



INALCA S.p.A. 	Documenti Documenti interstabilimento Compliance 231-amministrativa	COM-22-04-00-00-00-ENG
Code of Business Conduct	Revisione 01 del 15/02/2021 Pag. 1 di 18	




CODE OF BUSINESS CONDUCT

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ANTI-CORRUPTION CODE OF BUSINESS CONDUCT

INTRODUCTION

1 OBJECTIVE

One of the key factors of the reputation of the Inalca Group (Inalca S.p.A. and its subsidiaries) is the ability to carry out its business with loyalty, correctness, transparency, honesty and integrity, in compliance with laws, regulations, international standards and guidelines, both domestic and foreign, which apply to the Inalca Group's business.

This Code of Business Conduct or "Policy" is adopted in order to provide a systematic reference framework for the rules and procedures on Anti-Corruption, which the Inalca Group has designed and implemented over time.

In general, the Anti-Corruption Laws¹ qualify as illegal for the Inalca Group staff and for anyone who carries out activities for or on behalf of the Group, to promise, offer, pay or accept, directly or indirectly, money or other benefits for the purpose of obtaining or maintaining a deal or securing an unfair advantage in relation to business activities. This Code of Business Conduct is inspired by the principles of conduct set out in Inalca S.p.A.'s Code of Ethics and aims to provide all staff with the rules to be followed to ensure their compliance with Anti-Corruption Laws.


2. POLICY HOLDER

The Compliance Function is the owner of this Policy and is responsible for reviewing and periodically updating it to ensure that it accurately reflects the regulations in force from time to time.

3 SCOPE OF APPLICATION

The Policy applies to all employees, officers, directors and legal entities of the Inalca Group. In conducting business on behalf of the company, or with it, third parties are required to apply the same level of integrity, ethical conduct and compliance with the law. In jurisdictions where local laws or regulations establish stricter rules than those defined in this Policy, the stricter rules must always prevail.

¹ **Anti-Corruption Laws** - the Italian Criminal Code, Legislative Decree 231 and other applicable provisions, the FCPA, the UK Bribery Act, other public and commercial laws against corruption in the world and international anti-corruption treaties, such as the Organisation for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the United Nations Convention against Corruption.

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By resolution of May 19th, 2014, for the first time, the Board of Directors of Inalca S.p.A. mandated the Managing Directors to provide for the adoption of the Anti-Corruption Code of Business Conduct on compliance (updated on the 2nd of March 2021). The adoption and implementation of this Code of Business Conduct is mandatory. Inalca S.p.A. furthermore, will use its influence, however rational under the circumstances, so that the companies and entities in which Inalca has a non-controlling shareholding also meet the standards indicated in this Anti-Corruption Code of Business Conduct, adopting and maintaining an adequate internal control system in line with the requirements established by the Anti-Corruption Laws.

4. PRINCIPLES OF REFERENCE

4.1. ANTI-CORRUPTION LAWS

The first international commitment in the fight against corruption dates back to the 1990s with the contribution of the OECD (Organisation for Economic Cooperation and Development) with the 1994 "Recommendation on Bribery in International Business Transaction" which led to the signing of the convention on the fight against bribery of foreign public officials in international commercial transactions of December 1997. It is Law No.190 of 2012 (which introduced "Corruption between private individuals" into the Italian system), followed by the "New anti-corruption law" n.69/2015 and the "Corruption-sweep law" n.3/2019. The Legislative Decree 231/2001 contemplates corruption both among the crimes against the PA (corruption towards PO) and in corporate crimes (corruption between private individuals) to which the Inalca Group is subject.


The Inalca Group and its staff may also be subject to the laws of other countries, including those ratifying international conventions, which prohibit bribery of public officials and bribery "from private to private", such as:

- the Convention of the Organisation for Economic Cooperation and Development on the fight against corruption of foreign public officials in international business transactions;
- the United Nations Convention against Corruption;
- the Foreign Corrupt Practices Act (FCPA) issued in the United States;
- the UK Bribery Act issued in the United Kingdom;

and their subsequent amendments and additions, as applicable.

Anti-Corruption Laws generally:

- prohibit payments made both directly and indirectly - including those payments made to anyone with the knowledge that that the payment will be shared with a Public Official or with a private individual - as well as offers or promises of a payment or other benefits for corrupt purposes to Public Officials or private individuals. Under the Anti-Corruption Laws, the company could be held liable for offers or payments made by anyone acting on its behalf in relation to business activities, if the Company is aware or reasonably should have known that such offer or payment is made improperly;

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- require companies to procure and keep books, records and accounting entries that, with reasonable detail, accurately and correctly reflect operations, expenses (even if not "significant" from an accounting point of view), acquisitions and sales of goods and services.

4.2 CONSEQUENCES OF NON-COMPLIANCE WITH ANTI-CORRUPTION LAWS

In recent years, the application of Anti-Corruption Laws has become more frequent and sanctions have become significantly more severe. Individuals and legal entities who violate Anti-Corruption Laws may incur significant fines and individuals may be sentenced to prison terms or be subjected to other types of sanctions. Such violations may also result in other consequences provided for by law, such as disqualification from negotiating with public bodies, confiscation of the crime's profit or claims for damages. In this context, a serious consequence is the damage done to corporate reputation.

4.3 SUPPORT

The content of applicable laws and Anti-Corruption Laws can change at any time, therefore it is important to always have updated status reports. To this end, issues relating to:

- the content of the Anti-Corruption Laws, the Code of Ethics or any matter dealt with in this Code of Business Conduct or its application to specific situations, and/or
- the provisions on internal controls contained in the Anti-Corruption Laws or any other matter dealt with in this Code of Business Conduct, or their application to specific situations, must be assessed with the involvement of the Inalca Group's Compliance Office.


5. POLICY STATEMENT

In line with its own Code of Ethics, Inalca S.p.A. prohibits corruption without exception. In detail, it forbids:

- to offer, promise, give, pay, authorise someone to pay or give, directly or indirectly, an economic advantage or other benefit to a Public Official¹ or a private individual (**Active Corruption**);

¹ Public Official:

- anyone who exercises a legislative, judicial or administrative public function;
- anyone acting in an official capacity in the interest or on behalf of (i) a national, regional or local public administration, (ii) an agency, office or body of the European Union or of a public administration, Italian or foreign, national, regional or local, (iii) a company owned, controlled or participated by an Italian or foreign public administration, (iv) an international public organisation, (v) a political party, a member of a political party or a candidate for political office, Italian or foreign;
- any person in charge of a public service, i.e. those who, for whatever reason, provide a public service, where public service means an activity that is governed in the same forms as the public function, but characterised by the lack of the latter's typical powers. The performance of simple orderly tasks and the performance of merely material work are excluded.

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- to accept any request or solicitations, or authorise someone to accept or solicit, directly or indirectly, an economic advantage or other benefit from a Public Official or a private individual (**Passive Corruption**);

when the intention is:

- to induce a Public Official or a private individual to improperly perform any function of a public nature, or any activity associated with a business or reward them for having performed it;
- to influence an official act (or omission) by a Public Official or any decision in violation of an official duty;
- to obtain, secure or maintain a business deal or an unfair advantage in relation to business activities; or
- in any case, violate applicable laws.

The prohibited conduct includes the offer to, or receipt by, personnel of the Inalca Group (direct corruption) or by anyone acting on behalf of the Group itself (indirect corruption) of an economic advantage or other benefit in relation to the business activities.

This prohibition is not limited only to the mere offer or promise, but also to payments in cash, and may include a number of activities, if economically relevant and with clearly corrupt purposes:

- gifts of value;
- entertainment expenses to third parties;
- contributions in kind, such as sponsorships;
- commercial activities, jobs or investment opportunities;
- confidential information that could be used to trade in securities and regulated products;
- discounts or personal credits outside the normal market logic.
- assistance or support for family members.
- other advantages or other benefits.


The Inalca Group prohibits any form of corruption, including but not limited to those described above, in favour of anyone.

Compliance with the Anti-Corruption Laws and the Policy is mandatory for all the personnel of the Inalca Group and for those who deal with it.

Consequently:

1) All relations of the Inalca Group with, or referring to, or involving a Public Official must be conducted in compliance with the Policy and the related Anti-Corruption regulatory instruments.

2) Without prejudice to the application of the individual provisions of the law applicable to a specific case from time to time, the Inalca Group staff is required to comply with the corporate procedures governing relations with the Public Administration.

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3) All relations of the Inalca Group with, or referring to private individuals must be conducted in compliance with this Code of Business Conduct and the related Anti-Corruption regulatory instruments and with the provisions of Inalca S.p.A.'s Code of Ethics.

4) Inalca Group staff are responsible for complying with this Code of Business Conduct and the Anti-Corruption regulatory instruments. In particular, managers are responsible for supervising compliance with the Code by their collaborators and for adopting measures to prevent, discover and report and avoid potential violations.

5) No questionable or illegal practice can in any case be justified, or tolerated, due to the fact that it can be considered as "customary" in the reference sector, or in the countries in which the Inalca Group operates. No performance must be imposed or accepted if it can only be achieved by compromising the ethical standards of the company.

6) The personnel of the Inalca Group who violate this Code of Business Conduct and/or the Anti-Corruption Laws may be subject to disciplinary measures, and to any other legal action that is necessary to protect the interests of the company they belong to.

7) The personnel of the Inalca Group will not be fired, demoted, suspended, threatened, harassed or discriminated in any way in the work place, for refusing to make a prohibited payment, even if such refusal has given rise to the loss of a deal or to other detrimental consequences for company business.


6. FACILITATION PAYMENT

"Facilitation payment" means minimum payments made to a Government Official or another third party for the sole purpose of facilitating, expediting or ensuring the execution of a routine non-discretionary government action (e.g. Modest compensation aimed at obtaining a stamp on an entry visa, the receipt of correspondence, the installation of a telephone line or the completion of a file).

Any request to make a "facilitation payment" of a value greater than 50 (Euro) per recipient per calendar year must be approved in writing by the Function Manager and the Compliance Office. The applicant's Function Manager will be responsible for ensuring that the approved facilitation payment is duly recorded in the books and records of the company concerned.

NOTE: Only the United States, Australia, New Zealand and South Korea (as to effective date of this Policy) allow such facilitation payments as an exception to their anti-corruption laws.

Facilitation payments are prohibited in all other countries.

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Facilitation payments referred to in this Policy are not permitted in jurisdictions where they are prohibited by locally applicable laws. The Inalca Group does not recommend carrying out "facilitation payments", even where permitted under local laws, making an effort to eliminate them or, in any case, reduce them to a minimum.

7 GIFTS, EXPENSES AND HOSPITALITY - OFFERED AND RECEIVED

In line with Inalca S.p.A.'s Code of Ethics, gifts, payments or other benefits can be made or received if they fall within the context of acts of commercial courtesy and are such as not to compromise the integrity and/or reputation of one of the parties and cannot be interpreted by an impartial observer as aiming to create an obligation of gratitude or to acquire advantages in an improper way.

Gifts, financial benefits or other benefits offered or received under any circumstances must be reasonable and in good faith. In any case, all gifts, economic advantages or other benefits offered or received must comply with the internal rules defined by Inalca S.p.A.


Any gift, economic advantage or other benefit must have all of the following characteristics. They need to:

- a) not consist of a cash payment;
- b) be carried out in relation to bona fide and legitimate business purposes;
- c) be reasonable under the circumstances;
- d) be of good taste and conform to generally accepted standards of professional courtesy;
- e) comply with local laws and regulations, applicable to the Public Official or the private individual.

7.1 GIFTS, PECUNIARY ADVANTAGES OR OTHER BENEFITS OFFERED TO, OR RECEIVED BY, INALCA GROUP STAFF

As already indicated, any gift, economic advantage or other benefit offered to, or received by, Inalca staff must, from an objective point of view, be reasonable and in good faith and in any case the value of the single gift must not exceed 150 Euro per person per calendar year.

Anyone who receives offers of gifts or hospitality treatments or economic advantages or other benefits that cannot be considered as acts of commercial courtesy of modest value, must refuse them and immediately inform the Head of their Department who will inform the Personnel Manager in order to send a specific report to the Company's Supervisory Body 231.

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Practical examples:

Question: Giacomo, a technical department employee, received from a technical systems supplier a very valuable gift, an important white gold watch; how should the employee react to this offer?

Answer: Giacomo must refuse the gift, thanking and pointing out that such behaviour is not in accordance with the Code of Business Conduct, and must immediately report the incident to his manager.

Question: The technical department employee Giacomo received as a Christmas gift a classical music DVD from a technical systems supplier; how should the employee react to this gift?

Answer: Giacomo thanks the supplier and accepts the gift, because it does not go against the Code of Business Conduct.

7.2 GIFTS, PECUNIARY ADVANTAGES OR OTHER BENEFITS GIVEN TO THIRD PARTIES (INCLUDING PUBLIC OFFICIALS)

As established in the previous paragraphs, any gift, pecuniary advantage or other benefit given by Inalca Group staff to a Public Official or a private individual must, from an objective point of view, be reasonable and in good faith.

Gifts, pecuniary advantages or other reasonable and bona fide benefits must be approved in line with the provisions of the Inalca Group's procedures governing gifts, other benefits and entertainment expenses to third parties.


Any gift, hospitality or other benefit for a Public Official or a private individual must be treated as a benefit provided to that Public Official or private individual and is therefore subject to the limitations set forth in this Code of Business Conduct and company procedures.

8 SUPPLIERS ²

As well as avoiding that, in certain circumstances, the Inalca Group can be held responsible for activities of corruption committed by suppliers who provide services for or on behalf of the Group and their sub-contractors, it is an obligation for all Inalca Group's suppliers to comply with the ethical standards and qualification requirements established at Group level.

The procurement process and related activities are governed by the various Inalca procedures that discipline the procurement and qualification processes of suppliers, defining the roles and responsibilities of the main players involved and establishing the

² **Supplier:** is the economic operator (natural person, legal entity or groupings) potentially capable of satisfying a specific supply need for goods, works and services.

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general rules for supplier management, reporting and procurement control and documentation management.

The procedures of Inalca S.p.A. which govern procurement are defined in compliance with anti-corruption principles with particular reference, inter alia, to the principles of supplier selection and the qualification process, the assignment of contracts, the management of post-assignment contracts, standard contractual protection clauses, including those with commitments to respect ethical standards.

The selection of suppliers and the determination of purchase conditions are based on an objective assessment of the quality and price of the good or service, as well as guarantees of assistance and timely service.

It is forbidden for Inalca personnel to accept directly or indirectly any pecuniary advantage or other benefit from a supplier (Passive Corruption) that cannot be considered as acts of commercial courtesy of modest value and in good faith relative to business activities.

9 CLIENTS

The contracts stipulated with all Inalca Group's customers must be as clear and simple as possible, worded in a language easy comprehensible, and must also comply with current regulations and in particular with anti-corruption principles.

The style of behaviour of Inalca's staff towards customers is based on availability, respect and courtesy, with a view to a collaborative and highly professional relationship.


It is forbidden for Inalca staff to offer, promise, give, pay, authorise someone to give or pay, directly or indirectly, a pecuniary advantage or other benefit to the staff of a client company (**Active Corruption**) that cannot be considered as an act of commercial courtesy of modest value and in good faith in relation to business dealings.

10 CONTRIBUTIONS TO POLITICAL PARTIES

Political contributions can constitute a crime of corruption and therefore present the risk of being able to generate consequential responsibilities. Risks are posed by the possibility that political contributions could be used by a company as an improper means of bribery to maintain or obtain a business advantage such as winning a contract, obtaining a permit or license.

Because of these risks, any political contribution paid by the company is approved by the company's board of directors under the relevant legislation. Political contributions must comply with the following minimum standards:

- a) all contributions must be subject to the authorisation of the board of directors;
- b) contributions must be made only in favour of reliable beneficiaries with an excellent reputation in terms of honesty;

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- c) the beneficiary must demonstrate that it is an officially recognised entity in accordance with applicable laws;
- d) in line with Inalca's legislative and internal requirements on the matter, payments to the beneficiary entity must be made exclusively to the bank account held in the name of the entity itself; it is not permitted to make payments to encrypted or cash accounts, or to a person other than the beneficiary entity or in a country other than that of the beneficiary entity;
- e) contributions must be registered in the company's books and recorded in a correct and transparent manner;
- f) the original documentation relating to the approval of the contribution and the controls of the Compliance Office with the provisions of the relevant regulatory instruments must be kept in accordance with the terms of the law.

Practical example:

Question: Administration receives the payment mandate by e-mail for a contribution of €5,000 for the "Election campaign for Candidate X to the Chamber of Deputies, electoral party Y"; The bank details contained in the email can be traced back to the natural person X but not to party Y. Since the email was received from a commercial Manager of undoubted professionalism, should the administrative office proceed with payment?

Answer: Administration will first check for the Board of Directors approval of the contribution mentioned in the email, and only after having verified prior approval, will then proceed with the request for the political party's bank details, since it cannot make a transfer to natural person X, in accordance with the provisions of the Anti-Corruption Code of Commercial Conduct, subsequently specifying subject X's name as the reason for the credit transfer to Y;


After that, the bank transfer can be finalised.

11 CONTRIBUTIONS TO CHARITY/DONATIONS

Donations to charities, entities and administrative bodies present the risk that funds or assets of value will be diverted for the personal use or benefit of a public official or private individual. Even if a Public Official or private individual does not receive an economic advantage, an otherwise legitimate charitable contribution made in exchange for obtaining or maintaining a business deal or to secure an illegal advantage could be considered an illegal payment under the Anti-Corruption Law.

All charitable contributions, in order to be disbursed, must be approved, in order to comply with anti-corruption laws, in accordance with the provisions contained in the Inalca Procedure on charitable contributions/donations.

Any Anti-Corruption regulatory instrument on charitable contributions or donations must comply with the following minimum standards:

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- a) contributions must be made only in favour of entities that are well known, reliable and with an excellent reputation for honesty and fair practices;
- b) the beneficiary entity must demonstrate that it has all the certifications and that it has met all the requirements to operate in accordance with applicable laws;
- c) in line with the Inalca Group's legislative and internal requirements on the subject, payments to the beneficiary entity must be made exclusively to the account registered in the name of the beneficiary entity; it is not permitted to make payments to encoded or cash accounts, or to a person other than the beneficiary entity or in a third country other than the country of the beneficiary entity;
- d) contributions must be recorded correctly and transparently in the company's books and records;
- e) the original documentation relating to the approval of the contribution and the compliance checks with the provisions of the relevant regulatory instrument must be kept in accordance with the law.

12 SPONSORSHIP ACTIVITIES

Sponsorship Activities can also raise anti-corruption issues. All Sponsorship Activities must be approved, to ensure compliance with anti-corruption regulations, in accordance with the Inalca Procedure on Sponsorship Activities which governs the request and authorisation.

Any regulatory instrument relating to sponsorship activities must comply with the following minimum standards:

- a) Partners in sponsorship contracts must only be reliable entities or individuals;
- b) in the case of a company, the partner in a sponsorship contract must demonstrate that they have all the certifications and that they have met all the requirements necessary to operate in compliance with applicable laws;
- c) the sponsorship contract must be drawn up in writing and must contain:
 - (i) the statement by the counterparty that the amount paid by the Inalca Group company will be used exclusively as compensation for the counterparty's services and that these sums will never be transmitted to a Public Official or a private individual for corrupt purposes or transferred, directly or indirectly, to the members of the corporate bodies, directors or employees of the Inalca Group;
 - (ii) the currency and the amount paid under the sponsorship agreement;
 - (iii) the billing terms (or payment methods) and payment conditions, taking into account that such payments can only be made to the counterparty and in the country of incorporation of the counterparty, exclusively to the counterparty's registered account, as indicated in the contract, and never on encoded or cash accounts;
 - (iv) the counterparty's commitment to comply with applicable laws, the Anti-Corruption Laws and the anti-corruption provisions set out in the sponsorship agreement, and to record the amount received in its books and records in a correct and transparent manner;

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(v) the Inalca Group's right to terminate the contract, suspend payments and receive compensation for damages in the event of a breach by the counterpart of the obligations, declarations and guarantees as indicated above, or in the event of a breach of the Anti-Corruption Laws or the Anti-corruption commitments provided for in the contract; and

(vi) the right of the Inalca Group to carry out checks on the counterparty, in the event that the Company itself has a reasonable suspicion that the counterparty may have violated the provisions set out in the relative regulatory instrument and/or in the contract;

d) in line with the legislative and internal provisions of the Inalca Group on the matter, the amount paid in accordance with the sponsorship agreement must be recorded in the Inalca Group's books and records in a correct and transparent manner;

e) the Inalca Group must ensure that payments are made exclusively as indicated in the sponsorship contract, after verifying that the service has actually been provided;


f) the original documentation required for tax purposes relating to the disbursement of the contribution and the compliance checks with the relevant procedure must be kept in accordance with the terms of the law.

13 AGENTS - PROCURERS (INTERMEDIARIES)

Contracts with Intermediaries may raise anti-corruption issues and must be negotiated, stipulated and managed in compliance with anti-corruption laws.

Any contract with Intermediaries must comply with the following minimum standards:

- a) the Intermediary - must enjoy an excellent reputation in terms of honesty and fair business practices and high ethical standards;
- b) the selection of the Intermediary and the stipulation of the business brokerage contract must be approved in compliance with the business process;
- c) the brokerage contract must be drawn up in writing by the Legal Department;
- d) the services rendered by the Intermediary under the contract must be continuously and adequately monitored by the Manager who requested the contract, in order to ensure that the Intermediary always acts in compliance with the Anti-Corruption Laws of this Code of Business Conduct and the provisions of the Intermediary contract;
- e) the amount paid in accordance with the Intermediary contract must be recorded correctly and transparently in the books and records of the Inalca Group;
- f) payments are made exclusively on condition that the service has been rendered and/or the conditions set out in the contract relating to the payment of the compensation have been met; and
- g) the fiscal documentation of the brokerage contract and the compliance checks with the relative procedure must be kept according to the terms of the law.

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14 CONSULTANTS

The Inalca Group requires that all its Consultants comply with applicable laws, including the Anti-Corruption Laws.

In order to avoid that, in certain circumstances, the Inalca Group can be held responsible for activities of corruption carried out by its Consultants, they are obliged to comply with the Anti-Corruption Laws and the ethical standards established at Group level. The Inalca Group also imposes specific obligations to be respected with regard to Consultants. In detail, contracts with Consultants must be negotiated, stipulated and managed in compliance with the regulatory instruments governing the use of consulting services by the Inalca Group.

Any Anti-Corruption regulatory instrument relating to Consultants must comply with the following minimum standards:

a) the Consultant must enjoy an excellent reputation in terms of honesty and fair business practices.

b) a Consultant selection process must be implemented which includes an adequate analysis of the Consultant. The collected data serves to include at least the following:

(1) establish the identity of the Consultant;

(2) confirm the scope of the services;

(3) establish if the Consultant has connections with Public Officials;

(4) determine whether the Consultant has been subject to accusations, investigations and/or rulings relating to bribery or corruption, or other illegal activities.

c) The selection of the Consultant and the stipulation of the consultancy contract must be approved in compliance with the provisions of the relative regulatory instrument;

d) the consultancy contract must be drawn up in writing by the Legal Department and must also contain:


(1) the Consultant's declaration that the payment received is compensation only for the services defined in the contract and that such sums will never be used for corrupt purposes;

(2) the billing terms (or payment methods) and payment terms, taking into account that:

- such payments may be made exclusively in favour of the Consultant, and in the country in which the Consultant is based, exclusively on the account held by the Consultant as indicated in the contract and never on encoded or cash accounts;

- an advance payment of the compensation (before full execution of the contractual conditions) may be allowed only in specific cases (adequately motivated and established in the contract) and, in any case, exclusively for a part of the total amount.

(3) the Consultant's commitment to comply with applicable laws, in particular the Anti-Corruption Laws and the Code of Business Conduct, to correctly and transparently record the sums received in their books and records;

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(4) the commitment to promptly report to the Inalca Group any request or question relating to any undue payment of money or other benefits received by the Consultant in relation to the execution of the contract;

(5) the right of the Inalca Group to carry out audits on the Consultant in the event that the Inalca Group has a reasonable suspicion that the Consultant may have violated the above obligations, declarations and guarantees and or violations of the Anti-Corruption Laws;

(6) the right of the Inalca Group to suspend payment, to terminate the contract, and to receive compensation for damages in case of violation of the obligations, declarations and guarantees offered by the Consultant and/or violation of the Anti-Corruption Laws.

15 STAFF TRAINING

Inalca Group personnel must be informed and trained on the applicable Anti-Corruption Laws, on the importance of compliance with these laws and the Code of Business Conduct in such a way that they clearly understand and are aware of the various crimes, risks and, personal and administrative responsibilities for the company and the actions to be taken to fight corruption, as well as any sanctions in case of violation of the Code of Business Conduct and Anti-Corruption Laws.

In particular, all staff are required to carry out a mandatory anti-corruption training program, for this purpose the Code of Business Conduct will be distributed during the hiring phase or on assignment of new responsibilities.

Staff should receive periodic refresher training: each manager is responsible for ensuring that staff under his supervision periodically complete their training.


16 MONITORING AND IMPROVEMENTS

The Inalca Compliance Office will examine and evaluate from time to time the internal control system in order to verify that the requirements of the Code of Business Conduct are complied with, based on its annual audit program.

In addition, the various Departments, the Supervisory Body, the Compliance Office and the Board of Statutory Auditors may recommend improvements to the Code of Business Conduct on the basis of emerging "best practices", or in the event that gaps or critical issues are identified.

In the event that a violation or potential violation is identified, the Compliance Office of the Inalca Group will assess whether any revisions to the Code of Business Conduct or improvements to other regulatory instruments could help prevent the repetition of the violation.

The number of crimes is rapidly increasing for which sanctions provided for by Legislative Decree 231/2001 can be applied.

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In 2012, the so-called "Anticorruption Decree" introduced two important cases:

1) Corruption between private individuals:

The most interesting novelty is certainly represented by the introduction, in Legislative Decree n.231/2001 (letter s-bis of art. 25-ter), of the alleged offense of "corruption between private individuals", provided for by the text of art. 2635 of the Italian Civil Code, formerly entitled "Asset Misappropriation" and today amended to "corruption between private individuals":

"1. Unless the fact constitutes a more serious offense, the directors, general managers, managers responsible for preparing corporate accounting documents, statutory auditors and liquidators, who, following the donation or promise of money or other benefits, for themselves or for others, perform or omit acts, in violation of the obligations inherent to their office or the obligations of loyalty, causing harm to the company, are punished with imprisonment from one to three years.

2. The penalty of imprisonment of up to one year and six months is applied if the offense is committed by whoever is subject to the direction or supervision of one of the subjects indicated in the first paragraph.


3. Anyone who gives or promises money or other benefits to the persons indicated in the first and second paragraphs is punished with the penalties provided for therein."

It therefore constitutes an alleged offense of the administrative liability of the entity pursuant to Legislative Decree no. 231/2001 the conduct of the "corruptor" who gives or promises money or other benefits to obtain favours from a person belonging to a private company. Today, therefore, pursuant to Legislative Decree 231/01, the company to which the corrupting subject belongs can substantially be sanctioned, as only this company can benefit from the corruptive conduct. On the contrary, the company to which the corrupt person belongs, by regulatory definition, suffers damage as a result of the violation of official duties or loyalty.

2) Undue inducement to give or promise benefits and corruption

Among the alleged offenses then introduced, referred to in art. 25 paragraph III of Legislative Decree no. 231/2001, was the offense of undue inducement to give or promise benefits, provided for by the new art. 319-quater of the Criminal Code which reads as follows: "Unless the fact constitutes a more serious crime, the public official or the person in charge of a public service who, by abusing his position or his powers, induces someone to give or promise unduly, to himself or a third party, money or other benefits is punished with imprisonment from three to eight years. In the cases provided for in the first paragraph, anyone who gives or promises money or other benefits is punished with imprisonment for up to three years".

In 2019, the so-called "Corruption-Sweep Reform" or "New Anti-Corruption Law" which supplements the list of crimes that lead to perpetual interdiction from public offices: to the already foreseen embezzlement, extortion, self-corruption and corruption in judicial acts are added improper corruption, aggravated self-corruption, undue inducement to give or

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promise benefits, corruption of a person in charge of public service, active corruption, incitement to corruption, trafficking in illicit influences.

In addition to the ban from public offices for Public Officials, there is also the introduction of the lifetime incapacity to negotiate with the Public Administration for private individuals who commit crimes relating to corruption: this is the case above all for entrepreneurs.

17 REPORTING SYSTEM

Any direct or indirect request by a Public Official or a private individual for payments, gifts, travel, employment, investment opportunities, personal discounts or other personal benefits other than reasonable expenses and in good faith in favour of a Public Official or private individual or of a Relative or a person indicated by him, must be immediately communicated to their direct superior (and to the Compliance Office) by the personnel who received this request.

The direct supervisor will be responsible for giving instructions to the staff involved about the most appropriate way to proceed, in compliance with the Anti-Corruption Laws and this Code of Business Conduct.


18 VIOLATIONS REPORTING SYSTEM

Any suspected or known violation of this Code of Business Conduct must be reported immediately in one of the following ways:

- to the Head of department;
- to the Compliance Office of the Inalca Group; ufficiocompliance@inalca.it;
- to the Inalca Supervisory Body (odv@inalca.it), in compliance with the provisions of the Model pursuant to Legislative Decree 231/01;

Any disciplinary measures that will be adopted will be taken in compliance with the Anti-Corruption Laws and with this Code of Business Conduct.

The personnel of the Inalca Group will not be fired, demoted, suspended, threatened, harassed or discriminated against in any way in their work place, due to the fact that they have lawfully carried out a reporting activity in good faith relating to compliance with this Code of Business Conduct and/or Anti-Corruption Laws.

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19 DISCIPLINARY MEASURES AND CONTRACTUAL REMEDIES

The Inalca Group will adopt adequate disciplinary measures against its staff:

- (i) whose actions are found to violate the Anti-Corruption Laws or this Code of Business Conduct, in accordance with the provisions of the Model pursuant to Legislative Decree 231/01 and by the relevant national collective bargaining agreement or other applicable national regulations;
- (ii) who unreasonably fails to detect or report such violations or who threatens or retaliates against others who report any violations.