
SYSTEM

Legislative Decree n. 231 of 8-6-2001 [hereinafter Decree] introduced the principle that *societas delinquere potest*. Formally defined as administrative, the liability we are concerned with here is of a criminal nature, since it is destined to be ascertained by the criminal court, on the basis of the guarantees proper to the criminal trial.

CRIMES

The crimes giving rise to the liability of companies are misappropriation of funds, fraud to the detriment of the State or a public institution or for the purpose of obtaining public funds and computer fraud to the detriment of the State or a public institution forgery of money, public credit cards, revenue stamps and identification instruments or signs, offences against industry and trade, corporate offences, offences for the purposes of terrorism or subversion of the democratic order, female genital mutilation practices, offences against the individual, market abuse culpable homicide or grievous or very grievous bodily harm committed in violation of the rules on the protection of health and safety at work, handling stolen goods, money laundering and the use of money, goods or utilities of unlawful origin, as well as self-laundering, offences relating to non-cash means of payment, offences relating to violation of copyright, inducement not to make statements or to make false statements to the judicial authorities environmental offences, the employment of third-country nationals whose stay is irregular, racism and xenophobia, fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices, tax offences, smuggling, transnational offences, the liability of entities for administrative offences resulting from offences and attempted offences.

SANCTIONS

The sanctions provided for by the decree are pecuniary sanctions, disqualification sanctions, confiscation and publication of the judgment.

The aforementioned sanctions, characterised by their effectiveness, proportionality and dissuasiveness, are aimed at attacking the company's assets, undermining the company's image on the market, affecting the company's organisational structure, as well as altering corporate action and decision-making mechanisms.

THIS MOG 231

If, on the one hand, the adoption of this MOG 231 has made it possible to set up a control system aimed at entrepreneurial action, on the other hand, it has made it possible to establish and disseminate ethical principles capable of improving the company's behavioural standards.

With this in mind, this MOG 231 has set itself the objective of (re)configuring a structured and organic system of organisational, management and control procedures aimed at preventing the commission of offences, as well as making the existing control system more effective.

SYSTEM OF CONTROLS AND PREVENTATIVE MEASURES

In order to reduce the risks of offences being committed to acceptable levels, the company has set up preventive controls and safeguards.

The system of controls adopted, also in light of the suggestions, in its own guidelines, by Confindustria, has been implemented through the implementation of the code of ethics, the implementation of the organisational system, formalised and clear, concerning the allocation of responsibilities, the implementation of procedures manual and computerised, aimed at regulating the performance of company activities, the separation of duties between those who manage activities at risk of offences being committed, the assignment of powers, authorisations and signatory powers, consistent with organisational and management responsibilities, communication of the MOG 231 and training.

FINANCIAL RESOURCES

The company intends to provide that all relevant transactions are carried out through the exclusive use of bank accounts in the company's name, that, periodically, checks are carried out on cash balances and transactions, and that the top management defines medium- and long-term financial requirements, the forms and sources of coverage, also providing evidence thereof in specific reports.

GENERAL PREVENTION PRINCIPLES

The company intended to share and adopt the following general principles of prevention: existence of corporate provisions aimed at providing principles of conduct, operating procedures for carrying out sensitive activities, as well as procedures for filing the relevant documentation; segregation of duties and, consequently, separation of activities between those who authorise, those who execute and those who control; authorisation powers for expenditure and signatures which must be: consistent with the organisational and management responsibilities assigned, including, where required, indication of the approval thresholds for expenditure; clearly defined and known within the company; traceability: each operation relating to sensitive activities must be adequately documented; the process of decision, authorisation and performance of sensitive activities must be verifiable ex post, also by means of appropriate documentary supports; monitoring activities, aimed at periodically and promptly updating powers of attorney, delegation of functions, as well as the control system, in line with the decision-making system and with the entire organisational structure.

ADOPTION AND UPDATES

This MOG 231 has been adopted by the company's administrative body, which will have to take care of the necessary updates.

THE UNIT RESPONSIBLE FOR SUPERVISING

The company has set up a unit responsible for supervising, endowed with autonomous powers of initiative and control, which is called upon to carry out periodic inspections concerning the effective implementation of this MOG 231. With this in mind, the aforementioned body reports to the administrative body and the unit responsible for supervising on the implementation of this MOG 231, as well as on the emergence of any critical issues.

WHISTLEBLOWING

The company has set up a number of channels enabling the administrative body, persons in senior positions and subordinates to submit circumstantiated reports of relevant unlawful conduct pursuant to the decree based on precise and concordant factual elements, as well as on breaches of this MOG 231.

ETHICAL CODE

The code of ethics that the company intended to implement expresses the company's own ethical principles, which the company itself intends to cultivate in the conviction that a company should be assessed for the quality of its products and services, but also and above all for its ability to produce value and values.

With this in mind, the aforementioned code of ethics, if, on the one hand, it intended to set ethical standards of reference that govern the company's conduct and actions, on the other hand, it wanted to review the company's rights, duties and responsibilities towards directors, shareholders, employees, collaborators, consultants, public administration, political organisations, trade unions, customers, suppliers, competitors, third parties, the media and members of the supervisory body.

DISCIPLINARY SYSTEM

The decree, as is well known, indicates, as an essential condition for the effective implementation of the MOG 231, the construction of an appropriate system for sanctioning breaches thereof.

More specifically, if, on the one hand, the sanctions provided for therein must be imposed in the event of a breach of the provisions contained in the MOG 231, on the other hand, they must comply with the following principles: legality; complementarity; typicality; cross-examination; timeliness; gradualness; publicity.

The disciplinary system we are dealing with here is built on the basis of the provisions of the Civil Code, Law n. 300 of 20-5-1970 (the so-called Workers' Statute) and the current CCNL.