







ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL **OF BALTUR S.P.A.**











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GENERAL SECTION











1. PRELIMINARY REMARKS: LEGISLATIVE DECREE NO. 231/01

1.1 Key Features

Legislative Decree No. 231 of June 8, 2001, titled "Regulations on the Administrative Liability of Legal Entities, Companies and Associations, including those without Legal Personality" (hereinafter, for brevity, Legislative Decree No. 231/01 or simply the Decree), aligned Italian legislation on the liability of legal entities with certain international conventions previously signed by the Italian State. These include the Brussels Convention of July 26, 1995, on the protection of financial interests; the Brussels Convention of May 26, 1997, on combating corruption involving public officials of both the European Community and its Member States; and the OECD Convention of December 17, 1997, on combating bribery of foreign public officials in international business transactions, as well as provisions adopted by the General Assembly on December 15, 2000, and May 31, 2001.

The Decree introduced a system of liability for legal entities, companies, and associations, including those without legal personality (hereinafter collectively referred to as "Entities"), in cases where individuals who, even de facto, exercise management or control over them (so-called "top-level individuals"), or individuals subject to the direction or supervision of the former (so-called "subordinate individuals")—including those who, although not formally classified as employees, operate in a position of subordination to the Entity—commit one of the offences provided for by the Decree (the so-called "predicate offences") in the interest or to the advantage of the Entity.

From a subjective point of view, the scope of application of the Decree is quite broad. In fact, the recipients of the provisions set out in Legislative Decree No. 231/01 are:

- Entities with legal personality.
- Companies, associations, including those without legal personality.

Essentially, the legislation defines the scope of subjective application by exclusion: specifically, the only entities expressly excluded are the State, local public authorities, other non-economic public entities, as well as entities performing functions of constitutional relevance.

The administrative liability of Entities is based on the so-called "organizational fault": the Entity is held responsible for an offence committed in its interest or to its benefit by a top-level individual or a subordinate individual if it has failed to implement an organization capable of effectively preventing the commission of such an offence. In particular, this applies if the Entity has failed to establish an internal control system and adequate procedures for conducting activities that pose a higher risk of illicit conduct. The rationale behind this provision, as explicitly acknowledged by the legislator, is to involve the Entity's assets—and ultimately, the economic interests of the shareholders—in the punishment of certain criminal offences committed in the Entity's interest or for its benefit. This is intended to encourage greater (self-)monitoring of the regularity and legality of the company's operations as a preventive measure.











1.2 Predicate Offences

The administrative liability of Entities arises in the cases and within the limits expressly provided by law. "An entity cannot be held responsible for an act constituting an offence if its administrative liability in relation to that offence and the associated sanctions are not expressly provided for by a law that came into force before the commission of the act" (Article 2 of Legislative Decree No. 231/01).

Therefore, the Entity can only be held accountable for the commission, in its interest or for its benefit, of the crimes and administrative offences explicitly foreseen by the Decree, as outlined in its original text and subsequent amendments, as well as by laws that explicitly refer to its provisions.

For the purposes of this Model, such crimes are identified in the document entitled "List of Offences" (Appendix 1).

It is the responsibility of the "Supervisory Body" (hereinafter, for brevity, O.d.V.) to constantly monitor the possible introduction of new predicate offences or any legal changes affecting them, ensuring that the List of Offences is updated and taking necessary actions regarding the evaluation of exposure to criminal risk and any subsequent activities.

1.3 Sanctions

The sanctions provided for by the Decree for administrative offences resulting from criminal conduct are as follows:

- Financial penalty;
- Prohibitive sanctions;
- Confiscation;
- Publication of the sentence.

The <u>financial penalty</u> is provided for all administrative offences resulting from criminal conduct. It is applied through a system of quotas, ranging from 100 to 1000, with each quota valued between €258.00 and €1,549.00. The amount of each quota is determined by the Judge based on the following parameters:

- The severity of the act;
- The degree of responsibility of the Entity;
- Actions taken to eliminate or mitigate the consequences of the act and to prevent the commission of further offences.

The <u>prohibitive sanctions</u> provided for by the Decree are as follows:

- Prohibition from carrying out the activity;
- Suspension or revocation of the authorizations, licenses, or concessions that are essential to the commission of the offence;
- Prohibition on contracting with the public administration, except for obtaining the services of a public service;
- Exclusion from incentives, financing, contributions, or subsidies, and the possible revocation of those already granted;
- Prohibition on advertising goods and services.











The prohibitive sanctions apply in relation to the crimes for which they are expressly provided and when at least one of the following conditions is met:

- ♣ The Entity has derived a significant profit from the crime, and the crime was committed by individuals in top management positions or by those subject to them, when the commission of the crime was determined or facilitated by serious organizational deficiencies;
- In the case of repeated offences.

The prohibitive sanctions may also be applied jointly. The prohibition from carrying out activities applies when the imposition of other sanctions is not deemed adequate.

The prohibitive sanctions may also be applied precautionarily when:

- There are strong indications suggesting the Entity's liability for an administrative offence resulting from a crime;
- Specific and substantiated elements arise that suggest the real danger of committing offences of the same nature as the one being prosecuted;
- ♣ The Entity has derived a significant profit.

If the conditions for the application of a prohibitive sanction that results in the cessation of the Entity's activity are met, the Judge, instead of applying the sanction, may order the continuation of the Entity's activities by a Judicial Commissioner for a period equal to the duration of the prohibitive penalty that would have been applied, when at least one of the following conditions exists:

The Entity provides a public service or a service of public necessity, the interruption of which could cause serious harm to the community;

The interruption of the Entity's activities could, considering its size and the economic conditions of the area in which it is located, have significant repercussions on employment;

The profit derived from the continuation of the activity is confiscated.

Confiscation: Upon conviction of the Entity, the confiscation of the price or profit from the crime is always ordered, unless part of it can be returned to the harmed party. When it is not possible to execute the confiscation of the price or product of the crime, it may involve sums of money, goods, or other utilities of equivalent value to the price or profit of the crime.

<u>Publication of the sentence of conviction</u>: This can be ordered when an interdiction sanction is applied to the Entity. The sentence is published once, either in part or in full, in one or more newspapers specified by the Judge in the sentence, as well as by posting in the municipality where the Entity's main office is located.

1.4 Attempted Crimes

In cases of commission, in the form of an attempt, of crimes listed in Chapter I of D.Lgs. No. 231/01 (articles 24 to 25-bis of the Decree), both the financial and interdiction sanctions are reduced by one-third to one-half, while the imposition of sanctions is excluded if the Entity voluntarily prevents the completion of the











action or the occurrence of the event (article 26 of the Decree). The exclusion of sanctions is justified in this case due to the interruption of any identification relationship between the Entity and the subjects acting on its behalf.

1.5 Crimes Committed Abroad

According to article 4 of the Decree, the Entity can be held accountable in Italy for crimes – as outlined in the same Decree – committed abroad. The conditions for the Entity's responsibility for crimes committed abroad are:

- The crime must be committed abroad by a subject functionally connected to the Entity, pursuant to article 5, paragraph 1 of the Decree;
- ♣ The Entity must have its main office in the territory of the Italian State;
- ♣ The Entity can only be held accountable under the cases and conditions provided for in articles 7, 8, 9, and 10 of the Penal Code.

The reference to articles 7 to 10 of the Penal Code must be coordinated with the provisions of articles 24 to 25-bis of the Decree, such that – in compliance with the principle of legality under article 2 of the Decree – the company can only be held accountable for those crimes for which its responsibility is explicitly provided for by a specific legislative provision.

1.6 The Organizational, Management, and Control Model as a Form of Exemption from Responsibility

D.Lgs. No. 231/01 grants an exemption value to the Organizational Model adopted by the Entity if it is deemed suitable by the Prosecuting Judicial Authority.

In the case of a <u>crime committed</u> by a <u>subject in an apical position</u>, the company is not held responsible if it proves that (article 6, paragraph 1 of the Decree):

- ➡ The governing body has adopted and effectively implemented, before the commission of the act, organizational and management models suitable for preventing crimes of the same kind as the one that occurred;
- ♣ The task of overseeing the functioning and compliance with the models and ensuring their updating has been entrusted to an autonomous body within the company with independent powers of initiative and control;
- ♣ The individuals committed the crime by fraudulently evading the organizational and management models:
- There has been no omission or insufficient supervision by the Supervisory Body.

The Entity, therefore, must demonstrate its lack of involvement in the acts attributed to the apical subject by proving the existence of the above-mentioned concurrent requirements and, consequently, the fact that the commission of the crime does not stem from its own organizational fault.

In the case of a crime committed by subjects under the direction or supervision of others, the company is responsible if the commission of the crime was made possible by a violation of the direction or supervision duties the company is obliged to observe.

In any case, the violation of the duties of direction or supervision is excluded if the company, before the











commission of the crime, has adopted and effectively implemented an organizational, management, and control model capable of preventing crimes of the same type as the one that occurred.

Article 7, paragraph 4, of the Decree further defines the requirements for the effective implementation of organizational models, which are:

- ♣ The periodic verification and potential modification of the model when significant violations of the provisions are discovered or when changes occur in the organization and activities;
- ♣ A sanctioning system capable of penalizing non-compliance with the measures indicated in the model.

The Decree identifies the content of the models, specifying that they, based on the extent of delegated powers and the risk of committing crimes, must:

- Identify the activities within which crimes can be committed;
- Provide specific procedures aimed at planning the formation and implementation of the Entity's decisions regarding the crimes to be prevented;
- Identify the methods for managing financial resources that are suitable for preventing the commission of crimes.
- ♣ To provide for information obligations towards the body responsible for overseeing the functioning and compliance with the model;
- ♣ To provide one or more channels that allow apical subjects and subordinates to report, for the protection of the Entity's integrity, detailed reports of illegal conduct, relevant under the Decree and based on precise and consistent factual elements, or violations of the organizational model, which they have become aware of due to the functions performed; these channels ensure the confidentiality of the identity of the reporter in the management of the report;
- ♣ To provide at least one alternative reporting channel capable of guaranteeing, through electronic means, the confidentiality of the reporter's identity;
- ♣ To prohibit retaliatory or discriminatory actions, whether direct or indirect, against the reporter for reasons related, directly or indirectly, to the report;
- ♣ To provide for a sanctioning system (the Disciplinary System) capable of penalizing the failure to comply with the measures indicated in the model, as well as sanctioning those who violate the measures protecting the reporter and those who, with intent or gross negligence, make reports that turn out to be unfounded.

1.7 Guidelines

Article 6, paragraph 3, of Legislative Decree No. 231/01 establishes that organizational and management models "...can be adopted (...) based on codes of conduct drafted by representative associations of entities, communicated to the Ministry of Justice, which, in agreement with the competent ministries, can provide, within thirty days, observations on the suitability of the models to prevent crimes."

For the purposes of this document, Confindustria has defined the guidelines for the construction of Organizational, Management, and Control Models, providing, among other things, methodological indications for identifying risk areas, designing a control system, and the contents of the model.











The most recent version of Confindustria's guidelines was approved by the Ministry of Justice in June 2021. These guidelines foresee the following phases for defining the model:

- Identification of risks;
- Provision of mechanisms for proceduralizing decisions (procedures/protocols/operational instructions);
- Adoption of some general tools, including:
 - Ethical Code related to the company's reality and the crimes under Legislative Decree No. 231/01;
 - Ad hoc Disciplinary System;
 - ➤ Identification of the criteria for selecting the Supervisory Body, indicating its requirements, tasks, powers, and information obligations.

2. THE ORGANIZATIONAL MODEL OF BALTUR S.P.A.

2.1 BALTUR S.P.A.: origins, activity, mission

Founded in 1950 by two partners from Cento, Giuseppe Ballanti and Ferdinando Tura (BALTUR is, in fact, an acronym of their surnames), BALTUR S.p.A. (hereinafter, for brevity, "BALTUR") has succeeded in developing innovative technical solutions in the heating sector during a period of significant post-war development in Italy.

From the design of its first small fuel oil burner, over the years BALTUR evolved from an artisan business into a major industrial company with a significant international presence, thanks to ongoing investments in research and innovation.

Today, BALTUR is capable of meeting the needs of both industry and private individuals through a complete range of burners featuring very high modulation ratios and low pollutant emissions, as well as products for residential comfort and air conditioning.

"Research and development, which everyone talks about, is the lifeblood of any business. For us, who manufacture highly specialized products, innovation is everything." (Enrico Fava – President) BALTUR holds the following certifications/qualifications:

- UNI EN ISO 9001:2015 (Quality)
- G-GAS Certification pursuant to Presidential Decree no. 146/18 and EU Regulation no. 2015/2067
- **♣** EC Quality Assurance System Certification
- UKCA Certification

For more details on the company, its operations, and its mission, refer to the following documents:

- Company Register Certificate (Visura)
- Articles of incorporation and bylaws
- Company presentation brochure
- Quality policy

as well as the official website (www.baltur.com).











2.2 Corporate Governance

BALTUR's governance model and, more broadly, its entire organizational system are fully structured to ensure the implementation of company strategies and the achievement of objectives.

BALTUR's structure is designed to provide the company with an organization capable of ensuring maximum operational efficiency and effectiveness.

In light of the specific characteristics of its organizational structure and the activities carried out, BALTUR has adopted the traditional governance system.

Shareholders' Meeting

The Shareholders' Meeting is responsible, in both ordinary and extraordinary sessions, for deliberating on matters reserved to it by law and the company's bylaws.

Board of Directors

The company is managed by a Board of Directors, which holds the broadest powers for the management of the company and for the implementation and achievement of the corporate purpose, excluding the powers reserved by law to the Shareholders' Meeting.

The Board of Directors has granted specific powers to the Vice President of the Board (see Board resolution dated 19.05.2021 – archived at the company).

Board of Statutory Auditors

BALTUR has appointed a Board of Statutory Auditors (see Shareholders' Meeting resolution dated 19.05.2021 – archived at the company), composed of three standing members and two alternates. The Board of Statutory Auditors performs the functions set out in Articles 2403 et seq. of the Italian Civil Code and carries out statutory audit functions pursuant to Article 14 of Legislative Decree No. 39 of 27.01.2010.

General Manager

In accordance with its own powers, the Board of Directors has appointed a General Manager, assigning him specific management and representation powers (see Board resolution dated 21.12.2016 and notarial power of attorney dated 10.01.2017 – both archived at the company).

Organizational Chart and Job Description System

The company's organizational structure is based on a clear definition of the responsibilities and duties of each business area.

The Board of Directors has defined the organizational chart, identifying the various corporate functions with authority, responsibilities, and tasks.

The company's organizational structure is designed to ensure, on the one hand, a clear separation of duties, roles, and responsibilities between operational and control functions, and on the other, the highest possible level of efficiency.

Specifically, the organizational structure of the company, based on a clear definition of the responsibilities of each business area and related tasks, is currently structured as follows at the time of the adoption of the Model:











Operations Department is responsible for:

- Coordinating and managing all heads of operational functions;
- > Collaborating with function managers to define the budget for fixed costs and investments;
- > Defining efficiency parameters in departments, both direct and indirect;
- > Defining and measuring departmental performance through indicators, monitoring and updating data monthly, and reporting it to Management;
- > Managing production planning, material procurement, and inventory levels in warehouses;
- > Ensuring the planning and monitoring of production to maximize productivity and material turnover;
- Promoting and defining corporate strategies for the implementation of technology, Lean methods, and manufacturing quality;
- Monitoring service levels of suppliers and end customers to ensure the best industrial competitiveness of the produced goods;
- > Participating and collaborating with General Management in defining ordinary, extraordinary, and strategic maintenance plans for technological innovation;
- Proposing investment plans, projects, expansions, and modifications to the layout of the plant and offices; overseeing the maintenance and safety of the premises, using professionals and/or company consultants;
- Managing the purchasing department; defining, measuring, and monitoring supplier service levels with the responsible party and direct collaborators; approving purchase price lists and determining contractual supply rules.

Research and Development Department is responsible for:

- Assisting mechanical designers in more complex and/or critical design choices;
- Providing designers with the necessary internal and/or external CAE (Computer-Aided Engineering) support for project optimization;
- > Ensuring compliance with company design rules and applicable regulations;
- Coordinating and, if necessary, supervising product FMEAs (Failure Modes and Effects Analyses) and related activities;
- Proposing departmental needs to General Management for inclusion in the annual budget for fixed costs and investments;
- Ensuring standardization of company mechanical design methods and verifying their application;
- > Defining methods for managing and archiving project-related documentation and information;
- Coordinating with the Laboratory Manager to ensure specific technical training in their area of technical expertise;
- Interfacing with external bodies to define and coordinate any support for project or CAE activities;
- Coordinating resources to ensure the standards (in content and form) of documentation and compliance with deadlines;
- Ensuring that documentation (and any updates) is archived and disseminated in a manner consistent with company needs;











- Coordinating activities between BALTUR departments and third parties to ensure that all product testing, approval, and certification activities are carried out and completed on time and according to plan;
- Defining and managing, in alignment with new product planning and in agreement with market managers, the annual budget for approvals/certifications, subject to General Management approval.

Administrative – Finance and Control Department: is responsible for:

- Managing and supervising administrative, accounting, financial, and control activities in compliance with current regulations;
- Defining the company's financial strategy to secure funding necessary for medium- to long-term business development;
- Analyzing macroeconomic trends, making forecasts and long-term projections, and supporting business expansion opportunities;
- > Preparing and overseeing all administrative/financial reporting, including preparing reports for the Board of Directors;
- > Ensuring the reliability and accuracy of administrative data and maintaining relationships with auditors, auditing firms, and legal and tax consultants;
- Comparing sales and profit forecasts, cash flow, and budgeted expenses, and coordinating with General Management to prioritize interventions;
- > Analyzing the company's operations to identify opportunities for improvement and business areas that could be reorganized, downsized, or eliminated;
- Conducting long-term economic trend studies to support growth projections in sales and market share, assisting General Management in acquisitions or expansion into new business areas by determining financial needs;
- Overseeing fundraising activities by working with banks or private equity funds to secure capital to support the company's growth plans;
- > Monitoring the performance of economic and financial parameters and preparing periodic reports on the company's financial position;
- > Overseeing compliance with civil and tax regulations as well as cash flow management;
- > Ensuring proper personnel administration, and developing and managing the department's budget;

Sales and Marketing Department is responsible for:

- Collaborating with General Management to achieve the established revenue targets;
- Planning and managing the sales budget and forecast;
- Approving strategic marketing plans and developing commercial policies;
- Studying the market and analyzing trends, as well as evaluating competitors' products;
- Approving operational pricing policies and submitting them to General Management;
- Providing the Export and Italy Areas with guidelines for defining sales policies across different markets and sectors;











- Managing and coordinating the activities of the Sales and Marketing Area, and maintaining relationships with other company departments, external entities, and clients;
- Overseeing all market analysis and sales activities essential to business operations;
- Monitoring the performance of key markets, BALTUR's positioning, customer and competitor behavior, and current or expected changes in each business area;
- Expanding the customer portfolio and retaining existing clients;
- > Setting, developing, and submitting sales targets, sales strategies, and commercial and action plans to General Management;
- > Drafting, submitting for approval to General Management, publishing, and updating price lists and discount policies;
- Defining and communicating to the commercial area (sales and after-sales network) consistent objectives, guidelines, values, and market approach styles, and verifying and correcting their application;
- Participating in the definition of effective marketing policies, designing promotional initiatives, and developing product strategies;
- > Organizing the territorial distribution of the sales network;
- Ensuring timely and accurate preparation of reports, forecast and final budgets, accompanied by analytical commentary;
- Enforcing the directives, policies, and procedures of both the company and the group, ensuring compliance by collaborators and the sales network;
- Promoting customer needs analysis and conducting customer surveys;
- Planning expense and investment forecasts for the department and working with the finance/administration department to define projections, ensuring the collection of trade receivables and monitoring departmental expenses.

For details regarding roles and responsibilities, please refer to the Job Description Manual.

2.3 Principles and Structure of the Model Adopted by BALTUR

2.3.1 Principles

The Organization, Management, and Control Model adopted by BALTUR is designed to enhance its internal control system and prevent the risk of the commission of criminal offenses.

This objective is achieved through the identification of sensitive activities, the implementation of an organic and structured system of procedures/protocols/operational instructions (including the integration of those already in place, after verifying their compliance with the principles of Legislative Decree No. 231/01), and the adoption of an appropriate risk control system.

The basic principles of the Model must:

Make the potential perpetrator of the offense aware that committing an unlawful act is contrary to the principles and interests of BALTUR, even when such an act might apparently bring an advantage to the Company;











Allow for the monitoring of sensitive activities and enable interventions to prevent the commission of an offense, and if necessary, reinforce the internal control system by modifying procedures, authorization levels, or support systems.

This Organizational Model has been prepared taking into account not only the provisions of Legislative Decree No. 231/01 but also the Confindustria guidelines. Therefore:

- A Code of Ethics has been adopted with reference to the categories of offenses covered by the Decree;
- Authorization and signing powers, as well as manual and IT procedures governing the Company's operations, have been reviewed, ensuring appropriate control points are in place;
- Risk areas have been identified through the analysis of the activities carried out, existing procedures, practices, and authorization levels;
- ♣ For these risk areas, appropriate internal control systems have been defined to prevent the commission of offenses, and suitable procedures/protocols/operational instructions have been drafted or existing ones have been modified/integrated accordingly;
- ♣ The financial resource management process has been analyzed to ensure it is based on specific control principles, such as:
 - Separation of roles in the key phases of the process;
 - Traceability of actions and authorization levels associated with individual operations;
 - Monitoring of the proper execution of the different process phases (such as: specifically formalized payment request, authorization by the competent function, verification of the match between received and ordered goods, payment verification, invoice control, and accounting entry);
 - Documentation of the controls carried out.
- ♣ A Supervisory Body has been identified and assigned the task of overseeing the proper application of the Model through the monitoring of activities and the definition of information flows in sensitive areas.
- Roles and powers have been granted to this Body and to the company's top management to ensure effective supervision and the adequacy of the Model.
- An awareness and training program has been initiated at all company levels regarding the procedures and adherence to the behavioral rules, primarily those outlined in the Code of Ethics.

The **internal control systems** currently in place are based on the following principles:

- Adequate documentation and traceability of relevant operations;
- Participation of multiple individuals in meetings with public authorities;
- **Formal separation of functions** to avoid concentrating the management of an entire process in one individual;
- Clear definition of roles and responsibilities with specific approval thresholds for expenditures;
- Adherence to the Code of Ethics, behavioral rules, and the procedures/protocols/operational instructions set forth by the Company to regulate each business activity, ensuring transparency and ethics;











- Adequate independence, autonomy, professionalism, and continuity of action for the Supervisory Body;
- Mandatory periodic communication of relevant information from individual business functions to the Supervisory Body to ensure a management control system capable of providing timely reports on any general or specific critical situations;
- Documentation of the controls carried out;
- Application of sanctions for violations of the rules set forth in the Code of Ethics, the Model (including the referenced documents, procedures, and measures for preventing corruption and ensuring transparency).

2.3.2 Structure

The **Organizational Model** is composed of:

A General Part:

- > It illustrates the regulatory framework of reference;
- It describes the business activities and governance of BALTUR;
- > It explains the contents and structure of the Model, the criteria and methods used for assessing and managing the risk of crime, and for ensuring its updates, as well as the control system adopted to reduce the identified risks to an acceptable level;
- It governs the establishment and functioning of the Supervisory Body (O.d.V.), setting out its requirements and composition, functions, powers, reporting obligations, and information flows;
- > It regulates the training and informational activities aimed at promoting awareness and compliance with the Model by all intended recipients;
- It explains the sanctioning system designed to prevent and punish violations of the Model.

A Special Part consisting of:

- ➤ **4 Sections** differentiated according to the type of underlying crime and, consequently, the sensitive activities subject to mapping.
- And the following reference documents, which form an integral part of the Model:
 - List of crimes (Annex 1 to the Model): Contains the identification of all crimes foreseen by Legislative Decree No. 231/01;
 - Code of Ethics (Annex 2 to the Model): Describes the principles relevant also for the prevention of the commission of the crimes under Legislative Decree No. 231/01 which BALTUR follows in carrying out its activities and the behavioral norms through which these principles are concretely implemented.











2.4 Adoption, Implementation, Modifications, and Integrations of the Organizational Model

The Organizational, Management, and Control Model – in accordance with Article 6, paragraph 1, letter a) of the Decree – is an act issued by the governing body.

The Organizational Model of BALTUR was adopted by the Board of Directors through a resolution on February 7, 2024.

The oversight of the adequacy and implementation of the Model is ensured by the Supervisory Body (O.d.V.), which, as explained later, periodically reports the results of its activities to the administrative body.

The Board of Directors, also upon the proposal of the O.d.V., shall make any necessary modifications and integrations to the Model to ensure its continuous compliance with the provisions of the Decree and any changes in BALTUR's organizational structure.

Regardless of the occurrence of circumstances requiring immediate updates (such as changes in the company's internal structure and/or the methods of conducting business, regulatory changes, etc.), the Model will be subjected to periodic review.

2.5 Recipients of the Organizational Model

This **Organizational Model** applies to all those who, even in practice, perform functions of management, administration, direction, or control within the company, as well as all employees (of any contractual type or equivalent act) and those who hold external representation powers of the company (Recipients). Regarding collaborators, consultants, suppliers, and customers, BALTUR will distribute the Code of Ethics to them and inform them of the adoption of the Organizational Model. The company will assess the opportunity, also considering the relevance of the consultancy/supply, to include specific termination and/or resolution clauses in the various contracts in the event of a violation of the Code of Ethics and the principles underlying this Organizational Model.

3. THE CONSTITUENT ELEMENTS OF THE MODEL

3.1 Mapping

Article 6, paragraph 2, letter a) of the Decree specifies that one of the essential elements of the Organizational Model is the identification of the so-called "risky activities" (i.e., Mapping), which refers to those business activities where there may be a risk of committing one of the crimes expressly mentioned by Legislative Decree No. 231/2001.

This mapping activity allowed for the extraction of sensitive processes, which are examined in the Special Part of the Organizational Model, to which reference is made for further details.

3.2 Controls and Oversight of Risk Activities

The control system of BALTUR, based on the Confindustria guidelines and national and international best practices, provides for the following in relation to sensitive activities and related processes:

General control principles for risky activities;











Specific procedures/protocols/operating instructions applied to individual risky activities.

3.3 General Controls. The Internal Control System

BALTUR's internal control system has been analyzed and evaluated using the following principles:

- Regulation: The existence of company provisions that provide behavior principles, operational methods for conducting sensitive activities, and the storage of relevant documentation.
- Traceability:
 - Every operation related to sensitive activities must be, whenever possible, adequately documented.
 - The decision-making, authorization, and execution process of sensitive activities must be verifiable ex post, even through appropriate documentary support.
- Segregation of duties: Separation of activities between those who authorize, those who execute, and those who control.
- **Powers and delegations**: The powers of authorization and signature granted must be:
 - Consistent with the organizational and management responsibilities assigned, specifying, where required, the approval thresholds for expenses.
 - Clearly defined and known within the company.

The administrative body (whether the Board of Directors, delegated administrators, or CEO) evaluates, on a quarterly basis, the adequacy, effectiveness, and actual functioning of the internal control system.

In this regard, BALTUR has implemented procedures and controls aimed, among other things, at ensuring the monitoring of the administrative system, the adequacy and reliability of accounting records, and compliance with procedures by various company functions.

3.4 Specific Controls

Specific procedures have been identified to oversee the activities related to risky areas. For further details, please refer to the Special Part of the Organizational Model.

3.5 Management of Financial Flows

The financial resources of BALTUR must be managed according to the highest standards of transparency, correctness, and truthfulness, in compliance with the applicable accounting and tax regulations and company procedures, to allow for the accurate reconstruction of each flow to and from the entity.

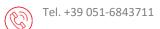
In particular, the management process of financial resources must be based on the following specific control principles:

- Separation of roles in the key stages of the process.
- ♣ Traceability of acts and authorization levels associated with individual operations.











- Monitoring of the correct execution of the different phases of the process (request for payment disposition, formal authorization by the relevant function, control of the correspondence between goods received and goods ordered, verification of payment, invoice control, and accounting entry).
- Documentation of the controls performed.

3.6 Supervisory Body: Definition, Tasks, Composition, Functioning

3.6.1 The Supervisory Body (O.d.V.)

In accordance with Articles 6 and 7 of Legislative Decree No. 231/2001, the task of supervising the functioning and compliance with the Model, including all its annexes and/or documents referred to within it, as well as ensuring its updates, is entrusted to a Supervisory Body (hereinafter referred to as O.d.V.), which is granted independent powers of initiative and control and appointed by the administrative body. In any case, the ultimate responsibility for the adoption of the Model and its effective and concrete application of rules, protocols, and safety measures contained within it, as well as operational supervision, remains with the administrative body.

3.6.2 Requirements

To ensure the effective performance of the tasks assigned to it, the O.d.V. must have the following requirements:

- Autonomy and independence
- Professionalism
- Continuity of action

Autonomy and Independence

The fulfillment of these requirements is ensured by placing the O.d.V. in a position as high as possible in the organizational hierarchy, with a direct report to the highest operational company level, whether the Board of Directors or the CEO (depending on the case). Additionally, the O.d.V. must not be assigned operational tasks that, by involving it in decisions and activities, could undermine its objectivity when carrying out checks on behaviors and the Model.

Professionalism

The O.d.V. must possess the technical-professional skills adequate for the tasks it is called to perform. These skills, combined with the requirements of autonomy and independence, guarantee objectivity in judgment.

Continuity of Action

The Supervisory Body (Organismo di Vigilanza, hereinafter "O.d.V.") must constantly monitor the adequacy and effective implementation of the Model, with the necessary investigative powers.

To ensure the requirements of autonomy and independence, the O.d.V. appointed by BALTUR is hierarchically positioned as a staff unit reporting directly to the Board of Directors and is free from any hierarchical subordination to the individual heads of company operational units.

To ensure the necessary professional standards and continuity of action, the O.d.V. is supported in the











execution of its tasks by all company functions and may use external professionals as needed. For this reason, it is provided with an appropriate budget, approved by the Board of Directors upon the proposal of the O.d.V. itself.

3.6.3 Composition, Term of Office, Causes of Ineligibility and Termination

Based on the parameters indicated by the Confindustria Guidelines regarding size thresholds, BALTUR qualifies as a small enterprise, considering the essential nature of its internal hierarchical and functional structure.

According to Article 6, paragraph IV of Legislative Decree No. 231/2001, the Company could assign the task of overseeing the operation and observance of the Model, as well as its updating, to the governing body. However, the Board of Directors has deemed that such a solution does not provide adequate guarantees in terms of autonomy and independence.

Therefore, based on the Confindustria Guidelines, the administrative body has determined that the most suitable solution for ensuring compliance with the requirements of Legislative Decree 231/2001 — as applied to BALTUR's specific structure — is to assign the duties and powers of the O.d.V. to a specially established body.

This body may have a single-member or collegial composition and is appointed by the Board of Directors through a specific resolution. In the case of a collegial body, the Board also appoints its President. The member of a single-member O.d.V., or the President of a collegial one, must be external to the Company, with specific expertise and proven professional experience, especially in legal matters and particularly in criminal law.

If the O.d.V. is collegial, the other members may be selected from individuals with specific competencies and proven professional experience in the following areas: auditing and accounting management, business organization, quality management and control systems. One of the members may be an internal employee, to ensure proper coordination. As clarified in the Confindustria Guidelines, in the case of a mixed collegial body, independence should be assessed overall.

The term of office of the O.d.V. is three years.

It is the responsibility of the administrative body to periodically assess the adequacy of the Supervisory Body (O.d.V.), in terms of both its organizational structure and the powers granted to it, and to make any modifications and/or additions deemed necessary by means of a specific resolution of the Board of Directors.

In order to comply with the requirement of independence, the following individuals may not be appointed, and if appointed, shall be removed from office:

- those holding executive or delegated roles in the administrative body, or, except for one possible internal member, those performing operational functions within the Company;
- those having significant business relationships with the Company, its shareholders, or the administrators of either;
- those who are family members of the Company's administrators or of administrators of its shareholders (family being defined as spouses and relatives up to the fourth degree);
- those who have been convicted (even by plea bargaining under Art. 444 of the Code of Criminal Procedure) or are under investigation/trial for offenses under Legislative Decree No. 231/2001.











All members of the O.d.V. must sign, upon accepting their role and annually thereafter, a declaration confirming the continued existence of the above requirements and must promptly inform the Board of Directors of any changes that could lead to ineligibility or termination.

Loss of legal capacity also constitutes grounds for removal.

Appointed members remain in office for the full term, regardless of any changes in the composition of the administrative body that appointed them.

Aside from the above-mentioned cases of termination, the appointment may be revoked by the administrative body **only for just cause**.

In the event of resignation or automatic termination, the administrative body shall appoint a replacement **without delay**, unless it decides to restructure the composition of the O.d.V.

The O.d.V. is responsible for all monitoring and control activities provided for in the Model.

3.6.4 Continuity of Action, Operation and Traceability

The O.d.V. must verify the adequacy and observance of the Model through the annual planning of main monitoring and control activities.

3.6.4.1 In Case of a Single-Member O.d.V.

The Supervisory Body (O.d.V.) shall carry out inspections at the Company's headquarters according to the deadlines set in the annual plan and, in any case, at least once per quarter, except in cases of emergency. The activities carried out must be duly recorded in minutes.

The documentation collected by the O.d.V. (information, reports, etc.) and the documents it produces (minutes, reports, etc.) shall be kept at the Company's headquarters for a period of at least ten years (without prejudice to any additional retention obligations provided for by specific regulations), in a dedicated archive (paper and/or digital), access to which is granted exclusively to the O.d.V., as well as to the Board of Directors and the Board of Statutory Auditors/External Auditor (if appointed), subject to a formal request and authorization from the O.d.V.

During visits to the Company's premises, the O.d.V. may invite/summon other individuals (e.g., members of the Board of Directors, Sole Director, Board of Statutory Auditors/External Auditor, department heads, etc.).

The definition of operational aspects relating to the O.d.V. (e.g., defining and scheduling activities, recording meeting minutes, etc.) is entirely entrusted to the autonomy of the O.d.V. itself, which may adopt its own internal Regulations.

3.6.4.2 In Case of a Collegial O.d.V.

The Supervisory Body (O.d.V.) shall meet according to the deadlines set out in the annual plan and, in any case, at least once per quarter, except in cases of emergency, upon convocation by the Chair or, in his/her absence or inability, by the oldest member by age.

The convocation may be made by any suitable means (telephone, fax, email, registered mail), at least seven days in advance, except in urgent cases.

The convocation may also be agreed upon from time to time during meetings of the O.d.V.

If all members are present, no notice period is required (presence also includes participation via telephone,











videoconference, or similar systems).

The absent or incapacitated Chair is replaced in all his/her duties by the oldest member by age.

Meetings of the O.d.V. will normally be held at the Company's offices or other venues agreed upon by its members.

In cases of particular urgency, meetings may also be held via video or teleconference, or other remote communication means.

A majority of the current members must be present for meetings to be valid.

Unjustified absence from more than two consecutive meetings results in forfeiture of office.

The agenda is established by the Chair or, in his/her absence or inability, by the oldest member by age.

All decisions of the O.d.V. must be taken collegially. Decisions are made by absolute majority of votes.

A specific set of minutes must be drawn up for each meeting and signed by the participants.

The documentation collected by the O.d.V. (information, reports, etc.) and documents prepared by it (minutes, reports, etc.) shall be kept at the Company's headquarters for a period of at least ten years (without prejudice to any additional retention obligations required by specific regulations) in a dedicated archive (paper and/or digital), accessible only to the members of the O.d.V., the Board of Directors, and the Board of Statutory Auditors/External Auditor (if appointed), upon request and with authorization from the O.d.V.

The O.d.V. may delegate the performance of specific activities to each of its members.

The delegate is in any case required to report to the O.d.V. on the results of the activity performed at the first available meeting.

Upon invitation by the O.d.V. (with a decision taken by absolute majority), other individuals may participate in the meetings (e.g., members of the Board of Directors, Sole Director, Board of Statutory Auditors/External Auditor, department heads, etc.).

The definition of operational aspects related to the O.d.V. (e.g., definition and scheduling of activities, recording of meeting minutes, etc.) is entirely entrusted to the autonomy of the O.d.V. itself, which may adopt its own internal Regulations.

Decisions regarding the operational aspects of the O.d.V. and the potential adoption of internal Regulations must be taken unanimously by the O.d.V.

The Chair represents the O.d.V. on all occasions when the presence of all members is not required, and performs duties of leadership, planning, coordination, and organization of the activities to be carried out.

3.6.5 Tasks and Powers

The Supervisory Body (O.d.V.) is assigned the following tasks:

- Verify the effectiveness and adequacy of the Model in relation to the company structure and its actual capacity to prevent the commission of predicate offences;
- **Monitor compliance** with the provisions of the Code of Ethics, the Model, its annexes, and the documents referenced therein by the Recipients, and detect any behavioral deviations;
- **Evaluate the need and propose updates** to the Model when adaptation is required due to changes in corporate conditions and/or regulations, or as identified during the performance of its functions;
- ♣ Report to the administrative body, for the purpose of taking appropriate measures, any violations of the Code of Ethics, the Model, its annexes, and the documents referenced therein, detected in the course of its functions, that may give rise to liability for the entity.











To fulfill the above tasks, the O.d.V. shall:

A. With reference to verifying the effectiveness and adequacy of the Model:

- a. Interpret the relevant legislation;
- b. Carry out reviews of the company's activities in order to update the mapping of risk-prone areas/activities;
- c. Coordinate with the corporate function in charge of developing training programs and communications aimed at promoting awareness and understanding, both within and outside the Company, of the Decree and its resulting obligations, as well as of the principles and provisions contained in the Code of Ethics, the Model, its annexes, and the documents referenced therein.

B. With reference to monitoring compliance with the Model:

- a. Periodically conduct **targeted inspections** on certain operations or specific actions carried out within the risk-prone areas/activities;
- b. Coordinate with the relevant company functions (including through specific meetings) to gather information and acquire the documentation deemed necessary.
- The **O.d.V.** has unrestricted access to all relevant company documentation and must be constantly informed about aspects of the company's activities that may expose the Company to the risk of committing one of the predicate offences.
- c. **Collect, process, and store relevant information** regarding compliance with the Code of Ethics, the Model, its annexes, and the referenced documents, and update the list of information that must be transmitted or made available to the body itself.
- d. **Conduct internal investigations**, either proactively or following reports, to verify any violations of the Code of Ethics, the Model, its annexes, and the documents referenced therein.

C. Regarding the evaluation of the opportunity and the formulation of proposals for updating the Model:

- a. Draft, at least annually, a report regarding the activities carried out and their outcomes, including an assessment of the adequacy and actual compliance with the Code of Ethics, the Model, its annexes, and the referenced documents.
- b. Submit proposals to the administrative body for adjustments to the Code of Ethics, the Model, its annexes, and the referenced documents whenever it identifies the need or even the simple opportunity, based on changes in company conditions and/or regulations, or following findings from its functions.
- c. Periodically verify the implementation and effectiveness of the corrective solutions/actions proposed.
- d. Propose disciplinary actions or provide opinions on the adoption of potential disciplinary measures.

In carrying out its activities, the O.d.V. must maintain the highest level of discretion and confidentiality, with the only points of contact being the corporate bodies.

To enable the O.d.V. to carry out its tasks correctly, fully, and freely, the administrative body grants it all necessary powers of initiative and control.

The O.d.V. makes autonomous and independent decisions regarding the expenditures necessary to carry out its activities, within the limits of the budget requested and approved by the administrative body,











subject to the obligation of annual financial reporting.

If necessary, the O.d.V. may request authorization from the administrative body to exceed the approved budget.

The O.d.V. may make use of all the company's resources or external consultants.

Although the O.d.V. has autonomous powers of initiative and control, it does not have coercive powers or the authority to intervene in the company's structure or impose sanctions. Such powers remain with the competent corporate bodies and management.

Except for the oversight powers related to the adequacy of the O.d.V.'s actions, which are the responsibility of the administrative body and the Board of Statutory Auditors/External Auditor, the activities carried out by the O.d.V. cannot be scrutinized by any other company body or structure.

3.6.6 Reporting to Corporate Bodies

The O.d.V. reports:

- ♣ To the Board of Directors/Chief Executive Officer and the Board of Statutory Auditors/External Auditor (where appointed):
 - ➤ <u>Immediately</u>, by reporting in writing any significant violations identified during its supervisory activities or the need for urgent modifications to the Model due to changes in the applicable regulations and/or corporate structure or following findings during its activities.
 - Annually, preparing a specific report containing the description of the activities carried out, with particular reference to the inspections performed and the critical issues identified; proposals for updating the areas of activity at risk of offences and the procedures governing sensitive processes; proposals for integrating or modifying the Model, the documents referenced therein, and the procedures outlined within them; suggested or planned corrective actions and their implementation status; the activity plan for the next year; a summary of expenses incurred during the year using the budget approved by the administrative body, and the request for the budget for the following year.
- **4** To the President of the Board of Directors/Chief Executive Officer:
 - Continuously, including verbally.
 - In any case of emergency, with written reports.

The Board of Directors, the President of the Board of Directors, the C.E.O., and the Board of Statutory Auditors/External Auditor have the authority to call the O.d.V. at any time, which in turn has the authority to request the convening of these bodies for urgent matters.

The O.d.V. will agree with the Board of Statutory Auditors/External Auditor to hold periodic meetings to promote the continuous and reciprocal exchange of information relevant to optimizing verification and control activities within their respective areas of responsibility.

Meetings with the bodies to which the O.d.V. reports must be minuted, and a copy of the minutes must be provided to the O.d.V. and stored in the appropriate archive at the Company's headquarters.

Additionally, the O.d.V. must coordinate with the relevant functions within the Company for the various specific aspects.











3.6.7 Information Flows and Reports

The members of the corporate bodies, executives, employees (and/or persons assimilated to them) of BALTUR are required to inform the O.d.V. through appropriate reports regarding events that may generate liability for BALTUR pursuant to Legislative Decree No. 231/01.

In particular, the following must be communicated to the O.d.V.:

- The results of internal audits;
- ♣ The minutes of the periodic safety meeting as per Article 35 of Legislative Decree No. 81/08;
- The information, documents, and data expressly indicated and requested by the O.d.V., in accordance with the times and methods defined by the body itself;
- Any other information, of any kind, related to the implementation of the Model in areas/activities at risk of offences.

In any case, the following information must be communicated in writing, including electronically, to the O.d.V.:

- Measures and/or information from judicial police authorities or any other authority, indicating that investigations are being carried out or that criminal proceedings are pending, which could lead to liability for BALTUR under Legislative Decree No. 231/01;
- Reports prepared by the company's organs or functions as part of their control activities, which reveal facts, acts, events, or omissions that present critical issues under Legislative Decree No. 231/01;
- Periodic reports from the company's organs or functions regarding the implementation of the Code of Ethics, the Model, the documents referenced therein, and the procedures outlined within them;
- ♣ The initiation of disciplinary proceedings for facts, acts, events, or omissions related to violations of the Code of Ethics, the Model, the documents referenced therein, and the procedures outlined within them.

To facilitate the flow of reports and information to the O.d.V., the establishment of "dedicated information channels" is provided (in accordance with Legislative Decree No. 23/24 – see Section 5.6 "Whistleblowing Regulations" for details).

4. DIFFUSION AND TRAINING

BALTUR promotes knowledge, both within and outside the Company, of the Decree and the obligations arising from it, as well as the principles and provisions contained in the Code of Ethics, the Model, the documents referenced therein, and the procedures outlined within them.

Information and training are, among other things, necessary prerequisites in order to effectively implement the sanctioning system, as outlined in the following Chapter 5.

4.1 Administrators, Employees, Internal Collaborators, and Assimilated Subjects

Training for administrators, managers, employees (and assimilated subjects), and internal collaborators is managed by the relevant company bodies/functions, in close coordination with the Supervisory Board











(O.d.V.).

In particular, informative/training activities are planned and carried out:

- 4 At the time of hiring or the start of the relationship, or in the event of a change in role;
- ♣ In the event of regulatory changes, changes to the Code of Ethics, the Model, the documents referenced therein, and the procedures outlined within them;
- Periodically, on an ongoing basis.

4.2 External Collaborators, Consultants, Suppliers, Clients, and Other Third Parties

BALTUR promotes, in coordination with the Supervisory Board (O.d.V.), knowledge of the adopted Code of Ethics and Model among all third parties (external collaborators, consultants, suppliers, clients, etc.) with whom it has relationships.

Additionally, BALTUR will provide the most significant third parties with a copy of the adopted Code of Ethics.

5. THE DISCIPLINARY SYSTEM

5.1 General Principles

Pursuant to Articles 6 and 7 of the Decree, in order to be deemed suitable and effectively implemented, the Model must include a "Disciplinary System" designed to punish non-compliance.

Therefore, BALTUR has adopted a set of measures aimed at sanctioning violations of the principles, rules, and measures set forth in the Code of Ethics, the Model, the documents referenced therein, and the procedures outlined within them, committed by administrators, auditors, controllers, managers, employees, collaborators, and, in some cases, suppliers and other third parties with whom the Company has contractual relationships.

5.2 Sanctions Against Employees

Article 7, paragraph 4, of the Decree requires the adoption of an appropriate Disciplinary System to sanction any violations of the Model committed by individuals under the direction or supervision of a senior figure.

A violation of the principles, rules, and measures outlined in the Code of Ethics, the Organizational Model, the procedures, and the documents referenced therein constitutes a disciplinary offense. Employees of BALTUR will be subject to the disciplinary sanctions provided by the current National Collective Labor Agreement for workers in the private metalworking industry and in the installation of systems, in compliance with Article 7 of Law No. 300 of May 30, 1970 (Workers' Statute) and other special regulations, where applicable.

The following behaviors, including omissions, that violate this Model, as well as the set of procedures that constitute its integral part, and therefore, primarily the Code of Ethics, are subject to sanctions. Violations of the Model also include actions/omissions that violate the indications and/or prescriptions of the O.d.V.











Based on the principles of legality and proportionality of the sanction, BALTUR has defined the possible violations as follows, in ascending order of severity:

- 1. Non-compliance with the Model, if none of the conditions specified in points 2, 3, or 4 apply.
- 2. Non-compliance with the Model in carrying out sensitive activities or activities connected, in any way, to areas of risk for crimes, if none of the conditions specified in points 3 or 4 apply.
- 3. Non-compliance with the Model through conduct likely to constitute the objective conditions for the commission (objective element) of one of the crimes provided for by the Decree or to resemble such behavior, if none of the conditions specified in point 4 apply.
- 4. Non-compliance with the Model, if the conduct is aimed at the commission of one of the crimes foreseen by the Decree.

Violations as described above by employees lead to the adoption by the Company of the following measures:

- a. <u>Verbal Warning</u>: This sanction applies to the worker who commits the violations described in point 1, if the violation is of a mild nature.
- b. <u>Written Reprimand</u>: This sanction applies to the worker who repeatedly commits the violations described in point 1, if of a mild nature, integrating the conduct with a violation of the obligation to scrupulously observe office duties.
- c. <u>Fine up to three hours of hourly wages calculated on the minimum table rate:</u> This sanction applies to the worker who commits or repeatedly commits the violations described in point 1, if not considered mild, or commits the violations described in point 2, integrating the conduct with a violation of the obligation to scrupulously observe office duties.
- d. <u>Suspension from work and pay for up to three days</u>: This sanction applies to the worker who repeatedly commits the violations described in point 2, integrating the conduct with a violation of the obligation to scrupulously observe office duties, or for the worker who commits the violations described in point 3, integrating the conduct with a serious violation of the obligation to cooperate for the company's success.
- e. <u>Dismissal for disciplinary reasons with or without notice</u>: This sanction applies to the worker who commits the violations described in point 4, integrating the conduct with a serious violation of the obligation to cooperate for the company's prosperity and abuse of trust.

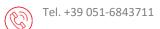
The type and extent of each of the sanctions outlined above will be determined in relation to:

- The intent of the behavior or the degree of negligence, imprudence, or inexperience;
- The significance of the violated obligations;
- The hierarchical and/or technical responsibility level of the person who committed the violation;











- The overall behavior of the worker, with particular regard to the presence or absence of any previous disciplinary offenses, within the limits allowed by law;
- Other aggravating or mitigating circumstances that accompany the violation.

Regarding the assessment of these infractions, the disciplinary procedures, and the imposition of sanctions, the powers already conferred on the administrative body remain unchanged.

The adequacy of the disciplinary system to the provisions of the Decree must be constantly monitored by the O.d.V.

For matters not explicitly covered in this Model, the applicable legal provisions and the provisions of the applicable collective bargaining agreement will apply.

5.3 Sanctions for Members of the Corporate Bodies, Auditors, and the O.d.V.

The principles and behavioral norms dictated by the Code of Ethics, the Model, the procedures, and the documents referred to therein must be respected, primarily, by those who hold a senior position within the Company's organization.

According to Article 5, paragraph 1, letter a) of the Decree, this category includes persons who hold representative, administrative, or management functions within the Entity or one of its organizational units with financial and functional autonomy, as well as individuals who, even de facto, manage or control the Entity.

In the event of a violation of the Code of Ethics, the Model, the procedures, and the documents referred to therein by an administrator (or the entire Board of Directors), a member of the Board of Statutory Auditors (or the entire Board of Auditors), an auditor, or the O.d.V., the administrative body or the shareholders' meeting (depending on the case) will adopt the measures deemed appropriate based on the seriousness of the violations committed.

If the violations are serious, the incident may be considered just cause for the dismissal of the administrator, auditor, reviewer, or the O.d.V. (or its member if it is a collegiate body). The realization of one of the predicate crimes will always be considered a serious violation.

5.4 Sanctions for Managers

According to Article 5, paragraph 1, letter a) of the Decree, the category of senior positions also includes – among others – the general manager, managers, and officials with financial and functional autonomy. These individuals may be employed by the company either under an employment contract or through other private contracts.

In the event of a violation of the Model by managers, the company will adopt appropriate measures based on the severity of the violations committed, also considering the particular fiduciary bond inherent in the relationship (whether subordinate employment or other) between the company and the employee with managerial status.

5.5 Sanctions for Collaborators, Consultants, Suppliers, and Other Third Parties

BALTUR will assess, on a case-by-case basis, considering the type of contract and the economic significance of the relationship, whether to include a contractual clause stating that any behavior in violation of the











Code of Ethics, carried out by the aforementioned parties, which results or could result in harm to the company under the provisions of the Decree, could lead to the immediate termination of the contractual relationship and the potential request for damages.

5.6 Whistleblowing Regulations

5.6.1 Introduction

With Legislative Decree 10 March 2023 No. 24, "Implementation of (EU) 2019/1937 of the European Parliament and Council, of 23 October 2019, regarding the protection of persons who report violations of Union law and provisions concerning the protection of persons who report violations of national legal provisions," Italy has incorporated the EU Directive 2019/1937, which is specifically aimed at protecting individuals who report violations of Union law (known as "whistleblowing" regulations).

The objective of the European Directive is to establish common minimum standards to ensure a high level of protection for individuals who report violations of Union law, creating secure communication channels both within and outside an organization. In specific cases, the possibility to make reports through public disclosure via the media is foreseen.

This regulation ultimately aims to combat and prevent illicit activities in both public and private organizations by encouraging the emergence of harmful conduct that the whistleblower has become aware of within their work context, damaging the organization and, by extension, the public interest.

Decree No. 24/23 repeals and amends the previous national regulations (in particular, Article 6, paragraph 2-bis of Legislative Decree 231/01 has been amended, while Article 6, paragraphs 2-ter and 2-quater of Legislative Decree 231/01 have been repealed), consolidating in one regulatory text – for both the public and private sectors – the protection regime for individuals who report unlawful behavior that violates not only EU provisions but also national laws, as long as it is based on reasonable grounds and detrimental to public interest or the integrity of the organization, ensuring that the Directive is implemented without diminishing the protections already recognized in the Italian legal system.

The regulatory framework has finally been completed with the ANAC Guidelines adopted by the resolution of July 12, 2023, which outline procedures for the submission and management of external reports, as well as indications and principles that public and private entities can consider for internal channels.

5.6.2 Scope of Subjective and Objective Application

The recipients of the new regulations are both public and private entities (see art. 2 of Decree No. 24/23). Regarding the specific interest here, private sector entities are those that:

- Have employed, in the last year, an average of at least 50 employees with indefinite or fixed-term contracts.
- Fall within the scope of the Union acts mentioned in parts I.B and II of the Annex to the Decree, even if they have not reached the average of 50 employees in the last year. These include the sectors of services, products, and financial markets, prevention of money laundering and terrorist financing, as well as transport security.
- Are different from the subjects referred to above but have adopted a 231 organizational and management model, even if they have not reached the average of 50 employees in the last year.











The scope of application of the regulations is quite complex and is based on a regime of obligations and protections with a variable geometry, which changes based on: (1)The object of the violation; (2) The public/private nature of the entity to which the whistleblower belongs; (3) The size of the entity and the applicability of Decree No. 231/01 to it.

From an objective perspective, the new regulations apply to violations of national and European Union laws that harm the public interest or the integrity of the public administration or the private entity, of which the whistleblowers have become aware in a public or private work context (see art. 1 of Decree No. 24/23).

In particular, the reports may concern the violations summarized below, in line with the ANAC Guidelines:

- Violations of national laws: this category includes criminal, civil, administrative, or accounting offenses that are not specifically identified as violations of EU law. This also includes:
 - Predicate offenses under Decree No. 231/01;
 - ➤ Violations of organizational and management models provided by Decree No. 231/01, which are not attributable to violations of EU law.

Violations of European Union laws:

- Offenses committed in violation of EU law as outlined in Annex 1 to Decree No. 24/23 and all national provisions that implement it. These offenses pertain to areas such as public contracts; services, products, and financial markets; money laundering and terrorist financing prevention; product safety; transport safety; environmental protection; radioprotection and nuclear safety; food safety and animal health; public health; consumer protection; privacy protection and data security; and cybersecurity;
- Acts or omissions that harm the financial interests of the European Union (Article 325 of the TFEU concerning fraud and illegal activities that harm the EU's financial interests), as defined in EU regulations, directives, decisions, recommendations, and opinions;
- Acts or omissions regarding the internal market, affecting the free movement of goods, people, services, and capital (Article 26, paragraph 2, TFEU). This includes violations of EU rules on competition and state aid, corporate tax laws, and mechanisms aimed at obtaining a tax advantage that undermines the object or purpose of the applicable corporate tax laws;
- Acts or behaviors that undermine the object or purpose of the provisions of the European Union in the sectors mentioned above. This includes, for example, abusive practices as defined by the case law of the Court of Justice of the EU.

In the public sector, reports may concern violations of national law (such as criminal, civil, administrative, accounting offenses, 231 crimes, and violations of the 231 organizational model) and EU law.

In the private sector, reports may only concern:

- 231 crimes;
- ♣ Violations of the 231 organizational model;
- Violations of EU law (limited to the sectors mentioned above).

Exclusions from the scope of Decree No. 24/23 include:











- Reports related to the personal interest of the whistleblower, pertaining to their individual work relationships or relationships with hierarchically superior figures, as the new regulations aim to protect the integrity of the entity (whether public or private) and to cover "...all situations where the objectives or purposes of activities within the public and private sectors are thwarted, deviating from their goals or undermining their proper functioning..." (see ANAC Guidelines, p. 27). Reports excluded for personal interest are, therefore, not considered whistleblowing.
- **♣** Matters related to national security and defense.
- ♣ Violations already regulated on a mandatory basis in certain special sectors, to which sector-specific whistleblowing rules continue to apply (financial services, money laundering prevention, terrorism, transport safety, environmental protection).

5.6.3 Definition and Content of the Report

Reports are defined as information, including well-founded suspicions, about violations that have already occurred or have not yet occurred (but could, based on concrete elements) as well as actions aimed at concealing them.

The reported actions, acts, or omissions must be those that the whistleblower or reporter became aware of in the public or private work context.

Regarding the scope of the "work context," according to Decree No. 24/23 and the ANAC Guidelines, it should be understood broadly and is not limited to those with a "strict" employment relationship with the public or private organization. In fact, reports can also be made by individuals who have established other types of legal relationships with public or private entities, beyond the strict employment relationship. This includes consultants, collaborators, volunteers, trainees, shareholders of public and private entities (when they take a corporate form), and individuals in positions of administration, direction, control, supervision, or representation.

The regulation also applies to reports made within the framework of a work relationship that has since ended, provided the information was acquired during the employment. Similarly, it applies when the relationship has not yet begun, and the information about violations was obtained during the selection or other pre-contractual stages.

Regarding content, the reports must be as detailed as possible to allow the competent authorities to evaluate the facts. Specifically, the following essential elements must be clear in the report, even for admissibility checks:

- The identifying information of the whistleblower (name, surname, place and date of birth), as well as a contact address for communication of subsequent updates.
- ♣ The time and place of the occurrence of the reported facts, and therefore, a description of the reported facts, specifying the details and, if available, the manner in which the whistleblower came to know of the facts.
- The identity or other elements that allow identifying the subject to whom the reported facts can be attributed.

It is also useful if the report includes documents that provide supporting evidence for the facts being reported, as well as information about other individuals who may be aware of the facts.











5.6.4 Reporting Channels and Authorized Reporting Parties

Decree No. 24/23 regulates the channels and methods for making a report. Regarding the channels, three types are distinguished:

- Reports through an internal channel within the entity.
- ♣ Reports through an external channel established and managed by ANAC.
- Public disclosure.

In any case, the possibility remains for individuals to make reports to judicial and auditing authorities in cases within their jurisdiction.

As for the types and methods of making reports, the regulation changes based on the size and public/private nature of the entity to which the whistleblower belongs.

For public entities, the protection regime is broader, and reports can:

- 1. Concern violations of domestic law and EU law as identified in section 5.6.2;
- 2. Be made through internal channels, external channels, public disclosure, or reports to authorities.

In the private sector, different regimes apply. Specifically, in private entities:

- ♣ Those that have not reached an average of 50 employees and have adopted the 231 Organizational Model can only report illicit behaviors relevant to the 231 regulations or violations of the 231 Model, and these reports must be made through internal channels;
- Entities with an average of at least 50 employees and that have adopted the 231 Organizational Model can report:
 - ➤ Illicit behaviors or violations of the 231 Model, and these reports must be made only through internal channels;
 - Violations of EU law, which can be reported through internal channels, external channels, public disclosure, or reports to authorities;
- ♣ Entities with an average of at least 50 employees but that have not adopted the 231 Organizational Model, or that fall within the scope of EU acts under parts I.B and II of the Annex even if they have not reached the average of 50 employees, can report violations of EU law through internal channels, external channels, public disclosure, or reports to authorities.

Finally, regarding the authorized parties, both in public and private entities, reports can be made by: employees (both dependent and independent), freelancers and consultants, workers and collaborators who carry out their activities at public or private entities that provide goods or services to public or private entities, volunteers, interns, shareholders, and individuals with management, administration, and control functions (see Article 3 of Legislative Decree No. 24/23).

5.6.5 Protection of the Whistleblower

To protect the whistleblower and individuals assimilated to them who report in accordance with the provisions of Decree No. 24/23, the Decree provides:











- An obligation to maintain confidentiality about the whistleblower's identity;
- A prohibition on retaliatory actions against the whistleblower;
- Limitation of the whistleblower's responsibility for the revelation or dissemination of certain types of protected information.

5.6.6 Sanctioning System

The Sanctioning System outlined in Chapter 5 of this Organizational Model applies when:

- Retaliatory actions have been committed or when it is established that a report has been hindered, or an attempt to hinder it has occurred, or when the obligation of confidentiality regarding the whistleblower has been violated;
- Reporting channels have not been established, procedures for the making and handling of reports have not been adopted, or procedures that are not in compliance with the provisions of Articles 4 and 5 of Decree No. 24/23 have been adopted, or when the verification and analysis of the received reports has not been conducted;
- The protections for the whistleblower provided by Article 16 of Decree No. 24/23 have not been guaranteed.

BALTUR, with a resolution of the Board of Directors dated December 12, 2023, adopted the 'Regulation on the protection of persons reporting violations of Union law and national law,' in accordance with the provisions of Legislative Decree No. 24/23, the ANAC Guidelines of July 12, 2023, and the Confindustria Guidelines of October 2023. The Regulation was subsequently amended following the adoption of the Organizational Model, with a resolution of the Board of Directors on February 7, 2024.











SPECIAL SECTION











1. PURPOSE OF THE SPECIAL SECTION

The purpose of this Special Section is to define the management rules and the principles of conduct that all Recipients of the Model must follow in order to prevent the commission of crimes under Legislative Decree No. 231/01, within the specific activities carried out by BALTUR that are considered "at risk". Specifically, the Special Section of the Organizational Model aims to:

- Indicate the rules that the Recipients are required to observe for the correct application of the Model;
- ♣ Provide the Supervisory Body and other control functions with the tools to carry out monitoring, control, and verification activities.

In general, all Recipients must adopt, each for their areas of competence, behaviors in compliance with the determinations contained in BALTUR's Organizational Model and, in particular, with those contained in the following documents:

- Organizational, Management, and Control Model pursuant to Legislative Decree No. 231/01 (General and Special Sections);
- Code of Ethics;
- Protocols, procedures, and operational instructions;
- Powers of attorney and delegations in force.

This Special Section is divided into <u>four Sections</u>, corresponding to the specific groups of predicate crimes that may potentially be committed in the context of BALTUR's activities, namely:

- Section A: Corporate crimes (Article 25-ter of the Decree);
- Section B: Receiving stolen goods, money laundering, use of money, goods, or benefits of illegal origin, as well as self-laundering (Article 25-octies of the Decree) Crimes related to non-cash payment instruments (Article 25-octies1 of the Decree) Tax crimes (Article 25-quinquiesdecies of the Decree);
- Section C: Manslaughter and negligent injury in violation of health and safety regulations at work;
- Section D: Environmental crimes.

Each Section consists of three paragraphs:

- Risk analysis: Sensitive activities, risks, and risky functions;
- Risk management: General rules and principles of conduct;
- Risk management: Specific rules and procedures of conduct.











2. FUNDAMENTAL PRINCIPLES

The risk analysis must be carried out in accordance with current laws, the company's values and policies, and the rules set out in this Model. In general, the organization's system must meet the fundamental requirements of formalization and clarity, communication, and separation of roles, particularly with regard to the assignment of responsibilities, representation, definition of hierarchical lines, and operational activities.

The company must be equipped with organizational tools (organigrams, organizational communications, protocols/procedures) based on the following general principles:

- Knowability within the company;
- Clear and formal delimitation of roles, with a complete description of each function and its powers;
- Clear description of reporting lines;
- Written record of each relevant step in the affected business procedure;
- Adequate level of formalization.

3. SENSITIVE ACTIVITIES AND PREDICATE CRIMES

Article 6, paragraph 2, letter a) of Legislative Decree No. 231/01 indicates, as one of the essential elements of the Model, the identification of "sensitive activities," meaning those business activities in which the risk of committing one of the crimes expressly mentioned in the Decree may arise.

In order to comply with the Decree, BALTUR has implemented the following activities:

- Analysis of the activity areas of each business function;
- Identification and mapping of the "risk of crime areas" and the "sensitive activities" related to each business function;
- ♣ Analysis of the risk profile for each sensitive activity, identifying the crimes potentially committed;
- Identification of the business processes within which controls to mitigate identified risks must be implemented.

A detailed analysis was then carried out for each individual activity to verify its precise content, the concrete operational methods, the allocation of responsibilities, and the presence of any of the criminal offenses indicated by the Decree.











SECTION A

CORPORATE CRIMES

1. Risk Analysis

1.1 Sensitive Activities

Through the mapping of risk areas and the identification of sensitive processes, the following sensitive activities have been identified within BALTUR's organizational structure:

Activities related to accounting and financial statements:

- Management of company accounting and accounting and tax books;
- Management of monetary and financial flows;
- Management and preservation of company documentation.

Activities related to the preparation of the financial statement, reports, and other statutory communications:

- Drafting and reviewing the financial statement, management report, and other statutory communications;
- Corporate transactions that may affect the integrity of the company's capital;
- Activities related to drafting, archiving, and preserving information concerning business activities.

Activities related to capital transactions and profit allocation:

- > Management of contributions, profits, and reserves;
- > Transactions on shareholdings and share capital;
- Extraordinary operations such as mergers or splits.

Activities related to the formation of corporate will:

Calling, conducting, and recording the minutes of Shareholder Meetings.

Activities related to relations and communications between shareholders, corporate bodies, and third parties:

- Preparation of communications to shareholders and/or third parties regarding the economic, asset, and financial status of the company;
- > Information and dissemination of news on financial instruments, either the company's or third parties', and the status of banks or banking groups;
- > Relations with shareholders, the Board of Statutory Auditors, and the auditing company;
- Control activities performed by the Board of Statutory Auditors and the auditing company.











Management of company assets.

Activities related to relations with Public Supervisory Authorities:

- > Communications required by law and regulations to the Public Supervisory Authorities;
- > Inspections by Public Supervisory Authorities;
- > Preservation of information provided to Public Supervisory Authorities.

Activities related to relations with third parties:

- Negotiations to define any contractual relationship with clients and with public or private thirdparty entities;
- Management of donations;
- Management of fundraising campaigns;
- Management of gifts, donations, and charities, sponsorships, event organization, and social activities (authorization process; selection of beneficiary; choice of type of gifts; donation disbursement; sponsorship contract execution);
- Management of financing and contributions from public or private entities;
- Management of suppliers;
- Management of human resources;
- > Management of consultancy appointments.

Management of litigation:

- Opening of litigation cases;
- Monitoring of activities performed by consultants and the status of ongoing litigation;
- Monitoring of ongoing and closed litigation cases.

Management of documentation:

- Drafting of documents;
- Receiving documents from external sources;
- Identification of documents;
- Distribution of documents:
- > Review, updating, replacement, and cancellation of documents;
- > Archiving.

Any integration to the above risk analysis may be ordered by the Supervisory Body, which is authorized to identify the related hypotheses and define the appropriate operational measures.

1.2 Risks

Through the mapping of risk areas and identification of sensitive processes, and based on the sensitive activities identified above, the risk of committing the following criminal offenses has emerged:











False Corporate Communications (Articles 1621 and 2621 bis of the Civil Code)

Articles 2621 and 2621 bis of the Civil Code are laws aimed at repressing possible behaviors committed by individuals specifically and expressly indicated in Article 2621 of the Civil Code, violating the principles of clarity, completeness, and truthfulness regarding accounting information.

The criminal conduct presupposes that the financial statements, reports, and communications directed towards the company's accounting, financial, asset, and economic information present materially false facts or omit certain mandatory information.

Article 2621 bis of the Civil Code provides for a reduced penalty if the facts under Article 2621 of the Civil Code are of minor significance, taking into account the nature and size of the company and the manner and effects of the conduct.

♣ Obstructing Control (Article 2625 of the Civil Code)

This crime is established when the activities of control and/or auditing legally attributed to shareholders, corporate bodies, or auditing firms are obstructed or prevented.

The active subjects of the crime are the administrators.

The conduct can be fulfilled by concealing documents or using other suitable tricks.

If no damage is caused to the shareholders, the offense is administrative and not criminal.

Unlawful Return of Contributions (Article 2626 of the Civil Code)

This crime occurs when, outside the cases of legitimate reduction of share capital, the return, even simulated, of contributions to shareholders or their release from the obligation to make contributions occurs.

The active subjects of the crime are the administrators, but shareholders who benefit from the return or release may also participate in the crime, under Article 110 of the Penal Code, if they have contributed to determining or instigating the unlawful conduct of the administrators.

■ Illegal Distribution of Profits or Reserves (Article 2627 of the Civil Code)

The crime occurs when profits, or advances on profits, that have not actually been obtained or are legally designated for reserves, or reserves, even if not constituted from profits, are distributed, which by law cannot be distributed.

The return of the profits or the reconstruction of the reserves before the deadline for the approval of the financial statement extinguishes the crime.

The active subjects of the crime are the administrators. Shareholders who benefit from the distribution of profits or reserves may participate in the crime, under Article 110 of the Penal Code, if they have contributed to determining or instigating the unlawful conduct of the administrators.

♣ Illegal Transactions on Shares or Quotas of the Company or the Parent Company (Article 2628 of the Civil Code)











The crime is committed when, outside the cases allowed by law, there is a purchase or subscription of shares or quotas issued by the company or the parent company, resulting in harm to the integrity of the share capital or non-distributable reserves by law.

It is specified that if the capital or reserves are reconstructed before the deadline for the approval of the financial statement related to the fiscal year in which the conduct occurred, the crime is extinguished. The active subjects of the crime are the administrators.

A liability for complicity can be attributed to the administrators of the parent company if they have instigated the illicit operations on the shares of the parent company.

Operations to the Detriment of Creditors (Article 2629 of the Civil Code)

The crime occurs when capital reductions, mergers with other companies, or splits are carried out in violation of legal provisions and result in harm to creditors.

The compensation for the damage to creditors before the trial extinguishes the crime.

The active subjects of the crime are the administrators.

♣ Fictitious Formation of Capital (Article 2632 of the Civil Code)

The crime occurs when there is a fictitious formation or increase in share capital through:

- Allocation of shares or quotas for an amount lower than their nominal value;
- Mutual subscription of shares or quotas;
- Overvaluation of contributions in kind, credits, or company assets in the case of transformation.
 The active subjects of the crime are the administrators and contributing shareholders.

♣ Private Corruption (Article 2635 of the Civil Code)

The crime is established when money or other benefits are promised to induce the company's organs to perform or omit acts in violation of their duties and the obligations of loyalty.

The company's organs include administrators, general directors, managers responsible for the preparation of accounting documents, auditors, and liquidators.

It is a common crime, meaning it can be committed by anyone.

Instigation to Private Corruption (Article 2635 bis of the Civil Code)

The crime punishes anyone who offers or promises money or other benefits to one of the subjects mentioned in Article 2635 of the Civil Code to perform or omit an act in violation of their duties or obligations of loyalty, if the offer or promise is not accepted.

Moreover, it also punishes anyone (among the subjects mentioned in Article 2635 of the Civil Code) who solicits for themselves or for others, even through an intermediary, a promise or delivery of money or other benefits to perform or omit an act in violation of their duties or obligations of loyalty, if the solicitation is not accepted.











Illicit Influence on the Assembly (Article 2636 of the Civil Code)

The crime is established when, through simulated acts or fraud, the majority in the assembly is determined, in order to achieve, for oneself or others, an unjust profit.

The crime can be committed by anyone, including individuals external to the company.

Market Manipulation (Article 2637 of the Civil Code)

Article 2637 of the Civil Code punishes all fraudulent behaviors capable of causing imbalances in financial markets and harming the financial stability of banks.

The active subject can be anyone.

The criminal conduct consists of the dissemination of false information or the execution of simulated or fraudulent operations of any kind, likely to significantly alter financial markets or to adversely affect the financial stability of banks and banking groups.

Obstruction of Public Supervisory Authorities' Functions (Article 2638 of the Civil Code)

The crime is established through the commission of two acts:

- Exposing false facts in the communications required by law to the Public Supervisory Authorities (to
 obstruct their exercise of functions), even if subject to evaluations, or concealing, through
 fraudulent means, all or part of facts that should have been communicated and concerning the
 same economic, financial, or asset situation;
- Obstructing the exercise of supervisory functions by the Public Authorities, knowingly and in any form, even by omitting the communications due to these Authorities.

The crime can be committed by administrators, general directors, managers, auditors, and liquidators.

1.3 Functions at Risk

Behaviors that could be considered at risk include actions performed by anyone involved in carrying out the processes identified as high-risk, regardless of their role, such as administrators, executives, employees, collaborators, consultants, suppliers, clients, or others (see paragraph 1.1).

In particular, the following figures are especially relevant with regard to the sensitive activities identified above:

- Board of Directors
- Chief Executive Officer (CEO)
- General Manager
- Operations Department
- Research and Development Department
- Administrative Department Finance and Control
- Sales Department











2. Risk Management: General Rules and Principles of Conduct

In order to significantly limit and virtually exclude the risks of liability for BALTUR pursuant to Article 25 ter of the Decree, the following actions are prohibited:

- Making cash donations to public officials or individuals in public service;
- ♣ Distributing gifts or presents outside of what is provided by company practice (i.e., any form of gift offered exceeding normal commercial or courtesy practices, or aimed at acquiring preferential treatment in the conduct of any business activity).
 - In particular, any form of gift to public officials or individuals in public service, both domestic and foreign, or to their family members, is prohibited if it could influence their judgment or induce them to ensure any advantage for the Company.
 - The permitted gifts are always characterized by their modest value or their aim to promote scientific, cultural initiatives or the Company's image.
 - The gifts offered must be adequately documented to allow for verification, and must be authorized by the person who has been delegated the appropriate authority, according to the system of delegations and powers adopted by the Company.
- Granting any kind of advantage (such as promises of employment) to representatives of the Italian or foreign Public Administration, or to their relatives or in-laws, which may lead to the consequences described above.
- Performing services or recognizing compensation in favor of administrators, executives, employees, collaborators, consultants, agents, or business partners that lack adequate justification within the context of the established contractual relationship.
- ♣ Engaging in or facilitating operations that create a conflict of interest actual or potential with private individuals, as well as activities that could interfere with the ability to make impartial decisions in the best interest of the Company and in full compliance with the rules, primarily the Ethical Code.
- Representing or transmitting false, incomplete, or otherwise inaccurate data in financial statements, reports, or other corporate communications regarding the company's economic, financial, and asset situation.
- Omitting data and information required by law concerning the company's economic, financial, and asset situation.
- Returning contributions to shareholders or releasing them from the obligation to pay them, outside the cases of legitimate reduction of share capital.
- Distributing profits or advances on profits that were not actually obtained or legally designated for reserves.
- Purchasing or subscribing to shares of the Company or subsidiaries outside of the cases of legitimate reduction of share capital.
- Reducing share capital, merging, or splitting the company in violation of legal provisions that protect creditors, thereby causing damage to them.











- Proceeding with fictitious formation or increases in capital, assigning shares for an amount lower than their nominal value in the process of increasing share capital.
- Engaging in behaviors that materially prevent, through the concealment of documents or the use of other fraudulent means, or otherwise obstruct the activities of control and auditing by the auditing firm.
- Determining or influencing the adoption of resolutions in the assembly by carrying out simulated or fraudulent acts aimed at altering the proper procedure for forming the will of the assembly.
- Failing to make all the periodic reports required by law and applicable regulations to the Public Supervisory Authorities to which BALTUR's activities are subject, or omitting to transmit the required data and documents specified by the said Authorities.
- **Exposing false facts in these communications and transmissions, or concealing facts related to the company's economic, financial, or asset condition.**
- Resorting to forms of aid, contributions, or acts of charity that, under the guise of sponsorships, assignments, consulting services, or advertising, actually have illicit purposes.
- ♣ Altering the reporting of economic transactions, including the creation of fictitious invoices, whether in whole or in part.
- Making payments in cash or in any goods contrary to the procedures provided by internal company processes.

3. Risk Management: Specific Rules and Procedures of Conduct

To counteract the above-mentioned risks, BALTUR has adopted the following procedures:

- ♣ Deed of Incorporation and Statute
- National Collective Labor Agreement for workers in the private metalworking industry and plant installation
- System of Delegations and Powers of Attorney
- Corporate Organizational Chart
- Job Descriptions
- Code of Ethics
- Quality Policy
- Quality Management System compliant with UNI EN ISO 9001:2015 standards
- Procedure "Operational Activities Administration Finance and Control IT HR"
- ♣ Operational Instruction "Corporate Budget Process"
- Operational Instruction "Margin Control Process"
- Operational Instruction "Credit Management Process"











3.1 Traceability

Each operation related to sensitive activities must be, where possible, properly recorded so that the decision-making, authorization process (including spending authorization), and execution of the sensitive activity can be verified ex post, including through appropriate documents (such as the completion of specific checklists and/or tailored forms).

The **Organismo di Vigilanza** (Supervisory Body) has the authority to authorize the completion of cumulative checklists for repetitive procedures.

3.2 The System of Delegations and Powers of Attorney

The system of delegations and powers of attorney must be characterized by security elements aimed at preventing the crimes referred to in the Decree, while still allowing efficient management of the company's operations.

For "delegation," it refers to the internal act of assigning functions and tasks; for "power of attorney," it refers to the unilateral legal act through which the Company grants representation powers towards third parties. Those holding a company function who need, in order to perform their duties, powers of representation are granted a "general functional power of attorney" that is adequate and consistent with the functions and management powers assigned to the holder through the "delegation."

The essential requirements of the delegation system, for the effective prevention of crimes, are as follows:

- Anyone dealing with the Public Administration on behalf of BALTUR must have a formal delegation and, where necessary, a specific power of attorney.
- Delegations must combine each management power with the corresponding responsibility and an appropriate position in the organizational chart, and they must be updated in case of organizational changes.
- ♣ Each delegation must clearly and unequivocally define the powers of the delegate and the subject (either an individual or an entity) to whom the delegate reports hierarchically.
- The management powers assigned with delegations and their implementation must align with the company's objectives.
- The delegate must have spending powers adequate to the functions entrusted to them.

The essential requirements for assigning powers of attorney, for effective crime prevention, are as follows:

General functional powers of attorney are granted exclusively to individuals who have an internal delegation or a specific contract of assignment, in the case of coordinated and continuous work services, which describes the relevant management powers and, where necessary, is accompanied by specific communication setting out the extent of representation powers and any spending limits, while ensuring compliance with approval processes for the budget, any extra-budget, and risk analysis monitoring processes.











→ The power of attorney may be granted to specific individuals named in the power of attorney document itself, or to legal entities, which will act through their own appointed representatives, endowed with analogous powers within the same.

3.3 Preparation of the Organizational Chart

The organizational chart and job descriptions are prepared with a clear definition of the roles and duties for each function; the tasks, responsibilities, and powers assigned to each function are thoroughly outlined in a specific internal document, created by the function manager and reviewed and approved by the human resources department.

SECTION B

MONEY LAUNDERING RECYCLING, USE OF ILLEGALLY OBTAINED MONEY OR ASSESTS, SELF-LAUNDERING CRIMES RELATED TO NON-CASH PAYMENT INSTRUMENTS TAX CRIMES

- 1. Risk Analysis
 - 1.1 Sensitive Activities

Through the mapping of risk areas and the identification of sensitive processes, the following sensitive activities have been identified within BALTUR's organizational structure:

- **Management of the purchase of goods and services:**
 - Management of needs and purchases
 - Research and selection of suppliers
 - Supplier qualification and evaluation process
- Administrative management of personnel:
 - Management of employee records
 - Calculation and payment of salaries and wages
 - Management of business trips, advances, and reimbursements
 - > Management of company benefits
- Management of assignments and consultancy:
 - Research, selection, and evaluation process of consultants











Management of activities:

- > Planning and analysis
- Design
- Management of donors (individuals and legal entities)
- Fundraising management

Activities related to accounting and financial statements:

- Management of active and passive flows
- > Management of accounting and tax compliance
- > Preparation of financial statements
- Management and storage of company documentation
- > Management of periodic communications
- Management of company assets
- Management of gifts, donations, gratuities, sponsorships, events, and social activities
- Management of communications
- Management of documentation:
 - Drafting of documents
 - > Receipt of documents from external sources
 - > Identification of documents
 - > Distribution of documents
 - Review, updating, replacement, and cancellation of documents
 - Archiving

Any additions to the above risk analysis may be determined by the Supervisory Board (O.d.V.), which is tasked with identifying the relevant scenarios and defining the appropriate operational measures.

1.2 Risks

Through the mapping of risk areas and the identification of sensitive processes, and based on the sensitive activities outlined above, the following risks of committing criminal offenses have emerged.

Receiving Stolen Goods (Art. 648 Penal Code)

The crime is defined by the conduct of a person who—without having participated in the commission of the predicate offense—purchases, receives, or conceals money or items originating from any crime, or otherwise intervenes to have them purchased, received, or concealed, with the aim of obtaining a profit for themselves or for others.

For this offense to occur, it is necessary that the money or items originate from the commission of a prior











crime (e.g., theft, tax offense, etc.), which constitutes the predicate offense for receiving stolen goods. It is also required that the perpetrator acts with the intent of pursuing a profit—either for themselves or for others—which may not necessarily be of a financial nature.

The notions of purchase and receipt refer to all actions through which the offender gains material possession of money or items originating from a crime.

Concealment involves hiding the money or items.

Interference in the purchase, receipt, or concealment of goods occurs when a mediator puts the parties in contact, even indirectly.

For the perpetrator to be punishable for the crime of receiving stolen goods, they must act with intent—that is, they must be aware of the illicit origin of the money or items and willfully seek to purchase, receive, conceal, or deliberately intervene to facilitate these actions in order to obtain a profit for themselves or others.

Money Laundering (Art. 648-bis Penal Code)

This crime is defined by the conduct of someone who, not having participated in the commission of the predicate offense, substitutes or transfers money, goods, or other benefits originating from a non-negligent crime, or performs operations in relation to them, in order to obstruct the identification of their criminal origin.

As with the offense of receiving stolen goods, for money laundering, the money, goods, or other benefits (including businesses, securities, and credit rights) must originate from the commission of a prior nonnegligent crime (e.g., theft, tax crime, etc.), which serves as the prerequisite for money laundering. The act of substituting money, goods, or other illicit benefits involves "concealing" the unlawful origin of the money, goods, or benefits by replacing them.

The act of transferring involves moving money, goods, or other benefits from one person to another, thus obscuring the traces of their illicit origin.

The act of obstructing involves any activity aimed at preventing the identification of the money, goods, and other benefits to disguise their illegal origin.

From a subjective perspective, the intent is required, meaning an awareness of the criminal origin of the goods and the intent to carry out the actions described above.

↓ Use of Money, Goods, or Benefits of Illicit Origin (Art. 648-ter Penal Code)

This crime is defined by the conduct of someone who uses money, goods, or other benefits from a crime in economic or financial activities, provided the author did not participate in the commission of the predicate offense (e.g., theft, tax crimes, etc.).

The term "use" refers to any form of illicit capital usage.

The reference to economic and financial activities relates to any sector capable of generating profits. From a subjective perspective, the intent is required, meaning an awareness of the criminal origin of the goods and the intent to carry out the described conduct.











Self-Laundering (Art. 648-ter.1 of the Penal Code)

This is a specific offense, as it must be committed by the person who participated in the commission of the predicate offense (a non-negligent crime) from which the proceeds subject to reinvestment were derived. The typical conduct can take three different factual forms:

- Substitution
- > Transfer
- Use

These refer to the use of money, goods, or other assets obtained from the commission of the predicate offense in economic, financial, entrepreneurial, or speculative activities.

The concept of **substitution** includes all actions aimed at "cleaning" the criminal proceeds, separating them from any possible connection to the crime.

Transfer is a specific form of substitution and involves any conduct that entails moving the illicit assets from one person to another, or from one place to another, in a way that obscures their ownership, origin, and actual destination.

Finally, use refers to any kind of utilization of illicit capital.

Unauthorized Use and Forgery of Payment Instruments Other than Cash (Art. 493-ter of the Penal Code)

This offense is committed when someone ("anyone"), in order to obtain profit for themselves or others, uses—without being the rightful owner—credit or payment cards, or any other similar document that enables the withdrawal of cash or the purchase of goods and/or services, or in general, any non-cash payment instrument.

"Similar documents" include any digital payment tool, regardless of whether a physical document exists (e.g., Satispay, PayPal), including cryptocurrencies.

A "non-cash payment instrument" refers to a device, object, or protected record—material or immaterial—or any combination thereof, different from legal tender, that alone or together with a procedure or series of procedures enables the holder or user to transfer money or monetary value, including through digital exchange mechanisms.

Fraudulent Tax Return Through Use of Invoices or Other Documents for Non-Existent Transactions
(Art. 2, Paragraphs 1 and 2, Legislative Decree No. 74/00)

This provision penalizes anyone who, for the purpose of tax evasion—regardless of the amount evaded, as there is no threshold—includes fictitious deductible items in a tax return by using invoices or other documents related to non-existent operations.

The expression "invoices or other documents for non-existent transactions" refers to invoices or other











documents with similar probative value under tax regulations, issued in relation to transactions that did not actually take place, either in whole or in part. It also includes documents that overstate the consideration or the value-added tax (VAT), or that attribute the transaction to parties other than those actually involved.

"Other documents" specifically include those that demonstrate the existence of a service and thus justify a deduction or tax credit (e.g., fee notes, fiscal receipts, credit or debit notes, fuel cards, etc.).

Fraudulent Tax Return Through Other Means (Art. 3, Legislative Decree No. 74/00)

The provision penalizes anyone who, in a tax return for income tax or VAT, reports active elements for an amount lower than the actual one, or fictitious passive elements, credits, or withholdings. This is done by carrying out objectively or subjectively simulated operations, or by using false documents or other fraudulent means intended to obstruct the assessment and deceive the tax authorities. For this offense to be applicable, the evasion must exceed €30,000, and the total amount of undeclared taxable elements must exceed 5% of the total amount declared, or in any case, exceed €1,500,000.

➡ Issuance of Invoices or Other Documents for Non-Existent Transactions (Art. 8, Paragraphs 1 and 2-bis, Legislative Decree No. 74/00)

This offense punishes anyone who issues false invoices with the aim of allowing others to fraudulently and unlawfully reduce their tax base for income tax or VAT purposes.

↓ Concealment or Destruction of Accounting Records (Art. 10, Legislative Decree No. 74/00)

The offense occurs when mandatory accounting records are concealed or destroyed (even partially). Such conduct renders the documentation unavailable to the tax authorities, either temporarily or permanently.

The offense is committed in all cases where the concealment or destruction of accounting records prevents or significantly hinders the reconstruction of business operations.

Fraudulent Avoidance of Tax Payment (Art. 11, Legislative Decree No. 74/00)

This provision punishes anyone who, in order to evade payment of taxes, penalties, or interest totaling more than €50,000, simulates asset transfers or performs other fraudulent acts on their own or others' assets, making forced collection procedures wholly or partially ineffective.

The offense is aimed at protecting the enforcement of tax claims and presumes a deliberate act to dissipate or shield the assets that could be subject to current or future enforcement, thereby obstructing payment of taxes or penalties.











1.3 Functions at Risk

Behaviors carried out by anyone involved in the execution of processes identified as high-risk (as detailed in section 1.1) can be considered at risk, regardless of their role as administrators, managers, employees, collaborators, consultants, suppliers, customers, or others.

In particular, the following figures are of particular relevance, with respect to the sensitive activities identified above:

- Board of Directors
- ♣ Chief Executive Officer (CEO)
- Chairman of the Board
- General Manager
- Operations Department
- Research and Development Department
- 4 Administration, Finance, and Control Department
- Sales Department
- Marketing and Communications Department

2. Risk Management: General Rules and Principles of Conduct

In order to substantially limit and almost eliminate the risks of liability for BALTUR, pursuant to Articles 25 octies, 25 octies1, and 25 quinquiesdecies of the Decree, the following obligations must be observed:

- **♣** Ensure that every operation or transaction is correctly and promptly recorded in the company's accounting system according to the legal criteria and applicable accounting principles. Every operation or transaction must be authorized, verifiable, legitimate, consistent, and appropriate.
- Ensure the preservation of adequate and complete documentation supporting the activities carried out, allowing for:
 - Accurate accounting registration of each operation.
 - > Immediate determination of the characteristics and motivations behind the operation.
 - Easy chronological formal reconstruction of the operation.
 - Verification of the decision-making, authorization, and execution process, as well as identification of the various levels of responsibility and control.
- Do not use anonymous tools to carry out transactions involving large sums of money.
- Continuously monitor the company's monetary and financial flows.











- ♣ When making payments to third parties via bank transfer, ensure that all authorization steps relating to the preparation, validation, and issuance of payment orders, as well as the registration of the payment voucher in the system, are respected.
- ➡ Verify that all payments related to company purchases are made against the corresponding invoice entered into the system, after ensuring the invoice's formal regularity and that the payment is consistent with the corresponding contract or purchase order.
- Maintain a correct, transparent, and collaborative approach in all activities related to managing the supplier database, including foreign suppliers, by administering, updating, and monitoring the historical list.
- ♣ Verify the commercial and professional reliability of suppliers, customers, and commercial/financial partners.

Accordingly, the following actions are expressly prohibited:

- Providing unnecessary services.
- ♣ Invoicing for services not actually provided.
- Duplicating invoicing for the same service.
- ♣ Failing to issue credit notes if services were invoiced, even mistakenly, for non-existent or non-financeable items.
- Omitting the documentary registration of company funds without adequate supporting documentation.
- Making any payments on behalf of the company without proper supporting documentation.
- Making cash payments or payments in kind outside of what is permitted by internal protocols and procedures.
- Granting any commercial incentives that do not align with the permissible value limits and have not been approved and recorded.
- Recognizing any commission, discount, credit, or rebate not granted in compliance with current regulations and officially granted to corporate entities, supported by the relevant documentation.
- Engaging in business relationships with individuals known or suspected to belong to criminal organizations or operating outside the boundaries of legality.











3. Risk Management: Specific Rules and Behavioral Procedures

To address the risks outlined above, BALTUR has implemented the following procedures:

- Constitution Act and Statute
- National Collective Labor Agreement for workers in the private mechanical industry and plant installation
- Delegation and Power of Attorney System
- Company Organizational Chart
- Job Descriptions
- Code of Ethics
- Quality Policy
- Quality Management System compliant with UNI EN ISO 9001:2015 standards
- **♣** Operational Procedure "Activities Administration Finance and Control IT HR"
- ♣ Operational Instruction "Company Budget Process"
- ♣ Operational Instruction "Profitability Control Process"
- Operational Instruction "Credit Management Process"

3.1 Traceability

Every operation related to sensitive activities must, where possible, be adequately recorded so that the decision-making, authorization (including expenditure), and execution of the sensitive activity can be verified ex post, using appropriate documents (such as completing checklists and/or tailored forms). The Supervisory Board (O.d.V.) has the authority to authorize the completion of cumulative checklists in cases where the procedures are repetitive.

3.2 Delegation and Power of Attorney System

The delegation and power of attorney system is described in paragraph 3.2 of Section A "Corporate Crimes."

3.3 Preparation of the Organizational Chart

The organizational chart and job descriptions are prepared as described in paragraph 3.3 of Section A "Corporate Crimes."











SECTION C

HOMICIDE AND INJURIES DUE TO NEGLIGENCE WITH VIOLATION OF HEALTH AND SAFETY REGULATIONS IN THE WORKPLACE

1. Risk Analysis

1.1 Sensitive Activities

Through the mapping of high-risk areas and the identification of sensitive processes, the following sensitive activities have been identified within the organizational structure of BALTUR:

Management of Personal Protective Equipment (PPE) for Workers:

- Selection, acquisition, and receipt of PPE
- Distribution of PPE to workers and training
- Storage of PPE and training
- Replacement of PPE

Management of Instrumental Resources (plants, machinery, and equipment):

- > Selection and purchase
- Commissioning
- Maintenance and periodic checks

Management of Chemical Products:

- Selection and purchase
- Provision of products to workers

Supplier Evaluation and Management of Purchase Data:

- Supplier selection
- Monitoring and evaluation of suppliers

Human Resources Management:

- Definition of the organizational chart
- Definition of duties and/or mandatory roles
- Information, training, instruction, and involvement of personnel

Management of Assignments and Consultancy:

Process of researching, selecting, and evaluating consultants

Health Surveillance of Workers:

- Appointment of the competent doctor
- Compliance with the health protocol regarding preventive and periodic medical examinations for workers
- Communication of new hiring or job changes of a worker

Management of Emergency Safety Procedures:

Definition of the organizational chart and behavioral procedures











- Appointment of emergency response staff
- Training of emergency response staff and workers
- Verification of the effectiveness of the organization through evacuation drills
- Updating of procedures and plans

Risk Assessment and Planning of Improvement Interventions:

- Risk assessment
- Definition of consequent interventions
- Approval of POS (Safety Operational Plans)

Management of Contracts (subcontracts, work contracts, and supply contracts):

- Selection of independent workers and/or subcontractors
- Information to independent workers and/or subcontractors regarding specific risks and adopted preventive and emergency measures
- Preparation of the Single Document for Risk Assessment (DUVRI)
- Planning and/or implementation of coordination and cooperation actions with subcontracting companies and/or self-employed workers

Management of Accidents, Incidents, and Near Misses:

- Preparation and implementation of necessary interventions following the verification of causes leading to accidents, incidents, and/or near misses
- Update of the Risk Assessment Document
- > Communication of accidents, incidents, and/or near misses to responsible parties
- > Evaluation of causes leading to accidents, incidents, and/or near misses

Management of Operational Processes:

- Production work activities
- Office activities

Monitoring Activities Management:

- Management of regulatory requirements (identification, compliance, and verification of conformity)
- Verification of legislative compliance
- Ongoing monitoring
- Second-level monitoring
- Management of non-conformities, corrective, and preventive actions

Management of Structural Aspects:

- Workspaces
- Microclimate (temperature, ventilation, lighting)
- > Hygienic and welfare aspects
- Electrical installations
- Lifting equipment
- Working at height and altitude











Seismic events

Management of Specific Risks and Legally Required Risks:

- Noise management
- Management of mechanical vibrations
- Work at computer terminals (VDT)
- Biomechanical risks
- Artificial optical radiation
- Electrical risk
- Loading and unloading operations
- Physical risks

Management of Fires and Explosions:

- Management of legal obligations and fire risk assessment
- Checks and maintenance of fire protection measures

The risk areas and sensitive processes are precisely identified in the Risk Assessment Document (DVR) created by the Company. Any integrations to this analysis may be carried out by the Supervisory Body (O.d.V.), in collaboration with internal and external subjects performing verification and monitoring activities, who are authorized to identify the relevant hypotheses and define the necessary operational measures.

1.2 Risks

Through the mapping of risk areas and the identification of sensitive processes, and based on the sensitive activities identified in the Risk Assessment Document (DVR), the risk of committing the following criminal offenses has emerged:

Involuntary Manslaughter (Art. 589 Italian Criminal Code)

This offense occurs when a person causes the death of another due to violations of workplace accident prevention regulations.

Negligent Personal Injury (Art. 590 Italian Criminal Code)

This offense is committed when a person causes serious or very serious injury to another due to violations of occupational safety regulations.

A personal injury is considered serious when:

- > It results in an illness that endangers the victim's life or causes an illness or incapacity to perform ordinary tasks for more than forty days;
- It causes the permanent weakening of a sense or an organ;











> The victim is a pregnant woman and the event leads to an accelerated birth.

A personal injury is considered very serious when it causes:

- > An incurable or probably incurable illness;
- The loss of a sense:
- > The loss of a limb, or mutilation rendering it unusable; the loss of the use of an organ or the ability to reproduce; or a permanent and serious speech impairment;
- Disfigurement or permanent scarring of the face;
- > The miscarriage of the victim.

1.3 At-Risk Roles

At-risk behavior may be committed by any individuals—regardless of their status as directors, managers, employees, collaborators, consultants, suppliers, customers, or others—who are involved in the execution of processes identified as risky (see paragraph 1.1).

In particular, with respect to the sensitive activities identified above, the following roles are of particular relevance:

- Employer (DL);
- Head of the Prevention and Protection Service (RSPP);
- Workers' Safety Representative (RLS);
- Supervisors;
- Company Doctor (MC);
- Emergency Fire Management Personnel;
- First Aid Management Personnel;
- Technical Manager;
- Quality and Environmental Manager.

2. Risk Management: Rules and General Principles of Conduct

In order to substantially limit and practically eliminate the risk of BALTUR's liability pursuant to Art. 25-septies of the Legislative Decree, the Company has taken the following actions:

↓ Verified compliance with the legal technical-structural standards relating to equipment, installations, workplaces, and chemical, physical, and biological agents, making use of both internal and external collaborators and consultants who are experts in workplace safety and accident prevention, and carrying out specific analyses and investigations when necessary;











- Carried out a risk assessment for the workplace and implemented adequate prevention and protection measures through the use of suitable protection systems, both collective and individual, and developed a comprehensive documentation system including procedures and operational safety instructions;
- ♣ Established a Fire Emergency Team, an Evacuation Coordination Team, and a First Aid Team, all of which are properly and regularly trained and instructed to handle corporate emergencies;
- Conducted regular emergency simulation drills;
- ♣ Ensured occupational health surveillance by planning medical examinations, defining their frequency, and identifying specific investigation protocols based on the risks to which individual workers are exposed;
- ♣ Implemented continuous and consistent worker training and information programs regarding safety aspects related to their duties and activities, which also include an on-the-job training period alongside experienced personnel;
- ♣ Ensured effective communication on safety-related topics concerning both the infrastructure and the activities carried out, as well as existing company rules, instructions, and procedures. This includes the creation of an internal company portal accessible to all employees via dedicated consultation stations within the facility, monthly communication meetings with production line and department staff, the use of dedicated bulletin boards, and, when necessary, ad hoc informational and training sessions;
- Guaranteed constant surveillance and monitoring of safety regulation compliance by personnel, performed daily by Supervisors, but also by the Employer and external collaborators/consultants through scheduled monthly inspections;
- Ensured continuous risk assessment through:
 - Periodic inspections by external collaborators/consultants specialized in fire prevention and workplace safety;
 - > Periodic inspections by experienced internal BALTUR personnel;
- ← Carried out detailed analyses of identified risk situations and implemented effective corrective actions through investigations into accidents and near misses;
- ➡ Verified compliance with legal requirements related to permits, authorizations, certificates, etc., and all other obligations under national and regional laws concerning the ongoing production activity and related workplace health and safety aspects;
- Collected legally required documentation and certifications;
- ♣ Implemented appropriate paper and/or digital record-keeping systems for the above-mentioned activities;
- Established a specific organizational chart and job description framework for all individuals operating, in any capacity, within risk areas.











3. Risk Management: Specific Rules and Procedures of Conduct

- ♣ To mitigate the risks described above, BALTUR has adopted the following procedures:
- Articles of Association and By-laws;
- National Collective Labor Agreement for workers in the private metalworking industry and plant installation;
- System of delegations and powers of attorney;
- Corporate organizational chart;
- Job description manual;
- Code of Ethics;
- Quality Policy;
- Risk Assessment Document (DVR);
- Quality Management System compliant with UNI EN ISO 9001:2015 standards;
- ♣ Procedure for "Management of Maintenance and Periodic Safety and Environmental Inspections."

3.1 Traceability

Every operation related to sensitive activities must be, where possible, adequately recorded so that the decision-making process, authorization (including expenditure authorization), and execution of the sensitive activity can be verified ex post, also through appropriate documents (e.g., completion of specific checklists and/or company forms).

The Supervisory Body (O.d.V.) is authorized to approve the use of cumulative checklists in the case of procedures of a repetitive nature.

3.2 The System of Delegations and Powers of Attorney

BALTUR has structured its corporate organization for workplace safety through the following roles:

Employer (DL): The Sole Director has been designated as the Employer, having been granted appropriate organizational and financial powers to ensure the protection of employees' health and safety in the workplace.

Technical Manager: Appointed by the Board of Directors through a resolution dated December 19, 2019, pursuant to Ministerial Decree No. 37 of January 22, 2008.

Head of the Prevention and Protection Service (RSPP): The Employer, in accordance with current legislation and after consulting the Workers' Safety Representative (RLS), has appointed the RSPP, after verifying that the candidate met all legally required qualifications.

Workers' Safety Representative (RLS): Appointed by the workers pursuant to current legislation.











Supervisors: The appointment of Supervisors was formalized through a letter of assignment after verifying the absence of any disqualifying factors, the possession of specific requirements, and the completion of required training, in accordance with legal provisions.

Emergency Personnel: The selection of emergency personnel (firefighting and first aid teams) was also formalized through a letter of assignment, subject to verification of eligibility, possession of required qualifications, and completion of training in accordance with legislative requirements.

Competent Doctor: Appointed by the Employer in accordance with current legislation.

3.3 Preparation of the Company Organizational Chart

In addition to the company's organizational chart, BALTUR has prepared a specific organizational chart for workplace safety ("safety organizational chart") and a job description register, providing a clear and precise definition of the roles, duties, and responsibilities assigned to each function.

SECTION D ENVIRONMENTAL CRIMES

1. Risk Analysis

1.1 Sensitive Activities

Through the mapping of risk areas and the identification of sensitive processes, the following sensitive activities have been identified within the organizational structure of BALTUR:

- Management of operational processes
- Management of human resources:
 - Definition of the organizational chart
 - > Assignment of responsibilities and key roles
 - Information, training, instruction, and involvement of personnel
- **Management of instrumental resources (plants, machinery, equipment):**
 - Selection and purchase



Baltur S.p.A.









- Commissioning
- Calibration
- Maintenance and periodic checks
- Management of water resources:
 - Monitoring and control
- Management of energy resources:
 - Monitoring and control
- Management of wastewater discharges:
 - Installation, modification, and operation of wastewater discharges
 - > Recording and documentation of activities related to wastewater discharges
- Management of atmospheric emissions:
 - Installation and commissioning of plants for atmospheric emissions
 - Modification and commissioning of existing plants for atmospheric emissions
- Management of external noise:
 - Periodic phonometrical checks on emissions and noise immission
 - Monitoring and control
- Waste management:
 - Production, collection, characterization, transport, treatment
 - Completion and storage of the waste tracking register
 - Management of authorizations
 - Management of documentation
- Management of greenhouse gases and ozone-depleting substances:
 - > Selection, purchase, and commissioning of systems











Maintenance and system checks

Management of oils and toxic substances:

- > Cataloging of used oils and toxic substances
- Periodic inventory
- Monitoring and control

Emergency management:

- Use of hazardous substances
- > Notifications to the competent authorities
- Management of risk situations and incidents

Management of asbestos-containing materials:

- Preparation of maintenance programs (visual inspections, checks, maintenance, repairs, pull tests)
- Accident and explosion prevention
- Surveillance and measurement of environmental aspects:
 - Preparation of environmental risk assessment (planning, execution, result evaluation, and drafting of the environmental analysis)
 - > Preparation of the surveillance and measurement plan

Monitoring activities:

- Management of binding legal requirements (identification, compliance, and verification of conformity)
- Verification of legislative compliance
- > Continuous monitoring
- Second-level monitoring
- Management of non-conformities, corrective and preventive actions
- Supplier evaluation and purchase data management:











- Supplier selection
- > Monitoring and evaluation of suppliers
- Assignment and consultancy management:
 - > Process of searching for, selecting, and evaluating consultants
- **♣** Management of contracts (contracting, service, or temporary work contracts):
 - Selection of freelancers and/or contractors
 - > Providing information to freelancers and/or contractors about existing specific risks and the adopted preventive and emergency measures
 - Planning and/or implementation of coordination or cooperation actions with contracting companies and/or freelancers

Any integrations to the above risk analysis may be established by the Supervisory Body (O.d.V.), in collaboration with internal and external parties responsible for verification and monitoring activities, who are mandated to identify the relevant scenarios and define appropriate operational measures.

1.2 Risks

Through the mapping of risk areas and identification of sensitive processes, and based on the sensitive activities identified above, the risk has emerged of committing the following criminal offenses:

Environmental crimes included in the Criminal Code:

Environmental Pollution (Article 452-bis of the Italian Penal Code)

This criminal offense occurs when a person, unlawfully, causes significant impairment or deterioration of: water or air, or of extensive or significant portions of soil or subsoil; an ecosystem, biodiversity (including agricultural biodiversity), flora or fauna.

Environmental Disaster (Art. 452-quater of the Italian Penal Code)

This offense is committed when a person unlawfully causes an environmental disaster.

An environmental disaster includes:

the irreversible alteration of the balance of an ecosystem;

the alteration of the balance of an ecosystem whose restoration is particularly costly and achievable only through exceptional measures;

endangering public safety due to the severity of the event in terms of the extent of the damage or its harmful effects, or the number of individuals harmed or exposed to danger.











Negligent Crimes Against the Environment (Art. 452-quinquies of the Italian Penal Code)

This offense is committed when any of the behaviors described in Articles 452-bis and 452-quater are carried out negligently.

Environmental Crimes under Legislative Decree No. 152/06 (Environmental Consolidated Act):

Water Pollution (Art. 137)

Unauthorized discharge (in the absence, suspension, or revocation of authorization) of industrial wastewater containing hazardous substances (paragraph 2);

Discharge of industrial wastewater containing hazardous substances in violation of the terms of the authorization or provisions set by competent authorities (paragraph 3);

Discharge in violation of table limits or stricter limits set by Regions, Autonomous Provinces, or competent authorities (paragraph 5);

Violation of discharge prohibitions into soil, groundwater, and subsoil (Art. 11).

Unauthorized Waste Management (Art. 256)

Collection, transport, recovery, disposal, trading, and brokerage of both hazardous and non-hazardous waste without the required authorization, registration, or notification (paragraph 1, letters a and b); Establishment or management of an unauthorized landfill (paragraph 3, first sentence);

Establishment or management of an unauthorized landfill also intended for hazardous waste (paragraph 3, second sentence);

Unauthorized mixing activities (paragraph 5).

Contaminated Sites (Art. 257)

Pollution of soil, subsoil, surface water, and groundwater exceeding risk threshold concentrations (provided that remediation is not carried out in accordance with a project approved by the competent authority) and failure to report the pollution to the competent authorities.

Falsification and Use of False Waste Analysis Certificates (Arts. 258, 259, 260, and 260-bis)

- > Issuing a false waste analysis certificate (with incorrect information on the nature, composition, and chemical-physical characteristics of the waste) and using it during transportation (Art. 258, paragraph 4, second sentence);
- Issuing a false certificate used within the waste traceability system (SISTRI); entering false data for waste traceability (Art. 260-bis, paragraph 6);
- > Transporting hazardous waste without a paper copy of the SISTRI checklist Movement area or the analytical certificate, or using a certificate with false indications (Art. 260-bis, paragraphs 6 and 7, second and third sentence);











- > Transporting waste with a fraudulently altered paper copy of the SISTRI checklist Movement area (Arts. 259 and 260);
- ➤ Illegal shipment of waste (Art. 259, paragraph 1).

Organized Activities for Illegal Waste Trafficking (Art. 260)

A crime characterized by specific intent of unlawful profit and multiple relevant activities (sale, receipt, transport, export, import, or unauthorized handling of large quantities of waste).

Air Pollution (Art. 279)

Violation, during the operation of a facility, of emission limit values or requirements set by authorization, plans, programs, or legislation, or by the competent authority, which also causes exceedance of air quality limit values established by current regulations.

Environmental Crimes under Law No. 549/1993 (Ozone Layer Protection Law):

Ozone Pollution (Art. 3)

Violation of provisions regarding the cessation and reduction of use (production, utilization, marketing, import, and export) of substances harmful to the ozone layer.

1.3 Risk Functions

The behaviors carried out by all individuals, regardless of their role as administrators, executives, employees, collaborators, consultants, suppliers, customers, or others, who are involved in performing processes identified as risky (see section 1.1), can be considered at risk.

In particular, the following roles are of particular relevance concerning the sensitive activities as identified above:

- ♣ Chief Executive Officer (CEO)
- Environmental Manager
- Head of the Prevention and Protection Service (RSPP)
- Workers' Safety Representative (RLS)
- Supervisors
- Fire emergency management officers
- First aid officers
- Quality and Environmental Manager











2. Risk Management: General Rules and Principles of Behavior

It is forbidden to engage in, collaborate on, or cause the realization of behaviors that, either individually or collectively, may potentially, directly or indirectly, integrate any of the offenses provided for in Article 25 undecies of the Decree.

It is mandatory to:

- Always consider the need to protect the environment as a priority over any economic consideration.
- Contribute, as much as possible, to fulfilling obligations for the protection of the environment.
- ♣ Always evaluate the effects of one's actions in relation to the risk of harm to the environment.
- In line with their training and experience, as well as the instructions and resources provided or established by the employer, avoid reckless behavior that could cause harm to the environment.
- Properly use work machinery, equipment, hazardous substances, and transportation means, as well as safety devices.
- Refrain from undertaking operations or maneuvers that are outside the scope of their duties or that could potentially cause harm to the environment.
- Respect regulations and internal company procedures for environmental protection, also following the instructions and provisions provided by the employer and relevant personnel.
- Participate in the training and instruction programs organized by the company.
- ♣ Immediately report any deficiencies in environmental protection devices and any potential dangers to the employer or another responsible figure (based on the delegation system adopted by the company), intervening, in case of urgency, within their competencies and capabilities, provided they do not remove or alter safety devices.
- Eliminate or reduce situations of imminent danger and notify responsible individuals.

BALTUR believes that environmental protection and resource conservation are central themes in the company's directives.

The company's environmental protection directives are promoted by the senior management and are based on the following principles:

Commitment to environmental protection and resource conservation as an integral part of company management.











- Commitment to compliance with current legislation and applicable agreements.
- Preference for preventive actions, following the evaluation of significant environmental aspects.
- Continuous improvement.
- Responsibility assumed by the entire company organization, from the employer to the individual worker, each according to their duties and competencies.
- Commitment to providing the necessary human and instrumental resources.
- ♣ Commitment to training and raising awareness among workers in their environmental tasks.
- Commitment to involving and consulting workers.

Consequently, the company commits to:

- Comply with current environmental laws.
- Evaluate environmental risks and implement appropriate preventive and protective measures.
- Prepare organizational tools for emergencies, first aid, and management of contracts.
- Organize adequate information and training activities for workers.
- Implement supervision activities to ensure that workers comply with procedures and instructions regarding environmental protection.
- Acquire, maintain, update, and renew legal documentation and certifications to ensure environmental compliance.
- Conduct periodic checks on the application and effectiveness of procedures.
- Promptly address any discrepancies found.

3. Risk Management: Specific Rules and Behavioral Procedures

To address the risks highlighted above, BALTUR has adopted the following procedures:

- Articles of Incorporation and By-laws
- National Collective Labor Agreement for workers in the private metalworking industry and for the installation of plants
- Delegation and power of attorney system











- Company organizational chart
- Job descriptions
- Code of Ethics
- Quality Policy
- Risk Assessment Document
- ♣ Quality Management System compliant with UNI EN ISO 9001:2015 standards
- ♣ Operational instruction "Waste disposal management and handling of forms"
- ♣ Procedure "Management of legal and other environmental requirements"
- Procedure "Management of maintenance and periodic controls for environment and safety"
- List of prescriptions and compliance obligations

3.1 Traceability

Every operation related to sensitive activities must, where possible, be appropriately recorded so that the decision-making, authorization (including spending), and execution processes for the sensitive activity can be verified post facto, including through specific documents (e.g., completion of specific checklists and/or company forms).

The Supervisory Body (O.d.V.) has the authority to authorize the compilation of cumulative checklists in the case of repetitive procedures.

3.2 The Delegation and Power of Attorney System

The applicable delegation and power of attorney system is described in paragraph 3.2 of Section A "Corporate Crimes."

3.3 Preparation of the Corporate Organizational Chart

BALTUR has developed an organizational chart/job description for environmental protection, defining specific roles, tasks, and responsibilities.

This translation was generated with the assistance of artificial intelligence. Baltur reserves the right to make changes and corrections at any time. The Italian version is to be considered the official one and is available on the website www.baltur.com.

