

# **THERMO GLASS DOOR INTERNAL REPORT ASSESSMENT PROCESS**

## **1. INTRODUCTION**

As part of the “REPORTS PROCEDURE ON THE APPLICATION OF RULES AND OF THE CODE OF ETHICS OF THE LU-VE GROUP” (hereinafter, the “Procedure”), which contains the principles and general provisions applicable to each company of the LU-VE Group and therefore also to THERMO GLASS DOOR S.p.A. (hereinafter the “Company”) in relation to Reports concerning conducts in breach of rules of law and/or of procedural and regulatory provisions and /or of the Code of Ethics of the LU-VE Group, cited in full here, includes this THERMO GLASS DOOR internal process (hereinafter “Process”) which regulates, in the case of an appropriate Report, the prerequisites for making Reports, the assessment *process* of the same, the respective investigation and any consequent adoption of sanction measures.

As part of the applicable rules of law in the Italian legal system, the Process is aimed at implementing to Legislative Decree No. 24 of 10 March 2023 ('Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and on provisions concerning the protection of persons who report breaches of national laws') (so-called whistleblowing).

This Process has therefore been adopted based on the EU requirements envisaged by Directive (EU) 2019/1937 transposed by the aforementioned D. Legislative Decree no. 24/2023, with the aim of providing a compliant and unitary internal Reporting procedure applicable to the companies of the LU-VE Group, which guarantees, insofar as possible, confidentiality of the Report, the identity of the Whistleblower and of the person involved and of the person in any case mentioned in the Report, as well as of the content of the Report and of the relevant documentation.

Any processing of personal data is carried out in conformity with Regulation (EU) 2016/679 (General Data Protection Regulation - “GDPR”), Legislative Decree No 196 of 30 June 2003 and Legislative Decree No 51 of 18 May 2018.

## **2. DEFINITIONS**

Without prejudice to the meaning of the terms and expressions indicated in the “REPORTS PROCEDURE ON THE APPLICATION OF RULES AND OF THE CODE OF ETHICS OF THE LU-VE GROUP” cited in full here, the following terms and expressions, as well as the terms defined in the articles of this Process, have the meaning indicated below, with the same meaning applying in both the singular and in the plural.

“ANAC”: National Anti-Corruption Authority.

"Legislative Decree No. 24/2023": means Legislative Decree No. 24 of 10 March 2023, containing the "Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and laying down provisions regarding the protection of persons who report breaches of national laws".

"Directive EU 2019/1937": means Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of EU law.

"Public disclosure" or "public dissemination": making information about breaches publicly available through print or electronic media or otherwise through means of dissemination capable of reaching a large number of people.

"Facilitator": a natural person who assists a Whistleblower in the Whistleblowing process, operating within the same work context and whose assistance must be kept confidential.

"Law no. 179/2017": means Law no. 179 of 30 November 2017, containing *"Rules for the protection of whistleblowers of crimes or irregularities of which they have become aware as part of a public or private employment relationship"*.

"Unverifiable detailed reports": this refers to the circumstance where preliminary verifications reveal that it is not possible, based on the available investigation tools, to verify accuracy of the Report.

"Verifiable detailed reports": this refers to the circumstance where, given the contents of the Report, it is effectively possible, based on the available investigation tools, to verify accuracy of the Report within the company.

"Report made with fraud or gross negligence": a Report that to be lacking in factual evidence and made in full awareness of the absence of a Breach or non-conformity or the lack of involvement of the Reported Person in the same, therefore with wilful misconduct or gross negligence in the assessment of the factual elements in the face of ascertainment even in a judgment of first instance.

"Internal Report": the written or oral communication of information on Breaches, submitted through the internal reporting channels set up by the Company.

"External Report": the written or oral communication of information on Breaches submitted through the external reporting channel activated by ANAC pursuant to Article 7 of Legislative Decree no. 24/2023.

"Sanction system": the system of sanctions to be applied, on one side, against those who commit reported Breaches, where they cannot be dealt with by disciplinary measures in application of the provisions of the applicable National Collective Labour Agreement (hereinafter "NCLA") and/or internal regulations and, on the other, against those who commit Internal Process Breaches.

"Internal Process Breach": breach, infraction, evasion, imperfect or partial application, committed by those who adopt direct or indirect acts of retaliation and/or discrimination against the Whistleblower for reasons related, even indirectly, to the Report; by those who obstruct and/or attempt to obstruct the Report; by those who violate the measures protecting confidentiality; by those who make Reports that are then followed, even by a first degree judgement, by the ascertainment of the criminal liability for offences of defamation or slander, or in any case for the same offences committed with the report to the judicial or accounting authorities, or his civil liability, for the same reason, in cases of wilful misconduct or gross negligence; by those who have not set up reporting channels, or by those who have not adopted procedures

for making and managing reports, or whose adoption of such procedures does not comply with the sector legislation, or by those who do not carry out verification and analysis of the reports received.

### **3. PURPOSE AND SCOPE**

The Report shall concern irregularities and/or violations of national or European Union regulatory provisions affecting the integrity of TGD or of other Group companies and/or of the procedural and regulatory provisions and/or of the Code of Ethics of the LU-VE Group, of which one has become aware by reason of the functions performed.

It is hereby specified that the provisions of Legislative Decree no. 24/2023 and of this Process shall not apply

- 1) to disputes, claims or requests linked to a personal interest of the Whistleblower or of the person filing a complaint to the Judicial or Accounting Authorities, pertaining exclusively to his/her individual working relations, or inherent to his/her working relations with hierarchically superior figures.  
In such cases, it is advisable for the Whistleblower to declare his/her personal interest from the outset;
- 2) to Reports of breaches where already mandatorily regulated by European Union or national acts concerning services, products and financial markets and the prevention of money laundering and terrorist financing, transport safety and environmental protection or by national acts constituting the implementation of the European Union acts indicated in Part II of the Annex to Directive (EU) 2019/1937 (always concerning services, products and financial markets and the prevention of money laundering and terrorist financing, transport safety and environmental protection);
- 3) national security breaches, as well as procurement relating to defence or national security aspects, unless such aspects are covered by the relevant secondary legislation of the European Union.

Legislative Decree No. 24/2023 also specifies that the national provisions on criminal procedure, the autonomy and independence of the judiciary, and the provisions on the functions and powers of the Superior Council of the Judiciary, including the relevant procedures, remain unaffected by this decree with regard to the legal position of members of the judicial order.

It is also specified in the aforementioned decree that the national provisions on national defence and public order and security remain unaffected and that the right of workers to consult their representatives or trade unions is not affected.

Without prejudice to the cases of exclusion listed above, for violations, including those of an omissive nature, which undermine the integrity of the Company and which may therefore be the subject of a Report are to be understood as

- a) breaches of national provision and of European provisions consisting of offences in the following areas: public procurement; services, products and financial markets and prevention of money laundering and terrorist financing; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; privacy and personal data protection and security of networks and information systems;

- b) breaches of national provisions and of European provisions consisting of: (i) acts or omissions detrimental to the Union's financial interests; (ii) acts and omissions relating to the internal market; (iii) acts and conduct that frustrate the object or purpose of the provisions of Union acts in the areas referred to in point (a) above;
- c) breaches of behavioural and procedural rules of the Company concerned by the Report and/or of the LU-VE Group and/or of the Code of Ethics of the LU-VE Group, resulting in violations of points a) and b);
- d) breaches of national provisions consisting in unlawful conduct relevant to Legislative Decree no. 231/2001 *(with reference to the following activities: 1. Organisation of production and product creation; 2. Product design, research and development; 3. Procurement of goods and services; 4. Procurement of goods and services for Operations; 5. Receipt of materials and quantity and quality control of the same; 6. Sale of goods and services; 7. Management of sales network; 8. Management of sales: assessment of customer reliability; 9. Purchases of transportation services and management of shipments; 10. Management of customs formalities; 11. Management of intergroup relationships; 12. Selection, recruitment and management of personnel; 13. Management of mandatory recruitment; 14. Bonus system; 15. Acquisition of financing/public contributions; 16. Management of corporate communication and marketing activities; 17. Transactions on share capital and extraordinary finance operations; 18. Planning and management of financial flows; 19. Cash management; 20. Preparation of financial statements, reports and corporate communications; 21. Tax compliance management; 22. Management of inspections/audits/assessments; 23. Management of judicial proceedings and disputes; 24. Management of relationships with corporate bodies; 25. Management compliance occupational safety; 26. Environmental compliance management; 27. Use of company IT equipment).*

The Process also applies to anonymous Reports, where these are adequately detailed, or they are able to reveal facts and situations by relating them to specific contexts.

Illegal acts not yet committed, but which the Whistleblower believes may reasonably occur in the presence of precise elements, may also form the subject of the Report.

In any case, in order for the Whistleblower to benefit from the protection regime provided for by Legislative Decree no. 24/2023 and by this Procedure, the following conditions must be met:

- (i) that it is a person included in the list of recipients set out in paragraph 3 of the Procedure;
- (ii) that the information on the Violations reported, publicly disclosed or denounced falls within the objective scope of Legislative Decree no. 24/2023 and of this Process;
- (iii) that the Whistleblower at the time of the Report or of the report to the judicial or accounting authorities or of the public disclosure had "well-founded reason" to believe that the information was truthful;
- (iv) that the Report is carried out in accordance with the procedures provided for by the internal or external channels set out in this Process;
- (v) that the public disclosure is made in accordance with the conditions set out in Legislative Decree no. 24/2023.

It should be noted that the reasons that led the person to report or publicly disclose are irrelevant for the purposes of protecting the Whistleblower.

However, there are also hypotheses in which the Reporting Subject may lose protection, i.e:

- when the criminal liability of the Whistleblower for offences of defamation or slander is ascertained, even by a judgment of first instance, or if such offences are committed by reporting to the judicial or accounting authorities
- in the event of civil liability for the same title due to wilful misconduct or gross negligence.

In both cases, a disciplinary sanction will be imposed on the Whistleblower or reporting person, as governed by the sanctions system set out below. Moreover, criminal, civil or administrative liability is not excluded for all those acts or omissions that are not related to the Report, to the denunciation to the judicial or accounting authorities or to public disclosure or that are not strictly necessary to disclose the Breach.

Legislative Decree no. 24/2023, on the other hand, provides for limitations of liability, also of a civil or administrative nature, in the event that the Whistleblower discloses breaches covered by the obligation of secrecy, within the limits indicated by Article 1, par. 3, of Legislative Decree no. 24/2023 (i.e. in matters of: a) classified information; b) forensic and medical professional secrecy; c) secrecy of the deliberations of judicial bodies), or relating to the protection of copyrights or the protection of personal data, or if it discloses or disseminates information on Breaches that offend the reputation of the person involved or reported, if, at the time of disclosure or dissemination, it has reasonable grounds to believe that the disclosure or dissemination of the same information is necessary to disclose the Breach and the Report.

The Whistleblower must therefore reasonably believe, and not on the basis of mere inferences, that that information must be disclosed because it is indispensable for the breach to come to light, to the exclusion of superfluous information, and not for further and different reasons (e.g. gossip, vindictive, opportunistic or scandalous purposes).

Moreover, the Whistleblower - unless the act constitutes a crime - shall not incur any liability, even of a civil or administrative nature, for acquiring or accessing information on violations.

#### **4. PROCESS DESCRIPTION**

##### **4.1 Reporting methods**

Recipients of the Procedure who become aware of conduct among those described in this Process, shall, by the methods indicated below, make a Report via the IT Portal made available at the address “<https://whistleblowing.luvegroup.com/it/>”, subject to reading and accepting the “Privacy Policy” and this Process.

This is subject to the possibility of making Reports:

- in oral form by requesting a direct meeting by sending an e-mail to the address: [ria@luvegroup.com](mailto:ria@luvegroup.com).

In the event of sending a Report by means other than those provided for by the internal channels governed by this Process, it will be necessary to clearly indicate that it is a Report for which you intend to keep your identity confidential and thus benefit from the protections provided for by the applicable legislation.

LU-VE Personnel and/or whoever receives a Report, by external and/or internal mail, email or fax, or any other modality, must communicate it within seven days from its receipt via the IT Portal to the competent Subject, giving contextual notice of the transmission to the Reporting Subject, where possible; any paper original of the Report should be sent, at the request of the Competent Person, complete with any supporting documentation.

The recipient may not retain a copy of the Report and must refrain from performing independent analysis and/or investigation. Any failure to communicate a Report received constitutes an Internal Process Breach and may involve the adoption of appropriate initiatives, even of disciplinary nature according to the structure of the sanction system planned by this Process.

#### **4.2 Confidentiality in managing the Report**

As already mentioned, in managing Reports, the confidentiality of the content and related documentation and of the identity of the Whistleblower and/or the person involved and of the person mentioned in the Report, as well as of the facilitator, is guaranteed.

The Whistleblower's identity or any other information which may reveal - directly or indirectly - the identity of the same will not be disclosed to persons other than the Competent Persons and will therefore remain confidential.

The addressees of the Report may not have access to the identity of the Whistleblower, except when the Whistleblower himself/herself does not expressly authorise it and when the disclosure of the Whistleblower's identity and of the information referred to in the preceding paragraph is also indispensable for the defence of the person involved.

In any case, the Whistleblower shall be notified in writing of the reasons for the disclosure of confidential data.

Any violation of the confidentiality obligation may involve the adoption of the initiatives applicable each time, including those of disciplinary nature.

Personal data that are clearly not useful for the processing of a specific Report shall not be processed and, if accidentally collected, shall be deleted immediately.

It should be pointed out that the person concerned or the person mentioned in the report, with regard to their personal data processed in the context of the report, public disclosure or complaint, cannot exercise the rights that the GDPR normally grants to data subjects (e.g. the right of access to personal data, the right to rectification, the right to obtain erasure or the so-called right to be forgotten, the right to restriction of processing, the right to data portability and the right to object to processing). They are also precluded from addressing the data controller and, in the absence of a reply from the latter, from lodging a complaint with the "Garante della protezione dei dati personali" if they consider that the processing that concerns them violates these rights.

#### **4.3 Prohibition on acts of retaliation or discrimination against the Whistleblower**

It is also prohibited to carry out direct or indirect acts of retaliation or discrimination against persons making a Report, a public disclosure and/or a complaint to the judicial or accounting authorities, for reasons even allegedly linked, directly or indirectly, to the Report.

Retaliatory or discriminatory acts are null and void.

In particular, Whistleblowers or public disclosures who have been dismissed as a result of the Whistleblowing or reporting have the right to be reinstated in their job, due to the specific discipline applicable to the worker.

For the specific consequences relating to any adoption of direct or indirect acts of retaliation and/or discrimination against the Whistleblower for reasons allegedly related, even indirectly, to the Report, see the "sanction system" indicated below in paragraph 5.

Whistleblowers or those who have made a public disclosure may turn not only to the judicial or administrative authorities in order to obtain protection, but also to ANAC to report the retaliation they believe they have suffered, which will inform the National Labour Inspectorate, for the measures within its competence.

It should also be noted that, pursuant to Article 3, par. 5, of Legislative Decree no. 24/2023, without prejudice to the provisions of Article 17, par. 2 and par. 3, the protection measures set out in Chapter III of the aforementioned decree also apply to

- a) to facilitators;
- b) to persons belonging to the same work environment as the Whistleblower, of the person who has made a complaint to the judicial or accounting authorities or of the person who has made a public disclosure, and who are linked to them by a stable emotional or family relationship up to the fourth degree;
- c) co-workers of the reporting person or of the person who has made a complaint to the judicial or accounting authorities or made a public disclosure, who work in the same work environment as the reporting person and who have a regular and current relationship with the said person;
- d) entities owned by the reporting person or by the person who made a complaint to the judicial or accounting authorities or made a public disclosure, or for which the same persons work, as well as entities working in the same work context as the aforementioned persons.

For protection from retaliatory acts to exist, the following conditions must be fulfilled:

- i) the Person has reported, disclosed or made the public disclosure on the basis of a reasonable belief that the information on the Breaches reported, disclosed or reported is true and falls within the objective scope of application of the Decree;
- ii) the Report or public disclosure was made in accordance with Chapter II of Legislative Decree no. 24/2023;
- iii) there must be a consequential relationship between the Report, disclosure and denunciation made and the retaliatory measures taken.

Mere suspicions or rumours are not sufficient. Neither the certainty of the facts nor the personal reasons that led the person to report, denounce or make the public disclosure are relevant.

#### **4.4 Competent Person**

The Competent Person for the assessment Process of Reports is Internal Audit Manager of LU-VE Group , without prejudice to the responsibilities and prerogatives of the LU-VE S.p.A. Board of Statutory Auditors on Reports sent to the same.

Reports concerning IA Manger may be sentto the external channel established by ANAC in accordance with paragraph 6.

#### **4.5 Registration**

All Reports, irrespective of the method of receipt, are registered by the Internal Audit Manager of LU-VE Group on the Portal in the Record of Reports in the section under the competence of TGD S.p.A., which constitutes the *database* summarising the essential details of the Reports and their management and it also guarantees the archiving of all attached documentation, as well as the documentation produced or acquired during the analysis activities.

After registering the Report, the Internal Audit Manager of LU-VE Group analyses it, in order to restrict the processing of Reports only to those falling within the perimeter of this Process.

A personal Code is assigned for each Report, which allows each Whistleblower to verify its processing status. That Code will also be indicated on the Record of Reports in the section under competence of TGD S.p.A..

Once the Competent Person receives the Report on the Portal, it will issue an acknowledgement of receipt to the Reporting Subject within 7 days from the receipt of the Report.

In the case of oral Reports (meeting request), an acknowledgement of receipt will be issued within seven days of the Report (only if the Reporting Subject has provided an e-mail address), together with a personal Code associated with the Report, which will enable him/her to monitor the status of the Report on the Portal, by entering the personal code in the box provided on the Portal's home page.

#### **4.6 Preliminary analysis of the Report**

The Competent Person of the Report makes a preliminary assessment, also by way of documentary analyses, to ensure that there are the necessary prerequisites to commence the subsequent investigation phase, dismissing generic Reports or those lacking sufficient information.

If necessary, the Competent Person may request further clarifications and/or informations from the Whistleblower, to which the latter must respond within the term of fifteen (15) calendar days from receiving the request.

If the Whistleblower has made the Report through the Portal and has provided an email address, he/she will receive, at the email address provided, notification of the request for clarifications and/or information from the Competent Person.



On the other hand, if the e-mail address is not provided, no notification can be sent and the Portal cannot be checked, except for Reports forwarded via the Portal itself, to which it will in any case be necessary to connect periodically to learn of any requests for clarification and/or information.

The Competent Person, on the basis of the documents and also in consideration of the results of the preliminary analyses carried out, shall assess the start of the preliminary investigation phase and the non-observance of corporate rules and/or corporate regulations and procedures.

The following types of Report are dismissed:

- Generic;
- clearly groundless;
- containing facts that have already been subject in the past to specific investigation activities and have been closed, where the preliminary verifications carried out do not reveal new information that requires further verification activity;
- “verifiable and detailed” for which, in light of the outcomes of the preliminary verifications performed, no elements emerge to support the launch of the subsequent investigation phase;
- “unverifiable and detailed” for which, in light of the preliminary verifications, it is not possible, based on the available investigation tools, to complete further verifications of the accuracy and/or grounds for the Report.

#### **4.7 Specific investigations**

##### **a. Aims and characteristics of the investigation**

The aim of the investigation activities is to carry out, within the limits of the tools available to the Competent Person, to diligently follow up the Report, by means of specific assessments, analyses and specific considerations on the reasonable foundation of the factual circumstances reported, as well as to provide any indications on the adoption of the necessary corrective actions with regard to any company areas and processes involved.

The investigation is aimed at reconstructing, based on the documentation and official information, as well as other documentation made available, the managerial and decision-making processes followed.

##### **b. Performance of investigation**

The Competent Person carries out the diligently investigation, also acquiring the necessary information, and using, if considered appropriate, external experts or appraisers, guaranteeing the confidentiality of the Whistleblower's identity.

The investigation activities are carried out using, by way of example:

- company data and/or documents useful for the purposes of the investigation;
- external databases;
- open sources;
- documentary evidence acquired from the company departments;

- where appropriate, declarations made by persons who may have been informed of the facts.

In order to acquire information, the Competent Person may carry out so-called “spot” audits on the reported facts, perform investigations, even directly, by way of the formal convocation and interview of the Whistleblower (where not anonymous), of the Reported Person and/or of other persons involved, as well as request from those persons the production of informative reports and/or documents.

At the end of the investigation, the Competent Person prepares a report indicating: the activities performed, the respective outcomes, as well as the outcomes of any previous investigations carried out on the same facts and/or on facts similar to those subject to the Report; a judgment of reasonable grounds or otherwise of the reported facts with an indication as to the adoption of the necessary corrective actions on the company areas and processes involved in the Report.

If, at the end of the investigation, it emerges that the assessed facts may be relevant from the disciplinary perspective or, in any case, if there are labour law profiles, the results of the concluding report containing the outcomes of the activities is also sent to the *Human Resources Manager* TGD S.p.A., for the assessments under his/her remit.

Similarly, if the investigation reveals possible circumstances of criminal relevance or of civil liability, the results of the same can be forwarded to the *Legal and Corporate Affairs* Department of the LU-VE Group for the assessments under its remit.

At the end of the investigation, the Competent Person resolves on the closure of the case, highlighting any Breach.

c. Monitoring of corrective actions

If the investigation phase reveals the need for corrective actions, the company areas subject to investigation will be responsible for defining an action plan to remove the criticalities found.

Internal Audit Manager of LU-VE Group monitors, its implementation status, providing information thereof in the periodic reporting indicated in the next paragraph.

d. Term for concluding the procedure

The Report assessment process will end within the maximum term of three months commencing from the date of notice of receipt of the Report or, in the absence of such notice, within three months from the expiry of the seven days from the submission of the Report.

#### **4.8 Information to the Board of Directors**

On a quarterly basis, the *Human Resources Manager* of TGD S.p.A. provides to Internal Audit Manager of LU-VE Group information on the disciplinary measures taken following the investigation carried out on the Reports.

On a half-yearly basis, the Internal Audit Manager of LU-VE Group includes in its report to the BoD of TGD summary information on the number and type of Reports received and the main initiatives taken concerning to the reporting process that have already been concluded.

#### **4.9 Retention of documentation**

The information and any other personal data acquired are processed - also in the context of the Portal - in respect of Regulation 2016/679/EU (General Data Protection Regulation - GDPR), of Legislative Decree No 196 of 30 June 2003 and of Legislative Decree No 51 of 18 May 2018.

In order to guarantee the management and traceability of the Reports and the consequent activities, Internal Audit Manager of LU-VE Group, where possible, deals with preparing and updating all information regarding the Reports and guarantees - using the Portal and its functions - the archiving of all related supporting documentation for the time necessary for the processing of the Report and in any case no longer than five years from the date of the communication of the final outcome of the Reporting procedure, in compliance with the confidentiality obligations.

The originals of Reports received in paper form and/or through the hotline and/or through the request for hearing and/or other modalities are stored by the Competent Person, not only by uploading them on the Portal in the relevant section, but also in a special protected environment.

### **5. SANCTION SYSTEM**

#### **5.1 Function of the sanction System**

The definition of this sanction System is aimed generally at guaranteeing the effectiveness of the Report Procedure and the Internal assessment process and at facilitating the protection of the Whistleblower, while ensuring a climate of transparent and constructive collaboration, also in order to avoid any exploitation of the Reports that would threaten their credibility.

More specifically, the sanction System is aimed against all person who commit specific Internal Process Breaches.

In particular, with regard to this Process, merely by way of example, an Internal Process Breach that can be sanctioned may be:

- conduct obstructing or attempting to obstruct the Reporting;
- failure to communicate a Report made by another person of which they have become aware and/or the adoption of autonomous initiatives of analysis and/or investigation, also by withholding a copy of the Report
- direct or indirect acts of retaliation and/or discrimination against the Whistleblower for reasons linked, directly or indirectly, to the Report itself;
- breaches of the measures imposed to protect the Whistleblower with reference to the right to confidentiality;

- the failure to set up reporting channels, as well as the failure to adopt procedures for making and managing reports or their non-compliance;
- failure to carry out verification and analysis of the reports received;
- the ascertainment, even by a judgment of first instance, of the liability of the Whistleblower for offences of defamation or slander or, in any case, for the same offences committed with the report to the judicial or accounting authorities, or his civil liability, for the same reason, in cases of wilful misconduct or gross negligence.

Any conduct in violation of the provisions indicated above represents, if ascertained, constitute:

- in the case of employees (including executives), a contractual breach in relation to obligations deriving from the employment relationship in accordance with Articles 2104 and 2106 of the Italian Civil Code;
- in the case of Directors, breach of the duties imposed upon them by the legal system and/or by the Articles of Association;
- in the case of Third Parties, possible serious contractual breach which legitimises, in the most serious cases, the termination by law of the contract of the Italian Civil Code.

This is without prejudice to the possibility of acting to obtain compensation for any damage suffered as a result of the aforementioned conduct committed in breach of this Process.

This sanction System is split into sub-paragraphs, each referring to the particular category to which the person who committed the violation of the internal process belongs.

The procedure for applying disciplinary sanctions in any case takes account of particular aspects deriving from the qualification of the person against whom action is being taken.

The application of disciplinary and/or contractual sanctions and/or compensation measures is irrespective of the outcome of any proceedings that may arise against the reported person, since this Internal Process is aimed at regulating the correct reporting process.

In the event that the person committing a Breach under this Internal Process is subject to the decision-making power and control of a different employer, the disciplinary profiles of the conduct will be assessed by the latter, where possible, against appropriate information from the Competent Person.

The Internal Audit Manager of LU-VE Group is given the task of monitoring the respect and correct application of the Internal Process sanction system, as well as to inform the Board of Directors of TGD S.p.A. so that it may deal with the update, modification and/or supplementation of the same, if considered necessary for the purposes of the best effectiveness of the Procedure and the Process.

## **5.2 Sanction System against employees**

Without prejudice, where envisaged, to the application of the NCLA in force and/or internal regulations on the disciplinary aspects of reported Breaches implemented by employees, specific Internal Process Breaches constitute a disciplinary offence that can be sanctioned on the basis of that indicated below.

For the purposes of this sanction system, disciplinary measures are applied against employees not having the qualification of Executives in respect of the procedures envisaged by Article 7 of Italian Law no. 300 of 20 May 1970, as amended and supplemented (hereinafter, "Workers' Statute") and the applicable NCLA, as well as any special regulations, even contractual, where present.

More specifically, for the purposes of this sanction system, the disciplinary measures that can be applied, based on the applicable NCLA, may consist of:

1. verbal warning;
2. written warning;
3. fine not exceeding three hours of pay calculated on the minimum tariff;
4. suspension from work and from pay for up to a maximum of three days;
5. dismissal with notice and without notice.

Internal Process Breaches will be subject to sanctions (from verbal warning to dismissal without notice) commensurate to the level of responsibility and autonomy of the employee, the intentional nature of the conduct, the severity of the same, thereby meaning both the significance of the violated obligations and the effects to which the Company may reasonably be considered to be exposed.

If several Internal Process Breaches are committed with a single act, punishable with measures of different severity, the most serious sanction is applied.

The disciplinary measures taken in light of this sanction system will be taken into consideration for the purposes of assessing any repeated offences in the circumstance where disciplinary proceedings are launched for conduct of different nature and vice versa.

The person responsible for the effective application of the disciplinary measures described above for non-executive employees is the HR Manager of TGD S.p.A., who will apply the sanctions on any Report of the Internal Audit Manager of LU-VE Group.

In any event, the Internal Audit Manager of LU-VE Group receives prompt information of any act regarding the disciplinary procedure against an employee, from the time of the disciplinary dispute, where envisaged.

The Internal Audit Manager of LU-VE Group is similarly informed of any dismissal measure of disciplinary proceedings relating to Breaches subject to sanction.

### **5.3 Sanction system against managers**

As is known, the manager relationship is characterised by the eminently fiduciary relationship between the worker and the employer.

The conduct of the manager reflects not just inside the Company but also externally, for example, in terms of image on the market.

Now therefore, without prejudice, where envisaged, to the application of the NCLA in force and/or internal regulations in relation to the disciplinary aspects of reported Breaches implemented by managers, in the

circumstance of an Internal Process Breach, as a specific sanction, the Internal Audit Manager of LU-VE Group may also propose the suspension of any powers of attorney granted to the manager.

In particular, any manager who completes direct or indirect acts of retaliation or discrimination against the Whistleblower for reasons linked, directly or indirectly, to the Report itself may be dismissed.

A similar sanction is envisaged for executives for whom either he or she makes Reports of breaches that prove to be unfounded, with wilful misconduct or gross negligence, or for whom criminal liability is established, even by a judgment at first instance, for offences of defamation or slander or, in any case, for the same offences committed with the report to the judicial or accounting authorities, or his or her civil liability, for the same reason, in cases of wilful misconduct or gross negligence.

The person responsible for the effective application of the disciplinary measures described above for executives it is the Company representative identified in accordance with the company's power of attorney system.

No sanction may be applied in relation to the matters indicated in this procedure against a manager without prior communication to the Internal Audit Manager of LU-VE Group.

The Internal Audit Manager of LU-VE Group is similarly informed of any dismissal measure of disciplinary proceedings.

#### **5.4 Measures against Directors**

The Company rigorously assesses reported Breaches and specific Internal Process Breaches implemented by those who represent the senior echelons of the Company and thus manifest its image with respect to institutions, employees, shareholders and the public.

The establishment and consolidation of business ethics sensitive to the values of correctness and transparency presuppose that those values are accepted and respected by those who guide the company decisions, so as to constitute an example and a stimulus for all those who, at any level, operate for the Company.

Without prejudice, where envisaged, to the application of the NCLA in force and/or the internal regulations in relation to the disciplinary aspects of reported Breaches implemented by the directors, even in the circumstance of specific Internal Process Breaches by the Directors, the Internal Audit Manager of LU-VE Group promptly and formally informs the Board of Directors and the Board of Statutory Auditors of TGD S.p.A. which take all appropriate initiatives.

Furthermore, subject to any other action to protect the Company, any Director who completes direct or indirect acts of retaliation or discrimination against the Whistleblower for reasons linked, directly or indirectly, to the Report itself may have the mandate revoked.

A similar sanction is envisaged for Directors for whom criminal liability for the offences of defamation or slander or, in any case, for the same offences committed with the reporting to the judicial or accounting

authorities or his civil liability, for the same reason, in cases of wilful misconduct or gross negligence, has been established, even by a judgment of first instance.

### **5.5 Third Party Sanctions**

The sanctions that can be applied against Third Parties are:

- written warning to comply strictly with the breached rules of conduct to be noted in the suppliers' register or another tool that retains this information for future use;
- activation of specific contractual clauses included in the respective contracts, where present, regulating the consequences of such infractions also with regard to the damage incurred by the Company as a consequence of the act;
- communication to the employer under the decision-making power of which the work activity of the third party is carried out, for the purposes of applying any disciplinary measures.

In the circumstance of reported Breaches or specific Internal Process Breaches committed by third parties, the Internal Audit Manager of LU-VE Group verifies that the reporting Department has disputed the act to the perpetrator of the offence with the specific indication of the alleged acts, simultaneously issuing a written warning to comply strictly with the breached rules of conduct with a formal placement in default and invitation to remedy the ascertained breach, or terminate the contractual relationship.

This is in any event without prejudice to the right to compensation for damages suffered by the Company as a result of similar offences.

The sanctions referred to in this paragraph may be also adopted if the third party is a former employee and/or is a person who has become aware of the breach during the application process or in other pre-contractual stages.

## **6. EXTERNAL CHANNEL AND PUBLIC DISCLOSURE**

Without prejudice to the fact that the Whistleblowers are invited by virtue of the principles of transparency, loyalty, trust and cooperation that characterise the relationship with the Company to resort to one of the internal reporting channels made available by LU-VE, the Whistleblower may make an external report to the National Anti-Corruption Authority (ANAC) if, at the time of its submission, one of the conditions set out in Article 6 of Legislative Decree no. 24/2023 is met, i.e:

- a) the mandatory activation of the internal reporting channel is not envisaged within its working context, or this channel, even if mandatory, is not active or, even if activated, does not comply with the provisions of Article 4 of Legislative Decree no. 24/2023;
- b) the Whistleblower has already made an internal Report and the same has not been followed up;
- c) the Whistleblower has reasonable grounds to believe that, if he made an internal Report, it would not be effectively followed up, or that the same Report might give rise to the risk of retaliation
- d) the Reporting Subject has well-founded reasons to believe that the Breach may constitute an imminent or obvious danger to the public interest.

External Reports are made, pursuant to Article 7 of Legislative Decree No. 24/2023, through the channels made available by ANAC and in the manner provided for by the website <https://www.anticorruzione.it/-/whistleblowing>.

Moreover, the Whistleblower who makes a public disclosure benefits from the protection provided for by this Process and by Legislative Decree no. 24/2023 if, at the time of the disclosure, one of the conditions set out in Article 15 of Legislative Decree no. 24/2023 is met, i.e:

- has already made an internal and external Report, or has made an external Report directly and has not received a reply within the prescribed time limits on the measures envisaged or taken to follow up the Reports;
- has justified reason to believe that the Breach may constitute an imminent or obvious danger to the public interest;
- has well-founded reasons to believe that the External Report may entail the risk of retaliation or may not be effectively followed up due to the specific circumstances of the case, such as where evidence may be concealed or destroyed or where there are well-founded fears that the recipient of the Report may be in collusion with the author of the breach or involved in the breach itself.



## REGULATORY REFERENCES

- Italian Legislative Decree no. 231 of 8 June 2001: *"Rules on the administrative liability of legal persons, companies and associations even without legal personality, in accordance with Article 11 of Italian Law no. 300 of 29 September 2000"*
- Regulation (EU) no. 2016/679 on the protection of personal data (known as GDPR)
- Italian Legislative Decree no. 196 of 30 June 2003 (Privacy Code) as amended and supplemented, along with the related legislative provisions
- Italian Law no. 179 of 30 November 2017: *"Provisions for the protection of persons reporting crimes or irregularities of which they have become aware as part of a public or private employment relationship"*
- Legislative Decree No. 51 of 18 May 2018: *"Implementation of Directive (EU) 2016/680 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data by competent authorities for the purposes of prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties, and on the free movement of such data, and repealing Council Framework Decision 2008/977/JHA"*
- Legislative Decree No. 24 of 10 March 2023: *"Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and on provisions concerning the protection of persons who report breaches of national laws"*
- The LU-VE Group Code of Ethics