In addition to accessing sites with pornographic or child pornographic content, the possession, dissemination and display of pornographic or child pornographic material is prohibited.

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

It should be noted that in relations with customers, it is first and foremost necessary to observe 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, bribery between private individuals and, in relations with public customers, offences against the Public Administration.

Please note that this applies to both domestic and foreign customers, whether private or public.

That said, in ethical terms, business relations must always be conducted in compliance with 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 violations of the Model's protocols, it is advisable that activities of a commercial nature be carried out exclusively by the persons appointed for this purpose within the company organisation, in addition, of course, to the company's Top Management**.**

Relations with suppliers, partners, external collaborators and consultants

These parties must be placed on an equal footing in selective procedures for the awarding of appointments or orders; procedures must be carried out according to criteria of free and fair competition**.**

The assignment of tasks, contract orders or supplies must be made exclusively on the basis of professional, qualitative, economic parameters, and must not be influenced by favouritism or discrimination of any kind**.**

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Prior to the invitation to tender, the awarding of orders and assignments, an adequate check must be carried out on the possession of both the technical-professional requirements, experience, industrial consistency and economic-financial soundness, and the necessary moral requirements in terms of honour and reputation.

Once an order has been placed or an assignment awarded, contractual relations must be conducted with both parties (company and assignee) applying 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 the payment terms and conditions on the other, congruity of the economic considerations and their correspondence to the contractual commitments**.**

In addition to tendering, direct awarding can only be carried out in certain limited cases:

- using 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 process and decision-making phase are tracked and documented, and the relevant documentation properly archived.

The register of suppliers (which includes the various categories of collaborators, consultants, contractors) is formed, fed and maintained on the basis of research and checks based on criteria of professionalism, experience, proven efficiency, morality, absence of involvement in bankruptcy proceedings or criminal proceedings relating to offences against property, organised crime, employment of irregular staff from third countries, and caporalato.

No favouritism or discrimination is 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, liked them or reported to them, in order to obtain advantages in return or, in the case of public entities, unlawful acts favourable to the company, are not permitted.

Orders and assignments may not be used as a means of conveying sums of money, goods, favours or other benefits to public or private persons for the purpose of obtaining advantages from them or, in the case of public persons, unlawful acts favourable to the company.

The subject matter of orders and assignments must be inherent to the corporate purpose of the company.

The relevant fee must be congruous with respect to the service required; where possible, it must correspond to objective parameters such as product price lists or professional parameters or tariffs. In the absence of these references,

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parameters such as current market valuations, comparisons with previous or similar cases on the basis of company experience, and the like must be used.

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 expressly appointed managers or employees of the company or by external parties (such as lawyers or accountants), on the basis of express delegation by the persons authorised to do so on the basis of the power and delegation system**.**

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 that are the subject of 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 law in force.

Said persons must also refrain from making untruthful statements, and from any conduct that may constitute bribery or attempted bribery, undue pressure or conditioning by means of promises, threats or violence, 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 on the treatment of employees, the rules on social security and insurance, the rules on tax and fiscal matters and the rules on smuggling in customs duties and duties), decisions, rulings issued by public authorities must be respected, observed and enforced in accordance with the law; in cases where they are not considered correct, fair or adequately motivated, recourse shall be had to the means of appeal provided by law, avoiding any form of circumvention, non-compliance or contrast with non-legitimate modalities .

It is recalled that 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 untruthful or incomplete statements, or to conceal, conceal, conceal or distort facts, circumstances and documents known to them.

Relations with political parties and movements, trade unions and associations
The company's policy does not envisage the disbursement of contributions of any kind, either directly or indirectly, either overtly or covertly, in favour of political parties and movements, organisations or committees with political aims (openly or implicitly, 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, whether in the interest or to the advantage of the company (an aggravating circumstance, because it may entail an administrative offence for the company) or, in any case, for personal interest, is not permitted.

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The aforementioned prohibitions also extend to other associations that represent 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 appear as favouritism towards some categories and discrimination towards others, or take the form of undue pressure in order to obtain benevolent attitudes towards society.

Relations with trade union representatives and organisations are entrusted exclusively to the persons (of the company and JSW Steel Italy Piombino S.p.A.) expressly delegated for this purpose within the company organisation; these relations must be conducted in accordance with the principles of fairness and loyalty, in application of the provisions of law, contracts and company agreements.

Political activities and propaganda and the use for political purposes of tools, including IT tools, and documents made available by the company or to which they have access by reason of their activities is prohibited in the company.

Recipients who find themselves expressing political opinions and positions outside their work activities must make it clear that they are expressed in a personal capacity and do not commit the company in any way.

Relations with the partner and other group companies

These relationships are characterised by fairness, correctness, transparency in communications, truthfulness and completeness of information and data in application of correct accounting principles, and respect for roles; they must combine the necessary managerial autonomy of the company and the control powers of the shareholders, in compliance with the national regulations dictated by the civil code and special laws on the subject, the European Union as well as international regulations in the case of relationships with foreign entities.

Relations with the me information media

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 laid down in the company and group policy on external relations.

Without prejudice to the truthfulness of the information provided, persons who have relations with media bodies must take into account, while respecting the information needs of these bodies and public opinion, the company's confidentiality requirements; they must therefore avoid providing information that could prejudice the company in any way.

Behaviour of managers, department heads and persons in coordination roles

They are obliged to:

- promote, also by means of personal example, knowledge of and compliance with the Model and the Code of Ethics among its collaborators, passing the message that the application of the Model's protocols and the principles and rules of conduct is part of the duties connected to work performance and, therefore, of the synallagmatic relationship between employer and workers;

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- Among the criteria used for the selection of employees and collaborators (recruitment, assignment of tasks, promotions) it is appropriate, to the extent permitted, to also include their reliability with regard to compliance with the Code of Ethics, on the basis of experience, references, conduct;

- punctually and promptly report to their hierarchical superior, to the Supervisory Board or through the channels set up pursuant to Article 6, paragraph 2-bis of the decree, breaches of the Model and/or the Code of Ethics of which they have become aware, either directly or through others;

- 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, refraining from acts that could lead to retaliation or in any case negative repercussions for them as a result of the report made**.**

Whistleblowing protections - Art. 6 D. Legislative Decree 231/2001

Explaining in greater detail what is briefly set out in the last paragraph above, we set out below the rules of conduct with which the recipients of the Model must comply, depending on their role and their relationship with the company.

Anyone who, by reason of his or her office, becomes aware of offences or breaches of the Model, is required to report them to the Supervisory Board or in any case through the channels set up by the company for this purpose.

Where the report is not made directly to the Supervisory Board, the person receiving the report is nevertheless required to forward it to the Supervisory Board.

The person receiving the report, the Supervisory Board and any other persons who become aware of it are required to maintain, ensure and protect the confidentiality of the reporter.

Moreover, the company shall refrain from taking, causing to be taken or allowing to be taken any retaliatory, discriminatory or otherwise detrimental measures against the whistleblower.

For his part, the whistle-blower must, before submitting the report, verify the validity of the facts and circumstances that are the subject of the report, respecting the principle of good faith**.**

Blatantly unfounded reports, especially if made with the aim of harming others and/or taking advantage of them, are strictly prohibited and sanctioned in accordance with the disciplinary system.

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Racism and xenophobia

The conduct of the addressees of the Model is marked by the utmost respect for the values of equality and parity among all human beings.

Acts, actions, behaviour of a discriminatory nature on grounds of sexual, ethnic, social, political or religious differences are prohibited.

Those who become aware of conduct in conflict with the aforementioned principles, rules and prohibitions shall report them using the channels made available by the company, without prejudice to the protections provided for in Article 6, paragraph 2-bis.

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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.

The Model, including the Code of Ethics, is therefore made available in electronic format or in a form that can be accessed by all recipients.

The addressees certify, by signing a declaration to this effect, that they have read them, that they have a copy of them (in paper or electronic form), and that they undertake to comply with them.

The company shall, also at the suggestion 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 personnel, 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 violation 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.

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 entails the application of the sanctions specifically provided for.

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Reports of breaches of the Code of Ethics

Any addressee who becomes aware of breaches of the Code of Ethics is obliged to report them to the Supervisory Board or to the persons envisaged by the channels set up by the company pursuant to Article 6, paragraph 2-bis, who are in turn obliged to inform the Supervisory Board.

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DISCIPLINARY SYSTEM

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General part

The Disciplinary System, in accordance with the provisions of Article 7 of the decree, sanctions violations of the protocols, prescriptions and prohibitions of the Model and the Code of Ethics; as provided for in the aforementioned article, it constitutes an essential element for the purposes of the Model's suitability to constitute an exemption with respect to the company's administrative liability in the event of the commission of predicate offences**.**

The Disciplinary System complements, without replacing them, 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 is therefore harmonised with the provisions of the law (with particular reference to L. 300/1970) and of the applicable collective agreement, also with regard to the dispute procedures. Similarly, the appeal against the sanctions imposed under the Disciplinary System takes place in accordance with the procedures established by the aforementioned rules**.**

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.

The sanctions provided for in the Disciplinary System are proportionate to the offence committed, and graduated according to the following criteria:

- gravity;

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- recurrence and repetitiveness;
- recidivism;
- type of relationship between the subject and the company.

For the purposes of severity, the following aspects are relevant:

- a distinction must be made between whether the infringement was committed through **negligence** or **wilfully**. One speaks 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;
- a distinction must be made between whether or not the infringement leads to the commission of one of the predicate offences pursuant to 231, or whether it is likely to facilitate or has actually facilitated the commission of a predicate offence, in which case the sanction will be more severe;
- 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.
Similarly, breaches of the provisions of Article 6(2-bis) of the decree are considered serious, as regards both the protection of the confidentiality of the whistleblower and the prohibition of retaliatory or discriminatory actions against him/her, and the prohibition of unfounded or untrue reports.
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, the same function or the same 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

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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, repeat offenders are those who have previously committed offences against the Model, or who have been convicted with a final sentence, for predicate offences under the decree.

For the purposes of assessing the seriousness of the infringement, account is also taken of the relationship between the company and the person who committed it, as well as of the role covered, i.e. whether the person is in a senior position or 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 a breach of the Model or of the Code of Ethics contained therein received by the Supervisory Board, or a breach detected by the Supervisory Board itself, or a report received through one of the channels set up by the company pursuant to Article 6, paragraph 2-bis of the Decree.
In any case, recipients who become aware of a violation of the Model shall promptly inform the Supervisory Board, or one of the persons envisaged in the channels set up by the company pursuant to Article 6, paragraph 2-bis of the decree, who in turn shall promptly notify the company.
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, paragraph 2-bis of the decree; the non-application of such protections constitutes in turn a serious breach under the Disciplinary System.
It is an offence under the Disciplinary System to make a report that proves to be unfounded; the seriousness of the offence will be assessed depending on whether the unfounded report was made through slight negligence, gross negligence or wilful misconduct.

The Supervisory Board first verifies whether the incident or circumstance contained in the report is well-founded, and whether it falls within its field of competence.
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". Upon the outcome 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 pursuant to 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 competent functions of the company, in concert with those of JSW Steel Italy Piombino S.p.A. in cases where this is provided for.

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;

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- 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.

It should be noted that the protections provided for in Article 6, paragraph 2-bis of the Decree apply to persons reporting breaches of the Model; the non-application of such protections constitutes in turn a serious breach under the 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.

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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 breach, 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 breach.
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 emergency 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 communication 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.

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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 persons in an apical position, according to the definition given in Article 5(1)(a) of Legislative Decree No. 231/2001, are certainly the Chairman and the Attorneys-in-Charge authorised to exercise the functions covered by the same power of attorney, as well as those who are placed in the first line of dependency.
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 prevails over the contractual qualification.
Where, on the other hand, disciplinary action is to be 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 posts 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, or received through the channels set up pursuant to Article 6(2-bis) of the Decree, 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.

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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 personnel with a fixed-term or open-ended employment contract, employed by the company and to whom the national collective labour agreement - metalworking sector for workers 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 (within the more general framework of Article 7 of Law No. 300/1970) those set out in the national collective labour agreement for the private metalworking and plant installation industry applied by the company, to which express reference is 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 work on the holding on one's own account or on behalf of third parties without permission, of minor importance without using material from the holding;

(d) brawling in the plant outside the processing departments;

(e) abandonment of the workplace by personnel specifically entrusted with surveillance, custody or control duties, other than in the cases provided for in point (e) of subparagraph (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;

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(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 processing material;
(e) abandoning the workplace in such a way as to endanger the safety of persons or the safety of plant, or in any event carrying out actions entailing the same damage;
f) smoking where this may cause harm to the safety of persons or the safety of installations;
(g) carrying out without permission work in the company 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 general rule, and subject to the express exceptions indicated below, third parties (including but not limited to consultants, suppliers, attorneys, proxies, agents, commercial *partners*, and in general all those persons authorised to act in the name of and on behalf of GSI LUCCHINI) 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 conduct in violation 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.

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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 situation is that of relations with customers. In fact, the reciprocal strong contractual relations do not generally allow the application of the disciplinary system and the application of the relevant sanctions against them. 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 used, without GSI Lucchini's knowledge, to launder money of illicit origin: when such a circumstance emerges, GSI Lucchini will have to interrupt relations with that client, reserving the right to retaliate in the event that the criminal conduct of that client implicates it in criminal proceedings or in any case 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 the 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.
The Supervisory Board must always be notified of any sanctions that may have been taken under the Disciplinary System.

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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 31 July 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.

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