

- 3) making hard copies of **Model 231** available at the Personnel and Legal & Compliance Offices;
- 4) inclusion in contracts with third parties of specific clauses recalling the obligation to comply with the relevant legislation and **Model 231**.

5 - Disciplinary System

When talking about the Disciplinary System in a company, it is always appropriate to recall the provisions of the Civil Code, which stipulates that compliance with the provisions and rules of conduct established by the company is an “obligation” of the worker. In fact, “the employee” must use the diligence required by the nature of the service due, the interest of the company and the higher interest of national production.

Any violation of the rules and provisions of **Model 231** entails the application of sanctions, regardless of the conduct and outcome of any criminal proceedings initiated by the judicial authorities; these sanctions are applicable to all employees, managers, members of the Board of Directors and the Board of Statutory Auditors, as well as to business partners, consultants, collaborators.

- can benefit, in carrying out its duties, from the collaboration of the Internal Audit Office for carrying out verification/supervision activities;
- has a budget defined by the Board of Directors suitable to cover the expenses necessary to carry out its functions.

The **Supervisory Committee** must have free access to all company documentation, and the possibility of acquiring relevant data and information from the responsible parties.

6 - Supervisory Committee

1) Appointment and composition:

The Supervisory Body is appointed by the Board of Directors and is made up of internal and external professionals with expertise in the matter.

2) Powers & Responsibilities.

The Supervisory Body has autonomous powers of initiative and control and is entrusted with supervising the functioning and observance of Model 231:

- Verification of the effectiveness of the Model.
- Reporting of any updates.

3) Information flows for the proper functioning of the SB.

The Supervisory Committee must be the recipient of specific information flows transmitted by the competent internal structures of the Company concerning the prevention and control activities on Model 231.

4) Free access to information.

In order to be able to fulfil its tasks comprehensively the **Supervisory Committee**:

- has free access to all functions of the Company, without prior notice and without the need for any consent, in order to obtain any necessary information;
- may proceed to the hearing of persons who can provide useful indications or information on the subject of its supervisory and control activities;
- may request from the management/strategic oversight/control bodies of the Company any information useful for the performance of its tasks.

7 - Whistleblowing

All recipients of **Model 231** are called upon to contribute to its effective action to prevent the commission of offences also by reporting potential violations of **Model 231** to the Supervisory Committee.

Reports to the Supervisory Board may be sent:

- by mail to the Supervisory Board of Inalca S.p.A.:
Via Spilamberto 30/c, 41014 Castelvetro (MO);
- by e-mail to: odv@inalca.it
- by telephone on the **toll-free number: 800384994**

The Supervisory Committee keeps the identity of whistleblowers confidential and protects them from any form of discrimination, penalisation and retaliation.

The **Supervisory Committee** also takes into consideration anonymous reports, provided that they contain facts relevant to the effectiveness of **Model 231** and do not have generic, confusing and/or obviously defamatory content.

8 - Information Requests

Any requests for clarification, information or further details on Legislative Decree 231/01 and/or Model 231 may be addressed to Inalca's Legal & Compliance Department at the following e-mail: UfficioCompliance@inalca.it

MODEL 231 - Inalca S.p.A.

1 CONTENTS OF MODEL 231

For the purposes of the function and as a series of documents.

2 DOCUMENTS MAKING UP MODEL 231

The set of documents that form part of Model 231.

3 TRAINING PROGRAMME

For adequate staff training on the contents and principles of the Model.

4 COMMUNICATION ACTIVITIES

Information and training of employees, both internal and external, on the company's Model and activities.

5 DISCIPLINARY SYSTEM

To ensure compliance with the rules at a personal and company level.

6 SUPERVISORY COMMITTEE

Refers to the Supervisory Body which has access to all functions of the Company to ensure its functioning, observance and updating of Model 231.

7 WHISTLEBLOWING

To ensure respect for the rules at a personal and company level.

8 REQUESTS FOR INFORMATION

For appropriate reporting.



Inalca S.p.A. - Via Spilamberto, 30/C - 41014 Castelvetro - Modena
www.inalca.it

MODEL 231

Inside this document, the main contents of Legislative Decree 231/2001 and the Organization, Management and Control Model of INALCA S.p.A. are illustrated in a synthetic way.

The fundamental objective of the MODEL is to set, define and translate into operations appropriate REFERENCE ETHICAL STANDARDS which must guide the company's corporate decision-making processes, contributing to ALWAYS MORE EFFECTIVELY SPREAD THE RISK PREVENTION CULTURE.



Excellence in beef

Legislative Decree 231/2001

What the law says

Legislative Decree no. 231 of 8 June 2001 introduced into the Italian legal system, the “Administrative Liability” of Companies/Bodies, which means that if a person within the Company (top management, employee, collaborator) commits certain offences (e.g. bribery, extortion, fraud to the detriment of the State, etc.) in the interest or to the advantage of the Company, in addition to the individual, the Company is also liable.

This liability is formally administrative, but essentially of a criminal nature. In fact, it results from the commission of an offence and is established in a criminal trial before an ordinary judicial authority according to the rules of criminal procedure.

In such cases, monetary or disqualifying sanctions are applied to the Company. In practice, while prison and monetary penalties apply to natural persons found criminally liable for an offence, economic sanctions and disqualifications (suspension/closure of activities, revocation of authorisations, etc.) apply to entities/companies.

However, the Decree has introduced a mechanism for exemption from liability and consequent sanctions where the Company proves:

- to have adopted and effectively implemented, prior to the commission of the offence, an Organisation, Management and Control Model («**Model 231**»), suitable for preventing the commission of offences of the kind that have occurred;
- to have entrusted the task of supervising the operation of and compliance with **Model 231** to a **Supervisory Committee** endowed with autonomous powers of initiative and control.

The Choice of Inalca S.p.A.

Inalca S.p.A. (hereinafter also simply “the Company”) - sensitive to the need to ensure conditions of fairness and transparency in the conduct of business activities, also to protect its own position and image, as well as the work of its employees - has deemed it compliant with the company policies and the corporate group to which it belongs to proceed with the adoption of **Model 231**, also in order to raise awareness among all those who act in the name of, or in the interest of the Company, so that they are inspired and orient their conduct towards compliance with the law and the principles of fairness, loyalty and transparency.

“MODEL 231”

The “**MODEL 231**” is a system of principles, rules, structures and mechanisms that the Company adopts to monitor and prevent the commission of the offenses provided for by Legislative Decree 231/2001, guaranteeing the correct performance of its activities in compliance with the law and to avoid or eliminate any risk situations.

Offences under Legislative Decree no. 231/2001

Legislative Decree no. 231/01 has been amended several times by the legislator and currently covers a very wide range of offence hypotheses, which can be summarised in the following main macro-categories:

- Crimes against the Public Administration (corruption, extortion,...);
- Offences of Corruption;
- Corporate Crimes;
- Financing of unlawful activities;
- Market abuse;
- Crimes of culpable homicide and grievous/very grievous bodily harm, committed in breach of the rules on accident prevention and health and safety at work;
- Computer crimes and unlawful processing of data;
- Organised crime offences;
- Offences of counterfeiting currency;
- Offences against industry and trade;
- Crimes for the purpose of terrorism or subversion of the democratic order;
- Offences against the individual personality;
- Offences of receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, and selflaundering;
- Transnational offences;
- Copyright infringement offences;
- Environmental offences;
- Employment of illegally staying third-country nationals;
- Inducement not to make or to make false statements to the judicial authorities;
- Tax offences.

The declination of the Model pursuant to Legislative Decree 231/01 of Inalca S.p.A.

1 - Contents of Model 231

Model 231 consists of:

- a General Part, containing, in addition to a brief description of the contents of Legislative Decree 231/01, a presentation by Inalca and of the Cremonini Group, to which it belongs, the illustration of the methodology used for the construction of the Model together with a description of the “sensitive” areas, as well as the identification of the Supervisory Body and the provision of a specific disciplinary system;
- a Special Part, devoted to the specific Organizational Units of the Company by reason of the characteristics carried out in perspective of prevention of the crimes referred to in Legislative Decree. 231/01. The document, thus constructed, goes to detail the contents of the Model General Part and has as its purpose to indicate the components of the individual Offices/organizational structures of the Society: the tasks entrusted to them, in the performance of which the Company has identified a risk of committing a crime (so-called sensitive activities); as well as protocols for the prevention of reference. Special Parts, each dedicated to a specification category of crimes that the Company deemed necessary to take in view, by reason of the characteristics of the activity breakthrough (relevant predicate offences).

2 - Documents making up Model 231

From the moment of its approval, **Model 231** is immediately operational and all employees of the Company, at any organisational level (both senior and non-managerial persons), are required to comply with its provisions. The Model also contains rules for the management of relations with third parties (e.g. contractual clauses with suppliers and partners pursuant to Legislative Decree no. 231/01).

The Model includes, inter alia:

- the **Code of Ethics**, which sets out all the rights, duties and responsibilities of the Company towards its employees and third parties and establishes the reference ethical standards and rules of conduct to guide the company’s decision-making processes;
- the **Code of Business Conduct**, which specifies the moral and

social standards to which all employees and collaborators must adhere in their business activities;

- the **Organisation chart**, which describes the company organisation and how work is divided, organised and coordinated within the company;
- the **Functiongram**, a document in which the Organizational Offices/Facilities, as well as responsibilities to they are assigned. It, specifically, describes: the macro scopes of responsibility and the macro processes attributed to Directorates, Departments and Offices of the Group Leader; the main responsibilities assigned to the various organizational structures; finally the rules of representation;
- the **Reporting Procedure**, aimed at facilitating the reporting of any news having to do with alleged findings, irregularities, violations, behaviors and facts that can be censored or in any case any practice that does not comply with the provisions of the Model 231;
- **Safety organizational chart.**

3 - IN-FORMATION programme

Information and training programmes cover, at different levels, all employees of the Company with the aim of providing practical guidance that:

- ensure compliance with the principles specified at legislative level and at company level;
- have as their objective the prevention of offences.

Participation by personnel in training activities concerning the contents of the Decree and the principles of Inalca’s Model is to be considered mandatory. Every employee and collaborator of the Company must be aware of the existence of the Model and contribute, to the extent of their competence, to its effective implementation.

4 - Communication Activities

Once the principles and rules have been defined, **Model 231** must be communicated and shared with all its recipients, because only accurate information and understanding by all of its contents can guarantee its effectiveness. For this reason, the Company has set up a comprehensive information disclosure system:

- 1) explanation of the main contents of **Model 231** at the time of recruitment and/or establishment of the relationship;
- 2) publication of the documents making up **Model 231** on the home page of the corporate website www.inalca.it and in the SIMPLEDO Corporate Repository;