

# **B. Pacorini S.p.A.**

## **Organizational Model according to Legislative Decree n. 231 of June 8th, 2001**

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*This document has been approved by the Board of Directors of B. Pacorini S.p.A. dated  
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### **ANNEX I: MATRIX OF AREAS “AT RISK”**

### **ANNEX II: ORGANIZATIONAL CHART**

# Legislative Decree n. 231 of June 8th, 2001

## 1.1 Administrative liability of legal entities

Legislative Decree n. 231 of June 8th, 2001, which provides regulation of the “Administrative liability of juridical persons, companies and associations including those which are not bodies corporate” (hereinafter the “Decree” or “Decree 231”), entered into force on July 4th, 2001, giving execution to art. 11 of Law n. 300 of September 29th, 2000, and introduced in the Italian legal system, accordingly to what previously statuted in EU law, the administrative liability of legal entities, where “legal entity” stands for limited and partnership companies and associations, including those which are not bodies corporate.

This kind of liability, even though defined as “administrative” by the legislative body, has the features of a full criminal liability, since its assessment is entrusted to a criminal judge who is in charge of the decision on the crimes carried out according to it, and also because it extends to legal entities the same procedural safeguards of a criminal trial.

The administrative liability of legal entities descends from the execution of crimes, expressly enclosed in Decree 231, carried out in the interest or to the advantage of the legal entity, by natural persons serving as representatives, or seating on administrative or senior executive positions or leading an organizational unit of the same, which is financially and functionally independent, as well as by persons which are “*de facto*” in charge of managing or controlling functions of the legal entity. Lastly, by persons subordinated to direction or supervision of one of the abovementioned persons.

Taken into account the existence of the requisites described so far, the Decree demands the assessment of the legal entity’s guilt, in order to affirm its liability. This comes from a sort of “organizational guilt”, which means a lack of implementation, by the legal entity, of the necessary measures to prevent the execution of those crimes, listed in the following chapter, by the individuals expressly identified in the Decree.

If the legal entity is able to prove an effective implementation of an organizational structure which can be deemed adequate to avoid the execution of the aforementioned crimes, thanks to the adoption of an Organizational Model, it will not be deemed liable on the account of administrative liability.

## 1.2 Crimes enclosed in the Decree

Crimes which may give rise to the administrative liability of the legal entity are expressly listed in the Decree 231/2001 and later amendments.

The following is the list of crimes, updated to the entry in force of Decree n. 105 of August 10th, 2023, as converted into Law n. 137 of October 9<sup>th</sup>, 2023, included in the scope of application of the Decree. This list will be subject to a further widening:

1. Crimes against the Public Administration (Artt. 24 e 25):
  - undue receipt of funds to the damage of the State or other Public entities (art. 316 ter c.p.);
  - fraud in public procurement (art. 356 c.p.);
  - embezzlement to the damage of the State or other Public entities (art. 316 bis c.p.);
  - fraud to the damage of the State or other Public entities (art. 640, comma 2, n. 1, c.p.);
  - aggravated fraud for obtaining public funds (art. 640 bis c.p.);
  - informatic fraud to the damage of the State or other Public entities (art. 640 ter c.p.);
  - fraud to the damage of European Agricultural Guarantee Fund and to the European Agricultural Fund for Rural Development (art. 2 L. 898/1986)
  - blackmail by a public official (art. 317 c.p.);
  - bribery for the exercise of duty (art. 318 c.p.);
  - bribery against office duties (art. 319 c.p.);
  - aggravated circumstances (art. 319-bis c.p.);
  - corruption in judicial acts (art. 319-ter);
  - undue instigation to give or promise utilities (art. 319 quater c.p.);
  - bribery of someone in charge of a public service (art. 320 c.p.);
  - sanctions for the corrupting (art. 321 c.p.);
  - incitement to corruption (art. 322 c.p.);
  - misappropriation, blackmail by a public official, undue instigation to give or promise utilities, corruption and incitement to corruption against Bodies' members of the European Community and functionaries of the European Community or foreign States (art. 322 bis c.p.);
  - misappropriation (art. 314 c.p.);
  - misappropriation by profiting of someone's mistake (art. 316 c.p.);
  - trafficking of illegal influences (art. 346 bis c.p.);
  - abuse of office (art. 323 c.p.);
  - altered freedom of auctions (art. 353 c.p.);
  - altered freedom of the procedure of choice of the contractin party (art. 353 bis c.p.).
2. Informatic crimes and illegal treatment of data, and crimes executed with breach of *cyber security* rules (art. 24 bis):
  - falsification of a public informatic document with probatory effects (art. 491-bis c.p.);
  - illegal access into an informatic or telematic system (art. 615-ter);

- detention, spreading and illegal installation of devices, codes and other means for the access to informatic or telematic systems (art. 615quater c.p.);
  - detention, diffusion and abusive set up of devices or informatic programmes aimed to damage or interrupt a telematic or informatic system (art. 615-quinquies c.p.);
  - interception, impediment or illegal interruption of informatic or telematic communications (art. 617-quater c.p.);
  - installation of devices able to intercept, impede or interrupt informatic or telematic communications (art. 617quinquies c.p.);
  - damaging of informations, data or softwares (art. 635bis c.p.);
  - damaging of informations, data or softwares used by the State or other Public entity, or having any public utility (art. 635-ter c.p.);
  - damaging of of informatic or telematic systems (art. 635-quater c.p.);
  - damaging of of informatic or telematic systems or having a public utility (art. 635-quinquies c.p.);
  - informatic fraud by those who provides electronic signature certification (art. 640-quinquies c.p.);
  - breach of the provisions related to the national perimeter of cybersecurity (art. 1, paragraph 11, Law Decree n. 105/2019).
3. Organized crimes, as of Law. n. 94/2009 (Art. 24 ter):
- criminal association (art. 416 c.p.);
  - criminal association aimed to enslavery, human trafficking, purchase and selling of slaves and other crimes related to illegal immigration as of art. 12 of Legislative Decree n. 286/1998 (art. 416 c.p., paragraph 6);
  - criminal association of mafia, also foreign (art. 416-bis c.p.);
  - crimes executed by taking advantage of the provisions of Art. 416bis c.p. or aimed at assisting the business of associations as per said article (art. 416-bis c.p.);
  - vote rigging (art. 416-ter c.p.);
  - criminal association aimed at drug dealing (art. 74 of Presidential Decree 309/1990);
  - kidnap aimed at robbery or extortion (art. 630 c.p.);
  - illegal manufacturing, smuggling, selling, alienation, detention and carrying in an open public space of war weapons or parts of them, explosives, illegal weapon and common weapons (art. 407, co 2, lett. a), n.5), c.p.p.).
4. Crimes related to forgery of coins, public credit cards, stamps and other means or tools of identification, implemented by Law n. 409/2001 and Law 99/2009 (Art. 25 bis):
- forgery of coins, spending and introduction in the territory of the State of forged coins, with a previous agreement (art. 453 c.p.);
  - alteration of coins (art. 454 c.p.);

- forgery of filigree paper used for the production of public credit cards or filigree paper (art. 460 c.p.);
  - manufacturing or detention of filigree or other tools aimed at the forgery of coins or stamps or filigree paper (art. 461 c.p.);
  - spending and introduction in the territory of the State of forged coins, without agreement (art. 455 c.p.);
  - spending of forged coins received in good faith (art. 457 c.p.);
  - use of forged or altered stamps (art. 464, commi 1 e 2, c.p.);
  - forgery of stamps, introduction in the territory of the State, purchase, detention or diffusion of forged stamps (art. 459 c.p.);
  - forgery, alteration or use of trademarks or distinctive signs or patents, utility models and designs (art. 473 c.p.);
  - introduction in the territory of the State and trade of products with forged signs (art. 474 c.p.)
5. Crimes against industry and trade, introduced by Law 99/2009 (Art. 25 bis.1):
- altered freedom in industry or trade (art. 513 c.p.);
  - illegal competition with threat or violence (art. 513-bis c.p.);
  - frauds against national industries (art. 514 c.p.);
  - frauds in the execution of trade (art. 515 c.p.);
  - selling of non genuine food substances as genuine (art. 516 c.p.);
  - selling of industrial products with false marking (art. 517 c.p.);
  - manufacturing and trade of goods made thanks to seize of industrial property titles (art. 517-ter c.p.);
  - counterfeiting of geographical signs or name of origin of food products (art. 517-quater c.p.);
6. Crimes envisaged by art. 12 of Law 9/2013 for Bodies that operate in the virgin olive oil chain (art. Bis.1):
- sophistication and counterfeiting of food substances (art. 440 c.p.);
  - trade of sophisticated and counterfeited substances (art. 442 c.p.);
  - trade of noxious food substances (art. 444 c.p.).
7. Corporate crimes, introduced by Legislative Decree 61/2002, partially amended by Law 262/2005, by Legislative Decree 69/2015 and by Legislative Decree 38/2017 (Art. 25 ter):
- false corporate reports (artt. 2621 c.c.);
  - false corporate reports related to minor occurrences (art. 2621 bis c.c.);
  - false corporate reports of listed companies (art. 2622 c.c.);
  - prevented control (art. 2625, paragraph 2, c.c.);
  - formazione fittizia del capitale (art. 2632 c.c.);
  - undue restitution of contributions by shareholders (art. 2626 c.c.);
  - illegal sharing of profits and reserve capitals (art. 2627 c.c.);

- illegal operations on shares or capital shares or the controlling company (art. 2628 c.c.);
  - operations to the damage of creditors (art. 2629 c.c.);
  - omitted information about conflict of interests (art. 2629 bis c.c.);
  - undue allocation of company's goods by the liquidators (art. 2633 c.c.);
  - corruption between private subjects (art. 2635 c.c.)
  - incitement to corruption between private subjects (art. 2635 bis, paragraph 1 c.c.)
  - illegal influence on the general assembly (art. 2636 c.c.);
  - agiotage (art. 2637 c.c.);
  - obstacle to the exercise of the functions by Public authorities (art. 2638, paragraphs 1 and 2, c.c.).
  - false or omitted declarations for the release of the preliminary certificate (art. 54 of Legislative Decree n. 19/2023)
8. Crimes executed with the aim of terrorism or subversion of the democratic order, introduced by Law 7/2003 (Artt. 25 quater).
- subversive associations (art. 270 c.p.);
  - associations with the aim of terrorism, including international terrorism or subversion of the democratic order (art. 270 bis c.p.);
  - assistance to the associates (art. 270 ter c.p.);
  - enrollment with the aim of terrorism, including international terrorism (art. 270 quater c.p.);
  - setting up of transfer with the aim of terrorism (art. 270 quater.1 c.p.);
  - training and activities with the aim of terrorism, including international terrorism (art. 270 quinquies c.p.);
  - funding of activities with the aim of terrorism (L. n. 153/2016, art. 270 quinquies 1 c.p.);
  - theft of goods or money under requisition (art. 270 quinquies 2 c.p.);
  - activities with the aim of terrorism (art. 270 sexies c.p.);
  - attack with the aim of terror or subversion (art. 280 c.p.);
  - act of terror with lethal or explosive devices (art. 280 bis c.p.);
  - acts of nuclear terror (art. 280 ter c.p.);
  - kidnapping with the aim of terrorism or subversion (art. 289 bis c.p.);
  - kidnapping with the aim of forcing (art. 289 ter c.p.);
  - incitement to execute one of the crimes as per Chapter first and second (art. 302 c.p.);
  - political conspiracy through agreement (art. 304 c.p.);
  - political conspiracy through association (art. 305 c.p.);
  - armed gang: founding and participation (art. 306 c.p.);
  - assistance to participants of conspiracy and armed gang (art. 307 c.p.);
  - seizure diverting and destruction of a airplane (Law n. 342/1976, art. 1);
  - damage to ground installations (L. n. 342/1976, art. 2);
  - sanctions (L. n. 422/1989, art. 3);
  - active regret (D.Lgs. 625/1979, art. 5);

- New York Convention of December 9th, 1999 (art. 2).
9. Mutilation practices of female reproductive organs introduced by Law 7/2006 (art. 25 quater.1 - art. 583-bis c.p.).
10. Crimes against the individual personality, introduced by Law 228/2003, partially amended by Law 38/2006 and Law 199/2016 (Art. 25 quinquies):
- enslavement (art. 600 c.p.);
  - human trafficking (art. 601 c.p.);
  - selling and purchase of slaves (art. 602 c.p.);
  - minor prostitution (art. 600 bis, commi 1 e 2, c.p.);
  - minor pornography (art. 600 ter c.p.);
  - virtual pornography (art. 600 quater.1 c.p.);
  - touristic ventures aimed at the exploitation of minor prostitution (art. 600 quinquies c.p.);
  - detention of pornographic material (art. 600 quater c.p.);
  - illegal mediation and exploitation of labor (art. 603 bis c.p.)
  - soliciting of minors (art. 609 undecies c.p.).
11. Crimes of market abuse, introduced by Law 62/2005 (Art. 25 sexies):
- abuse of privileged information (art. 184 Leg. Decree 58/1998, as amended by Leg. Decree n. 107/2018 and by Law n.238/2021);
  - market manipulation (art. 185 D. Lgs. 58/1998).
12. Crimes executed with transgression of anti-injury provision and with the transgression of provision on hygiene and healths on workplaces, introduced by Law 123/2007 (Art. 25 septies):
- unintentional homicide (art. 589 c.p.);
  - unintentional personal injuries (art. 590 c.p.).
13. Crimes of receipt of stolen goods, money laundering and use of money, goods or other utilities which come from illegal activities, self money laundering, introduced by Leg. Decree n. 231/2007 as amended by Law 186/2014 (Art. 25 octies):
- receipt of stolen goods (art. 648 c.p.);
  - money laundering (art. 648 bis c.p.);
  - use of money, goods or other utilities which come from illegal activities (art. 648 ter);
  - self money laundering (art. 648 ter.1).
14. Crimes related to copyright (Art. 25 nonies):
- criminal coverage of moral and economic exploitation rights (art. 171, paragraph 1, lett. a-bis and paragraph 3, Law 633/1941)
  - criminal protection of softwares and data bases (art. 171-bis l. 633/1941)



- criminal protection of audiovisual pieces (art. 171-ter l. 633/1941)
- criminal liability connected with external devices (art. 171-septies l. 633/1941)
- criminal liability related to audiovisual transmission with limited access (art. 171-octies l. 633/1941).

15. Crime of incitement not to give deposition or to give false deposition to the judiciary authority (art. 377 bis c.p.), introduced by Law n.116/2009 (Art. 25 decies).

16. Environmental crimes, introduced by Legislative Decree n. 121/2011 and by Law 68/2015 (Art. 25 undecies):

- environmental pollution (art. 452 bis c.p.);
- environmental disaster (art. 452 quater c.p.);
- unintentional crimes against the environment (art. 452 quinquies c.p.);
- trafficking and abandonment of high radioactivity material (art. 452 sexies c.p.);
- aggravated associative crimes as per art. 416 c.p. (art. 452 octies c.p.);
- killing, destruction, seizure, abduction, detention of protected animal or plant species (art. 727-bis c.p.);
- destruction or deterioration of habitats inside protected areas (art. 733-bis c.p.)

Crimes enclosed in the Environmental Code (Leg. Decree 152/2006):

- crimes related to dumping of industrial waste waters (art. 137);
- unauthorized managing of water (art. 256);
- crimes related to recovery of designated areas (art. 257 d.lgs. 152/2006)
- forgery and use of forged certificates of analysis of waste (artt. 258 e 260-bis);
- illegal trafficking of waste (artt. 259 e 260);
- pollution of the atmosphere (art. 279).

Crimes enclosed in Law 150/1992 related to international trade of plant and animals on extinction and animals on extinction Crimes enclosed in Law 549/1993, regarding the defence of stratospheric ozone and of the environment.

Crimes enclosed in Legislative Decree 202/2007, regarding pollution of the marine environment caused by ships.

17. Use of citizens of third countries whose permit of stay is illegal, as introduced by Legislative Decree n. 109/2012, as amended by art. 30 of Law n. 161/2017 (art. 25 duodecies):

- crime of employment of more than 3 foreign citizens without the permit of stay or with expired permit of stay, employment of minors not in legal working age or in a working condition of exploitation according to art. 603-bis c.p. (art. 22, comma 12-bis del D.Lgs. 25 luglio 1998 n. 286)

- crimes enclosed in art. 12 of Legislative Decree 286/1998:
    - illegal entrance made available to someone (art. 12, paragraphs. 3, 3-bis, 3-ter, Legislative Decree 286/1998);
    - assistance of illegal staying (art. 12, paragraph 5, Legislative Decree 286/1998).
18. Crime of racism and xenophobia, introduced by Law 167/2017 (art. 25 terdecies).
- propaganda and instigation to execute crimes based on reasons of racial, ethnic and religious discrimination (art. 3, paragraph 3-bis of Law 654/1975).
19. Crimes of fraud in sports competitions, abusive operation of gaming and betting and gambling by means of forbidden devices (artt. 1 and 4 of Law 401/1989), introduced by Law 39/2019 (art. 25 quaterdecies).
20. Fiscal crimes (Legislative Decree 74/2000), introduced by Law 157/2019 (art. 25 quinquiesdecies):
- fraudulent tax return by means of untrue invoices or other documents related to non-existing operations (art. 2, paragraphs 1 and 2);
  - fraudulent tax return by means of other deceptions (art. 3);
  - untruthful tax return (art. 4);
  - omitted tax return (art. 5);
  - issuance of invoices or other documents related to non-existing operations (art. 8);
  - concealment or destruction of accounting records (art. 10);
  - undue compensation (art. 10, comma 4);
  - fraudulent avoiding of tax payment (art. 11);
21. Smuggling – border rights (Presidential Decree 43/1973) introduced by Legislative Decree 75/2020 (art. 25 sexiesdecies):
- smuggling in the transfer of goods through land borders and custom spaces (art. 282);
  - smuggling in the transfer of goods in border lakes (art. 283);
  - smuggling in the maritime transfer of goods (art. 284);
  - smuggling in the transfer of goods through air (art. 285);
  - smuggling outside custom areas (art. 286);
  - smuggling aimed at the undue use of imported goods with custom relief (art. 287);
  - smuggling in custom warehouses (art. 288);
  - smuggling in coastal trade and circulation (art. 28);
  - smuggling in the export of goods allowed to drawbacks (art. 29);
  - smuggling in temporary import or export (art. 291);
  - smuggling of foreign manufactured tobaccos (art. 291-bis);
  - aggravated circumstances of the crime of smuggling of foreign manufactured tobaccos (art. 291-ter);

- criminal conspiracy aimed at smuggling of foreign manufactured tobaccos (art. 291-quater);
- other cases of smuggling (art. 292);
- aggravated circumstances of smuggling (art. 295).

22. Cross-border crimes, introduced by Law 146/2006, art. 10:

- criminal conspiracy (art. 416 c.p.);
- criminal conspiracy of mafia (art. 416-bis c.p.);
- criminal conspiracy aimed at smuggling of foreign manufactured tobaccos (art. 291-quater of Presidential Decree 43/1973);
- criminal conspiracy aimed at illegal trafficking of drugs (art. 74 of Presidential Decree 309/1990);
- provisions against illegal immigration (art. 12, paragraphs. 3, 3-bis, 3ter and 5 of Legislative Decree 286/1998);
- crime of incitement not to give deposition or to give false deposition to the judiciary authority (art. 377-bis c.p.);
- assisting offender (art. 378 c.p.).

23. Crimes related to means of payment other than cash (art. 25 octies.1 introduced by Legislative Decree 184/2021):

- undue use and forgery of means of payment other than cash (art. 493-ter c.p.);
- detention and spreading of devices and informatic programmes aimed at execution of crimes related to means of payment other than cash (art. 493-quater c.p.);
- aggravated informatic fraud by execution of a transfer of money, of money value or virtual value (art. 640-ter c.p.).

24. Crimes related to artefacts (art. 25 septiedecies and art. 25 duodecies, introduced by Law 22/2022):

- crimes against artefacts:
  - theft of artefacts (art. 518-bis cp);
  - misappropriation of artefacts (art. 518-ter cp);
  - handling of stolen artefacts (art. 518-quater cp);
  - forgery of written document related to artefacts (art. 518 octies cp);
  - violations related to selling of artefacts (art. 518novies cp);
  - illegal import of artefacts (art. 518-decies cp);
  - exiting or illegal export of artefacts (art. 518-undecies cp);
  - destruction, dispersion, deterioration, disfigurement, staining and illegal use of artefacts (art. 518-duodecies cp);
  - counterfeiting of work of art (art. 518-quaterdecies cp);
- money laundering related to artefacts, pillage of artefacts:
  - Laundering of artefacts (art. 518-sexies cp.);
  - Pillage of artefacts (art. 518-terdecies cp.).

### **1.3 Sanctions according to the Decree 231**

The sanctionatory system outlined in Decree 231, whether one of the above mentioned crimes is executed, is as follows, according to Art. 9:

- Fines;
- Interdictive sanctions;
- Confiscation;
- Sentence's publication.

More in detail, interdictive sanctions, which can be imposed even provisionally, are:

- Disqualification from doing business;
- Ban on contracting with the Public Administration;
- Suspension or revocation of authorizations, licences or concessions, which served to the execution of the crimes;
- Disqualification from tax breaks, fundings, public subsidies, with revocation of those already granted;
- Ban on advertising of goods and services.

Furthermore, the Decree establishes that, when an interdictive sanction implying the business interruption can be applied, the judge, instead of imposing said sanction, can grant the business continuation by means of a commissioner for a timespan equal to the interdictive sanction, only if one of the following conditions occurs:

- the legal entity provides a public service, whose interruption could imply a major harm for the community;
- the business interruption could imply, taking into account the legal entity's dimensions and the economic situation of the territory where is located, major consequences on employment.

### **1.4 Exempt from administrative liability**

Established the administrative liability of legal entities, art. 6 of Decree 231 provides that the legal entity cannot be held accountable for administrative liability if:

- the Governing Body implemented, before the execution of a crime, Organizational Models which are deemed to be adequate to prevent such crime;
- the duty to control on the functioning of the Model and its abidance and to take care of its updating is given to an independent Body, whom are granted controlling powers and the right to intervene;

- those who executed the crime did elude with fraud the provisions of the Organizational Models;
- the abovementioned Body cannot be held accountable for lack or insufficient vigilance.

The implementation of an effective Organizational Model allows the legal entity to avoid a charge of administrative liability.

A plain implementation of this document by the Governing Body, which is the Board of Directors, cannot be considered a sufficient action to exclude a liability of the legal entity, which must be able to prove that the violation, even an unwilful violation, was perpetrated by an affiliate even though an effective monitoring system was put in place to avoid such occurrence.

Regarding the effectiveness of the Model, the Decree requires that:

- it identifies the internal processes where the crimes could be executed;
- it provides detailed protocols which focus on the programming of training inside the organization and on the legal entity's decisions regarding the crimes which need to be prevented;
- it identifies the financial resources management measures adequate to prevent the execution of the crimes;
- it provides mandatory information to be submitted to the Body appointed on the vigilance and functioning of the Model.

Law n. 179/2017, titled "*Provisions for the protection of reporters of crimes or unlawful conducts which they knew while in a working relationship, public or private*" integrated the provision of art. 6 of the Decree 231 by inserting paragraph 2-bis, which stated that the Model had to furthermore provide:

- one or more dedicated channels which allow the subjects enclosed in art. 5, paragraph 1, lett. a) and b) to submit, in order to prevent the legal entity's integrity, detailed reports of unlawful conducts, relevant according to the provisions of Decree 231, based on clear and non-contradicting evidences of breaches of the Organizational Model, which they knew because of their duties; such channels guarantee the complete anonymity of the reporter's identity throughout the whole process of reports's management;
- at least one alternative channel for reports, which must be adequate to guarantee, through informatic means, the anonymity of the reporter;
- a ban of retaliation and discrimination acts, whether direct or indirect, towards the reporter and related, directly or indirectly, to the report submitted;
- sanctions against all those in breach of all measures aimed at the reporter's integrity, and against those who willingly or with gross negligence submit unfounded reports.

Legislative Decree no. 24 of 10 March 2023, transposing EU Directive 2019/1937, then proceeded to modify the aforementioned paragraph 2-bis of the art. 6 of Legislative Decree 231/2001 and provided an overall reform related to the reporting of violations and the related submission channels, extending the scope of application also to violations further than those of the Model.

B. Pacorini S.p.A. has taken steps to adapt to the provisions of Legislative Decree 24/2023, establishing a reserved internal channel for reporting offences.

Regarding the effectiveness of the Model, the Decree requires:

- its periodical check and its amendment, if any relevant breach of its provisions is discovered, or a change in the law or in the organizational structure or business activity occur;
- the implementation of a disciplinary system, which must be adequate to provide sanctions for the non-abidance to the Organizational Model's provisions.

### **1.5 Confindustria Guidelines**

Art. 6, paragraph 3 of the Decree expressly states that Organizational Models can be implemented according to templates of Codes of Conducts set out by industry's Unions, and transmitted to the Ministry of Justice. The latter can provide, within 30 days and jointly with other competent Ministries, any observation related to the Model's effectiveness to prevent the crimes enclosed in Decree 231.

Confindustria, in June 2021, released an update of its *"Guidelines for the implementation of the Organizational Models according to Decree 231/2001"*.

The Ministry of Justice approved the new guidelines, stating that the update could be considered *"overall adequate for the purpose set out in art. 6 of the Decree"*.

When defining the Organizational Models, Confindustria's guidelines provide the following steps to be made:

- risk assessment, which means the business' context analysis in order to emphasize which internal processes could be affected by the execution of the crimes enclosed in Decree 231;
- the implementation of an internal control system deemed to be adequate to prevent the identified risks, thanks to dedicated protocols.

The main features of this preventive control system set out by Confindustria, which must be implemented to guarantee the Model's effectiveness are:

- the adoption of a Code of Ethics;

- a clear and formalized organization, especially relating to responsibilities, to hierarchical reporting and job descriptions;
- manual or informatic procedures providing regulation to all activities, and which set out dedicated control;
- powers of authorization and powers of signature established consistently with the organizational and management responsibilities with the provision, if requested, of a spending limit approval;
- control and management systems adequate to provide a prompt report of the occur of any critical event;
- communication to employees and their education.

Taken for granted what previously stated concerning wilful crimes, Confindustria points out more guidelines related to prevention of unwilful crimes concerning safety and health protection in workplaces and the environment, which demand:

- the implementation of an organizational structure with duties and reponsabilities formally defined, and consistent with the organizational and functional scheme of the Business;
- the implementation of specific operating procedures to effectively operate the the environmental risk management, such as procedures' set-up and monitoring the activity related to environmental risks evalutation, the definition of organizational provisions in order to indentify those who are in charge to abide to environmental laws and those who are in charge of the operations connected with environmental matters, for the planning and budgeting of the environment-related expenses;
- education and training of the employees;

In these Guidelines, Confindustria makes clear that all features of the controlling system must respect the following principles:

- traceability, documentability, consistency and congruence of every operation;
- implementation of the segregation of functions and segregation of duties (no one is allowed to manage an entire process on its own);
- traceability of the control activity;
- implementation of a disciplinary system in connection with the breaches of the Civil Code and the Organizational Model's procedures;
- establishing of the Supervisory Board, having the requirements of independence and autonomy, professionalism and continuity of action, which must receive information from the Business' functions.

In the implementation of its Organizational Model, B. Pacorini S.p.A. followed Confindustria's Guidelines.

# The Organizational Model of B. Pacorini S.p.A.

## 2.1 Aim of the Model

B. Pacorini S.p.A. (hereinafter the “Company”) gives great importance in assuring fairness and transparency while conducting its business and in all Company’s activities, in order to protect its reputation, shareholders’ expectations and the job of its employees. Moreover, the Company is well aware of the importance of an internal controlling system adequate to prevent illegal behaviors from the Directors, employees and partners.

Even though the implementation of a Model is not mandatory according to the Decree, but every legal entity can make a free choice whether to implement it or not, for the abovementioned reasons B. Pacorini S.p.A., since September 26th, 2013, decided to implement an Organizational Model, which follows the Company’s strategy to put in place initiatives aimed to attract the interest of both B. Pacorini S.p.A. personnel (*management* and all employees) and consultants and commercial *partners* to a fair and transparent business, to abidance of the law and the basic principles of ethics while pursuing its mission.

Taking into account all the legislative changes occurred in the last years and following the spirit of Decree 231, which implies a constant update of the Model if any change in the structure occurs, B. Pacorini S.p.A. decided to approve an update of the Organizational Model, which replace the previous version, effective since December 15th, 2022.

With the implementation of the Model, B. Pacorini S.p.A. pursues the following:

- to instill in the Model’s Recipients, as identified in the following paragraph 2.2, the awareness to potentially incur, if in breach of the Model’s provisions, in illegal behaviors which can imply criminals sanctions to them, and administrative sanctions to the Company;
- emphasize that this behaviors are not tolerated by the Company, since they are in breach of the law and the ethical principles of Pacorini S.p.A., even though the Company may get an advantage of any kind out of them;
- to allow the Company, with the monitoring of risk-prone activities, to promptly intervene in order to prevent the execution of the crimes.

## 2.2 Model’s Recipients



The provisions of this Model apply towards the Board's Directors, all employees, partners, other legal representatives and all those who are involved in high risk activities, even if trained and well aware of the Model's provisions.

### **2.3 Basic elements of the Model**

Considering the Decree's demands, the main features developed in the Model can be summarized as follows:

- mapping of business processes and activities which are of "high risk" of execution of a crime enclosed in the Decree, which must undergo periodic monitoring;
- provision of ethical principles to those behaviors which could integrate a crime as enclosed in the Decree, derived from the Code of Ethics and from the present Model;
- protocols connected to those processes which are of "high risk" of execution of a crime, in order to provide dedicated guidelines regarding the preventive controls to adopt, adherent to the principles outlined in the Model;
- a supervisory body, with specific attributions and duties of monitoring the effectiveness and functioning of the Model;
- a sanctionary system adequate to guarantee the Model's effective implementation, with the disciplinary sanctions applicable to the Recipients in case of breach of the Model's provisions;
- education, awareness and distribution of the model to the Recipients;
- rules and accountability for the adoption, implementation and future amendments or integrations of the Model (Model's update), and also for its functioning and effectiveness.

### **2.4 Code of Ethics and Organizational Model**

B. Pacorini S.p.A. wishes to conduct its business accordingly to ethical principles, to pursue its mission and its development by abiding to the law.

To that aim, B. Pacorini SpA approved a Code of Ethics which sets out some principles of "business professional ethics" that the company acknowledges and demands to abide to them to all Company's bodies, to all employees and all those who have a relationship of any kind in pursuing the company's mission.

The Code of Ethics has a general reach and it's an independent tool implemented by the Company.

The Organizational Model, on the other hand, is an answer to the specific demands of Decree 231, with the aim of preventing the execution of certain crimes (for facts apparently executed to the advantage of the Company, but may imply an administrative liability according to the provisions of the Decree).

Since the Code of Ethics recalls certain behavioral principles adequate to prevent illegal behaviors according to the Decree, it has its own dignity in relation to the aim of the Decree and has to be considered a part of the Organizational Model.

## **2.5 Prerequisites of the Model**

While implementing and updating the Model, B. Pacorini S.p.A. took into account the existing internal controlling system, in order to check its adequacy to prevent the execution of the felonies enclosed in the Decree in the high risk areas.

In general, the internal controlling system must guarantee, with reasonable certainty, the reach of operative targets, of information and of compliance:

- the operative target of the internal controlling system is related to the effectiveness and efficiency of the Company to use its resources, to protect itself from losses and to preserve the net worth; furthermore, this system is oriented to make sure that the personnel operates toward the pursuit of the Company's targets, not putting its own interests first;
- the information target takes shape in the prompt preparing of reliable reports for the decisional process inside and outside of the Company's organization;
- the compliance target guarantees that all operations and actions taken are conducted abiding to laws and regulations, to caution and internal procedures.

The controlling system involves every sphere of business conducted by B. Pacorini S.p.A., through the separation of operative and controlling roles, this way reducing potential conflicts of interests.

In particular, considering the Company's organizational structure and size, the controlling system is based on the following features:

- Code of Ethics;
- Internal system of procedures and instructions;
- Informatic systems aimed at the segregation of functions;
- Management control and reporting system;
- Powers of authorization and powers of signature assigned consistently with the related responsibilities;
- Functions dedicated to external communications;

- Internal communication and personnel's education.

At the bottom of the controlling system of B. Pacorini S.p.A. are the following principles:

- Every operation, transaction and action must be truthful, traceable, consistent and documented;
- No one is allowed to manage an entire process alone (segregation of duties);
- The internal controlling system must give evidence of the execution of the controls, including supervising controls.

The liability connected with the proper functioning of the internal controlling system is on each Head of function, for all underlying processes linked to him.

The business controls in B. Pacorini S.p.A. involve:

- business units controls, carried out by each business units on the processes they are in charge of, aimed at assuring the proper execution of the operations;
- monitoring activities, carried out by the head of each process and aimed to assuring the proper execution of the underlying activities, based on a hierarchical relationship;
- collection of data, evaluation and monitoring activities on administrative and accounting processes, which have an impact on the annual financial report.

Even though the existing internal controlling system described above has multiple features which can be deemed adequate for the prevention of crimes enclosed in the Decree 231, the Company, giving great importance to the demands of assuring fairness and transparency while conducting its business and its social activities, and also to the integrity of its reputation, has decided to conduct an extensive assessment of its organizational, management and control tools, in order to verify they are compliant to the basic principles and procedures already implemented to the aim of the Decree and, if necessary, to amend them.

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