



DAIKIN APPLIED EUROPE S.p.A.

Summary Document
relating to
ORGANISATION, MANAGEMENT AND
CONTROL MODEL

in accordance with Legislative Decree of 8 June 2001 no. 231

SPECIAL SECTION

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SPECIAL SECTION

PURPOSE

The purpose of the Special Section is to prepare and implement a system of reference principles, rules of conduct and procedures, aimed at concretely and uniformly regulating the conduct of all the Recipients of the MOGC of Daikin Applied Europe in order to prevent, in the context of the specific activities carried out and considered to be "at risk", the commission of the offences envisaged by Legislative Decree no. 231/2001 and ensure conditions of fairness and transparency in the conduct of all the activities of the Company's Divisions, Departments and Sections (hereinafter simply "**Structures**").

RISK ASSESSMENT METHODOLOGY

Omissis

SPECIFIC PREVENTION PROTOCOLS

DAE has also identified the principles and control measures that must govern its operations as part of the management and operational processes related to the identified "*at risk of offence*" areas.

More precisely, the following were identified:

- *general or cross-company prevention protocols* explained in *General Section*¹;
- *specific prevention protocols*, i.e., procedures and control elements that constitute guidelines aimed at guiding the operation of each sensitive/instrumental process, to which all Recipients must adhere in performing company activities. These protocols can be further developed and supplemented in other internal regulatory sources (regulations, policies, organisational procedures, work instructions).

Omissis

¹ That is, the general control principles underlying the tools and methodologies used to structure the specific control elements (*Standards of behaviour and codes of conduct; Authorisation and signatory powers; Internal procedures and standards; Segregation of duties; Documentability and traceability; Conflict of interest management*).

RELATIONS WITH THE PUBLIC ADMINISTRATION

In the context of this *Macroarea*, relating to *Relations with the Public Administration*², DAE has identified the main types of relations with public parties (public officials or persons in charge of a public service) and the related management methods in the following terms.

MANAGEMENT OF RELATIONS WITH PERSONS BELONGING TO THE PUBLIC ADMINISTRATION

Description

This refers to the management of relations between *Entitled Parties*³ and institutional subjects, the Public Administration and Public Bodies of national, European and international relevance, for whatever reason (contractual, institutional, representative, etc.) they are established.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Article 24 Legislative Decree no. 231/2001	
Fraud against the State, other public body or the European Union (Article 640 par. 2, no. 1 of the Criminal Code)	Producing false documentation or information in order to simulate the existence of activities, operations or acts to the advantage or in the interest of DAE to the detriment of a national or European public body.
Computer fraud against the State or other public body (Article 640 <i>ter</i> of the Criminal Code)	Alteration, in any way whatsoever, of the operation of a computer or data transmission system of the Public Administration or access without right and in any manner whatsoever to data/information or software contained in the public computer or data transmission system, procuring an unfair benefit for the Company against the State/Public Entity/European Union.
Computer offences - Article 24 <i>bis</i> Legislative Decree no. 231/2001	
Unauthorised access to a computer or data transmission system (Art. 615 <i>ter</i> of the Criminal Code)	Unauthorised entry and stay in a computer or data transmission system protected by security measures, instrumental for instance in committing fraud or acts of unfair competition, or in acquiring information contained in third-party databases.
Damage to computer information, data and programs used by the State or other public body or otherwise of public utility (Art. 635 <i>ter</i> of the Criminal Code) or to computer or data transmission systems of public utility (Art. 635 <i>quinquies</i> of the Criminal Code)	Commission of an act directed towards the alteration of information, data or computer programs used by the State or other public body or pertaining to them, or in any event of public utility, in order to mislead the public counterparty. Destruction, damage or other conduct rendering wholly or partly unusable computer or data transmission systems of public utility, or seriously obstructing their operation, by destroying, deteriorating, deleting, altering or suppressing information, data or computer programs or by introducing or transmitting them into the system.
Forgery of computer documents (Art. 491 <i>bis</i> of the Criminal Code)	Preparation and/or use of false documentation by means of a computer or data transmission system.
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	

² For the purposes of this discussion, **Public Administration** shall mean the State (including governmental, territorial, local, industry entities, such as governmental bodies, regulatory authorities, regions, provinces, municipalities, districts) and/or all public bodies and entities (and, in cases determined by law, private entities that nevertheless perform a public function, such as, for example, concession issuers, bodies governed by public law, contracting authorities, mixed companies), which carry out activities aimed at pursuing public interests. This definition also includes the public administration of foreign states and of the European Union.

³ Including Directors and members of the Company's Supervisory Body.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Bribery (Art. 318 et seq. of the Criminal Code)	Bribing a public official or a person in charge of a public service, whether Italian or foreign, by offering or promising money or other benefits in order to obtain an advantage for the Company.
Trafficking in unlawful influence (Art. 346 bis of the Criminal Code)	Giving undue money or other benefits to a third party "intermediary" as the price of their unlawful mediation with a public official or a person in charge of a public service, aimed at obtaining an advantage or favour for the Company.
Abuse of office (Art. 323 of the Criminal Code)	Conspiracy to commit abuse of office perpetrated by a public party in the interest or to the advantage of the Company and to the detriment of the financial interests of the European Union.

Process manager

Omissis

The **General Principles of Conduct** and **Specific Control Protocols** set out below are to be considered of general and cross-company scope and, therefore, apply to all types of relations with public entities and in relation to any corporate process, activity and operation that may involve, directly or indirectly, the Italian or foreign Public Administration.

General principles of conduct

In managing the process under consideration, DAE:

- bases its conduct on legality in every area of its business;
- ensures that its relations with the Public Administration are inspired by the principles of transparency, honesty and fairness as well as by all the other principles and ethical values as understood and defined in the Company's *Code of Ethics*, prescribing, in particular, without prejudice to the provisions of the internal and Group procedures relating to the management of gifts, the obligations and prohibitions set out below:
 - o it is forbidden for those who work in the name and on behalf of the Company to engage directly, indirectly or through intermediaries in any activity whatsoever that has the effect of unlawfully influencing public officials; therefore, it is forbidden to give or promise money, gifts, favours or rewards, in any form whatsoever, to public officials (Italian or foreign), or to their relatives, cohabitants or intermediaries, as well as to exert unlawful pressure on the aforesaid persons for the purpose of influencing their independence of judgement within the scope of any relationship established with them;
 - o it is not permitted for those acting in the name and on behalf of the Company to receive directly, indirectly or through intermediaries any money, gifts, favours or remuneration, in any form whatsoever, which may influence their judgement or in any way aim at acquiring undue favourable treatment in the conduct of any business activity.

Specific control protocols

Omissis

APPLYING FOR AND MANAGING PUBLIC GRANTS

Description

This concerns the activities related to the process of seeking, requesting and managing subsidies, financing, grants, subsidised loans or other disbursements however named (hereinafter "**Public Grants**") granted by the Public Administration, whether Italian or foreign, including for research and development projects or for the provision of training to DAE Personnel.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Article 24 Legislative Decree no. 231/2001	
Aggravated fraud to obtain public grants (Art. 640 bis of the Criminal Code) Misappropriation of public grants (Art. 316 ter of the Criminal Code)	Receipt of Public Grants following the submission to the State/Public Body/European Union of untrue self-declarations or through the omission of relevant data/information. Altered reporting/accounting of activities and costs incurred.
Misappropriation of public grants (Art. 316 bis of the Criminal Code)	Use, even in part, of public grants for a purpose other than that for which they were disbursed or misuse thereof.
Computer fraud against the State or other public body (Article 640 ter of the Criminal Code)	Obtaining Public Grants by altering computer records of the Public Administration, whether Italian or foreign, to make essential requirements/conditions appear to exist, which in reality do not exist.
Computer crimes and illegal processing of data - Art. 24 bis of Leg. Dec. no. 231/2001	
Damage to computer information, data and programs used by the State or other public body or otherwise of public utility (Art. 635 ter of the Criminal Code) or computer or data transmission systems of public utility (Art. 635 quinquies of the Criminal Code)	Commission of an act directed towards the alteration of information, data or computer programs used by the State or other public body or pertaining to them, or in any case of public utility, in the interest or to the advantage of DAE in order to enable the unlawful obtaining of Public Grants. Destruction, damage or conduct rendering wholly or partly unusable computer or data transmission systems of public utility, or seriously obstructing their operation, by destroying, deteriorating, deleting, altering or suppressing information, data or computer programs or by introducing or transmitting them into the system in connection with the application for Public Grants.
Forgery of computer documents (Art. 491 bis of the Criminal Code)	Preparation and/or use of false documents having evidentiary effect, by means of a computer or data transmission system.
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	
Bribery (Art. 318 et seq. of the Criminal Code)	Giving or promising to give money or other benefits, directly or indirectly, to a public official or a person in charge of a public service in order to obtain Public Grants for DAE, despite the lack of the prerequisites or through procedures that are faster and/or simpler than usual or contrary to official duties.
Undue inducement to give or promise benefits (Art. 319 quater of the Criminal Code)	Inducement of an employee of the Company, in a senior or subordinate position, by a public party to give or promise undue money or other benefits, in exchange for the prospect offered by the party of a more immediate finalisation of the procedure for granting Public Grants in favour of the Company.
Trafficking in unlawful influence (Art. 346 bis of the Criminal Code)	Giving undue money or other benefits to a third party "intermediary" as the price of their unlawful mediation with a public official or a person in charge of a public service, for the purpose of granting Public Grants in favour of the Company.
Embezzlement (Articles 314, par. 1, and 316 of the Criminal Code)	Conspiracy with a public person in the misappropriation of EU money/funds, including by taking advantage of the error of others.
Abuse of office (Art. 323 of the Criminal Code)	Conspiracy to commit abuse of office in the interest or to the advantage of the Company and to the detriment of the financial interests of the European Union.

Process manager

Omissis

General principles of conduct

In managing the process under consideration, DAE:

- ensures that the selection of public tenders, to which to apply for Public Grants, is carried out in accordance with the strategies and guidelines established by the Senior Management and after verifying and assessing that the identified opportunity is consistent with the Budget, also in consideration of the overall framework of the ongoing Grants, requested and to be requested;
- ensures correctness, transparency and truthfulness in the preparation and presentation of statements and documents certifying facts, data and information aimed at obtaining Public Grants;
- requires compliance with the principles defined in the *Code of Ethics* and the *Model* adopted with particular reference to the prohibition to:
 - o submit or use untrue declarations, or omit relevant information or otherwise engage in artifice or deception in order to obtain Public Grants;
 - o allocate sums received from the State, from another public body or from the European Union, by way of Public Grants, for purposes other than those for which they were intended or in percentages different from those established, or make false declarations when reporting on the use of such Grants.

Specific control protocols

Omissis

ACQUISITION OF AUTHORISATIONS, PERMITS, LICENCES, CONCESSIONS OR SIMILAR MEASURES

Description

These are activities related to the process of acquiring and renewing authorisations, licences, permits and concessions from the Public Administration, Italian or foreign (building and customs authorisations and licences, patents, environmental permits, etc.).

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Article 24 Legislative Decree no. 231/2001	
Fraud against the State, other public body or the European Union (Art. 640, par. 2, no. 1 of the Criminal Code)	False statements of essential conditions for obtaining licences, concessions, authorisations or certificates of various kinds. Artifice and deception (<i>i.e.</i> transmission of false documentation) by a representative of the Company, aimed at misleading the public body responsible for issuing authorisations and licences.
Computer fraud against the State or other public body (Article 640 <i>ter</i> of the Criminal Code)	Alteration of computer records of the Public Administration (<i>i.e.</i> systems or portals), whether Italian or foreign, in order to make it appear that essential conditions for obtaining authorisations, licences and concessions exist, which in reality they do not.
Computer crimes and illegal processing of data - Art. 24 <i>bis</i> of Leg. Dec. no. 231/2001	
Damage to computer information, data and programs used by the State or other public body or otherwise of public utility (Art. 635 <i>ter</i> of the Criminal Code) or computer or data transmission systems of public utility (Art. 635 <i>quinquies</i> of the Criminal Code)	Commission of an act aimed at altering computer information, data or programs used by the State or other public body or pertaining to them, or in any event of public utility, in order to unlawfully obtain authorisations or other administrative measures. Destruction, damage or other conduct rendering wholly or partly unusable computer or telecommunication systems of public utility, or seriously obstructing their operation, through destruction, deterioration, deletion, alteration or suppression of information, data or computer programs or their introduction or transmission into the system, in connection with the application for authorisations, licences and concessions.

Forgery of computer documents (Art. 491 bis of the Criminal Code)	Preparation and/or use of false documents having evidentiary effect by means of a computer or data transmission system.
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	
Bribery (Art. 318 et seq. of the Criminal Code)	Giving or promising money or other benefits to a public authority as consideration for granting authorisations, licences or similar measures, in the absence of the necessary prerequisites or by means of unlawful procedures or procedures that are faster and/or simpler than usual.
Trafficking in unlawful influence (Art. 346 bis of the Criminal Code)	Giving undue money or other benefits to a third party "intermediary" as the price of their unlawful mediation with a public official or a person in charge of a public service, for the purpose of issuing licences or authorisations in favour of the Company.

Process manager

Omissis

Specific control protocols

Omissis

MANAGEMENT OF RELATIONS WITH PUBLIC AUTHORITIES AND OTHER SUPERVISORY AND CONTROL BODIES, INCLUDING DURING INSPECTIONS

Description

These are activities relating to the management, also by means of dedicated computerised/data transmission systems, of the relations with Public Authorities and Supervisory and Control Bodies (hereinafter referred to as "**Control Bodies**")⁴ in connection with fulfilments, communications or reports of any kind, as well as during inspections and audits.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Article 24 Legislative Decree no. 231/2001	
Fraud against the State, other public body or the European Union (Art. 640, par. 2, no. 1 of the Criminal Code)	Artifices and deception (<i>i.e.</i> transmission of altered or forged documentation) aimed at misleading the Control Bodies.
Fraud in public supply (Art. 356 of the Criminal Code)	Compliance and/or communications instrumental to fraud in public procurement.
Computer crimes and illegal processing of data - Art. 24 bis of Leg. Dec. no. 231/2001	
Damage to computer information, data and programs used by the State or other public body or otherwise of public utility (Art. 635 <i>ter</i> of the Criminal Code) or computer or data transmission systems of public utility (Art. 635 <i>quinquies</i> of the Criminal Code)	Commission of an act directed towards the alteration of information, data or computer programs used by the State or other public body or pertaining to them, or in any event of public utility, in order to mislead the Control Body. Destruction, damage or other conduct rendering wholly or partly unusable computer or data transmission systems of public utility, or seriously obstructing their operation, by destroying, deteriorating, deleting, altering or suppressing information, data or computer programs or by introducing or transmitting them into the system.

⁴ Such as the Customs and Monopolies Agency, the Data Protection Authority, the Chamber of Commerce, the Land Registry Office, ARPA, ASL, Italian Financial Police, NAS, INAIL, Labour Inspectorate *etc.*

Forgery of computer documents (Art. 491 bis of the Criminal Code)	Preparation and/or use of false documents having evidentiary effect, by means of a computer or data transmission system.
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	
Bribery (Art. 318 et seq. of the Criminal Code)	Giving or promising money or other benefits, whether directly or indirectly, in order to obtain from the contact person of the Control Body an administrative act or the successful outcome of an inspection in the absence of the relevant prerequisites or by means of procedures that are faster and/or simpler than usual or contrary to official duties.
Undue inducement to give or promise benefits (Art. 319 quater of the Criminal Code)	Inducement of a person reporting to DAE, by an official of the Control Body, to unduly give or promise money or other benefits, in exchange for the prospect offered by the party of the issuance of an administrative act favourable to DAE, including during audits/inspections, in the interest or to the advantage of the same.
Trafficking in unlawful influence (Art. 346 bis of the Criminal Code)	Giving undue money or other benefits to a third party "intermediary" as the price for their unlawful mediation with a Control Body.
Abuse of office (Art. 323 of the Criminal Code)	Conspiracy to commit abuse of office perpetrated by a contact person of a Control Body, in the interest or to the advantage of the Company and to the detriment of the financial interests of the European Union.
Tax offences - Art. 25 quinquiesdecies of Leg. Dec. no. 231/2001	
Concealment or destruction of accounting documents (Art. 10 of Legislative Decree No. 74/2000)	Destruction or concealment, in whole or in part, of accounting records and other documents required to be kept, so as to make it impossible to reconstruct the Company's income or turnover.

Process Manager

Omissis

General Principles of Conduct

In managing this process, DAE ensures that:

- full and immediate cooperation is provided to the Control Bodies and the correctness, transparency and traceability of relations with the relevant contact persons is guaranteed;
- every communication and performance, including during inspections, vis-à-vis the Control Bodies and the preparation of the relevant documentation are carried out with diligence and professionalism, so as to provide clear, complete and truthful information, in compliance with the applicable national or EU regulations;
- relations with the Control Bodies shall be maintained exclusively by the personnel appointed for such purpose, identified also according to the type and purpose of the potential investigation/audit⁵, preventing the Structures not specifically appointed for such purpose from interfacing with public inspectors or from providing them with documentation and/or information without prior authorisation.

Specific control protocols

Omissis

⁵Also by means of appropriate internal delegations or specific assignments.

SALES CYCLE

SALE OF GOODS AND SERVICES AND CONTRACT/ORDER MANAGEMENT

Description

These are activities related to the sale of DAE goods and services, participation in tenders, entering into contracts/agreements with public or private entities (Customers), including orders and/or contracts for direct sales to the market and indirect sales, i.e. to the Group's commercial companies and the management of the related life cycle.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Article 24 of Leg. Dec. no. 231/2001	
Fraud against the State, other public body or the European Union (Art. 640, par. 2, no. 1 of the Criminal Code)	Engaging in conduct likely to mislead the public counterparty, including through the production of false documentation or attesting untrue facts, in order to make requirements/operations/acts appear to be to the advantage or in the interest of DAE.
Computer fraud against the State or other public body (Article 640 <i>ter</i> of the Criminal Code)	Alteration of Public Administration computer records (e.g. systems or portals) in order to make it appear that essential conditions exist for negotiating activities in general.
Fraud in public supply (Art. 356 of the Criminal Code)	False certification as to the correctness of the performance of the service in relation to the formalised requirements and/or the fulfilments provided for in the contract with the P.A. Performance of services, in whole or in part, deviating from the characteristics agreed upon in the context of contractual relations with the P.A./Public Procurers.
Computer crimes and illegal processing of data - Art. 24 <i>bis</i> of Leg. Dec. no. 231/2001	
Unauthorised access to a computer or data transmission system (Art. 615 <i>ter</i>)	Unauthorised access to a public or private computer system in order to obtain information or alter data relating to agreements/conventions in progress.
Forgery of computer documents (Art. 491 <i>bis</i> of the Criminal Code)	Preparation and/or use of false documents having evidentiary effect, by means of a computer or data transmission system.
Organised crime offences - Article 24 <i>ter</i> of Leg. Dec. no. 231/2001	
Criminal conspiracy, including mafia-type conspiracy (Articles 416 and 416 <i>bis</i> of the Criminal Code)	Establishment of relationships with untrustworthy counterparties at risk of organised crime.
Offences against the P.A. - Art. 25	
Bribery (Art. 318 et seq. of the Criminal Code)	Giving or promising money or other benefits to a public official, in order to obtain the conclusion of agreements/contracts/conventions on advantageous terms for DAE, notwithstanding the lack of the prerequisites or through procedures that are faster and/or simpler than normal practice or contrary to official duties, or in order to avoid detecting an improper or fictitious provision of goods/services.
Undue inducement to give or promise benefits (Art. 319 <i>quater</i> of the Criminal Code)	Inducement of a DAE employee by a public party to unduly give or promise money or other benefits, in return for the public party prospecting the conclusion of an agreement/contract/convention advantageous to the Company itself, or to facilitate the management of a contract in the interest or to the advantage of the Company.
Trafficking in unlawful influence (Art. 346 <i>bis</i> of the Criminal Code)	Giving undue money or other benefits to a third party "intermediary" as consideration for their unlawful mediation with a public official or a person in charge of a public service, or to remunerate them in connection with the exercise of their functions or powers, in order to obtain advantageous contractual terms for DAE, or, within the framework of the management of a project/contract, undue benefits.

Counterfeiting of money, public credit paper, revenue stamps and identification instruments or signs - Art. 25 bis of Leg. Dec. no. 231/2001	
Counterfeiting, alteration or use of trademarks or distinguishing signs or patents, models and drawings (Art. 473 of the Criminal Code)	Counterfeiting or tampering with domestic or foreign trademarks, distinctive marks of industrial products, of patents, designs or industrial models, domestic or foreign, or where they are used without having participated in the alteration/counterfeiting.
Offences against commerce and industry (Art. 25 bis.1of Leg. Dec. no. 231/2001)	
Unfair competition involving threats or violence (Art. 513 bis of the Criminal Code)	Engaging in threatening or violent behaviour towards an (actual or potential) competitor when submitting a bid to a customer or in the context of a tender.
Fraud against national industries (Art. 514 of the Criminal Code)	Sale on domestic or foreign markets of industrial products with counterfeit or altered names, trademarks or distinctive marks, causing harm to the domestic industry.
Sale of industrial products with false marks (Art. 517 Criminal Code)	Sale of industrial products with domestic or foreign names, trademarks or distinctive marks that are misleading as to the origin or quality of the product.
Manufacture and sale of goods made by usurping industrial property rights (Art. 517 ter of the Criminal Code)	Trading/introduction in the territory of the State/possession for sale/offering for sale to consumers or otherwise circulation of goods made by usurping/violating an industrial property right.
Corporate offences - Art. 25 ter of Leg. Dec. no. 231/2001	
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 bis of the Civil Code)	Giving or promising to give money or other benefits to a private counterparty in order to obtain favourable conditions for the Company in the context of a contract/agreement/convention, or in order to avoid the detection of an improper or fictitious provision of a service/supply.
Offences for purposes of terrorism - Art. 25 quater of Leg. Dec. no. 231/2001	
Subversive conspiracies (Art. 270 of the Criminal Code) Criminal conspiracies for the purposes of terrorism or subversion of democratic order (Art. 270 bis of the Criminal Code) Assistance to the conspirators (Art. 270 ter of the Criminal Code)	Promoting or subsidising potential associations for the purposes of terrorism or subversion of the democratic order.
Receiving, laundering and using money, goods or benefits of illicit origin and self-laundering - Art. 25 octies of Leg. Dec. no. 231/2001	
Receiving stolen goods (Art. 648 of the Criminal Code) Money laundering (Art. 648 bis of the Criminal Code) Use of money, goods or benefits of illegal origin (Art. 648 ter of the Criminal Code) Self-laundering (Art. 648 ter.1 of the Criminal Code)	Establishment of relationships with untrustworthy counterparties at risk of money laundering. Conclusion of fictitious agreements instrumental to false invoicing and resulting commission of the offence of money laundering, also in conjunction with other Group companies.
Tax offences - Art. 25 quinquiesdecies of Leg. Dec. no. 231/2001	

Fraudulent declarations (Articles 2 and 3 of Leg. Dec. no. 74/2000)	Conclusion of agreements/contracts on economic terms that do not correspond to the actual economic terms (<i>i.e.</i> lower consideration or VAT) in order to evade income tax or value added tax. Improper management of delivery in order to under-report assets.
Issuance of invoices for non-existent transactions (Art. 8 of Legislative Decree no. 74/2000)	Conclusion of fictitious agreements/contracts preliminary to the issuance of invoices for objectively non-existent transactions (concerning the provision of goods and/or services that will not, in whole or in part, be performed) and/or subjectively non-existent transactions (with parties other than the actual parties). Invoicing of services, in whole or in part, that did not take place in order to allow third parties to evade taxes.
Fraudulent evasion of taxes (Art. 11, par. 1, of Legislative Decree no. 74/2000)	Commercial transactions aimed at evading corporate assets from enforcement proceedings.

Process Manager

Omissis

General principles of conduct

In managing the process under consideration, DAE:

- ensures that the activities instrumental to the conclusion and management of orders/contracts, agreements and conventions with third parties, whether public or private, or with the Group's commercial companies, are conducted in a correct, transparent and traceable manner, in compliance with applicable regulations, the principles expressed in the *Code of Ethics*, the Group's policies and what has been contractually agreed with the counterparty. In particular, the following conduct is prohibited, even if it entails an advantage or benefit for the Company:
 - directly, indirectly or through an intermediary engage in any activity which has the effect of unlawfully influencing the contact person of a counterparty, whether public or private⁶;
 - receive⁷, directly, indirectly or through an intermediary, money, gifts, favours or remuneration, in any form whatsoever, that may influence one's judgement in any relationship with third parties;
 - submitting untrue declarations, certifying the fulfilment of non-existent requirements, required by law, by administrative acts or, in any case, by the other party, in order to participate in tenders or to win them or to enter into contracts/conventions;
 - adopting conduct aimed at hindering the normal operation of the economic and commercial activities of competing companies, including by promising or granting advantages to them so that they do not compete in a tender or withdraw their tender;
 - engaging in deceptive or unlawful activities aimed at obtaining, in the execution of orders/contracts, agreements and conventions, the approval of contractual amendments/variations or in order not to comply with contractual obligations undertaken;
 - selling products with different characteristics to those represented;
- ensure that the documentation exchanged with the counterparty, whether public or private, is prepared by authorised persons, with the utmost diligence and professionalism, and contains complete and truthful information in compliance with the law and proper business practice.

⁶ By way of example, it is forbidden to give or promise money, gifts or remuneration in any form whatsoever, or services, benefits or favours of any kind whatsoever to managers, officers or employees of the third party entity, or to their relatives, cohabitants or intermediaries, as well as to exert unlawful pressure on the aforesaid persons for the purpose of influencing their independence of judgement within the scope of any relationship established with them.

⁷ Without prejudice to internal provisions, including those of the Group, concerning the management of gifts.

Specific control protocols

Omissis

RESEARCH AND DEVELOPMENT OF NEW PRODUCTS AND TECHNOLOGICAL SOLUTIONS

Description

This refers to activities related to the research, development and design of products, solutions, technologies and the registration and management of DAE industrial property rights (*i.e.* patents, trademarks, designs, models, software, *etc.*).

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Counterfeiting of money, public credit paper, revenue stamps and identification instruments or signs - Art. 25 bis of Leg. Dec. no. 231/2001	
Counterfeiting, alteration or use of distinguishing marks or patents, models and drawings (Art. 473 of the Criminal Code) Introducing into the State and marketing products with false marks (Art. 474 of the Criminal Code)	Counterfeiting or alteration of distinctive trademarks/signs or patents, industrial designs, domestic or foreign, or use of counterfeited or altered trademarks/signs or patents, industrial designs or models. Introducing into the territory of the State for the purpose of obtaining profit, or selling in Italy or abroad, or possessing for the purpose of sale, industrial products with counterfeit or altered trademarks or other distinctive marks, whether national or foreign, in order to obtain profit.
Offences against commerce and industry - Art. 25 bis.1 of Leg. Dec. no. 231/2001	
Manufacture and sale of goods made by usurping industrial property rights (Art. 517 ter of the Criminal Code)	Manufacture and industrial use of goods made by usurping/violating an industrial property right.
Organised crime offences - Art. 24 ter of Leg. Dec. no. 231/2001	
Criminal conspiracy, including mafia-type (Articles 416 and 416 bis of the Criminal Code)	Commission of the offences identified above in association with third parties (<i>i.e.</i> other Group companies).
Offences related to copyright infringement - Art. 25 novies of Leg. Dec. no. 231/2001	
Offences involving copyright infringement (Law no. 633 of 22 April 1941)	Designing and developing products, solutions, technologies in breach of intellectual property laws (<i>i.e.</i> registered programs or software).

Process Managers

Omissis

General principles of conduct

In managing the process under consideration, DAE:

- ensures that research, development and design activities for new products and solutions, also carried out in cooperation with the competent Group Structures/Functions, are conducted in a correct, transparent and traceable manner, in compliance with applicable laws and regulations and with the industrial and intellectual property rights of third parties;

- condemns all possible forms of fraud and counterfeiting as well as the disruption of free competition, imposing a prohibition of:
 - unlawfully reproducing, imitating, tampering with trademarks, distinctive marks, images, sounds, patents, industrial designs or models owned by third parties or using the business secrets of others;
 - make use, in an industrial context, of trademarks, distinctive marks, patents, images, sounds, industrial designs or models counterfeited or altered by third parties;
 - engage in conduct aimed at hindering the normal operation of the economic and commercial activities of competing companies.

Specific control protocols

Omissis

IMPORT / EXPORT

MANAGEMENT OF IMPORT AND EXPORT ACTIVITIES

Description

These are the activities through which the import and export of material (goods and products) inherent to the DAE production cycle are managed.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Article 24 Legislative Decree no. 231/2001	
Fraud against the State, other public body or the European Union (Article 640 par. 2, no. 1 of the Criminal Code)	Producing false documentation or information in order to obtain licences/authorisations for the benefit or in the interest of DAE to the detriment of a national or European public body.
Computer fraud against the State or other public body (Article 640 <i>ter</i> of the Criminal Code)	Alteration, in any way whatsoever, of the operation of a computer or data transmission system of the P.A./other public body or access without right and in any manner whatsoever to data/information or software contained in the public computer or data transmission system, procuring an unfair benefit for the Company against the State/Public Entity/European Union.
Organised crime offences - Art. 24 <i>ter</i> of Leg. Dec. no. 231/2001	
Criminal conspiracy, including mafia-type (Articles 416 and 416 <i>bis</i> of the Criminal Code)	Collaboration with untrustworthy businesspeople at risk of organised crime.
Illegal manufacture, introduction into the State, offering for sale, sale, possession and carrying in a public place or a place open to the public war or warlike weapons or parts thereof, explosives, illegal weapons and more common firearms with the exception of those provided for in Article 2, par. 3, of Law 18 April 1975, no. 110 (Art. 407, par. 2, subpar. A), no. 5, of the Code of Criminal Procedure)	Production, possession, transfer without authorisation or in breach of the regulations in force, of weapon components.
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	
Bribery (Art. 318 et seq. of the Criminal Code)	Bribing a public official or a person in charge of a public service, whether Italian or foreign, by offering or promising money or other benefits in order to obtain an advantage for the Company.
Trafficking in unlawful influence (Art. 346 <i>bis</i> of the Criminal Code)	Giving undue money or other benefits to a third party "intermediary" as the price of their unlawful mediation with a public official or a person in charge of a public service, aimed at obtaining an advantage or favour for the Company.
Abuse of office (Art. 323 of the Criminal Code)	Conspiracy to commit abuse of office perpetrated by a public party in the interest or to the advantage of the Company and to the detriment of the financial interests of the European Union.
Offences against commerce and industry - Art. 25 <i>bis1</i> of Leg. Dec. no. 231/2001	

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
<p>Fraud against national industries (Art. 514 of the Criminal Code)</p> <p>Fraudulent trading (Art. 515 of the Criminal Code)</p> <p>Sale of industrial products with false marks (Art. 517 of the Criminal Code)</p> <p>Manufacture and sale of goods made by usurping industrial property rights (Art. 517 <i>ter</i>, par. 2, of the Criminal Code)</p>	<p>Sale or putting into circulation, also in conjunction with Group companies, of industrial products with counterfeit or altered names, brands or distinctive marks or such as to mislead the buyer as to the origin, source or quality of the product.</p> <p>Production or use of materials made by usurping an industrial property title.</p>
<p>Corporate offences - Art. 25 <i>ter</i> of Leg. Dec. no. 231/2001</p>	
<p>Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 <i>bis</i> of the Civil Code)</p>	<p>Giving or promising to give money or other benefits to a private counterparty (<i>i.e.</i> freight forwarder, customs agent) in order to unduly obtain favours for the Company in the context of import/export activities, in breach of the applicable legislation.</p>
<p>Offences for purposes of terrorism - Art. 25 <i>quater</i> of Leg. Dec. no. 231/2001</p>	
<p>Subversive conspiracies (Art. 270 of the Criminal Code)</p> <p>Criminal conspiracies for the purposes of terrorism or subversion of democratic order (Art. 270 <i>bis</i> of the Criminal Code)</p> <p>Assistance to the conspirators (Art. 270 <i>ter</i> of the Criminal Code)</p> <p>Financing of conduct with terrorist aims (Law no. 153/2016, Article 270 <i>quinquies</i>.1 of the Criminal Code)</p>	<p>Promoting or subsidising potential conspiracies for the purposes of terrorism, including international terrorism, or subversion of the democratic order.</p>
<p>Receiving, laundering and using money, goods or benefits of illicit origin and self-laundering - Art. 25 <i>octies</i> of Leg. Dec. no. 231/2001</p>	
<p>Receiving stolen goods (Art. 648 of the Criminal Code)</p> <p>Money laundering (Art. 648 <i>bis</i> of the Criminal Code)</p> <p>Use of money, goods or benefits of illegal origin (Art. 648 <i>ter</i> of the Criminal Code)</p> <p>Self-laundering (Art. 648 <i>ter</i> 1 of the Criminal Code)</p>	<p>Establishment of relationships with untrustworthy counterparties at risk of money laundering.</p> <p>Acquiring, receiving, transferring, using in business activities such as production, materials of unlawful origin, also in conjunction with other Group companies.</p>
<p>Tax offences - Art. 25 <i>quinquiesdecies</i> of Leg. Dec. no. 231/2001</p>	
<p>Fraudulent declarations (Articles 2 and 3 of Leg. Dec. no. 74/2000)</p>	<p>Fictitious imports/exports of products (because, in whole or in part, they never took place or took place for amounts other than those declared) and use of the relevant accounting documents in periodic declarations.</p>
<p>Smuggling - Art. 25 <i>sexiesdecies</i> of Leg. Dec. no. 231/2001</p>	

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
<p>Smuggling in the movement of goods across land borders and customs areas (Art. 282 of Presidential Decree no. 43/1973)</p> <p>Smuggling in the maritime movement of goods (Art. 284 of Presidential Decree no. 43/1973)</p> <p>Smuggling in the movement of goods by air (Art. 285 of Presidential Decree no. 43/19)</p> <p>Smuggling for undue use of goods imported with customs rate reductions (Art. 287 of Presidential Decree no. 43/1973)</p> <p>Smuggling in customs warehouses (Art. 288 of Presidential Decree no. 43/1973)</p> <p>Smuggling in the export of goods eligible for duty drawback (Art. 290 of Presidential Decree no. 43/1973)</p> <p>Smuggling on temporary import or export (Art. 291 of Presidential Decree no. 43/1973)</p> <p>Other cases of smuggling (Art. 292 of Presidential Decree no. 43/1973)</p>	<p>Removal of foreign goods of non-EU origin from the customs control system and, therefore, from the collection of border duties due by law, when moving by land, sea or air.</p> <p>Giving, in whole or in part, to foreign goods imported free of import duties and with a reduction of border duties, a destination or use other than that for which the relief or reduction was granted.</p> <p>Use of privately owned bonded warehouse in which foreign goods are held for which the prescribed declaration of introduction has not been made or which are not entered in the warehouse registers.</p> <p>Use of fraudulent means for the purpose of obtaining undue restitution of duties established for the import of raw materials used in the manufacture of domestic goods that are exported.</p> <p>Temporary import or export operations or in re-export and re-import operations, in order to evade the payment of customs duties that would be due, goods are subjected to artificial handling or other fraudulent means are used.</p>

Process Managers

Omissis

General principles of conduct

In managing this process, DAE ensures:

- compliance with applicable international, EU and national regulations, Group and internal policies/procedures adopted, of all import and export activities of materials and products manufactured, including those of a dual use⁸ nature, and that they are carried out with the necessary authorisations/licences;
- that relations with public entities⁹ are inspired by the principles of transparency, honesty and fairness, or by the principles and values of the company's *Code of Ethics* as well as by the obligations and prohibitions as understood and defined in the Special Section of the *Model* concerning relations with the Public Administration;
- the identification of persons entrusted with dealing with the customs authorities and the definition of roles and responsibilities in relation to the management of import and export operations and the consequent customs and warehouse activities, also with reference to qualified third parties to which they may be contractually entrusted, as well as the provision of specific control activities (hierarchical controls and audits on third parties' activities);

⁸ As well as materials/goods that are particularly "sensitive" within the meaning of applicable EU Regulations, subject to authorisations or other constraints.

⁹ In particular: customs, ministerial and tax offices. Please note that the Company is a regular exporter and has AEO certification.

- the identification and mapping of purchases and sales made with non-EU parties, as well as the main terms of contract (INCOTERMS) used;
- appropriate means of access to the information systems used in the aforementioned processes, by assigning unique credentials only to persons authorised under internal rules, according to appropriate profiling processes;
- the archiving of relevant documentation, in order to ensure the identification and reconstruction of the processes supporting the required communications/statements.

The Recipients of this *Model* in various capacities involved in the process under consideration must:

- act in compliance with the powers of representation and signature, within the scope of the conferred delegations/powers;
- behave correctly and transparently, in compliance with internal and Group company procedures;
- refrain from conduct that may constitute breaches of national, EU and international import and export regulations.

Specific control protocols

Omissis

PURCHASING CYCLE

PURCHASES OF SERVICES, WORKS AND SUPPLIES

Description

These are the activities involved in the process of procurement of materials, goods, services, contracts and consultancy of DAE.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Article 24 of Leg. Dec. no. 231/2001	
Misappropriation of public grants (Art. 316 bis of the Criminal Code)	Diversion of public Grants, lawfully obtained, from the purpose for which it is intended in the contractual management phase (<i>i.e.</i> for the purchase of goods, services, works or supplies other than those intended in the grant phase).
Fraud against the State other Public Body or the European Union (Art. 640, par. 2, no. 1 of the Criminal Code)	Fraudulent conduct aimed at misleading the public Customer in order to obtain an undue advantage (<i>i.e.</i> purchase of an unnecessary service or of an altered scale instrumental to the improper reporting to the Customer).
Aggravated fraud to obtain public grants (Art. 640 bis of the Criminal Code)	Fraudulent conduct aimed at obtaining greater public grants by showing needs exceeding actual needs (<i>i.e.</i> simulating, even partially, the purchase of materials, goods or services).
Fraud in public supply (Art. 356 of the Criminal Code)	Fraud in the performance of contracts with Public Procurers, in collaboration with suppliers, through the purchase of goods/services that do not correspond to what was agreed.
Organised crime offences - Art. 24 ter of Leg. Dec. no. 231/2001	
Criminal conspiracy, including mafia-type (Articles 416 and 416 bis of the Criminal Code)	Collaboration with untrustworthy businesspeople at risk of organised crime.
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	
Bribery (Articles 318 et seq. and 322 bis of the Criminal Code) and Trafficking in unlawful influence (Art. 346 bis of the Criminal Code)	Selection of an operator directly or indirectly connected to or indicated by a public official, including a foreign one. Purchases or consultancies for amounts exceeding the actual amounts, instrumental in the creation of provisions (<i>i.e.</i> "slush funds") to be used for the purposes of bribing public entities or remunerating the unlawful mediation of one of their intermediaries.
Undue inducement to give or promise benefits (Art. 319 quater of the Criminal Code)	Inducement by a public official of a person reporting to DAE to unduly give or promise money or other benefits, in return for the promise of an undue advantage.
Corporate offences - Art. 25 ter of Leg. Dec. no. 231/2001	
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 bis of the Civil Code)	Granting mandates to businesspeople linked to or favoured by private business counterparties in order to obtain improper advantages. Purchases or consultancies for amounts exceeding the actual amounts instrumental in the creation of provisions (<i>i.e.</i> "slush funds") to be used for bribery purposes.
False corporate reporting (Article 2621 and 2621 bis Civil Code)	Use of altered purchases or invoices (<i>i.e.</i> for services not performed) in order to alter accounting data.
Offences against individuals - Art. 25 quinquies of Leg. Dec. no. 231/2001	

Illicit brokering and exploitation of labour (Art. 603 bis of the Criminal Code)	Conspiracy with businesspeople in the event that they carry out their activities (<i>i.e.</i> for the processing of goods, control and maintenance of the company's plant and machinery, etc.) by exploiting labour by taking advantage of the workers' state of need.
Receiving, laundering, using money, goods or benefits of illicit origin and self-laundering - Art. 25 octies of Leg. Dec. no. 231/2001	
Receiving stolen goods (Art. 648 of the Criminal Code) Money laundering (Art. 648 bis of the Criminal Code) Use of money, goods or benefits of illegal origin (Art. 648 ter of the Criminal Code) Self-laundering (Art. 648 ter.1 of the Criminal Code)	Purchase, receipt, concealment of materials of unlawful origin (<i>i.e.</i> raw materials) of unlawful origin, which could then be sold to third parties by concealing their criminal nature (<i>i.e.</i> processed raw materials and finished product sold to third parties). Substitution or transfer of money, goods or other benefits of unlawful origin or carrying out transactions in connection therewith in such a way as to obstruct the identification of their unlawful origin. Re-investment in economic or financial activities of its own money, goods or other utilities or those of third parties with which the Company has a business relationship, of unlawful origin. Collaboration with untrustworthy businesspeople at risk of money laundering or third parties with whom the Company has a business relationship.
Offences related to copyright infringement - Art. 25 novies of Leg. Dec. no. 231/2001	
Offences involving copyright infringement	Purchase of material in breach of industrial/intellectual property laws (<i>i.e.</i> registered programs or software).
Employment of third-country nationals without a regular residence permit - Art. 25 duodecies of Leg. Dec. no. 231/2001	
Employment of third-country nationals without a regular residence permit (Art. 22, par. 12 bis, of Leg. Dec. no. 286/1998)	Establishment of relations with businesspeople who employ, in our country, foreign labour without a regular residence permit, with the aggravating circumstances provided for by law.
Tax offences - Art. 25 quinquiesdecies of Leg. Dec. no. 231/2001	
Fraudulent declarations (Articles 2 and 3 of Leg. Dec. no. 74/2000)	Purchases of works, services and supplies that are objectively fictitious (because, in whole or in part, they never took place or took place for amounts exceeding the actual amounts) or subjectively fictitious (because with fictitious counterparties).
Issuance of invoices or other documents for non-existent transactions (Art. 8 of Leg. Dec. no. 74/2000)	Aiding and abetting the supplier in receiving fictitious invoices or other documents for non-existent transactions in order to enable the supplier to evade income tax or value added tax.

Process Managers

Omissis

General principles of conduct

In managing the process under consideration, DAE reaffirms scrupulous compliance with the law¹⁰ and with the principles and rules of conduct set out in the corporate *Code of Ethics* and, in particular:

- prohibits those who act in the name and on behalf of the Company from carrying out activities, directly, indirectly or through intermediaries, in any form whatsoever, that have the effect of unlawfully influencing third parties, including private parties, and that do not find adequate justification in the existing contractual relationship or in relation to the type of assignment to be performed. Therefore, it is not permitted to give or promise money, gifts, favours or

¹⁰ In particular, to protect instruments or signs of authentication, certification or recognition, to protect industry and trade, copyright, and to protect human rights, workers and the environment. In any case, any conduct that may constitute or be linked to fraud (including against the State, other public bodies, or the European Union), criminal conspiracy, money laundering, the use of money, goods or benefits of unlawful origin or self-laundering is prohibited, since it is totally unrelated to the spirit of the Company.

remuneration, in any form whatsoever, or to exert unlawful pressure, to representatives of third parties, public or private, including foreign ones, or to their acquaintances, relatives or cohabitants, for the purpose of influencing their independence of judgement;

- prohibits the engagement of consultancies without guaranteeing their congruity, adequacy and documentability and without the Company's actual and objective needs; under no circumstances may the conferment of a collaboration/consultancy engagement or the selection of a third party be motivated or conditioned by any improper advantage that the Company may receive;
- requires it to ensure transparency, objectivity and traceability in the selection of suppliers (of materials, goods, services, consultancy and procurement) it uses in doing business.

Specific control protocols

Omissis

PROPERTY MANAGEMENT

Description

These are the activities through which contracts for the purchase, sale and lease of real estate are managed.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Article 24 of Leg. Dec. no. 231/2001	
Aggravated fraud against the State, other public body or the European Union (Art. 640, par. 2, no. 1 of the Criminal Code)	Engaging in conduct likely to mislead the public counterparty in order to obtain advantageous terms in negotiations.
Organised crime offences - Article 24 ter of Leg. Dec. no. 231/2001	
Criminal conspiracy, including mafia-type (Articles 416 and 416 bis of the Criminal Code)	Establishment of relations with untrustworthy counterparties at risk of belonging to mafia or criminal conspiracies.
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	
Bribery and Trafficking in illicit influences (Articles 318 et seq. and 346 bis of the Criminal Code)	Management of real estate assets as a means of carrying out corrupt acts, where economic advantages are granted or transferred to public entities, or to entities connected to them, in exchange for favours for the Company. Acquisition or rental of real estate on altered economic terms, in order to constitute the "slush fund" to pay public entities in exchange for favourable treatment for the Company.
Corporate offences - Art. 25 ter of Leg. Dec. no. 231/2001	
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 bis of the Civil Code)	Passive leasing of real estate, even at prices above market value, as an illicit giveaway to compensate private parties in exchange for favourable treatment for DAE. Unlawful negotiation with private counterparties for the purpose of obtaining advantageous terms for the Company in commercial negotiations.
Offences for purposes of terrorism - Art. 25 quater of Leg. Dec. no. 231/2001	
Subversive conspiracies (Art. 270 of the Criminal Code) Criminal conspiracies for the purposes of terrorism or subversion of democratic order	Promoting or subsidising potential associations for the purposes of terrorism or subversion of the democratic order.

<p>(Art. 270 <i>bis</i> of the Criminal Code)</p> <p>Assistance to the conspirators (Art. 270 <i>ter</i> of the Criminal Code)</p>	
<p>Receiving, laundering and using money, goods or benefits of illicit origin and self-laundering - Art. 25 <i>octies</i> of Leg. Dec. no. 231/2001</p>	
<p>Receiving stolen goods (Art. 648 <i>bis</i> of the Criminal Code)</p> <p>Money laundering (Art. 648 <i>bis</i> of the Criminal Code)</p> <p>Use of money, goods or benefits of illegal origin (Art. 648 <i>ter</i> of the Criminal Code)</p> <p>Self-laundering (Art. 648 <i>ter</i>1 of the Criminal Code)</p>	<p>Acquisition or rental on altered economic terms, for example at a price higher than the real value of the property in order to get money out of DAE with the aim of concealing its real provenance.</p> <p>Establishment of relationships with untrustworthy counterparties at risk of money laundering.</p>
<p>Tax offences - Art. 25 <i>quinquiesdecies</i> of Leg. Dec. no. 231/2001</p>	
<p>Fraudulent declarations (Articles 2 and 3 of Leg. Dec. no. 74/2000)</p> <p>Issuance of invoices for non-existent transactions (Art. 8 of Legislative Decree no. 74/2000)</p> <p>Fraudulent evasion of taxes (Art. 11, par. 1, of Legislative Decree no. 74/2000)</p>	<p>Accounting for invoices relating to simulated purchases/sales/leases or those made at a higher/lower price than that actually incurred in order to declare fictitious liabilities/assets.</p> <p>Issuance of invoices for the simulated sale/rental of a company property in order to allow third parties to evade taxes.</p> <p>Simulated disposals of real estate or other artifices that do not permit the reconstruction of the Company's income or turnover.</p>

Process Managers

Omissis

General principles of conduct

In managing the process under consideration, DAE¹¹:

- requires that relations of a commercial nature with third parties of a public or private nature, concerning rights in rem and enjoyment, lease or purchase/sale of real estate of the same, be conducted in compliance with the rules of conduct expressed in the *Code of Ethics* and in this document in relation to relations with counterparties of a public and private nature;
- requires that only persons who have been formally authorised to do so¹² may enter into such relations in the name and on behalf of the Company.

Specific control protocols

Omissis

¹¹ Where external commercial intermediaries/consultants are used, the relevant partnership, collaboration or mandate contracts must contain specific termination clauses in the event of breach of the principles of the DAE *Code of Ethics* and *Model*.

¹² With specific power of attorney or organisational arrangement for internal persons, or with a specific clause in the collaboration or consultancy or partnership contract for other specified persons.

PERSONNEL MANAGEMENT

PERSONNEL SELECTION AND RECRUITMENT, AND COLLABORATION APPOINTMENTS

Description

This involves the recruitment and selection of personnel, both permanent and fixed-term, employees, temporary workers and interns.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Article 24 of Leg. Dec. no. 231/2001	
Fraud against the State, other public body or the European Union (Art. 640, par. 2, no. 1 of the Criminal Code)	False certificates concerning the employment of personnel belonging to protected categories, produced to the competent Administrations (<i>i.e.</i> INAIL).
Offences against the P.A. - Art. 25	
Bribery and Trafficking in illicit influences (Articles 318 et seq. and 346 <i>bis</i> of the Criminal Code)	Improper or arbitrary/subjective selection of candidates close to or connected with public entities or their intermediaries, in order to obtain an undue advantage for the Company. Payment of remuneration manifestly different from company standards or market values in favour of persons close to or connected with the Public Administration or their intermediaries.
Corporate offences - Art. 25 <i>ter</i> of Leg. Dec. no. 231/2001	
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 <i>bis</i> of the Civil Code)	Improper or arbitrary/subjective selection of candidates close to or connected to private counterparties in order to obtain an undue advantage. Payment of remuneration manifestly deviating from company standards or market values in favour of persons close to or connected with private counterparties.
Receiving, laundering and using money, goods or benefits of illicit origin and self-laundering - Art. 25 <i>octies</i> of Leg. Dec. no. 231/2001	
Receiving stolen goods (Art. 648 of the Criminal Code) Money laundering (Art. 648 <i>bis</i> of the Criminal Code) Use of money, goods or benefits of illegal origin (Art. 648 <i>ter</i> of the Criminal Code) Self-laundering (Art. 648 <i>ter</i> 1 of the Criminal Code)	Payment of remuneration that manifestly differs from the <i>company and regulatory reference standards</i> or from market values, in order to conceal or reuse money from unlawful activities.
Employment of third-country nationals without a regular residence permit - Art. 25 <i>duodecies</i> of Leg. Dec. no. 231/2001	
Employment of third-country nationals without a regular residence permit (Art. 22, par. 12 <i>bis</i>, of Leg. Dec. no. 286/98)	Employment of foreign workers who do not have a residence permit, or whose permit has expired and not been renewed within the legal deadlines, or has been revoked or cancelled.
Offences against individual freedom - Art. 25 <i>quinquies</i> of Leg. Dec. no. 231/2001	
Illicit brokering and exploitation of labour (Art. 603 <i>bis</i> of the Criminal Code)	Bargaining with one or more workers in need, in order to enter into a contract, including an employment or other type of contract, with guarantees, protections and remuneration lower than those provided for in the Collective Bargaining Agreements for the sector. Recruitment of personnel, either directly or through third parties, by exploiting them.
Tax offences - Art. 25 <i>quinquiesdecies</i> of Leg. Dec. no. 231/2001	
Fraudulent declarations (Articles 2 and 3 of Leg. Dec. no. 74/2000)	Collaboration that is objectively fictitious because, in whole or in part, it never took place or took place for amounts exceeding the actual amounts, or subjectively fictitious because it is with fictitious counterparties.

Process Managers

Omissis

General principles of conduct

In managing the process under consideration, DAE:

- ensures compliance with the applicable provisions on employment, with particular reference to the regulation of equal opportunities between men and women in employment and child labour, the protection of protected categories¹³ and immigration of foreign nationals;
- imposes a ban on:
 - o recognising remuneration to employees and external associates that is not adequately justified in relation to the type of position/assignment to be performed and market values;
 - o facilitating or preventing the employment of persons in breach of internal procedures, in such a way as to influence the independence of judgement of the Public Administration or private entities or to induce such persons to secure advantages for themselves, for third parties and/or for the Company;
- adopts internal procedures that guarantee uniformity of conduct for all those involved in the selection and management processes of DAE resources, inspired by and respecting the principles of transparency, publicity, impartiality and recognition of merit;
- works to ensure that the resources acquired (personnel or external associates) correspond to the profiles actually required for the needs requested, avoiding favouritism and facilitations of any kind;
- requires its Personnel to be honest, loyal, capable, professional, serious, technically capable and dedicated, and to share and absolutely respect the principles of conduct set out in the *Code of Ethics* and the *Model*;
- is committed to creating a working environment that guarantees conditions that respect personal dignity and in which the characteristics of individuals cannot give rise to discrimination or conditioning¹⁴;
- prohibits the establishment of relations with persons suspected of working in the orbit of criminal conspiracies or groups, or with persons who are reluctant to provide all the information necessary for transparent knowledge of their professional background.

Specific control protocols

Omissis

MANAGEMENT OF PERSONNEL, ATTENDANCE AND WORK TRIPS

Description

These are the activities involved in the process of managing personnel, attendance, and DAE personnel work trips.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
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¹³ In this regard, compliance with the legal requirements relating to authorisations for **facilitated hiring** is ensured, in accordance with the control measures established with reference to the Macro Area *Relations with the Public Administration*, ensuring, in particular, diligence and professionalism in the preparation of the relevant documentation, in order to provide the competent public bodies with clear, complete and truthful information.

¹⁴ Respect for the protection of personal data with regard to information pertaining to the private sphere and opinions of each individual.

Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	
Bribery (Art. 318 et seq. of the Criminal Code) Trafficking in unlawful influence (Art. 346 bis of the Criminal Code)	Unnecessary, unjustified work trips instrumental to the creation of provisions (<i>i.e.</i> slush funds) to be used for bribery purposes or remuneration of an illicit intermediation. Allocation of employee remuneration in return for work which has not been performed, or undue allocation of allowances and bonuses in order to attribute an unfair monetary advantage to persons previously identified, linked to or favoured by the Public Administration or its intermediaries.
Corporate offences - Art. 25 ter of Leg. Dec. no. 231/2001	
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 bis of the Civil Code)	Unnecessary, unjustified work trips instrumental to the creation of provisions (<i>i.e.</i> slush funds) to be used for bribery purposes. Undue allocation of allowances and surcharges for the purpose of conferring an unfair monetary advantage on persons previously identified, favoured by or linked to private counterparties.
False corporate reporting (Articles 2621 and 2621 bis Civil Code)	Alteration of the process of accounting for personnel costs or reporting of expenses incurred for travel (failure to verify or incorrect verification of expenses incurred and the relevant supporting documents) aimed at altering administrative accounting data.
Offences against individuals - Art. 25 quinquies of Leg. Dec. no. 231/2001	
Illicit brokering and exploitation of labour (Art. 603 bis of the Criminal Code)	Employment of personnel in exploitative conditions or breach of regulations in relation to: <ul style="list-style-type: none"> - working hours, e.g. by continuing to work beyond what is stipulated in the company's policy; - the minimum rest periods, including weekly, provided for each task; - holidays, e.g. by not allowing minimum periods, as well as compulsory leave.
Tax offences - Art. 25 quinquiesdecies of Leg. Dec. no. 231/2001	
Fraudulent declarations (Articles 2 and 3 of Leg. Dec. no. 74/2000)	Alteration of payroll by charging costs that were not actually incurred, in order to be able to record fictitious liabilities and evade income tax (e.g. by indicating higher wages than those actually paid; higher hours worked than those actually worked; reimbursement and deduction of expenses that were not or not fully incurred).

Process Managers

Omissis

General principles of conduct

In managing the process under consideration, DAE:

- undertakes to respect and to ensure that its Employees, Suppliers, Associates and Partners comply with applicable labour legislation;
- repudiates any form of exploitation of Personnel and breach of the individual and contractual rights of its employees and associates, as well as of third parties working with it.

Specific control protocols

Omissis

DEVELOPMENT AND INCENTIVISATION OF RESOURCES

Description

These are the evaluation and incentive activities of DAE's human resources, at all levels.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	
Bribery (Art. 318 et seq. of the Criminal Code) Trafficking in unlawful influence (Art. 346 bis of the Criminal Code)	Use of a reward system, incentivising the commission of bribery offences. Erroneous, non-objective personnel development and incentive model, instrumental in granting favours to persons close to or connected to the public administration or an intermediary thereof. Allocation of rewards and incentives for the purpose of constituting a financial supply to be used for bribery purposes or remuneration of unlawful intermediation.
Corporate offences - Art. 25 ter of Leg. Dec. no. 231/2001	
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 bis of the Civil Code)	Use of a reward system, incentivising the commission of bribery offences. Erroneous, non-objective personnel development and incentive model, instrumental in granting favours to parties close to or connected to private counterparts. Allocation of rewards and incentives in order to build up a financial supply to be used for bribery purposes.

Process Managers

Omissis

General principles of conduct

In managing the process under consideration, DAE:

- enhances and develops its resources in compliance with merit and transparency criteria, with a view to the growth of the organisation and the achievement of corporate objectives in line with the Group's values, guidelines and competency model;
- ensures transparency and impartiality in the process of evaluation and professional development of resources, at all levels;
- ensures that the career development and incentive systems adopted are objective and commensurate with *individual and/or company performance* and compliance with corporate principles and values.

Specific control protocols

Omissis

TRAINING

Description

These are personnel training activities aimed at raising awareness and professional growth, in a life-long learning perspective of the organisation.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences related to copyright infringement - Art. 25 novies of Leg. Dec. no. 231/2001	
Copyright infringement offences (Articles 171 ter, 171)	Use of teaching materials in breach of copyright.

Process Managers

Omissis

Specific control protocols

Omissis

ADMINISTRATION, FINANCE AND CONTROL

BUDGETING, FORECASTING AND REPORTING

Description

These are activities related to the definition of the periodic budget, forecasts and related reporting.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Corporate offences - Art. 25 ter of Leg. Dec. no. 231/2001	
Obstruction of audits (Art. 2625 of the Civil Code)	Hindering or obstructing the performance of control activities legally attributed to shareholders or other corporate bodies by concealing documents or by other suitable artifices (<i>i.e.</i> falsification of data or documents).

Process Managers

Omissis

Specific control protocols

Omissis

ACCOUNTING MANAGEMENT AND BUDGETING

Description

These are the activities of recording, classifying and controlling all management events with an administrative, financial and economic impact, also for the purpose of preparing the financial statements.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Corporate offences - Art. 25 ter of Leg. Dec. no. 231/2001	
False corporate reporting (Article 2621 and 2621 bis of the Civil Code)	Misstatement or omission of material facts in the financial statements whose disclosure is required by law.
Obstruction of audits (Art. 2625 of the Civil Code)	Hindering or obstructing the performance of control activities legally attributed to shareholders or other corporate bodies by concealing documents or by other suitable artifices (<i>i.e.</i> falsification of data or documents).
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 bis of the Civil Code)	Bribery of representatives of the auditing firm in order to obtain undue acts (issuance/renewal of certifications in the absence of the requisites, <i>etc.</i>).
Receiving, laundering and using money, goods or benefits of illicit origin and self-laundering - Art. 25 octies of Leg. Dec. no. 231/2001	
Self-laundering (Art. 648 ter1 of the Criminal Code)	Misrepresentation in accounting records instrumental to the alteration/fraudulent periodic declaration of applicable taxes.
Tax offences - Art. 25 quinquiesdecies of Leg. Dec. no. 231/2001	

Fraudulent declarations (Articles 2 and 3 of Leg. Dec. no. 74/2000)	Recording of invoices or other accounting documents that are untrue or created from scratch by complacent third parties in favour of the Company, certifying non-existent transactions, in order to pre-establish costs aimed at reducing taxable income and thus evading income tax or value added tax.
False tax transaction (Art. 11, par. 2 of Legislative Decree no. 74/2000)	Altered write-downs of receivables, preliminary to the recording of fictitious liabilities in the balance sheet.
Concealment or destruction of accounting documents (Art. 10 of Legislative Decree No. 74/2000)	Destruction or concealment of accounting records or documents required to be kept, so that income or turnover cannot be reconstructed and tax evaded.
Fraudulent evasion of taxes (Art. 11, par. 1, of Legislative Decree no. 74/2000) False tax transaction (Art. 11, par. 2 of Legislative Decree no. 74/2000)	Use in the accounts of documents relating to simulated or fraudulent transactions carried out in order to evade the company's assets from the compulsory collection procedure or to render it ineffective in whole or in part. Use in accounts of fictitious assets or liabilities presented for the purposes of the tax settlement procedure.

Process managers

Omissis

General principles of conduct

In managing the process under consideration, DAE:

- ensures transparency, truthfulness and traceability in the conduct of activities relating to keeping accounts and preparing financial statements in compliance with applicable regulations, accounting principles and provisions, including internal provisions¹⁵;
- requires the *Directors, the Managing Director, Administration, Finance and Control, Accounting and Financial Reporting* as well as the involved and competent Structures to ensure:
 - o in all activities necessary to the preparation of accounting and corporate documents/communications¹⁶, the utmost cooperation in providing true, correct and complete information on the Company's economic, equity and financial situation¹⁷;
 - o the smooth functioning of the corporate bodies, ensuring and facilitating all forms of control of the company management provided by law and the free and correct implementation of the shareholders' will;
- it also prohibits:
 - o representing or transmitting for processing and representation in financial statements, reports or other communications, data that are false, incomplete or in any case do not correspond to reality, or omit data and information required by law on the economic and financial situation of the Company;
 - o engaging in conduct that materially impedes, through the concealment of documents or the use of other fraudulent means, control activities, or which, in any case, is an obstacle to the control or auditing activities by the persons appointed for that purpose.

¹⁵ Also in accordance with the *standards/policies* of the *Parent Company* on the subject.

¹⁶ Including the balance sheet and other financial reports for the period.

¹⁷ Ensuring, in this respect, also the provision of information/training activities to the Structure Managers involved in the creation and management of administrative/accounting data.

Specific control protocols

Omissis

MANAGEMENT OF CURRENT ACCOUNTS, RECEIPTS AND PAYMENTS

Description

These are activities related to the management of the Company's current accounts and treasury operations.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Article 24 of Leg. Dec. no. 231/2001	
Fraud against the State, other public body or the European Union (Art. 640, par. 2, no. 1 of the Criminal Code)	Improper or altered invoicing or submission of false documentation to the Public Administration.
Fraud in public supply (Art. 356 of the Criminal Code)	Invoicing of services, in whole or in part, deviating from the agreed characteristics in the context of contractual relations with the P.A./Public Procurers.
Organised crime offences - Article 24 ter of Leg. Dec. no. 231/2001	
Criminal conspiracy, including mafia-type (Articles 416 and 416 bis of the Criminal Code)	Establishment of purchase/sale relationships with untrustworthy counterparties at risk of organised crime. Conspiracy to engage in unlawful activities through the non-collection of services actually rendered in order to facilitate a criminal association. Improper payment, not due, altered, not supported by due certification, instrumental to strengthening or facilitating a criminal association, including a mafia-type association.
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	
Bribery (Art. 318 et seq. of the Criminal Code) Trafficking in unlawful influence (Art. 346 bis of the Criminal Code)	Failure to invoice a service instrumental to the exchange of favours with public persons or persons connected to them. Use of cash for bribery purposes or remuneration for the illicit mediation by an intermediary. Improper payment, not due, altered, not supported by due certification, instrumental to the granting of benefits to persons close to the Public Administration or to the creation of provisions (<i>i.e.</i> "slush funds") to be used for bribery purposes.
Corporate offences - Art. 25 ter of Leg. Dec. no. 231/2001	
Bribery between private individuals and incitement to bribery between private individuals (Articles 2635 and 2635 bis of the Civil Code)	Failure to invoice a service, instrumental to the exchange of favours with private persons. Improper payment, not due, altered, not supported by due certification, instrumental to the provision of benefits to commercial counterparties of a private nature or to the creation of provisions (<i>i.e.</i> slush funds) to be used for bribery purposes. Use of cash for bribery purposes.
False corporate reporting (Art. 2621 and 2621 bis of the Civil Code)	Recording of fictitious or altered purchase invoices for the purpose of altering accounting data. Failure to invoice a service, instrumental to the exchange of favours with private persons.
Receiving, laundering and using money, goods or benefits of illicit origin and self-laundering - Art. 25 octies of Leg. Dec. no. 231/2001	
Receiving stolen goods (Art. 648 of the Criminal Code) Money laundering (Art. 648 bis of the Criminal Code) Use of money, goods or benefits of illegal origin (Art. 648 ter of the Criminal Code)	Fictitious or altered invoicing in order to receive money of illicit origin for money laundering purposes. Undue, altered, unsubstantiated, or not corresponding to the relevant receipts, collection of money of unlawful origin. Establishment of sales relationships with untrustworthy counterparties at risk of money laundering. Use of cash for money laundering purposes.

Self-laundering (Art. 648 <i>ter</i>1 of the Criminal Code)	Carrying out unlawful transactions using the Company's current accounts.
Offences concerning non-cash payment instruments - Art. 25 <i>octies</i>1 of Leg. Dec. no. 231/2001	
Aggravated computer fraud (Art. 640 <i>ter</i>, paragraph 2, of the Criminal Code)	Computer fraud carried out by altering the functioning of a computer/data transmission system or by abusing data, information or programs contained in or pertaining to such systems, so as to produce a transfer of money, monetary value or virtual currency.
Misuse and counterfeiting of non-cash means of payment (Art. 493 <i>ter</i> of the Criminal Code), as well as any other offence against public faith and property	Misuse of credit or payment cards, or any other similar document enabling the withdrawal of cash or the purchase of goods or the provision of services, or any other non-cash means of payment. Or the falsification or alteration of such instruments or possession of payment orders produced with them. Or the commission of offences against public faith or offending against property, when they relate to non-cash payment instruments.
Tax offences - Art. 25 <i>quinquiesdecies</i> of Leg. Dec. no. 231/2001	
Fraudulent declarations (Articles 2 and 3 of Leg. Dec. no. 74/2000)	Accounting and payment/collection of fictitious or altered invoices, subjectively or objectively, instrumental to the alteration of administrative/accounting data or tax evasion. Altered invoicing for the purpose of under-reporting assets and, as a result, evading taxes or altering accounting data.
Issuance of invoices for non-existent transactions (Art. 8 of Legislative Decree no. 74/2000)	Issuing invoices or other documents for objectively or subjectively non-existent transactions, in whole or in part, in order to allow third parties to evade income or value added tax.

Process Managers

Omissis

General principles of conduct

In managing the process under consideration, DAE:

- ensures compliance with all applicable legal obligations concerning the execution of payments/collections and financial transactions and, in particular, the traceability of transactions carried out (as to amount, sender, recipient and reason);
- ensures the completeness, accuracy and validity of the records of payments and treasury operations, as well as of the documentation to be transmitted to banking institutions, signed by the competent attorneys;
- does not allow cash transactions except in the case of petty cash payments, which are permitted for petty expenses of a predefined, pre-established maximum amount, subject to legal limits;
- prohibits making money transfers between current accounts that are not adequately justified by business transactions, and making payments for services that have not actually been rendered or supplied.

Specific control protocols

Omissis

MANAGEMENT OF RECEIVABLES

Description

These are activities related to the ordinary management process of DAE's receivables.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	
Bribery (Art. 318 et seq. of the Criminal Code) Trafficking in unlawful influence (Art. 346 bis of the Criminal Code)	Failure to manage or improper management of receivables owed to the Company or failure to identify, monitor, solicit, enforce recovery from persons belonging to the Public Administration or linked to/favoured by the Public Administration. Settlement agreement for the creation of provisions (<i>i.e.</i> slush funds) to be used for bribery purposes or remuneration of an illicit intermediation.
Organised crime offences - Article 24 ter of Leg. Dec. no. 231/2001	
Criminal conspiracy, including mafia-type (Articles 416 and 416 bis of the Criminal Code)	Cancellation or reduction of receivables claimed from persons at risk of organised crime.
Corporate offences - Art. 25 ter of Leg. Dec. no. 231/2001	
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 bis of the Civil Code)	Failure or improper handling of DAE receivables claimed from private commercial counterparties. Settlement agreement aimed at creating funds (<i>i.e.</i> slush funds) to be used for bribery purposes.
False corporate reporting (Art. 2621 and 2621 bis Civil Code)	Creation of receivables other than real ones also for the purpose of altering accounting data.
Receiving, laundering and using money, goods or benefits of illicit origin and self-laundering - Art. 25 octies of Leg. Dec. no. 231/2001	
Receiving stolen goods (Art. 648 of the Criminal Code) Money laundering (Art. 648 bis of the Criminal Code) Use of money, goods or benefits of illegal origin (Art. 648 ter of the Criminal Code) Self-laundering (Art. 648 ter1 of the Criminal Code)	Acknowledgement of non-existent claims in order to reuse sums of money from unlawful acts.

Process Managers

Omissis

Specific control protocols

Omissis

MANAGEMENT OF FINANCIAL OPERATIONS

Description

These are activities related to the management of investment transactions in securities by DAE.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	

Bribery and Trafficking in Illicit Influences (Articles 318 et seq. and 346 bis of the Criminal Code)	Financial transactions such as the exchange of favours with counterparties close to or connected to persons in the public administration or an intermediary.
Corporate offences - Art. 25 ter of Leg. Dec. no. 231/2001	
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 bis of the Civil Code)	Financial transactions such as the exchange of favours with counterparties close to or connected to third parties of a private nature.
False corporate reporting (Article 2621 and 2621 bis Civil Code)	Improper or fictitious transactions aimed at altering accounting data.
Receiving, laundering and using money, goods or benefits of illicit origin and self-laundering - Art. 25 octies of Leg. Dec. no. 231/2001	
Receiving stolen goods (Art. 648 of the Criminal Code)	Establishment of relationships with suspicious, unaccredited lending institutions or financial intermediaries at risk of money laundering. Carrying out illicit transactions on current accounts. Financial, insurance, investment transactions with an untrustworthy counterparty in order to re-invest money from illegal activities.
Money laundering (Art. 648 bis of the Criminal Code)	
Use of money, goods or benefits of illegal origin (Art. 648 ter of the Criminal Code)	
Self-laundering (Art. 648 ter1 of the Criminal Code)	

Process Managers

Omissis

Specific control protocols

Omissis

MANAGEMENT OF TAX ASPECTS

Description

These are activities related to the management of the tax aspects of DAE.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Receiving, laundering and using money, goods or benefits of illicit origin and self-laundering - Art. 25 octies of Leg. Dec. no. 231/2001	
Self-laundering (Art. 648 ter1 of the Criminal Code)	Incorrect, fraudulent or omitted declaration, concerning taxes applicable to the Company. Failure to pay taxes (certified withholding tax, value added tax, etc.) within the time limits and in the manner prescribed by the applicable legislation.
Tax offences - Art. 25 quinquiesdecies of Leg. Dec. no. 231/2001	
Fraudulent declarations (Articles 2 and 3 of Leg. Dec. no. 74/2000)	Submitting fraudulent income or value-added tax returns using invoices for non-existent transactions or other false documents.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
False declaration (Art. 4 of Legislative Decree no. 74/2000)	Submission of false declarations, indicating lower than actual receivables or non-existent liabilities, in order to evade value added tax, as part of cross-border fraudulent schemes.
Omitted declaration (Art. 5 of Legislative Decree no. 74/2000)	Failure to submit declarations in order to evade value added tax as part of cross-border fraudulent schemes.
Undue offsetting (Art. 10 <i>quater</i> Legislative Decree no. 74/2000)	Non-payment of value added tax by using non-existent or undue credits as offset in cross-border fraud schemes.
False tax transaction (Art. 11, par. 2 of Legislative Decree no. 74/2000)	Production of false documents in tax transactions.
Smuggling - Art. 25 <i>sexiesdecies</i> of Leg. Dec. no. 231/2001	
Smuggling (Art. 282 et seq. TULD/Consolidated Customs Code)	Failure to fulfil tax/customs obligations arising from foreign transactions, in order to evade the customs control system, established for the assessment and the collection of customs duties.

Process Managers

Omissis

Specific control protocols

Omissis

MEETINGS OF THE BOARD OF DIRECTORS AND THE SHAREHOLDERS' MEETING

Description

These are activities in support of board meetings and shareholders' meetings and the proper management of corporate governance.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Corporate offences - Art. 25 ter of Leg. Dec. no. 231/2001	
False corporate reporting (Art. 2621 and 2621 bis of the Civil Code)	Knowingly presenting untrue material facts in the financial statements or omitting material facts whose disclosure is required by law.
Obstruction of audits (Art. 2625 of the Civil Code)	Obstructing, by concealing documents or other suitable devices, the performance of control activities legally attributed to shareholders or other corporate bodies.
Unlawful return of contributions (Art. 2626 of the Civil Code)	Transactions involving the unlawful return of contributions to shareholders or the release of shareholders from the obligation to make contributions.
Illegal distribution of profits and reserves (Art. 2627 of the Civil Code)	Allocation of profits and reserves improperly or not in accordance with applicable law.
Illegal transactions involving shares or investments in the company or the parent company (Art. 2628 of the Civil Code)	Acquisition of shares or subscriptions to shares issued by the parent company, by the Director, outside the cases permitted by law, causing an impairment of the share capital or reserves that cannot be distributed by law.
Transactions prejudicial to creditors (Art. 2629 of the Civil Code)	Unlawful reductions in share capital, mergers or demergers such as to cause damage to creditors' creditors.
Fictitious capital formation (Art. 2632 of the Civil Code)	Fictitious increase of the share capital by allocating shares in excess of the amount of the share capital.
Undue influence over the Shareholders' Meeting (Art. 2636 of the Civil Code)	Fraudulent acts, at the shareholders' meeting, determining the majority at the Shareholders' Meeting for the purpose of obtaining an unfair profit.
Stock price manipulation (Art. 2637 of the Civil Code)	Deliberation of false/altered news or simulated transactions concretely likely to cause a significant alteration in the price of securities; carrying out or causing to be carried out transactions, directly or indirectly, on securities using inside information.
Market Abuse offences - Art. 25 sexies of Leg. Dec. no. 231/2001	
Abuse or illegal communication of inside information. Recommending or inducing others to commit insider dealing (Art. 184 TUF/Consolidated Finance Code no. 58/1998) Market manipulation (Art. 185 of TUF/Consolidated Finance Code no. 58/1998)	Carrying out transactions, directly or indirectly, with securities using inside information. Dissemination of false/misleading news or simulated transactions concretely likely to cause a significant alteration in the price of securities. Deliberation of altered/untrue news subsequently disclosed to the market.

Tax offences - Art. 25 *quinquiesdecies* of Leg. Dec. no. 231/2001

Fraudulent evasion of taxes (Art. 11, par. 1, of Legislative Decree no. 74/2000)

Simulated or fraudulent transactions carried out in order to render ineffective, in whole or in part, a compulsory collection procedure.

Process manager

Omissis

General principles of conduct

In managing the process under consideration, DAE:

- ensures that the formation and implementation of the decisions of the *Directors* and *Shareholders* comply with the principles and requirements contained in the applicable laws, the Articles of Association, the *Code of Ethics*, the *Model* and other governance regulations adopted by the Company;
- imposes on the *Directors*, the *Board of Statutory Auditors* and all persons involved in the process under consideration, the prohibition to engage in acts or facts that may unlawfully result in the majority at the shareholders' meeting¹⁸.

Specific control protocols

Omissis

EXTRAORDINARY OPERATIONS

Description

This refers to activities related to the management of transactions of an extraordinary nature (*i.e.* constitutions, acquisitions, equity investments and divestments, mergers, demergers, investments and the establishment of Partnerships/Joint Ventures).

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	
Bribery (Art. 318 et seq. of the Criminal Code) Trafficking in unlawful influence (Art. 346 <i>bis</i> of the Criminal Code)	Omitted/incorrect valuation of an investment, instrumental to the creation of provisions (<i>i.e.</i> slush funds) to be used for bribery purposes or remuneration of an illicit mediation.
Corporate offences - Art. 25 <i>ter</i> of Leg. Dec. no. 231/2001	
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 <i>bis</i> of the Civil Code)	Active bribery in order to obtain transactions for the benefit of the Company.
False corporate reporting (Art. 2621 and 2621 <i>bis</i> Civil Code)	Omitted/incorrect valuation of an investment, instrumental to the alteration of accounting data or tax evasion.

¹⁸ For instance, by vitiating the regularity of the call, admission, speaking, voting and minuting, or by omitting or communicating misleading information that may fraudulently vitiate the company's will.

Transactions prejudicial to creditors (Art. 2629 of the Civil Code)	Illegal transactions such as to cause damage to the Company's creditors.
False or omitted declarations for the issuance of the preliminary certificate (Art. 54 of Legislative Decree no. 19/2023)	Creation of false documents in whole or in part, alteration of true documents, false statements or omission of relevant information in order to make it appear that the conditions are met for the issuance of the preliminary certificate in cross-border merger operations.
Organised crime offences - Article 24 <i>ter</i> of Leg. Dec. no. 231/2001	
Criminal conspiracy, including mafia-type (Articles 416 and 416 <i>bis</i> of the Criminal Code)	Extraordinary transactions with an unreliable counterparty, at risk of organised crime.
Receiving, laundering and using money, goods or benefits of illicit origin and self-laundering - Art. 25 <i>octies</i> of Leg. Dec. no. 231/2001	
Money laundering (Art. 648 <i>bis</i> of the Criminal Code) Self-laundering (Art. 648 <i>ter</i> 1 of the Criminal Code)	Participation or aiding and abetting in unlawful activities, source of laundered financial resources.
Tax offences - Art. 25 <i>quinqüesdecies</i> of Leg. Dec. no. 231/2001	
Fraudulent evasion of taxes (Art. 11, par. 1, of Legislative Decree no. 74/2000)	Simulated or fraudulent transactions of an extraordinary nature carried out in order to render ineffective, in whole or in part, a compulsory collection procedure.

Process manager

Omissis

Specific control protocols

Omissis

INTERCOMPANY TRANSACTIONS

Description

These are activities relating to the management of Intercompany relations, i.e. relations of an economic and financial nature between DAE and its subsidiaries and/or associates and/or companies belonging to the Daikin Group (such as transactions for the sale of goods and services¹⁹, the purchase of raw materials/components, licences for patents and intellectual property²⁰ and other minor transactions).

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	

¹⁹ For these, please refer to the provisions of the Macro Area *Contracts and Agreements with Public and Private Bodies*.

²⁰ More precisely, the Company pays a royalty to Daikin Applied America Inc. for the exploitation of patents and intellectual works owned by the latter.

Bribery (Art. 318 et seq. of the Criminal Code)	Altered valuation of intercompany transactions, instrumental in the creation of provisions (<i>i.e.</i> "slush funds") to be used for bribery purposes.
Trafficking in unlawful influence (Art. 346 <i>bis</i> of the Criminal Code)	Use of affiliated or subsidiary companies as intermediaries in order to bribe a representative of the Public Administration, whether Italian or foreign, in the interest of DAE, by promising or giving money or benefits through intercompany agreements. Negotiation of intercompany contracts for the benefit of DAE in order to remunerate it for its illegal mediation activities.
Receiving, laundering and using money, goods or benefits of illicit origin and self-laundering - Art. 25 <i>octies</i> of Leg. Dec. no. 231/2001	
Money laundering (Art. 648 <i>bis</i> of the Criminal Code) Use of money, goods or benefits of illegal origin (Art. 648 <i>ter</i> of the Criminal Code) Self-laundering (Art. 648 <i>ter</i> 1 of the Criminal Code)	Conclusion of fictitious contracts/agreements, offsetting of assets and liabilities, disproportionate to the services rendered or the amounts invoiced, instrumental to the alteration of accounting records or tax evasion. Conclusion of contracts/agreements instrumental to the concealment of money of illicit origin.
Organised crime offences - Article 24 <i>ter</i> of Leg. Dec. no. 231/2001	
Criminal conspiracy, including mafia-type conspiracy (Articles 416 and 416 <i>bis</i> of the Criminal Code)	Commission of offences provided for in Legislative Decree no. 231/2001 in association with other Group companies, subsidiaries or associates.
Corporate offences - Art. 25 <i>ter</i> of Leg. Dec. no. 231/2001	
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 <i>bis</i> of the Civil Code)	Altered valuation of intercompany economic/financial transactions, instrumental in the creation of provisions (<i>i.e.</i> "slush funds") to be used for bribery purposes.
Tax offences - Art. 25 <i>quinquiesdecies</i> of Leg. Dec. no. 231/2001	
Fraudulent declarations (Articles 2 and 3 of Leg. Dec. no. 74/2000)	Conclusion of intercompany agreements/contracts/conventions on economic terms that do not correspond to the actual ones, in order to evade income tax or value added tax.
Issuance of invoices for non-existent transactions (Art. 8 of Legislative Decree no. 74/2000)	Conclusion of fictitious contracts/conventions, preliminary to the issuance of invoices for non-existent transactions.
Fraudulent evasion of taxes (Art. 11, par. 1, of Legislative Decree no. 74/2000)	Transactions between DAE and subsidiaries/associates or companies belonging to the Group, with the aim of removing Company assets from the enforcement procedure.

Process Managers

Omissis

Specific control protocols

Omissis

LEGAL

LITIGATION MANAGEMENT

Description

This involves the management of in-court and out-of-court litigation (*i.e.* civil, tax, labour, administrative, criminal), both active and passive, at all levels of judgement.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	
Bribery (Art. 318 et seq. of the Criminal Code)	Alteration of the outcome of a dispute in order to create a provision (<i>i.e.</i> slush funds) to be used for bribery purposes.
Corruption in judicial acts (Art. 319 <i>ter</i> of the Criminal Code)	Giving or promising money or other benefits in order to induce a public official or a person in charge of a public service to favour DAE in the context of litigation. Bribery, including in judicial proceedings, in order to give false testimony in criminal proceedings.
Trafficking in unlawful influence (Art. 346 <i>bis</i> of the Criminal Code)	Alteration of the outcome of a dispute in order to create a provision (<i>i.e.</i> slush funds) to be used for the remuneration of an intermediary towards the Public Administration.
Corporate offences - Art. 25 <i>ter</i> of Leg. Dec. no. 231/2001	
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 <i>bis</i> of the Civil Code)	Offering or promising to offer money or other benefits to a person related to the private party in order to obtain advantages in the management of litigation strategies. Alteration of the outcome of a dispute in order to create a provision (<i>i.e.</i> slush funds) to be used for bribery purposes or to facilitate the counterparty as being linked to or favoured by third parties of a private nature.
False corporate reporting (Art. 2621 and 2621 <i>bis</i> Civil Code)	False transactions or falsification of the results of a process in order to create receivables or payables different from the real ones, also instrumental in altering accounting data.
Receiving, laundering and using money, goods or benefits of illicit origin and self-laundering - Art. 25 <i>octies</i> of Leg. Dec. no. 231/2001	
Receiving stolen goods (Art. 648 of the Criminal Code) Money laundering (Art. 648 <i>bis</i> of the Criminal Code) Use of money, goods or benefits of illegal origin (Art. 648 <i>ter</i> of the Criminal Code) Self-laundering (Art. 648 <i>ter</i>1 of the Criminal Code)	Altering the outcome of a dispute in order to transfer money of criminal origin.
Inducement to not make statements or to make false statements to the Court - Art. 25 <i>decies</i> of Leg. Dec. no. 231/2001	
Inducement to not make statements or to make false statements to the Court (Art. 377 <i>bis</i> of the Criminal Code)	Inducement to not make statements or to make false statements to the Court in criminal prosecutions.
Tax offences - Art. 25 <i>quinquiesdecies</i> of Leg. Dec. no. 231/2001	
Fraudulent declarations (Articles 2 and 3 of Leg. Dec. no. 74/2000)	Simulated litigation in order to alter accounting data and evade taxes.

Process Managers

Omissis

General principles of conduct

In managing the process under review, the Company:

- ensures transparency, objectivity and traceability in the management of in-court and out-of-court disputes involving the Company, both on the active and passive sides;
- prohibits conduct contrary to the law and to the *Code of Ethics* in formal and informal meetings, including through external lawyers/advisors, to induce judges or members of arbitration panels (including court-appointed assistants and experts), or their intermediaries, to unduly favour the interests of the Company, as well as to induce anyone, by means of violence or threats or by the offer or promise of money or other benefits, not to make statements or to make false statements to the Court in order to favour the interests of DAE or to otherwise gain an advantage for the same;
- requires anyone who, in connection with a dispute involving DAE, receives requests, explicit or implicit, for benefits of any kind from third parties (public or private), or undue pressure aimed at influencing the content of statements made or to be made to the Court²¹ or inducing them where permitted by law, to make use of the right to refuse to answer, to firmly reject any request, to immediately suspend any relationship with them, and to promptly inform their hierarchical superior and *Legal*;
- requires the concerned Personnel to promptly inform *Legal* about any summonses, appeals or other acts, including those relating to litigation against the Company.

Specific control protocols

Omissis

²¹ In particular, if a director, manager or employee of DAE is called upon - in the capacity of suspect/defendant, person informed on the facts/witness or assisted witness/defendant in proceedings - to make statements before the Court concerning activities connected to company management and administration, they are required to maintain the utmost confidentiality with regard to the statements made and their subject matter, if the same are covered by investigative secrecy.

COMMUNICATION

EXTERNAL COMMUNICATION

Description

These are DAE's external communication activities, including through the web channel (*i.e.* company website, social media, *etc.*) and the press.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences against commerce and industry Art. 25 bis¹of Leg. Dec. no. 231/2001	
Obstruction of industry and commerce (Art. 513 of the Criminal Code)	Dissemination of news and comments on the activity of a competitor, likely to bring it into disrepute, including for the purpose of disrupting or preventing an industrial or commercial activity.
Corporate offences Art. 25-ter 231/2001	
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 bis of the Civil Code)	Bribing a private counterparty, directing communications and news disseminated through mass media in its favour, in order to obtain advantages for DAE.
Offences related to copyright infringement - Art. 25 novies of Leg. Dec. no. 231/2001	
Offences related to copyright infringement (Articles 171 ter, 171 septies and 171 octies of Law no. 633/1941)	Use of material for the website or for press releases in breach of copyright. Unauthorised reproduction, transmission, dissemination in public, in the context of the activity of devising and performing advertising messages, of another person's intellectual property, or of musical or video pieces without prior payment of the charges due to the SIAE.

Process manager

Omissis

General principles of conduct

In managing the process under consideration, DAE:

- ensures fairness, transparency and traceability in the management of the external communication process, through the web and press channels, also in accordance with the Group's policies and in compliance with applicable laws and regulations, in particular on copyright protection;
- adopts consistent and transparent communication policies, aimed at fostering a clear and unambiguous image of the Company and the Group to the outside world;
- guarantees the completeness, accuracy and truthfulness of all information and data published or otherwise disseminated, directly or indirectly, by the Company and/or to be transmitted to the mass media;
- formally identifies the persons authorised to make official statements on behalf of the Company;
- prohibits all Recipients of the *Model* from spreading false or misleading news, concerning the Company and its products and/or third parties, and information capable of causing reputational and/or economic damage to the Company.

Specific control protocols

Omissis

EVENTS, SPONSORSHIPS AND DONATIONS

Description

These are the activities through which DAE plans, designs and implements its own events and sponsors those proposed by third parties (even when displaying the Daikin brand free of charge), as well as donations.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Organised crime offences - Article 24 <i>ter</i> of Leg. Dec. no. 231/2001	
Conspiracy, including mafia-type conspiracy (Articles 416 and 416 <i>bis</i> of the Criminal Code)	Establishment of relations, facilitation or participation in businesses with untrustworthy suppliers at risk of belonging to criminal or mafia-type conspiracies.
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	
Bribery (Art. 318 <i>et seq.</i> of the Criminal Code)	Events/sponsorships, instrumental in the creation of provisions (<i>i.e.</i> "slush funds") to be used for bribery purposes, <i>i.e.</i> organised in favour of persons/entities linked to, indicated or favoured by public authorities. Making donations to public entities for bribery purposes. Possible granting of media visibility at internal events (with external relevance) for bribery purposes.
Trafficking in unlawful influence (Art. 346 <i>bis</i> of the Criminal Code)	Sponsorship activities of persons/entities linked to or favoured by public entities or their intermediaries. Donations to intermediaries to public entities to remunerate their illicit mediation.
Corporate offences - Art. 25 <i>ter</i> of Leg. Dec. no. 231/2001	
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 <i>bis</i> of the Civil Code)	Events and sponsorships instrumental to the creation of provisions (<i>i.e.</i> "slush funds") to be used for bribery purposes, <i>i.e.</i> in favour of persons/entities linked to or favoured by private counterparties. Possible granting of media visibility at internal events (with external relevance) for bribery purposes.
False corporate reporting (Art. 2621 and 2621 <i>bis</i> Civil Code)	False or altered sponsorships in order to alter accounting data.
Receiving, laundering and using money, goods or benefits of illicit origin and self-laundering - Art. 25 <i>octies</i> of Leg. Dec. no. 231/2001	
Receiving stolen goods (Art. 648 of the Criminal Code)	False or altered sponsorship of events with the purpose of reusing money from the commission of a crime.
Money laundering (Art. 648 <i>bis</i> of the Criminal Code)	Establishment of relations, facilitation or participation in businesses, with untrustworthy suppliers, at risk of money laundering.
Use of money, goods or benefits of illegal origin (Art. 648 <i>ter</i> of the Criminal Code)	Unnecessary or altered transaction instrumental to the replacement or transfer of criminal money.
Self-laundering (Art. 648 <i>ter</i> 1 of the Criminal Code)	
Copyright infringement offences - Art. 25 <i>novies</i> of Leg. Dec. no. 231/2001	
Copyright infringement offences (Articles 171, 171 <i>bis</i>, 171 <i>ter</i> of Law no. 633/1941)	Entering into agreements to disseminate the works of third parties in breach of copyright law.

Tax offences - Art. 25 quinquiesdecies of Leg. Dec. no. 231/2001

Fraudulent declarations (Articles 2 and 3 of Leg. Dec. no. 74/2000)	Fictitious or altered events/sponsorships/donations in order to evade income and value-added taxes.
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Process manager

Omissis

General principles of conduct

In managing the process under consideration, DAE:

- ensures fairness, transparency and traceability in the management of the design and implementation of communication events, ceremonies, promotional campaigns and sponsorships, in compliance with applicable regulatory obligations and the Group's values and procedures/policies in force;
- imposes a prohibition on all those who work on behalf of the Company, directly, indirectly or through intermediaries, to carry out activities, in any form whatsoever, that have the effect of unlawfully influencing third parties;
- bans events and sponsorships:
 - o suggested or recommended by public officials, partners, suppliers and customers to secure or facilitate the maintenance or obtaining of a contract/agreement or any advantage;
 - o that could generate a conflict of interest or the mere perception of a conflict of interest;
 - o involving unusual or impermissible transactions (*i.e.* payments in cash, to third parties other than the beneficiaries, to anonymous current accounts or to accounts located in countries other than that of the beneficiary).

Specific control protocols

Omissis

GIFTS, HOSPITALITY AND ENTERTAINMENT EXPENSES

Description

These are activities relating to the management of gifts, given or received, and hospitality and representation expenses.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Organised crime offences - Article 24 ter Legislative Decree no. 231/2001	
Conspiracy, including mafia-type conspiracy (Articles 416 and 416 bis of the Criminal Code)	Establishment of relations, facilitation or participation in businesses with untrustworthy suppliers at risk of belonging to mafia-type or criminal conspiracies.
Offences against the P.A. - Art. 25 of Leg. Dec. no. 231/2001	
Bribery and Trafficking in Illicit Influences (Articles 318 et seq.)	Gifts or hospitality expenses in favour of public entities or their intermediaries, for bribery purposes or as remuneration for unlawful mediation.

and 346 bis of the Criminal Code)	Misuse of entertainment expenses for bribery purposes or to create provisions (<i>i.e.</i> "slush funds") to be used for bribery purposes or to remunerate the illicit mediation of an intermediary.
Corporate offences - Art. 25 ter of Leg. Dec. no. 231/2001	
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 bis of the Civil Code)	Bribery of private individuals through the provision of gifts/hospitality. Misuse of entertainment expenses for bribery purposes or to create provisions (<i>i.e.</i> "slush funds") to be used for bribery purposes.
False corporate reporting (Art. 2621 and 2621 bis Civil Code)	Exposure, within the balance sheet items, of hospitality/representation expenses not actually incurred in order to obtain benefits or undue advantages for the Company.
Receiving, laundering and using money, goods or benefits of illicit origin and self-laundering - Art. 25 octies of Leg. Dec. no. 231/2001	
Receiving stolen goods (Art. 648 of the Criminal Code) Money laundering (Art. 648 bis of the Criminal Code) Use of money, goods or benefits of illegal origin (Art. 648 ter of the Criminal Code) Self-laundering (Art. 648 ter 1 of the Criminal Code)	False or altered hospitality/representation expenses aimed at reusing money from the commission of an offence. Establishment of relations, facilitation or participation in businesses, with untrustworthy suppliers, at risk of money laundering.
Tax offences - Art. 25 quinquiesdecies of Leg. Dec. no. 231/2001	
Fraudulent declarations (Articles 2 and 3 of Leg. Dec. no. 74/2000)	Use of fictitious entertainment/hospitality expenses or gifts in order to evade income tax and value added tax.

Process manager

Omissis

General principles of conduct

In managing the process under consideration, DAE:

- ensures that activities related to the management of gifts/hospitality and entertainment expenses are conducted in a transparent and documentable manner, in compliance with the rules of conduct defined in the *Code of Ethics* and in the DAE and Group procedures/policies
- imposes a ban on:
 - giving, directly, indirectly or through an intermediary, any form of gift or hospitality to public officials, whether Italian or foreign, as well as to customers, suppliers, partners, or to their relatives or intermediaries, which may influence their discretion or independence of judgement or induce them to secure any advantage for DAE²²;
 - receive directly, indirectly or through intermediaries gifts, gratuities, benefits of any kind which may, even potentially, influence their discretion or independence of judgement in the exercise of the functions assigned to the Structure to which they belong;
 - offering gifts or presents in cash or easily convertible into money.

Specific control protocols

²² In particular, gifts and forms of hospitality during a competitive bid are prohibited.



Omissis

ASSET MANAGEMENT

MANAGEMENT AND USE OF DAE ASSETS

Description

This is the inventory and management of DAE's assets (*i.e.* mobile telephony, ICT devices hardware and software, machinery, cars, technical equipment, *etc.*).

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Organised crime offences - Article 24 ter of Leg. Dec. no. 231/2001	
Criminal conspiracy, including mafia-type (Articles 416 and 416 bis of the Criminal Code)	Illegal lending or giving of assets, materials and equipment of the Company to persons at risk of organised crime.
Offences against the P.A. - Article 25 of Leg. Dec. no. 231/2001	
Bribery and Trafficking in Illicit Influences (Articles 318 et seq. and 346 bis of the Criminal Code)	Contribution of goods, materials and equipment to public entities or entities related to them, in order to obtain interests or advantages for the Company.
Corporate offences - Art. 25 ter of Leg. Dec. no. 231/2001	
Bribery between private individuals and Incitement to bribery between private individuals (Articles 2635 and 2635 bis of the Civil Code)	Contribution of goods, materials and equipment to private entities, in order to obtain interests or advantages for the Company.
Offences for purposes of terrorism - Art. 25 quater of Leg. Dec. no. 231/2001	
Subversive conspiracies (Art. 270 of the Criminal Code) Criminal conspiracies for the purposes of terrorism or subversion of democratic order (Art. 270 bis of the Criminal Code) Assistance to the conspirators (Art. 270 ter of the Criminal Code)	Subsidising potential conspiracies for the purposes of terrorism or subversion of the democratic order.

Process manager

Omissis

Specific control protocols

Omissis

INFORMATION SYSTEMS

INFORMATION SYSTEMS MANAGEMENT

Description

These are activities related to the management of DAE's information systems and, in particular, IT risks.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Offences to the detriment of the P.A. - Article 24 and Offences relating to non-cash payment instruments - Art. 25 <i>ociets.1</i> of Leg. Dec. no. 231/2001	
Computer fraud against the State or other public body (Art. 640 <i>ter</i>, par. 1, of the Criminal Code)	Altering, in any way whatsoever, the operation of a computer or data transmission system or intervening without right and in any manner whatsoever in data/information/programs, contained in a computer or data transmission system, procuring an unfair profit for the Company against the State or other public body.
Aggravated computer fraud (Art. 640 <i>ter</i>, paragraph 2, of the Criminal Code)	Altering conduct or intervention as outlined above that produces a transfer of money, monetary value or virtual currency.
Computer crimes and illegal processing of data - Art. 24 <i>bis</i> of Leg. Dec. no. 231/2001	
Forgery of computer documents (Art. 491 <i>bis</i> of the Criminal Code)	Forgery of a public electronic document with evidentiary effect (<i>i.e.</i> alteration of digital signature, false certification on public electronic documents).
Unauthorised access to a computer or data transmission system (Art. 615 <i>ter</i> of the Criminal Code)	Unauthorised access to a computer or data transmission system protected by security measures. Illegal access or permanence (<i>i.e.</i> against the express or tacit will of the person having the right to exclude) in a computer or data transmission system, instrumental for instance in the commission of fraud or acts of unfair competition, or in the acquisition of information contained in third-party databases.
Illegal possession and circulation of access codes to computer or data transmission systems (Art. 615 <i>quater</i> of the Criminal Code)	Possession, production/reproduction, dissemination, communication or delivery or installation of apparatus or parts thereof, tools, codes, passwords or other means of access to a computer or data transmission system protected by security measures, or in any event the provision of directions or instructions suitable for that purpose.
Distribution of equipment, devices or programs aimed at damaging or interrupting a computer or data transmission system (Art. 615 <i>quinquies</i> of the Criminal Code)	Unauthorised possession, production, reproduction, importation, dissemination, communication, delivery or otherwise making available to others or installation of computer equipment, devices or programs (<i>i.e.</i> a harmful software/so-called virus) for the purpose of unlawfully damaging a computer or data transmission system, the information, data or programs contained therein or pertaining thereto, or of promoting the total or partial interruption or alteration of its operation.
Intercepting, impeding or interrupting computer or electronic communications (Art. 617 <i>quater</i> of the Criminal Code)	Fraudulent interception of communications relating to a computer/data transmission system or between several systems or hindering or interrupting such communications or revealing, in whole or in part, the content of such communications.
Unauthorised possession, dissemination and installation of equipment and other means of intercepting, impeding or interrupting computer or data transmission communications (Art. 617 <i>quinquies</i> of the Criminal Code)	Unauthorised possession, dissemination and installation of equipment, programs, codes, passwords or other means of intercepting, preventing or interrupting communications relating to a computer or data transmission system or between several systems.

Damage to information, data and programs (Art. 635 bis of the Criminal Code)	Destruction, deterioration, deletion, alteration and suppression of information, data and programs of others in the interest or to the advantage of the Company.
Damage to information, data and programs used by the State or other public body, or otherwise providing public services (Art. 635 ter of the Criminal Code)	Commission of an act aimed at destroying, deteriorating, deleting, altering or suppressing information, data or computer programs used by the State or another public body or pertaining to it, or in any event of public utility.
Damage to computer or data transmission systems (Art. 635 quater of the Criminal Code) Damage to computer or data transmission systems providing public services (Art. 635 quinquies of the Criminal Code)	Destruction, damage or conduct rendering wholly or partly unusable computer or data transmission systems of public utility, or seriously obstructing their operation, by destroying, deteriorating, deleting, altering or suppressing information, data or computer programs or by introducing or transmitting them into the system.
Offences against individuals - Art. 25 quinquies of Leg. Dec. no. 231/2001	
Child pornography (Art. 600 ter of the Criminal Code) Possession of or access to pornographic material (Art. 600 quater of the Criminal Code) Virtual pornography (Art. 600 quater.1 of the Criminal Code)	Possession, disclosure, dissemination, also by data transmission means, of child pornographic material, also consisting of virtual images, or access thereto, intentionally and without justified reason, through computer channels.
Copyright infringement offences - Art. 25 novies of Leg. Dec. no. 231/2001	
Offences related to copyright infringement (Articles 171, 171 bis, 171 ter, 171 septies and 171 octies of Law no. 633/1941)	Making available to the public, by access to a computer network system, by means of connections of any kind, a protected intellectual work, or part of it. Unauthorised duplication, distribution, possession of computer programs (software), literary, scientific, musical and multimedia works covered by copyright, or possession, distribution of programs contained in media not marked by SIAE or also of apparatus for decoding audio-visual transmissions with conditional access.

Process manager

Omissis

General principles of conduct

The Company requires DAE users to:

- refrain from engaging in conduct aimed at committing the computer crimes referred to in Legislative Decree 231/2001;
- use company and assigned IT tools in compliance with company procedures and exclusively for the performance of their work;
- carefully guarding company computer resources used for the performance of work activities.

The Company also prohibits DAE users:

- access to computer systems for which one does not have the relevant authorisation;
- damage to or destroying information, data, programs and computer systems of others or of the Public Administration;
- illegal possession and circulation of access codes to computer or data transmission systems;

- intercepting, impeding or interrupting computer or electronic communications;
- installation, use, duplication or dissemination of software without holding the appropriate licence or exceeding the rights allowed by the licence purchased, or literary, scientific, musical and multimedia works covered by copyright without the appropriate authorisation;
- access to restricted areas (*i.e.* server rooms, technical rooms, etc.) without appropriate authorisation;
- consulting and browsing illegal or otherwise unauthorised websites;
- modifying standard company software and hardware configurations and, in general, to circumvent the security rules imposed on company tools.

The Company, taking into account its organisational size and the important diffusion within it of IT tools and data, ensures that all Recipients of the *Model* observe the security parameters of the company's IT assets, according to:

- the Daikin Group's IT security guidelines;
- the procedures and regulations adopted by the Company, in compliance with the Group's guidelines and reference best practices (*i.e.* ISO 27001)²³;
- to the extent relevant, the Group and Company guidelines, procedures and regulations on data protection²⁴.

Information Systems guarantees:

- the implementation of an information security organisation aimed at defining roles and responsibilities in corporate risk management, in accordance with the Group's guidelines on the subject;
- that communication and training programmes are periodically promoted to improve the company's level of awareness of the security of information systems and information and, in particular, that the personnel considered most exposed to the risk of offences being committed are always adequately trained;
- the analysis and treatment of IT risk, management and operational monitoring of security controls, both within the Company and at external parties (*i.e.* vendors, outsourcers);
- the classification of data and assets, for the protection of the company's IT assets, according to the level of criticality and relevance to the business, also with reference to any websites and web services managed by the Company;
- to identify users for the use of DAE IT and data transmission resources (employees, associates, including temporary associates, consultants or service providers) by controlling the user's authentication, authorisation and monitoring activities in such a way that they only have access to the information and resources associated with their task;
- to make access to corporate information systems conditional on the use of secure passwords and, where necessary for the type of data processed and information security (particularly for access by users with administrative privileges), use multi-factor authentication mechanisms and/or encryption processes;
- to implement, in order to safeguard the confidentiality, integrity and availability of information, technical and organisational measures for the prevention of damage, loss, theft and compromise of the company's IT assets, also guaranteeing the continuity of the systems and the timely restoration of their operability in the event of a disaster;



- that computer media and software are used in compliance with copyright law;
- that the company's IT equipment is used in compliance with the law to protect the individual and the assets of others;
- that all IT business activities are always tracked and appropriately documented (*i.e.* recording of logs, asset logs, management logs, etc.) with the periodic review of the relevant logs;
- to use, where necessary, the support of suppliers qualified to the highest standards of quality and safety.

Specific control protocols

Omissis

SAFETY AND ENVIRONMENT

SAFETY AT WORK

Description

Activities aimed at protecting the occupational health and safety of DAE personnel and persons falling within the Company's area of responsibility.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Safety at Work offences - Art. 25 septies of Leg. Dec. no. 231/2001	
Manslaughter and serious or grievous bodily harm committed in violation of accident protection and occupational health and safety regulations (Articles 589 and 590 of the Criminal Code)	Violation of the rules on accident prevention and on the protection of hygiene and health at work, in the interest or to the advantage of DAE, resulting in the death or serious or very serious injury of a person of the Company. "Accident-prevention and occupational hygiene and health protection regulations" means not only the regulations included in the laws specifically relating to accident prevention, but also all those which, directly or indirectly, pursue the aim of preventing accidents at work or occupational diseases and which, in general, tend to ensure the safety of work in relation to the environment in which it is to take place.

Process Managers

Omissis

Organisational structure and delegation system in the field of safety in the workplace

Omissis

General principles of conduct

Without prejudice to the provisions of the Company's Code of Ethics, to be considered to all intents and purposes an integral part of the Model, all Recipients and all persons having duties and responsibilities in the management of workplace safety requirements, such as, in particular, but not limited to:

- the *Employer, the Delegates, Health & Safety* and the *SGSL Representative*;
- the *Managers, Supervisors and Workers* - as identified by the legislation in force - who work at the Company's premises and worksites or at the premises/operational units of third parties (customers, suppliers), as well as their *Safety Representatives*;
- the *Responsible and Officers of Prevention and Protection Service, Medical Officer, Emergency Officers*, the Managers of the competent Structures/Functions/Departments;
- workers (employees and associates) of third-party companies whose activities present interfering health and safety risks at the Company's Plants and worksites;

each within their own responsibilities and competences, must:

- comply with all the dictates of laws and regulations on health and safety in the workplace (in particular, Legislative Decree no. 81/2008, as amended);
- comply with the principles, protocols and procedures governing the company's activities, with reference to the company's Policy and the Model of *Governance* on safety, the control elements set out in this section of the Model and the procedures of the SGSL defined;
- operate consistently with the existing system of delegated and proxy powers;
- scrupulously observe the provisions and instructions issued by the persons in charge in order to preserve their own health and safety and that of all workers;

- collaborate, through their representatives, in the assessment of occupational health and safety risks, including interference risks;
- promptly report to the identified Structures/Functions and in the manner defined in the corporate procedures in force, any situations of danger and risk, accidents, occupational diseases or near misses, as well as any breaches of the rules of conduct and procedures in force;
- use, according to instructions, the equipment present in the workplace, as well as safety and protective devices, where provided;
- do not remove or modify machine and equipment safety devices or other signalling or control devices in any way;
- not to carry out, on their own initiative, operations or manoeuvres that may compromise their own safety or that of other workers or that may expose themselves, their colleagues or third parties to dangerous situations;
- take part in the education and training sessions organised by the Company on occupational health and safety risks and undergo the health checks provided for or otherwise ordered by the Medical Officer;
- draw up and keep documentation on compliance with occupational health and safety requirements, thus enabling control over the conduct and activities carried out.

The *Employer DAE*, or the *Company's Delegates*, in cooperation with *Health & Safety* and the *SGSL Representative*, each for the aspects within their remit, shall also:

- keep up-to-date and comply with the body of regulations and the system of delegations and powers of attorney in the field of security;
- pursue the objective of "*no harm to persons*";
- promote a culture in which all workers - including the personnel of subcontracted third-party companies working at the Company's operating units with interference risks for occupational health and safety - participate in this commitment;
- ensure the suitability of human resources - in terms of number, professional qualifications and training - and materials, necessary to achieve the objectives set by the Company for maintaining and/or improving the levels of worker health and safety;
- ensure the acquisition and management of means, equipment, facilities and, in general, company structures in compliance with statutory technical/structural standards, also through a continuous process of maintenance (routine and non-routine) thereof;
- define the objectives for the health and safety of workers, assessing, also on the basis of input from technicians, the risks connected with all the activities carried out by DAE workers, through an effective and preventive exchange of information and cooperation with the employer of the host site or with that of external companies that may operate at the Company's sites/worksites, and providing that, where necessary, certain types of work can only be carried out in the presence of specific permits (e.g. hazardous work permit);
- guarantee an adequate level of training and information to workers, as well as requiring that an adequate level of training and information is provided by the Employers to the workers of subcontracted third-party companies, as far as they are concerned and with regard to interference risks, on the safety management system defined by the Company and on the consequences of non-compliance with the rules of law and the rules of conduct and control defined by the Company itself;
- promptly report to the Structures/Functions identified by law and/or internally any risk/hazard signals/events regardless of their seriousness.

The Company's **Suppliers** are obliged to:

- ensure their technical and professional competence in relation to the works to be carried out under contract or by means of a works or supply contract;
- become familiar with the information provided by the *Delegate* and/or the *Employer* on the specific risks present in the environment in which they are to work and on the prevention and emergency measures adopted;
- cooperate with the *Delegate* and/or by the *Employer* in implementing the measures for the prevention of and protection against occupational risks relating to the work activity covered by the contract of employment or subcontracting;
- coordinate with the *Delegate* and/or the *Employer* the protection and prevention measures against the risks to which the Workers are exposed;
- respect the prohibition to manufacture, sell, rent and lease work equipment, personal protective equipment and installations that do not comply with the laws and regulations in force on occupational health and safety;
- respect the general principles of prevention in the field of occupational health and safety when making design and technical choices, choosing equipment, components and protective devices that comply with the applicable laws and regulations.

Specific control protocols

Omissis

ENVIRONMENT

Description

Activities aimed at managing environmental aspects with reference to the prevention of environmental offences under Legislative Decree no. 231/2001.

POTENTIAL OFFENCES	POSSIBLE MODES OF IMPLEMENTATION
Environmental offences - Art. 25 undecies of Leg. Dec. no. 231/2001	
Environmental pollution (Art. 452 bis of the Criminal Code) Negligent offences against the environment (Art. 452 quinquies of the Criminal Code)	Significant and measurable impairment or deterioration: <ul style="list-style-type: none"> - of water or air, or of large or significant portions of the soil or subsoil; - of an ecosystem, biodiversity, including agricultural biodiversity, flora or fauna. These effects may result from wilful or negligent conduct and be the consequence, by way of example, of: <ul style="list-style-type: none"> - spillage of pollutants; - incorrect waste management, also in cooperation with third parties; - emissions into the atmosphere beyond the permitted limits. Moreover, the offences under consideration could also be committed in the case of accidental events resulting from the omission or incorrect handling of fire prevention and management measures.
Environmental disaster (Art. 452 quater of the Criminal Code) Negligent offences against the environment (Art. 452 quinquies of the Criminal Code)	The following alternatively constitute an environmental disaster: <ol style="list-style-type: none"> 1) the irreversible alteration of the balance of an ecosystem; 2) the alteration of the balance of an ecosystem whose elimination is particularly costly and can only be achieved by exceptional measures; 3) the offence against public safety by reason of the significance of the act in terms of the extent of the impairment or its detrimental effects or the number of persons offended or exposed to danger. This offence may also be committed by wilful or negligent conduct (i.e. without intent and through negligence, recklessness, inexperience, failure to comply with laws, regulations, orders or discipline).

Organised activities for the illegal trafficking of waste (Art. 452 quaterdecies of the Criminal Code)	<p>In several operations and by means of organised means and continuous activities, large quantities of waste are illegally transferred, received, transported or otherwise handled. This also includes the use of third parties for the transport and disposal of waste, which could be a prerequisite for conspiracy with such persons, where they may operate in or for activities organised for illegal trafficking.</p>
Aggravating circumstances (Art. 452 octies of the Criminal Code)	<p>Participation in a criminal association directed exclusively or concurrently at committing any of the environmental offences referred to in Title VI bis of the Criminal Code. Recourse to third parties (transporters, intermediaries and disposers) for the management of environmental aspects, as a prerequisite for conspiracy with such parties, where they may operate in or for organised activities of an illegal nature.</p>
Discharge of industrial waste water (Art. 137 Legislative Decree no. 152/2006)	<p>Discharging industrial waste water containing hazardous substances without authorisation, or continuing to discharge or maintain such discharges after the authorisation has been suspended or revoked, or without complying with the requirements of the authorisation or other requirements of the competent authority, or exceeding the limit values of the applicable legislation.</p>
Unauthorised waste management activities (Art. 256 of Legislative Decree no. 152/2006)	<p>Collection, transport, recovery, disposal, trade and intermediation of hazardous and non-hazardous waste in the absence of the prescribed authorisation; operating a landfill site intended even partially for the collection of hazardous waste; unauthorised waste mixing activities.</p>
Site remediation (Art. 257 Legislative Decree no. 152/2006)	<p>Where pollution of the soil, subsoil, surface water or groundwater has been caused by exceeding the risk threshold concentrations, the site in question is not remediated in accordance with the project approved by the competent authority. Failure to notify the competent bodies of the pollution event as required by law.</p>
Waste documentation (Art. 258 of Legislative Decree no. 152/2006)	<p>False information on the nature, composition and chemical and physical characteristics of the waste produced. An incorrect characterisation of waste can be caused by incorrect management of the process, for instance in relation to how the information required for characterisation is communicated to the laboratory, as well as, in a culpable manner, by failure to check the type of accreditation of the external laboratories entrusted with the analyses.</p>
Illegal trafficking of waste (Art. 259 of Legislative Decree no. 152/2006)	<p>Shipment of waste that constitutes illegal trafficking within the meaning of the relevant legislation.</p>
Penalties (Art. 279 of Legislative Decree no. 152/2006)	<p>Air pollution due to breaches of the air emission rules in the operation of the company's plant activities.</p>
Cessation and reduction of the use of harmful substances (Art. 3 L. no. 549/1993)	<p>Production, consumption, import, export, possession, marketing and authorisation of ozone-depleting substances and the environment.</p>

Process Managers

Omissis

Organisational structure

Omissis

General principles of conduct

DAE ensures that the company's activities are conducted in full compliance with the legal requirements and applicable internal and Group²⁵ environmental regulations, as well as the effective implementation and improvement of the EMS, defined in accordance with ISO 14001 and the provisions of the adopted *Model*.

²⁵ The DAE environmental strategy is defined in accordance with *Group Policy* on the subject. The Company's environmental performance is also audited by *Corporate*.

The Company imposes on all personnel the **obligation** to:

- comply with the requirements of environmental laws and regulations;
- comply with the policies, protocols and procedures governing the company's activities, with particular reference to what is regulated by the *Model* and EMS procedures;
- refrain from carrying out, on their own initiative, operations or manoeuvres that are not part of their duties or, in any case, are likely to cause damage to the environment;
- promptly report any situations of danger and risk to the environment, or situations of environmental emergency, to the identified structures and in the manner defined by internal rules;
- participate in training and educational sessions organised by the Company on environmental protection matters;
- keep all documentation relating to compliance with environmental requirements laid down by law or administrative authorisations²⁶.

Personnel, also in cooperation with third parties, are also expressly **prohibited**, in particular, from:

- abandoning or dumping waste in an uncontrolled manner or discharging it, in a solid or liquid state, into surface and groundwater;
- entrusting waste management activities to parties that do not have the appropriate authorisation for their disposal and recovery;
- mixing different categories of hazardous and non-hazardous waste (or hazardous waste with non-hazardous waste);
- violating reporting and documentation requirements for waste management, or falsifying/altering such documentation and certificates of analysis;
- discharging substances and emissions into the atmosphere in breach of regulatory requirements and/or authorisations received or, in any case, in such a way as to cause damage to the environment and endanger the health of the community concerned;
- participating in a criminal conspiracy directed exclusively or concurrently at committing environmental offences.

Prescribes to all persons having duties and responsibilities in DAE for the management of environmental compliance, in consideration of the different positions and obligations that each of them assumes within the company organisation, the obligation to:

- include, among the expenditure items contributing to the budget, resources specifically earmarked for environmental risk prevention;
- keep up-to-date and comply with the body of regulations and the system of powers of attorney/delegations in environmental matters;
- ensure the adequacy of resources, both human and material, necessary to achieve the objectives set for maintaining and/or improving the levels of environmental protection;
- monitor the continued suitability of the environmental measures taken and the compliance with applicable legislation;
- ensure an adequate level of information and training of personnel and suppliers/contractors, on the environmental procedural system defined by the Company

²⁶ Also of third parties with which the Company has collaborative relationships for activities that may have an impact on the environment.

and on the consequences of non-compliance with the law and the defined rules of conduct and control;

- ensure the implementation of supervisory activities with regard to compliance with environmental procedures and instructions, including by the Company's suppliers/contractors;
- ensure an effective system of coordination and adequate information flows between the relevant corporate structures.

Specific control protocols

Omissis