

REGULATION ON WHISTLEBLOWING FOR THE HANDLING OF REPORTS OF WRONGDOING AND PROTECTION OF THE REPORTER

Background:

The introduction into national law of a system for handling reports and adequate protection for employees who report illegal conduct from within the work environment is provided for in international conventions (UN, OECD, Council of Europe) ratified by Italy, as well as in recommendations of the Parliamentary Assembly of the Council of Europe.

In particular, Law No. 190 of November 6, 2012, with Article 1, paragraph 51, introduced Article 54-bis within Legislative Decree 165/2001 by virtue of which a measure aimed at fostering the emergence of cases of wrongdoing, known in Anglo-Saxon countries by the term whistleblowing, was provided for.

With the Regulation for the management of reports and the exercise of sanctioning power on the protection of the authors of reports of unlawful acts or irregularities of which they have become aware in the context of an employment relationship referred to in Article 54-bis of Legislative Decree 165/2001, ANAC has defined further operational provisions on the subject.

The European Union subsequently issued European Directive 2019/1937 concerning the protection of persons who report violations of Union law to create a minimum standard for the protection of whistleblowers' rights in all member states.

Italy implemented the European Directive with Legislative Decree No. 24 of March 10, 2023.

By adopting these Regulations, the company Ciam S.p.a. intended to comply with the above regulatory requirements.

The purpose of the document is to:

- clarify the guiding principles of the institution, highlighting the rules with which the company must comply;
- Specify how reports are to be handled;
- detail the procedures followed to protect the confidentiality of the reporting identity, the content of the report, and the identity of any individuals named.

These Regulations therefore aim to remove factors that may discourage or hinder recourse to the institution, such as doubts and uncertainties about the procedures to be followed and fears of retaliation or discrimination. The objective pursued is to provide the whistleblower with clear operational indications on the subject, contents, recipients and methods of transmission of reports, as well as on the forms of protection offered to him/her in our system.

The whistleblowing management process guarantees the confidentiality of the identity of the whistleblower from the time of receipt and in any contact after the receipt of the report. This, however, does not mean that reports are anonymous, noting that whistleblowers are required to declare their identity in order to be guaranteed the protection of the whistleblowing institution.

Art. 1 Purpose

These Regulations govern the protection of persons who report violations of national or European Union regulatory provisions - of which they have become aware in the context of their work - that harm the public interest or the integrity of the company Ciam S.p.a.

The regulatory provisions do not apply:

- a) to objections, claims or demands related to an interest of a personal nature of the reporting person or the person making a complaint to the judicial or accounting authority that pertain exclusively to his or her individual labor relations, or inherent in his or her labor relations with hierarchically subordinate figures;
- b) to reports of violations where already mandatorily regulated by the European Union or national acts indicated in Part II of the Annex to Legislative Decree No. 24 of March 23, 2023, or by national acts that constitute implementation of the European Union acts indicated in Part II of the Annex to Directive (EU) 2019/1937, although not indicated in Part II of the Annex mentioned above;
- c) To reports of national security violations.

This is without prejudice to the application of the provisions on the exercise of workers' right to consult with their representatives or trade unions, protection against unlawful conduct or acts carried out as a result of

such consultations, the autonomy of the social partners and their right to enter into collective agreements, and the suppression of anti-union conduct as set forth in Article 28 of Law No. 300 of May 20, 1970.

Art. 2 Definitions

For the purposes of these regulations:

a. "*Violations*" means behaviors, acts or omissions that harm the public interest or integrity of society and consist of:

- 1) Administrative, accounting, civil or criminal offenses that do not fall under (3), (4), (5) and (6);
- 2) unlawful conduct relevant under Legislative Decree No. 231 of June 8, 2001, or violations of the organization and management models provided therein, which do not fall under numbers 3), 4), 5) and 6);
- 3) Offenses that fall within the scope of application of the European Union or national acts indicated in the Annex to Legislative Decree 23 March 2023 no. 24 or national acts that constitute the implementation of the acts of the European Union indicated in the annex to Directive (EU) 2019/1937, although not indicated in the annex mentioned above, relating to the following areas: public procurement; services, products and financial markets and prevention of money laundering and financing of terrorism; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; privacy and personal data protection and security of networks and information systems;
- 4) acts or omissions affecting the financial interests of the Union referred to in Article 325 of the Treaty on the Functioning of the European Union specified in the relevant secondary legislation of the European Union;
- 5) acts or omissions concerning the internal market, as referred to in Article 26(2) of the Treaty on the Functioning of the European Union, including violations of EU competition and state aid rules, as well as violations concerning the internal market related to acts that violate corporate tax rules or mechanisms whose purpose is to obtain a tax advantage that frustrates the object or purpose of the applicable corporate tax law;
- 6) Acts or conduct that frustrate the object or purpose of the provisions set forth in Union Acts in the areas indicated in (3), (4) and (5);

b. "*Information about violations*" means information, including reasonable suspicions, concerning violations that have been committed or that, based on concrete evidence, could be committed within the company as well as elements concerning conduct aimed at concealing such violations;

c. "*Report*" or "*report*" means the communication, written or oral of information about violations;

d. "*Internal reporting*" means the written or oral communication of information on violations submitted through the internal reporting channel under Article 4;

e. "*External reporting*" means the written or oral communication of information on violations submitted through the external reporting channel referred to in Article 7;

f. "*Public disclosure*" or "*public dissemination*" means making information about violations publicly available through print or electronic media or otherwise through means of dissemination that can reach a large number of people;

g. "*Reporting person*" (also: "whistleblower") means the natural person who makes a report or public disclosure of information about violations acquired as part of his or her work environment;

h. "*Facilitator*" means an individual who assists a reporting person in the reporting process, operating within the same work environment and whose assistance must be kept confidential;

i. "*Work context*" means present or past work or professional activities carried out within the scope of the relationships referred to in Article 3, through which, regardless of the nature of such activities, a person acquires information about violations and within the scope of which he or she could risk retaliation in the event of a public report or disclosure or a complaint to the judicial or accounting authorities;

j. "*Person involved*" means the natural or legal person mentioned in the internal or external report or public disclosure as the person to whom the violation is attributed or as a person otherwise implicated in the reported or publicly disclosed violation;

k. "*Retaliation*" means any conduct, act or omission, even if only attempted or threatened, carried out by reason of the report, report to the judicial or accounting authority, or public disclosure, and which causes or may cause the reporting person or the person who made the report, directly or indirectly, unjust harm;

l. "*Follow-up*" means the action taken by the person entrusted with the management of the reporting channel to assess the existence of the reported facts, the outcome of the investigation and any measures taken;

m. "*Acknowledgement*" means communication to the reporting person of information regarding the action taken or intended to be taken on the report.

Art. 3 Protected subjects

In the case of reports, complaints to the judicial or accounting authorities, public disclosures of information about violations known within one's work context, the provisions of these Regulations apply, in particular:

- a) To the employees of Ciam S.p.a. ;
- b) to holders of an employment relationship, as defined in Article 2 of Legislative Decree No. 81 of 2015, who work at the company;
- c) to workers or collaborators who work for entities that provide goods or services or perform works for the company;
- d) to freelancers and consultants who serve with the company;
- e) to volunteers and interns, paid and unpaid, who serve at Ciam S.p.a;
- f) shareholder and persons with administrative, management, control, supervisory, or representative functions, even when such functions are exercised on a de facto basis.

The protection of whistleblowers also applies if reporting, reporting to the judicial or accounting authorities, or public disclosure of information occurs in the following cases:

- a) when the legal relationship referred to in the preceding paragraph has not yet begun, if the information on violations was acquired during the selection process or other pre-contractual stages;
- b) During the probationary period;
- c) subsequent to the dissolution of the legal relationship if the information on violations was acquired during the course of the relationship.

Without prejudice to the provisions of Article 17, co. 2 and co. 3, of Legislative Decree 24/2023, the protective measures set forth in Chapter III, shall also apply:

- a) To the facilitators;

- b) to persons in the same work environment as the reporting person, the person who has made a complaint to the judicial or accounting authority, or the person who has made a public disclosure and who are related to them by a stable emotional or kinship relationship within the fourth degree;
- c) to co-workers of the reporting person or the person who has made a complaint to the judicial or accounting authority or made a public disclosure, who work in the same work environment as the reporting person and who have a usual and current relationship with that person;
- d) to entities owned by the reporting person or the person who filed a complaint with the judicial or accounting authorities or made a public disclosure or for which the same persons work, as well as entities operating in the same work environment as the aforementioned persons.

Art. 4 Internal reporting

Ciam S.p.a. has established an internal reporting channel that guarantees the confidentiality of the identity of the reporting person, the person involved and the person in any way mentioned in the report, as well as the contents of the report and related documentation.

The internal reporting channel is managed by Dr. Emanuele Sforza.

For this purpose, reports can be made through the encrypted cyber channel made available by the company accessible through the "Whistleblowing" session accessible at www.ciamweb.it.

The data of the report are unbundled from the identification data of the reporter and automatically forwarded, for the timely initiation of the investigation to the person in charge Dr. Emanuele Sforza, who receives a notice of submission, with the identification code of the same.

The data identifying the reporter are kept, in encrypted form and are accessible only by the data protection officer.

The manager accesses his or her own restricted area and detailed information on the various reports received.

As a rule, the report should contain the following elements:

- The identity of the reporting party;
- The clear and complete description of the facts being reported;
- The circumstances of time and place under which the acts were committed;
- the generalities or other elements that would allow the identification of the person(s) who has/have carried out the reported facts;
- An indication of any other individuals who may report on the facts being reported;
- The indication of any documents that can confirm the substantiation of these facts;
- Any other information that may provide useful feedback about the existence of the reported facts.

The whistleblower must provide all the relevant elements so that the checks and verifications can be carried out to confirm the validity of the reported facts.

Reports are made in written form, including by computer, or in oral form. Internal reports in oral form shall be made through telephone lines or voice messaging systems or, at the request of the reporting person, through a face-to-face meeting set within a reasonable time.

If a recorded telephone line or other recorded voice messaging system is used for reporting, the report, subject to the consent of the reporting person, shall be documented by the staff person by recording on a

device suitable for storage and listening or by a verbatim transcript. In the case of a transcript, the reporting person may verify, correct or confirm the contents of the transcript by his or her own signature.

If an unrecorded telephone line or other unrecorded voice messaging system is used for reporting, the report shall be documented in writing by a detailed transcript of the conversation by the staff member in charge. The reporting person may verify, correct and confirm the contents of the transcript by his or her own signature.

When, at the request of the reporting person, the report is made orally in the course of a meeting with the relevant personnel, it shall, with the consent of the reporting person, be documented by the relevant personnel either by recording on a device suitable for storage and listening or by minutes. In case of minutes, the reporting person may verify, correct and confirm the minutes of the meeting by his or her signature.

Article 5 Management of the internal reporting channel - Procedure

The person in charge, takes charge of the report for an initial summary investigation. If indispensable, he/she requests clarification from the reporter and/or any other parties involved in the report, arranging for the preliminary investigation to be completed within the terms of the law.

The reports received, the relevant investigative acts and all relevant documentation are kept and catalogued in special files that are duly kept.

As part of the management of the internal reporting channel, the head of the legal department:

- a) issues the reporting person with an acknowledgement of receipt of the report within seven days from the date of receipt;
- b) maintains interlocutions with the reporting person and may request additions from the reporting person, if necessary;
- c) diligently follows up on reports received;
- d) shall provide acknowledgement of the report within three months from the date of the acknowledgement of receipt or, in the absence of such notice, within three months from the expiration of the seven-day period from the submission of the report.

In case of clear and manifest groundlessness, the head of the legal department, on the basis of an analysis of the facts that are the subject of the report, may decide to dismiss the request. In such a case, it shall notify the reporter.

So that adequate visibility in workplaces and accessibility to people who, although not frequenting such places, have a legal relationship can be guaranteed, the Regulations are published on the company's website.

Art. 6 Anonymous reporting

Protection of anonymity is not synonymous with acceptance of anonymous communications, given that whistleblower protection refers to reports from identifiable and recognizable individuals.

Without prejudice to the provisions of the preceding paragraph, Ciam S.p.a. reserves the right to consider anonymous reports if they are adequately circumstantiated and made with an abundance of details, that is, are such as to bring to light facts of particular gravity and with a content that is adequately detailed, circumstantiated and related to specific contexts (e.g.: indication of names or particular qualifications, mention of specific offices, proceedings or particular events, etc.).

Art. 7 External signaling

An external report can be made if one of the following conditions is met at the time of submission:

- a) The internal reporting channel referred to in Article 5 above is not active;
- b) the reporting person has already made an internal report and it has not been followed up;
- c) the whistleblower has reasonable grounds to believe that, if he or she were to make an internal report, the report would not be effectively followed up or that the report itself might result in the risk of retaliation;
- d) the reporter has probable cause to believe that the violation may pose an imminent or obvious danger to the public interest.

The external reporting channel, in accordance with Article 7 of Legislative Decree 24/2023, is established at the National Anti-Corruption Authority (<https://www.anticorruzione.it/-/whistleblowing>).

External reports, as governed by the ANAC guidelines approved by resolution 311 of 12/07/2023, are made in written form through the IT platform or orally through telephone lines or voice messaging systems or, at the request of the reporting person, through a face-to-face meeting set within a reasonable time.

An external report submitted to a person other than ANAC shall be forwarded to ANAC, within seven days from the date of its receipt, giving simultaneous notice of the transmission to the reporting person.

In managing the external reporting channel, ANAC carries out the following activities:

- a) Provides any interested person with information on the use of the external reporting channel and the internal reporting channel, as well as the protection measures under Chapter III of Legislative Decree 24/2023;
- b) shall give notice to the reporting person of the receipt of the external report within seven days from the date of its receipt, unless explicitly requested otherwise by the reporting person or unless ANAC considers that the notice would undermine the protection of the confidentiality of the reporting person's identity;
- c) Maintains interlocutions with the reporting person and requests additions from the reporting person, if necessary;
- d) diligently follows up on reports received;
- e) conducts the necessary investigation to follow up on the report, including through hearings and document acquisition;
- f) shall give feedback to the reporting person within three months or, if there are justified and substantiated reasons, six months from the date of notice of receipt of the external report or, if no such notice is given, from the expiration of seven days from receipt;
- g) notifies the reporting person of the final outcome.

ANAC may not follow up on reports of minor violations and proceed to dismiss them.

Article 8 Duty of Confidentiality

Alerts may not be used beyond what is necessary to adequately follow up on them.

The identity of the reporting person and any other information from which such identity may be inferred, directly or indirectly, may not be disclosed, without the express consent of the reporting person, to persons other than those competent to receive or act upon reports.

Within the scope of disciplinary proceedings, the identity of the reporting person may not be disclosed, where the allegation of the disciplinary charge is based on investigations separate and additional to the

report, even if consequent to the report. Where the charge is based, in whole or in part, on the report and the knowledge of the identity of the reporting person is indispensable for the defense of the accused, the report may be used for the purposes of disciplinary proceedings only if the reporting person expressly consents to the disclosure of his or her identity. Notice shall be given to the reporting person by written communication of the reasons for the disclosure of the confidential data, if the disclosure of the identity of the reporting person and related information is also indispensable for the defense of the person involved.

The report is exempt from access provided by Articles 22 et seq. of Law No. 241 of August 7, 1990, and Articles 5 et seq. of Legislative Decree No. 33 of March 14, 2013.

Without prejudice to the provisions of Article 12 of Legislative Decree 24/2023, in proceedings initiated because of a report, the person involved may be heard, or, at his or her request, shall be heard, including by means of a cartular procedure through the acquisition of written submissions and documents.

Article 9 Processing of Personal Data

Any processing of personal data must be carried out in accordance with Regulation (EU) 2016/679, Legislative Decree No. 196 of June 30, 2003, and Legislative Decree No. 51 of May 18, 2018.

Personal data that are manifestly not useful for processing a specific report are not collected or, if accidentally collected, are deleted immediately.

The rights under Articles 15 to 22 of Regulation (EU) 2016/679 can be exercised within the limits of the provisions of Article 2-undecies of Legislative Decree No. 196 of June 30, 2003.

The processing of personal data related to the receipt and management of reports is carried out by Sir S.p.a. as data controller, in compliance with the principles set forth in Articles 5 and 25 of Regulation (EU) 2016/679 or Articles 3 and 16 of Legislative Decree No.51 of 2018, providing appropriate information to the reporting persons and the persons involved in accordance with Articles 13 and 14 of the same Regulation (EU) 2016/679 or Article 11 of the aforementioned Legislative Decree No.51 of 2018, as well as taking appropriate measures to protect the rights and freedoms of the data subjects.

Art. 10 Retention of documentation pertaining to reports

Reports and related documentation shall be retained for as long as necessary for the processing of the report, and in any case no longer than five years from the date of the communication of the final outcome of the reporting procedure, in compliance with the confidentiality obligations set forth in Article 8 of these regulations and the principle set forth in Article 5(1)(e) of the GDPR and Article 3(1)(e) of Legislative Decree No. 51 of 2018.

Art. 11 Public disclosures

A reporting person who makes a public disclosure shall benefit from the protection provided by this Decree if, at the time of the public disclosure, one of the following conditions is met:

- a) the reporting person has previously made an internal and external report, or has directly made an external report, under the conditions and in the manner stipulated in Articles 4 and 7, and there has been no timely feedback regarding the measures planned or taken to follow up the reports;
- b) the reporting person has reasonable grounds to believe that the violation may pose an imminent or obvious danger to the public interest;
- c) the reporting person has well-founded reason to believe that the external report may involve the risk of retaliation or may not be effectively followed up due to the specific circumstances of the particular case, such as those where evidence may be concealed or destroyed or where there is a well-founded fear that the reporting person may be colluding with or involved in the violator.

Article 12 Conditions for the protection of the reporting person

The protection measures provided for in Chapter III of Legislative Decree 24/2023 apply to persons referred to in Article 3 when the following conditions are met:

- a) at the time of the report or denunciation to the judicial or accounting authority or public disclosure, the reporting or denouncing person had reasonable grounds to believe that the information about the reported, publicly disclosed, or denounced violations was true and fell within the objective scope of Article 1 of these regulations;
- b) public reporting or disclosure was made on the basis of the provisions of Articles 7 and 11 of these regulations and, in general, Chapter II of Legislative Decree 24/2023.

A person's reasons for reporting or public disclosure are irrelevant to his or her protection.

The criminal and disciplinary liability of the whistleblower in the event of libelous or defamatory reporting under Articles 368 and 595 of the Criminal Code and Article 2043 of the Civil Code is unaffected.

Without prejudice to the provisions of Article 14 below, when the criminal liability of the reporting person for the crimes of defamation or slander or otherwise for the same crimes committed with the complaint to the judicial or accounting authority or his civil liability, for the same title, in cases of malice or gross negligence, is established, even with a judgment of first instance, the protections established by Chapter III of Legislative Decree 24/2013 are not guaranteed and, the reporting or whistleblowing person is also imposed a disciplinary sanction.

The same measures are also applied to cases of anonymous reporting or denunciation to the judicial or accounting authorities or public disclosure, if the reporting person was subsequently identified and retaliated against.

Article 13 Prohibition of retaliation

Entities and persons specified in Article 3 may not suffer any retaliation.

In the context of judicial or administrative proceedings or otherwise extrajudicial disputes concerning the establishment of conduct, acts or omissions prohibited under this Article with respect to the persons referred to in Article 3, it shall be presumed that the same were put in place because of the reporting, public disclosure or complaint to the judicial or accounting authority. The burden of proving that such conduct or acts are motivated by reasons unrelated to the reporting, public disclosure, or complaint shall be on the person who put them in place.

In the event of a claim for compensation filed with the judicial authority by the persons specified in Article 3, if such persons prove that they have made, pursuant to Legislative Decree 24/2023, a report, public disclosure, or complaint to the judicial or accounting authority and have suffered damage, it shall be presumed, unless proven otherwise, that the damage is a consequence of such report, public disclosure, or complaint to the judicial or accounting authority.

Retaliation constitutes the cases listed in Article 17(4) of Legislative Decree 24/2023 and, in particular:

- a) dismissal, suspension or equivalent measures;
- b) Grade demotion or non-promotion;
- c) change of duties, change of workplace, reduction of salary, change of working hours;
- d) The suspension of training or any restriction of access to it;
- e) negative merit notes or negative references;
- f) The adoption of disciplinary measures or other sanction, including fines;
- g) coercion, intimidation, harassment or ostracism;

- h) discrimination or otherwise unfavorable treatment;
- i) The failure to convert a fixed-term employment contract to a permanent employment contract where the employee had a legitimate expectation of said conversion;
- j) The non-renewal or early termination of a fixed-term employment contract;
- k) damage, including to a person's reputation, particularly on social media, or economic or financial harm, including loss of economic opportunities and loss of income;
- l) Early termination or cancellation of the contract for the provision of goods or services;
- m) The cancellation of a license or permit;
- n) The request for submission to psychiatric or medical examinations.

Acts taken in violation of this article and, in general, of Article 17 of Legislative Decree 24/2023 shall be null and void. The persons referred to in Article 3 who have been dismissed as a result of reporting, public disclosure, or whistleblowing to the judicial or accounting authorities are entitled to be reinstated in their jobs, due to the specific discipline applicable to the worker.

The entities and persons referred to in Article 3 may notify ANAC of retaliation they believe they have suffered.

A whistleblower who believes that he or she has suffered discrimination or retaliation may, likewise, give detailed notice of the discrimination that has occurred to the head of the legal department who, having assessed the existence of the elements in a timely manner, will report the alleged discrimination:

- to the Director to which the employee who is the perpetrator of the alleged discrimination belongs;
- to the Public Prosecutor's Office if criminally relevant facts occur;
- to the Supervisory Board.

This is without prejudice to and without prejudice to the reporting party's right to give notice of the incident to the relevant labor organizations or judicial authority.

Article 14 Limitations of liability

An entity or person referred to in Art. 3 who discloses or disseminates information on violations covered by the obligation of secrecy or relating to the protection of copyright or the protection of personal data, or discloses or disseminates information on violations that offend the reputation of the person involved or reported, when, at the time of the disclosure or dissemination, there were reasonable grounds to believe that the disclosure or dissemination of the same information was necessary to disclose the violation and the reporting, public disclosure or complaint to the judicial or accounting authority was made pursuant to Article 12.

When the cases referred to in the preceding paragraph are met, any further liability, including civil or administrative liability, is also excluded.

Unless the act constitutes a crime, the entity or person referred to in Article 3 shall not incur any liability, including civil or administrative liability, for acquiring or accessing information on violations.

In any case, criminal liability and any other liability, including civil or administrative liability, is not excluded for conduct, acts or omissions that are not related to reporting, reporting to the judicial or accounting authorities, or public disclosure, or that are not strictly necessary to disclose the violation.

Art. 15 Additional Provisions

Retaliation, instances in which the report was obstructed or attempted to be obstructed, violation of the obligation of confidentiality set forth in Article 8 above, lack of verification and analysis of the reports received, and manifestly opportunistic reports made for the sole purpose of defaming and/or slandering the whistleblower or others are disciplinary sanctions.

Waivers and settlements, in whole or in part, which have as their object the rights and protections provided for in these Regulations and, in general, in Legislative Decree 24/2023 are not valid, unless they are made in the form and manner provided for in Article 2113 of the Civil Code.

In accordance with the provisions of Article 18 of Legislative Decree 24/2023, a list of Third Sector entities that provide support measures to reporting persons is established at ANAC.

The head of the legal department shall report in a manner that ensures the confidentiality of reporters, the number of reports received and their status.

Please refer to Legislative Decree 24/2023 for anything not expressly provided for.