



# **Axpo Italia SpA**

## **Organisational, Management and Controls Model pursuant to Legislative Decree No 231/2001**

Updated on 23.05.2022 and adopted by Axpo Italia S.p.A.

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# Foreword

## 1. Foreword

This document illustrates the organisational, management and controls model (hereinafter the "Model") adopted by Axpo Italia S.p.A. (hereinafter also referred to as "Axpo Italia" or the "Company"), formerly EGL Italia S.p.A., pursuant to Legislative Decree No 231 of 8 June 2001 (hereinafter the "Decree").

In particular, this Model was first adopted by the Board of Directors of Axpo Italia by resolution of 14 May 2008 in order to implement the principles of correct management enshrined in the Decree. The most recent revision of this Model was approved by resolution of 18 May 2021.

The rules and standards of behaviour described in this Model are to be considered as applicable also when carrying out activities for third parties.

The Company is subject to direction and coordination by Axpo Solutions AG, formerly Axpo Trading AG.

## 2. Purposes of the Organisational, Management and Controls Model

Axpo Italia's Model serves to set out the system of operating and behavioural rules governing the Company's business as well as the other controls that the Company has adopted to prevent the commission of the types of offences contemplated by the Decree.

In particular, this document has the following objectives:

- instil in all those who work for and in the name of Axpo Italia – in the areas at risk of commission of offences and the areas instrumental to the commission of the offences set out in the Decree<sup>1</sup> – knowledge that they could, in case of violation of the criminal and administrative rules specified therein, commit wrongdoing for which not only they but also the Company could be punished at criminal and administrative level;
- reiterate that those forms of wrongdoing are strongly condemned by Axpo Italia because, even in cases where the Company might seem to gain an advantage therefrom, the conduct is contrary to law and the standards of behaviour that the Company wishes to uphold in the carrying on of its business;
- enable the Company, thanks to constant monitoring of the areas at risk of commission of offence and the areas instrumental to the commission of offences, to timely intervene to prevent or combat the very commission of the offences.

<sup>1</sup> Areas at risk of commission of offences and areas instrumental to the commission of offences mean respectively the activities whose carrying out may directly lead to the commission of one of the types of offence contemplated by the Decree (areas "at risk") and the areas where in general the conditions, opportunities or means for committing those same offences could arise ("instrumental" areas).

### **3. Structure of the document**

Axpo Italia's Model, as set out in this document, consists of two parts:

- I. "The Decree", a general part aimed at explaining the general contents of the Model and Legislative Decree No 231/2001 as amended (hereinafter also referred to as the "Decree");
- II. "Axpo Italia's Organisational, Management and Controls Model", a part aimed at detailing the specific content of the Model adopted by the Company.

The following documents set out in the schedules hereto constitute an integral part of the Model that the Company has adopted:

- Code of Conduct ([Schedule 1](#));
- Contractual Clauses pursuant to Legislative Decree No 231/2001 ([Schedule 2](#));
- List and description of the offences under Legislative Decree No 231/2001 ([Schedule 3](#));
- Privacy Statement for Data Processing in Connection with Legislative Decree No 231/2001 ([Schedule 4](#));
- List of Protocols and Procedures ([Schedule 5](#));
- Mapping of Risk for the purposes of Legislative Decree No 231/2001 ([Schedule 6](#));
- Supervisory Body Regulations ([Appendix A](#)).

Also part of the Model are the following corporate documents:

- company organisational chart;
- system of delegated authority and powers of attorney;
- internal regulations on powers of signature;
- company protocols and procedures designed to safeguard the areas of activities at risk of commission of offences.

### **4. Addressees**

This document is addressed to members of the Board of Directors and the Board of Statutory Auditors, employees and all those who act in the name and on behalf of Axpo Italia on foot of the currently applicable system of delegated authority and powers of attorney (hereinafter also referred to as the "Addressees").

The above mentioned Addressees are obliged to know and observe the provisions of this Model including through the specific training and information activities described below.

Observance of the rules laid down in the Decree and contained also in the Company's Code of Conduct is required also of personnel belonging to other companies in the Group, suppliers and consultants who work for Axpo Italia, through the inclusion of contractual clauses specifically for that purpose (see [Schedule 2](#) hereto).

### **5. The system of administrative liability for legal persons, companies and associations**

Further to the power delegated to it by parliament in Article 11 of Law No 300 of 29 September 2000, on 8 June 2001 the government issued Legislative Decree No 231/2001, which entered into force on the following 4 July 2001, designed to bring Italian company law on the liability of legal persons into line with a number of international conventions that Italy had previously ratified such as the Brussels Convention on the Protection of the European Communities' Financial Interests of 26 July 1995, the Brussels Convention on the fight against corruption involving officials of the European Communities or officials of the Member States of the European Union of 26 May 1997 and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of 17 December 1997.

The Decree, entitled "Rules on the Administrative Liability of Legal Persons, Companies and Associations, including Unincorporated Bodies" introduced into Italy a form of administrative liability for bodies (in the sense of companies, consortia, etc.) for certain offences committed in their interest or to their advantage by their own directors, employees and collaborators.

That liability is in addition to that of the natural person who has materially committed the wrongdoing. The broadening of liability seeks to punish the entities that benefit from the commission of some criminal offences. What is involved is criminal-administrative liability because, although the sanctions are administrative in nature, they flow from the commission of a criminal offence and can be imposed solely at the outcome of proceedings meeting the standards of a criminal trial.

In particular, the Decree makes provision for a detailed array of sanctions, ranging from a monetary fine to a ban or disqualification of some sort, for example, the suspension or revocation of a license or concession, a ban on contracting with public authorities, a ban on carrying on business, exclusion from or revocation of grants and loans or a ban on advertising products and services.

Liability under the Decree can also arise from offences committed abroad if the authorities for the place where the wrongdoing occurred do not take action.

### **6. Offences that give rise to administrative liability for a body**

The offences for which a body may be held administratively liable are expressly listed in the Decree itself and subsequent legislation extending the original list. Reference should be made to [Schedule 3](#) for a detailed list and description of those offences.

## **7. Exemption from liability: the Organisational, Management and Controls Model**

Articles 6 and 7 of Decree expressly provide that a body will be exempted from administrative liability for offences committed in its interest or to its advantage if the body has adopted an effective and efficacious organisational, management and controls model suited to preventing the offences that the Decree covers.

Therefore, adequate organisation is the sole way of deflecting "blame" from the body and consequently excluding punishment for it.

In particular, liability is excluded if the body proves that:

- a) prior to the commission of the wrongdoing the board of directors had adopted and efficaciously implemented organisational, management and controls models suited to preventing the offences covered by the Decree;
- b) an "organ" within the body itself has been appointed, endowed with independent powers of initiative and audit, to check the functioning and observance of the models and to update them as required (the Supervisory Body);
- c) the offences were committed by fraudulently circumventing the organisational models;
- d) there was not a lack of or insufficient supervision by the organ referred to in b) above).

The board of director's mere adoption of the model is not enough in itself to exclude liability for the body concerned, it being necessary that the model is also efficacious and effective.

Article 6.2 of the Decree states that a model is efficacious if it fulfils the following requirements:

- identifies the activities within whose context offences could be committed (so called 'mapping' of the activities at risk);
- makes provision for specific procedures aimed at making and implementing the decisions of the body in relation to the offences to be prevented;
- devises a system of managing financial resources that is capable of preventing the commission of the offences;
- provides for reporting obligations to the organ appointed to check the functioning and observance of the models.

Article 7.4 of the Decree states that a model is effective if it provides for:

- periodic checking of the model and modification if significant breaches of the rules are discovered or if changes in the company's organisation or business occur (updating of the model);
- a disciplinary system suited to punishing non-compliance with the measures specified in the model itself.

### **8. Axpo Italia's principles in adopting the Model**

Axpo Italia's Board of Directors wishes to reiterate the principles of correct management and transparency in the conduct of business and company activities and to that end has adopted a model consistent with the requirements set out in the Decree. That step has been taken in the belief that the adoption of a model in line with the rules set out in the Decree is an indispensable means of preventing the risk of commission of the offences envisaged by the Decree itself.

#### **8.1 Operating procedures for drafting and updating the Model**

Article 6.11(a) of the Decree expressly provides that models must identify the activities within whose context offences could be committed.

Described below are the phases of the work done to identify the areas at risk and to put in place the current Axpo Italia system of safeguards and controls that are relevant for the purposes of preventing offences.

The first phase involved (both at the time of first adopting the Model and when subsequently updating it) an analysis of the available documents (internal rules of conduct, organisation charts, delegation of authority and powers of attorney, aspects of disciplinary sanctions, documentation on safety management under Legislative Decree No 81/2008 as amended, etc.) to understand the relevant internal and external operating context of the Company.

On the basis of the analysis of the documentation collected the main activities done within the single Departments/Functions of the Company were mapped.

Through involving the heads of the Company's various Departments/Functions (hereinafter also referred to as "Senior Management") an analysis was conducted of Axpo Italia's specific spheres of operation and its organisational structures potentially at risk to the offences governed by the Decree.

Therefore, the areas considered at risk of commission of offences under the Decree and/or instrumental areas were identified, by which is meant respectively:

- 1) the activities whose carrying out may directly lead to the commission of one of the types of offence contemplated by the Decree;
- 2) the areas where the conditions, opportunities or means for committing the offences in question could arise.

The system of controls was examined taking into account the following standard preventative safeguards:

- the existence of formal procedures;



- the traceability and ex post verifiability of transactions through adequate paperwork or computerised trails;
- the existence of a formal system of powers and levels of authorisation consistent with the organisational responsibility involved;
- the observance of the principle of separation of functions and the existence of adequate and specific auditing and monitoring procedures.

On the basis of the activities at risk detected and the system of existing controls, the adequacy of the existing procedures was assessed in terms of their ability to prevent or identify unlawful behaviour. Where necessary, suggestions on how to improve existing decision-making processes and controls were made taking into account the provisions of the Decree and the best practices.

Axpo Italia had already adopted the Code of Conduct issued by the group parent Axpo Holding AG, as part of a wider programme of corporate ethics implemented by the Axpo Group.

Axpo Italia positively assessed the adequacy of that Code of Conduct bearing in mind its own business and made some additions to it in light of the specific requirements of the Decree.

The adequacy of the system for delegating authority and granting powers of attorney was assessed taking into account the business carried on as were occupational health and safety rules, including checking whether they might need to be adapted.

With specific reference to offences involving breaches of occupational health and safety rules, an analysis was conducted aimed at assessing the Company's risk management system in connection with the main matters addressed by existing occupational health and safety law. This was done by through specific in-depth meetings and by analysing the documentation on the organisational/procedural measures regarding the safety management system.

On the basis of the assessment of the internal controls system, some specific protocols were drawn up (i.e. procedures for behaviour and controls) with reference to the main areas at risk of commission of offences and/or instrumental areas (referred to in Section 8.2 below). The protocols drawn up describe *inter alia* the rules of conduct, the principles governing controls and how the Addressees – as defined in Section 4 above – must act in operational terms when doing activities at risk and/or instrumental activities.

Article 6.2(c) of the Decree expressly provides that bodies must "introduce a disciplinary system apt to punishing non-compliance with the measures set out in the Model". In this regard reference should be made to Section 10 hereof.

Specific clauses were drawn up for inclusion in contracts concluded with third parties involved in the carrying out for Axpo Italia of activities potentially at risk of commission of offence, which said clauses are set out in [Schedule 2](#).

An exemption from administrative liability requires the compulsory establishment of an internal organ within a company, endowed with independent powers of initiative and audit, to ensure that the Model is updated.

For details reference should be made to Section 9 hereof.

## **8.2 Axpo Italia risk profiles**

Given the type of business carried on by Axpo Italia, special attention is paid to those activities/processes considered as being "sensitive" in concrete terms as regards the commission of the wrongdoing specified in the Decree.

In view of Axpo Italia's specific business, attention is focused on the commission of offences under Articles 24, 24-*bis*, 24-*ter*, 25, 25-*bis*.1, 25-*ter*, 25-*quater*, 25-*sexies*, 25-*septies*, 25-*octies*, 25-*nonies*, 25-*decies*, 25-*undecies*, 25-*duodecies* and 25-*quinquiesdecies* of the Decree and offences under Article 10 of Law No 146/2006. Consequently, the system of internal controls has been strengthened with specific reference to those offences.

Moreover, it is maintained that the rules of behaviour envisaged by the Code of Conduct and the principles set forth in this document could well be suited to preventing also other offences referred to in the Decree. Furthermore, current service agreements include specific contractual clauses apt to ensure that Axpo Italia's service providers comply with the principles of legality.

Consequently, on the basis of the above analysis the contexts at risk turned out to be as follows:

1. management of commercial relations and trading activities;
2. management of relations with sales agents, business introduction agents and brokers;
3. management of procurement;
4. management of sponsorship, gift and donations;
5. management of relations with public authorities and supervisory authorities;
6. management of monetary and financial flows;
7. management of personnel and reimbursement of expenses;
8. management of relations with internal controls and company activities;
9. management of obligations in connection with the environment and occupational health and safety;
10. management and use of company information systems;
11. management of corporate restructuring transactions;
12. management of tax-related obligations.

## **8.3 Identification of safeguards against risks and drawing up of Protocols**

The mapping of the areas at risk has enabled controls and special activities to be pinpointed for which it proved necessary to devise specific protocols.

The protocols were developed with the aim of laying down rules of conduct and operating procedures that the Company must comply with when engaging in activities classified as "at risk".

Therefore, a protocol was formally drawn up for each of the main areas "at risk" identified.

Axpo Italia and the Addressees will ensure that their conduct is in line with what is specified in the said protocols. Where deemed necessary new special purpose internal rules and instructions that expand in detail on the single provisions will be issued.

## 8.4 Outsourcing

Axpo Italia S.p.A.'s business model envisages the outsourcing of business activities or a portion thereof to other companies in the Axpo Group. In particular, the Company has outsourced management of its information systems to a third party provider Aveniq AG.

The outsourcing of the said activities is governed by a specific services agreement that enables the Company to:

- make independent decisions, conserving the necessary skills and responsibilities in relation to the outsourced activities;
- consequently maintain powers of direction and control over the outsourced activities.

The outsourcing agreements:

- contain a detailed description of the outsourced activities;
- set the pricing for the services rendered;
- grant the Company access to the information required for auditing purposes;
- establish adequate safeguards to protect the Company's information assets and to ensure the security of transactions;
- limit the possibility for the service provider to delegate supply of the service to a third party or to modify the service rendered without the Company's consent;
- oblige the service provider to operate in accordance with applicable laws and regulations as well as to ensure compliance with those laws and regulations by any third parties whose services it avails of when carrying out the outsourced activities;
- permit the Company to terminate the agreement if, in carrying out the outsourced activities, the service provider breaches: (i) laws or regulations that could lead to sanctions being imposed on the client; (ii) the principles set forth in the Organisational, Management and Controls Model pursuant to Legislative Decree No 231/2001 adopted by the Company and in the Code of Conduct.

Axpo Italia's management monitors the adequacy of the service providers' performance and adherence to the contractually agreed clauses.

## 9. Supervisory Body

### 9.1 Role of the Supervisory Body

The exemption from administrative liability – as regulated by Article 6.1(d) of the Decree – requires the compulsory establishment of “an organ within the company with independent powers of initiative and audit”, with the “task of overseeing the functioning and observance of the models and their revision as required”.

In particular, the Supervisory Body (hereinafter referred to as the “Supervisory Body”) must fulfil the following requirements:

- **autonomy and independence**, necessary so that it is not directly involved in the management activities that it has to check;

- **professionalism**, necessary so that it can perform the specific functions assigned to it;
- **continuity of action**, which permits it:
  - to constantly work on checking that the Model is observed, using necessary powers of investigation;
  - to oversee implementation of the Model and ensure that it is constantly updated;
  - to be a stable reference point for all of the Addressees of the Model.

## 9.2 Composition of the Supervisory Body

The Board of Directors of Axpo Italia, taking account of the rules laid down in the Decree, has appointed an independent organ that is not involved at an operational level in the management and administration of the Company, which can rely on personnel inside and outside the Company with the necessary expertise so as to perform its function.

It should also be noted that the members of the Supervisory Body, be it a single-member or multi-member organ, are selected from among particularly qualified persons with experience in the sector that Axpo Italia carries on business in and/or with a legal, accounting or labour law background, possessing the necessary professionalism and fulfilling the integrity requirements laid down in Article 109 of Legislative Decree No 385 of 1 September 1993, so that the composition of the Supervisory Body is such that its expertise and experience cover all of the above mentioned professional areas.

The members of the Supervisory Body hold office for three years and may always be reappointed. Termination of their appointment or replacement before the end of their mandate may occur solely for just cause or a justified reason, which includes but is not limited to:

- voluntary resignation of the member of the Supervisory Body;
- supervening incapacity for natural causes;
- no longer fulfilling the integrity requirements, as specified in more detail in Section 9.3 below;
- failure to attend two or more meetings, not necessarily consecutive, within the space of twelve months without a valid reason therefor;
- failure by a member of the Supervisory Body to inform the Board of Directors of the occurrence of one of the grounds for disqualification from office referred to in Section 9.3 below;
- the occurrence of one of the grounds for suspension or termination referred to in Section 9.3 below;
- breach of one or more of the duties referred to in Section 9.4 below.

The Supervisory Body has adopted its own Internal Regulations, whose purpose is to ensure the correct performance of the duties of the Supervisory Body itself ([Appendix A](#)).

The Supervisory Body informs the Board of Directors regarding the adoption of its own Internal Regulations, and any amendments or updates thereto.

### **9.3 Grounds of (in)eligibility, disqualification, suspension and termination of office of the members of the Supervisory Body**

The members of the Supervisory Body, be it a single-member or multi-member organ, must fulfil the integrity requirements laid down in Article 109 of Legislative Decree No 385 of 1 September 1993. In particular, persons who find themselves in any of the situations covered by Article 2382 of the Civil Code may not be appointed as members of the Supervisory Body.

Moreover, Supervisory Body members may not be persons who, by means of a final judgment, including one issued pursuant to Articles 444 *et seq.* of the Criminal Procedure Code or one carrying a suspended sentence, without prejudice to the effects of rehabilitation:

- 1.** have been sentenced to imprisonment for a term of not less than one year for one of the crimes under Royal Decree No 267 of 16 March 1942;
- 2.** have been sentenced to a term in custody of not less than one year for one of the offences provided for in the legislation governing banking, financial, securities and insurance business and in the legislation on markets, securities and payment instruments;
- 3.** have been sentenced to imprisonment for a term of not less than one year for a crime against the public administration, against public confidence, against property, against public order, against the public economy or for a tax offence;
- 4.** have been sentenced to imprisonment for a term of not less than two years for any crime committed with criminal intent;
- 5.** have been convicted of one of the crimes under Title XI of Book V of the Civil Code as amended by Legislative Decree No 61/2002;
- 6.** have been convicted of an offence that entails or entailed a sentence leading to a ban, including temporary, on holding public office or a temporary ban on holding management positions in legal persons or enterprises;
- 7.** have been convicted of one or more of the offences exhaustively listed in the Decree, including where the sentence is lighter than any of those mentioned in the preceding points;
- 8.** have been a member of the supervisory body of a company on which sanctions under Article 9 of the Decree have been imposed;
- 9.** on whom, in final terms, one of the preventative measures under Article 10.3 of Law No 575 of 31 May 1965 (as replaced by Article 3 of Law No 55 of 19 March 1990 as amended) have been imposed;
- 10.** on whom ancillary administrative sanctions under Article 187-*quater* of Legislative Decree No 58/1998 have been imposed.

Candidates for the office of member of the Supervisory Body must self-certify, by declaration in lieu of affidavit, that they do not fall within any of the situations listed from 1 to 10 above, expressly undertaking to communicate any changes to the content of the declaration in question.

The Board of Directors may dismiss the members of the Supervisory Body at any time. If that occurs without a justified reason, the dismissed member will be entitled to compensation for the loss thereby suffered.

Members of the Supervisory Body are disqualified from office as soon as they find themselves in any of the following situations after their appointment:

- any one of the situations provided for in Article 2399 of the Civil Code;
- final conviction (which also includes one in accordance with Article 444 of the Criminal Procedure Code) for any of the offences indicated in points 1, 2, 3, 4, 5, 6 and 7 of the ineligibility list above;
- in a situation whereby after the appointment it turns out that the person was a member of the supervisory body of a company on which sanctions under Article 9 of the Decree were imposed in relation to administrative wrongdoing committed during his or her term of office.

The following are grounds for suspension or termination of office as a member of the Supervisory Body:

- appealable conviction for any of the offences indicated in points 1-7 of the ineligibility list above;
- the imposition of any of the sanctions referred to in points 1-7 of the ineligibility list above, in a case where the sentence was imposed on foot of a plea bargain;
- the imposition of a precautionary measure of a personal nature;
- the provisional imposition of one of the preventative measures under Article 10.3 of Law No 575 of 31 May 1965 (as replaced by Article 3 of Law No 55 of 19 March 1990 as amended);
- a finding by the Board of Directors of negligence, imprudence or gross negligence in the performance of the functions assigned under Section 9.4 hereof and, in particular, in the identification and consequent elimination of breaches of the Model and, in the most serious cases, the perpetration of offences.

#### **9.4 Functions and powers of the Supervisory Body**

The institutional functions of the Supervisory Body are expressly set out by law in Article 6.1(b) of the Decree and consist of the following:

- oversee the functioning and observance of the Model;
- propose the necessary updates.

As for updating of the Model, the actual adoption of the amendments is a matter for the Board of Directors (or possibly somebody delegated by it), which – according to Article 6.1(a) of the Decree – is directly liable for the adoption and efficacious implementation of the Model itself.

In order to assure that its actions are totally efficacious, the Supervisory Body has free access to all of the company documentation that may be relevant to checking that the Model is functioning properly.

For the purposes of enabling it to fully and independently perform its duties the Supervisory Body is allocated an adequate annual budget set by resolution of the Board of Directors, that allows the Supervisory Body to be in a position to perform its functions with complete autonomy and without limitations that could stem from insufficient financial resources at its disposal. In any case the members of the Supervisory Body are entitled to be reimbursed their documented out-of-pocket expenses incurred in performing their appointment.

## **9.5 Reporting by the Supervisory Body**

The Supervisory Body must report on the checks it has carried out concerning implementation of the Model and the occurrence of critical matters, if any, and the work that it has done in carrying out its duties.

At least every six months the Supervisory Body must prepare a report for the Board of Directors and the Board of Statutory Auditors on the work done, the tip-offs received and the disciplinary action (in connection with behaviour of relevance to the Model) taken by the relevant company functions as well as the necessary and/or desirable corrective measures and improvements to the Model and their state of implementation. At least once a year that report must be presented to Board of Directors by the Chair of the Supervisory Body.

The Supervisory Body may also request to be heard by the Board of Directors whenever it maintains that it is advisable to timely report on breaches of the Model or to draw attention to critical issues concerning the functioning and observance of the Model itself.

Similarly, the Supervisory Body may be convened at any time by the Company's organs, including the Board of Statutory Auditors, to report on significant circumstances such as observance of the Model and its suitability to prevent wrongdoing.

## **9.6 Information flows to the Supervisory Body and Whistleblowing**

Pursuant to Article 6 of the Decree, the Model must make provision for:

- "information obligations towards the body tasked with overseeing the functioning and observance of the models" (paragraph 1(d));
- "one or more channels that enable (...), in the interests of the company's integrity, detailed whistleblowing about unlawful conduct that is relevant for the purposes of (...) the decree based on precise and consistent factual elements or about breaches of the company's organisational and controls model, knowledge of which has been gained as a result of the functions exercised. Those channels must guarantee that the whistleblower's identity will be protected during the process of handling the whistleblower's tip-off" (paragraph 2-bis(a));
- "at least an alternative channel for whistleblowing apt to protect, by computerised means, the whistleblower's identity" (paragraph 2-bis(b)).

### *9.6.1 Information flows to the Supervisory Body*

Therefore, first of all, the Supervisory Body must be informed by all persons obliged to adhere to the Model about any relevant circumstance in connection with the observance and functioning of the Model itself.

In order to ensure effective management of information flows, the Company has drawn up a Protocol for the management of information flows and whistleblowing to the Supervisory Body, which identifies:

- the contents of information flows;
- those responsible for transmitting information flows;
- the periodicity of information flows.

Referring back to the provisions of the Protocol for the management of information flows and whistleblowing to the Supervisory Body, it should be noted that any fraudulent omission or delay in fulfilling information obligations provided for in the Protocol shall be **considered a breach of the Organisational Model and may be dealt with under the Disciplinary System described in Section 10 below.**

It is the duty of the Supervisory Body to periodically request the Addressees to provide assurances as to the completeness of the information communicated.

All information flows, both general and specific, must be provided in writing and sent to the Supervisory Body, by e-mail to [ODV.it@axpo.com](mailto:ODV.it@axpo.com) and by letter addressed to Organismo di Vigilanza, Axpo Italia S.p.A., Via XII Ottobre 1, 16121 Genoa (GE).

All information required under the Model is stored by the Supervisory Body in a special purpose computerised and/or paper archive in accordance with the provisions of Regulation (EU) 2016/697 and Legislative Decree No 196/2003 as amended by Legislative Decree No 101/2018, as specified in more detail in Schedule 4, without prejudice to the performance of the Supervisory Body's reporting duties to senior management.

#### 9.6.2 *Tip-offs to the Supervisory Body (Whistleblowing)*

In compliance with the provisions of Law No 179/2018, the Protocol for the management of information flows and whistleblowing to the Supervisory Body:

- governs the procedures for the transmission and processing of tip-offs regarding wrongdoing that is relevant for the purposes of Legislative Decree No 231/2001 and breaches of the Organisational Model;
- illustrates the protections afforded by the Company to the whistleblower.

Referring back to the provisions of the Protocol for the management of information flows and whistleblowing to the Supervisory Body, it should be noted that the Company makes two channels (e-mail and traditional mail) available to Addressees of this Model to afford them an opportunity to whistleblow.

Firstly, tip-offs may be sent to by e-mail to the following e-mail account:

[ODV.it@axpo.com](mailto:ODV.it@axpo.com)

Secondly, tip-offs may be sent by letter addressed to:

**Organismo di Vigilanza Axpo Italia S.p.A.**, Via XII Ottobre 1, 16121 Genoa (GE)

Every tip-off is processed by the Supervisory Body protecting the identity of the whistleblower also for the purposes of avoiding reprisals, discrimination, penalisation or any consequence arising out of the propagation of the tip-off itself without prejudice to the rights of persons accused by mistake or in bad faith and to the rights of workers, the Company and third parties.

The Company expressly prohibits any direct or indirect reprisals or discrimination against whistleblowers for reasons directly or indirectly associated with tip-offs.

Furthermore, **consistent with the provisions of the disciplinary system (see Section 10 below) the Company will punish any breach by Addressees of the measures to safeguard whistleblowers set out in the above Protocol as well as any fraudulent or grossly negligent tip-offs that prove to be groundless.**



Bearing in mind the need to maintain confidentiality in the management of the identity of the whistleblower as well the need to be able to tackle any fraudulent or grossly negligent tip-offs that prove to be groundless, anonymous tip-offs will only be taken into account if, in the exclusive opinion of the Supervisory Body, they are based on precise and consistent factual elements accompanied by definite and immediately verifiable data.

The Supervisory Body stores all information required under the Model in a special purpose computerised and/or paper archive in accordance with the provisions of Regulation (EU) 2016/697 and Legislative Decree No 196/2003 as amended by Legislative Decree No 101/2018, as specified in more detail in Schedule 4. Access to the said archive is limited exclusively to the members of the Supervisory Body and solely for reasons related to the performance of the duties set out above.

In addition to the provisions of the Organisational Model, at corporate level the Axpo Group has overhauled the processes for handling tip-offs from whistleblowers, making available a new reporting platform "SpeakUp" on the Axpo Insider intranet and on the Axpo website. The platform, which is operated by an external provider and consists of a 24-hour telephone and web-based service, replaces Axpo's previous ethics hotline and allows employees to report breaches of the code of conduct to compliance officers, including anonymously.

Axpo Italia S.p.A. ensures coordination between the SpeakUp System at corporate level and the whistleblowing system adopted pursuant to Article 6 of Legislative Decree No 231/2001 as regulated within the context of the Organisational Model.

## **10. Disciplinary System**

The existence of a disciplinary system with *sanctions proportionate* to the *gravity* of the breach of the rules laid down in this Model by the Addressees is an indispensable requisite for a fully efficacious Model including all of its associated protocols.

Sanctions are imposed irrespective of whether the wrongdoing has criminal implications or whether criminal proceedings are instituted in cases where the behaviour constitutes a criminal offence relevant or otherwise for the Decree. Sanctions may be imposed also in cases where Addressees have breached principles laid down in the Model without that breach constituting an offence or triggering liability for the Company.

With exclusive reference to breaches of the Model in connection with occupational health and safety, the applicable disciplinary system remains that of the Company as expressly required by the laws and regulations in force.

### **10.1 Employees who are not executives**

Breach of the rules of conduct laid down in this Model, the Code of Conduct, the protocols, the regulations and company procedures by employees – hence subject to the national collective bargaining agreement for businesses in the tertiary, distribution and services sector (formerly known as the national collective bargaining agreement for the trade sector) – constitutes a punishable breach.

The sanctions relate to the context of the worker's job and take into account prior disciplinary action, if any, taken against the worker, whether the breach was intentional, the gravity of the

conduct (assessed in terms of the level of risk that the Company is exposed to) and, finally, the particular circumstances in which the breach of the Model occurred.

Consistent with the process adopted by the Company, the sanctions to be imposed following a breach of the Model are those set out in the applicable national collective bargaining agreement.

By "applicable national collective bargaining agreement" is meant the national collective bargaining agreement for businesses in the tertiary, distribution and services sector currently in force and the recent agreements renewing it and by "punishable breach" is meant any behaviour that is liable to disciplinary action in accordance with the rules therein contained.

Following communication to the Supervisory Body of a breach of the Model, an inquiry will be conducted in accordance with the provisions of the applicable national collective bargaining agreement. The inquiry will be conducted by the Supervisory Body in conjunction with the relevant Departments/Functions (e.g. Human Resources Department or Legal & Compliance Department).

The disciplinary action taken against employees in compliance with the procedure set forth in Article 7 of Law No 300 of 20 May 1970 (Workers Charter) and other specific legislation that may be applicable to the workers concerned shall be that provided for under the national collective bargaining agreement for businesses in the tertiary, distribution and services sector.

The foregoing is without prejudice to the provisions of Article 7 of Law No 300/1970, which is incorporated by reference herein, in relation to publishing disciplinary codes and in particular the need to notify the employee about the wrongdoing in advance so as to afford him or her an opportunity to prepare a suitable defence and explanation.

In particular:

- A verbal warning applies in the case of a minor breach of the principles and rules of conduct set out in this Model or breach of the internal rules and procedures set out and/or referred to herein or conduct within the context of the most "sensitive" activities/processes that does not comply with or is inadequate compared to the rules set out in the Model, such conduct consisting of a minor breach of the contractual rules or the directives and instructions issued by management or superiors.
- A written reprimand applies in the case of a breach of the principles and rules of conduct set out in this Model or breach of the internal rules and procedures set out and/or referred to herein or conduct within the context of the most "sensitive" activities/processes that does not comply with or is inadequate compared to the rules set out in the Model.
- A fine and, in the event of recidivism that has twice led to the imposition of fine that is not statute barred, suspension from work without pay up to a maximum of 10 days applies in the case of a breach of the principles and rules of behaviour set out in this Model or breach of the internal rules and procedures set out and/or referred to herein or conduct within the context of the most "sensitive" activities/processes that does not comply with or is inadequate compared to the rules set out in the Model, to a degree that can be considered of a certain gravity, also because of repetition.
- Dismissal for a justifiable reason applies to conduct in the carrying out of the most "sensitive" activities/processes that involves a significant breach of the rules and/or

procedures and/or internal rules set out in this Model, even if only susceptible to constituting one of the offences punished by the Decree.

- *Dismissal for just cause* applies to conduct in the carrying out of sensitive activities that knowingly breaches the rules and/or procedures and/or internal rules set out in this Model, which, even if only susceptible to constituting one of the offences punished by the Decree, undermines the trust that is a feature of the employment relationship that is so grave as to not permit the continuation of the relationship, not even on a provisional basis.

In the event of any inconsistency between the above and the applicable national collective bargaining agreement as amended, the latter shall prevail.

## **10.2 Employees who are executives**

Breach of the principles and the rules of conduct set out in this Model, in the Code of Conduct, protocols, and company procedures by executives or conduct, within the context of the risk profiles identified in the protocols that does not comply with the aforementioned provisions shall be punished by the most appropriate sanction without prejudice to the national collective bargaining agreement for businesses in the tertiary, distribution and services sector and/or the national collective bargaining agreement for managers in industry, as renewed. The disciplinary action taken may, by way of example, consist of a written warning and, in the most serious cases or continued recidivism, termination of the employment relationship.

Punishable breach also includes failure by an executive to supervise the correct application by subordinate employees of the rules and procedures set out in the Model, protocols and company procedures and likewise breach of information obligations owed to the Supervisory Body regarding the commission or alleged commission of offences (including attempts to commit offences), breach of the rules of conduct contained therein by an executive or, more in general, conduct in the carrying out of an executive's duties that is not in line with the behaviour one could reasonably expect of an executive having regard to the position held and the degree of independence enjoyed.

## **10.3 Measures against directors**

In case of breach of this Model by one or more members of the Board of Directors, the Supervisory Body will inform the Board of Statutory Auditors and the entire Board of Directors.

The Board of Directors is responsible for assessing the breach and adopting the most suitable action against the director(s) guilty of the infringement. In that assessment the resolution of the Board of Directors must be passed by absolute majority vote of those present excluding the guilty director(s) after obtaining the opinion of the Board of Statutory Auditors.

It is a matter for the Board of Directors and the Board of Statutory Auditors pursuant to the Article 2406 of the Civil Code to call – in accordance with applicable laws and regulations – a Shareholders' Meeting if one is deemed necessary. A Shareholders' Meeting must be called if it is wished to adopt resolutions regarding termination of office or the bringing of legal action against directors for breach of their duties.

If it is established that a member of the Board of Statutory Auditors has breached the provisions of the Model, after consulting with the Supervisory Body the Board of Directors will propose to the Shareholders General Meeting that it take the required action (where the

conditions therefor are met) and will attend to whatever further statutory formalities may be required.

#### **10.4 Measures against statutory auditors**

In case of breach of this Model by one or more statutory auditors, the Supervisory Body will inform the Board of Directors and the entire Board of Statutory Auditors, who will proceed to take appropriate action including, for example, calling a Shareholders' Meeting to adopt the most suitable measures provided for by law.

#### **10.5 Measures against third parties – contractual counterparties**

Any behaviour giving rise to the commencement of judicial proceedings aimed at establishing the relevance of that conduct for the purposes of the Decree engaged in by suppliers, consultants, collaborators, agents and commercial partners, howsoever called, or other third parties who work for the Company in a contractual capacity other than as an employee shall lead – in accordance with specific contractual clauses (see [Schedule 2](#) hereto) – to early termination of the contractual relationship for just cause without prejudice naturally to the Company's right to obtain damages should the said behaviour cause concrete harm to it.

Regarding 'temporary agency workers', the provisions of Section 10.1 above will apply except that charges must be brought in accordance with the terms of the national collective bargaining agreement applicable to labour supply contracts and the temporary employment agency must take the relevant disciplinary action.

### **11. Dissemination of the Model**

Adequate training of and constant information to personnel on the principles and rules contained in the Model are factors of key importance for the correct and efficacious implementation of the corporate safeguards system.

All those who work within the Company as well as partners and external collaborators are obliged to have complete knowledge of the correctness and transparency goals it is sought to pursue through the Model and the way in which the Company seeks to pursue them by putting in place an adequate system of procedures and controls.

#### **11.1 Initial communication**

The adoption of this Model (and all revisions hereof) is communicated to all of the Addressees. Moreover:

- the Model itself and its schedules, including the Code of Conduct, are published on the corporate intranet;
- the General Part of this Model and the Code of Conduct are also published on the Company's website.

The Addressees undertake to observe the principles, rules and procedures in question in the performance of their duties in the areas of relevance for the Decree and in all other activities that may be carried out in the interests of and to the advantage of the Company or the Group.

Newly hired personnel will be notified of the adoption of the Model and its availability at headquarters and on the corporate intranet.

## **11.2 Training**

For the purposes of the efficacious implementation of the Model, it is Axpo Italia's general aim to ensure that all of the Addressees of the Model itself are informed of and know the rules of conduct therein contained. All of the Addressees are obliged to have complete knowledge of both the objectives of correctness and transparency sought to be pursued through the Model and the way in which Axpo Italia seeks to pursue them.

The level of the training and information given to Addressees varies, with special attention paid to those employees who more in the most "sensitive" areas. Training can be differentiated based on the position held by Addressees and the degree of risk associated with the area that they work in.

It is a matter for the Supervisory Body, in agreement and in strict cooperation with the Board of Directors and the Head of Human Resources, to evaluate the adequacy of the training programmes in terms of their content, how they are to be delivered, their repetition, checking that participants compulsorily attend them and the action to be taken against those who fail to attend courses without a valid reason.

In light of the above, steps have been devised to ensure the widest dissemination of the rules of the Model and consequently heighten awareness of the Addressees. Therefore, the training provides for:

- a part dedicated to explaining the regulatory framework (consequences for the Company deriving from the commission of the criminal offences and administrative wrongdoing referred to in the Decree, essential features of the offences and the function that the Model serves in that context) and the Model;
- a part dedicated to the specific protocols adopted by the Company with specific reference to the rules of conduct and controls to be adhered to by the Addressees of this document in relation to each of the areas at risk of commission of offences and the areas instrumental to the commission of offences.

Training takes the form not only of courses and specific seminars but also other tools of dissemination such as, for example, update e-mails and internal memos.

Participating in the above training process is compulsory and is documented through signed attendance sheets and communication to the Supervisory Body of the names of those attending.

As regards newly hired personnel or individuals who were unable to participate in previous training for valid reasons, specific courses will be organised for them in agreement with the Supervisory Body and the Board of Directors.

Courses will be repeated to check the effective application of the Model by Addressees and their awareness of the themes and rules in the Model itself in the manner specified to the Board of Directors by the Supervisory Body in cooperation with the Head of Human Resources.

### **11.3 Information to third parties who operate for or in the Company's interest**

Consultants, agents, suppliers and/or external collaborators must be informed of the Code of Conduct and the Company's requirement that their behaviour comply with the provisions of the Decree.

## **12. Updating of the Model**

The Decree expressly provides for the need to update organisational management and controls models to ensure that they are constantly adapted to reflect business realities, in other words, the specific needs of a company and its actual operations. Revision and/or updating of the Model will essentially take place whenever there are:

- legislative developments;
- breaches of the Model and/or negative outcomes to checks on the efficacy of the Model (that may also be deduced from the experience of other companies);
- changes to the Company's organisational structure, including stemming from corporate reorganisations or changes in business strategy owing to entering into new sectors of activity.

The updating of the Model and, hence, its expansion and/or modification is a matter for the Board of Directors to which the law has entrusted the very adoption of the Model itself. In turn the Board of Directors delegates the Managing Director to make the subsequent changes to the protocols envisaged by the Model that may prove necessary to bring them into line with business changes. In the event of significant modifications the Managing Director must inform the Board of Directors thereof. By contrast, managing or requesting updates as opposed to their direct implementation is a matter for the Supervisory Body.

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