

# **WHISTLEBLOWING PROCEDURE**

The whistleblowing procedure is a tool that the company has adopted to protect individuals who decide to report violations of which they have become aware within their work context.

## 1. INTRODUCTION AND REGULATORY FRAMEWORK

Le Due Valli s.r.l. has had a long-standing Organisation and Management Model (MOG) pursuant to Italian Legislative Decree 231/01 and a Code of Ethics with which it intended to formalize the commitments and responsibilities assumed in the context of its business activities.

The company is aware of the contents of the recently enacted Italian Legislative Decree no. 24 of 10.03.23 concerning the protection of persons who report breaches of Union law and containing provisions concerning the protection of persons who report national regulatory violations and in particular its direct applicability to the company.

Therefore, in accordance with the provisions:

- the recently enacted Italian Legislative Decree 24/2023 and, as far as compatible
- Italian Law no. 179 of 30 November 2017, containing "*Provisions for the protection of authors of reports of crimes or irregularities of which they have become aware in the context of a public or private relationship of employment*"
- EU Directive 2019/1937;
- applicable best practices in relation to crime prevention
- the 231 MOG adopted by the company
- the corporate code of ethics

has adopted this "whistleblowing" procedure for the management of internal whistleblowing to the company in addition to, and being a prerequisite to, the external ones provided for by Article 7 of Italian Legislative Decree 24/2023.

In addition, the Company with this Procedure adapts to the new standards of secrecy of the whistleblower and guarantees the confidentiality of the identity of the whistleblower in the reporting management activities.

The identity of the whistleblower may be disclosed, in general, only with the consent of the whistleblower, unless this is necessary to guarantee the right of defence of the person subject to whistleblowing under the applicable law.

The Procedure describes below the whistleblowing methods relating to any irregularity in the contents and application of 231 MOG and/or the occurrence of unlawful, acts or omissive conduct that constitute breaches, even if only suspicious, of European and national laws, of the principles established in the Code of Ethics and in 231 MOG adopted in the company, as well as violations of company policies and corporate rules referable to it, which may result in a fraud or even potential damage, vis-à-vis colleagues, shareholders and stakeholders or that are represented by acts that are harmful or unlawful in relation to the interests and reputation of the same company.

All personal data shall be processed in accordance with the current Privacy Regulations - for this purpose, EU Regulation 2016/679 (GDPR), Italian Legislative Decree no. 196/2003, Italian Legislative Decree no. 101/2018 as well as any other legislation on the protection of personal data applicable in Italy, including the provisions of the Italian Authority for Data Protection (in particular provision no. 304 of 6.7.23, relating to the aforementioned legislation) - in full respect of fundamental rights and freedoms, with particular regard to the confidentiality of the identity of the subjects involved and for the security of the processing itself.

## 2. SUBJECTIVE SCOPE OF APPLICATION

The whistleblower may be: an employee, a self-employed person who collaborates with the company, freelancers and consultants, paid or unpaid volunteers and trainees, shareholders and persons with an administrative, management, control, supervisory or representative function, even in the event of functions carried out purely as a matter of fact.

The whistleblowing may be made during the employment relationship, in the selection phase, in the probationary period and even after the dissolution of the relationship if the breach subject to whistleblowing concerns the period in which the employment - was existing. Essentially, there must be a qualified relationship between the whistleblower and the entity in relation to the whistleblowing.

The protection also extends to 'facilitators', i.e. people from the same working context linked to the reporting person with a stable emotional bond or kinship within the fourth degree, to the reporting person's work colleagues who have a habitual and current relationship with the same, to the entities owned by the whistleblower.

## 3. REPORTING CHANNELS

Italian Legislative Decree 24/23 provided for in Articles 4 *et seq.* the right for the whistleblower to use internal, external whistleblowing and public disclosures defining the subjective, objective and procedural conditions that make them admissible.

In any event, it shall not be possible to escalate to the next channels without having first resorted to the internal whistleblowing channel where permitted, except in the events expressly provided for by law.

The company activates an internal whistleblowing channel that guarantees the confidentiality of the identity of the whistleblower, the person involved and the person in any event mentioned in the whistleblowing as well as the content of the whistleblowing and the relevant documentation, without prejudice to the analysis and in-depth study of the same whistleblowing.

The management of the internal whistleblowing channel and individual whistleblowing is entrusted to a 'Manager', who in the present case is the Head of the Internal Management System of the company whose formal appointment shall be made by the Legal Representative of the company.

The whistleblowing can be made:

- in writing, sent to the 'Whistleblowing Reporting Manager of Le Due Valli s.r.l.' at the company (we recommend the use of several envelopes so as to maintain the identity of the whistleblower in the last one): by mail to the following address: Strada Argine Mezzano no. 34, 44020 Ostellato (FE) or

delivered at the company's office;

- through the secure whistleblowing platform, provided for by law, which protects the confidentiality of the identity and personal data of whistleblowers. This is a software equipped with encrypted systems, capable of guaranteeing the confidentiality of the identity of the whistleblower, the person involved and the content of the same whistleblowing. In particular, this software is provided by the company Digital PA and called 'Legality Whistleblowing'. The same is equipped with an advanced encryption system and the obligation for the Manager to change passwords on a quarterly basis. Access is allowed with two-factor authentication (both for the whistleblower who wants to proceed with the identification, and for the Manager).
- The system allows both the anonymous whistleblowing and the one of a registered subject, both the written report (with a form having all the contents required by the reference legislation) and voice with voice distortion. Messages are encrypted both when they are transmitted and when they are stored, and passwords are always encrypted. The portal allows the whistleblower who has identified him/her/itself to access (with password and code sent to the email stated in the whistleblowing) in order to check the processing status of the relevant whistleblowing. The Manager may also include in the system whistleblowing received from another channel and manages them directly on the platform, with the entitlement to contact third parties. The software provides a continuous update of the security of the same and disconnects the name of the whistleblower from the whistleblowing and only the Manager is entitled to combine the two data.

Where the whistleblowing is sent to a person other than the 'Manager', the same must be transferred to the person responsible for handling it within 7 days of receipt of the whistleblowing.

The reporting channels described above protect the confidentiality of the whistleblower, also guaranteeing the obtention of adequate protection to those who intend to reveal their identity as well as to be exempt from any retaliatory or discriminatory act, as better regulated in the law, in which are listed by way of example the acts that the whistleblower has to consider as 'retaliatory'.

The processing of personal data and the documentation relating to whistleblowing must be managed in compliance with the rules and principles of the GDPR.

#### 4. ACTIVITY OF THE MANAGER

The 'Manager' carries out the following activities:

- within 7 days of receipt of the whistleblowing, he/she issues to the whistleblower an acknowledgement of receipt;
- maintains dialogues with the whistleblower, asking the latter, where necessary, any additions;
- diligently follows up on the whistleblowing received, also carrying out verification and in-depth activities;
- provides feedback to the whistleblower on the activity carried out within 90 days of the acknowledgement of receipt even if the assessment of the facts is not concluded;
- endeavours so that certain information on the channel, procedures and conditions for making internal and external reports are disseminated within the company.

## 5. CONDITIONS FOR EXTERNAL WHISTLEBLOWING

The whistleblower may make an external whistleblowing in the event that:

- there is no internal whistleblowing method in his/her/its working environment
- the whistleblower has already made an internal whistleblowing and it has not been followed up
- the whistleblower has reasonable grounds to believe that the internal whistleblowing would not receive an adequate follow-up or may result in retaliation
- the whistleblower has reasons for believing that the breach may imply an imminent or clear threat to the public interest.

External reports must be made in accordance with Article 7 *et seq.* of Italian Legislative Decree 24/23 using the channels expressly provided for by law.

## 6. SUBJECT OF THE WHISTLEBLOWING

The subjects, as already identified above, can make a whistleblowing regarding:

- administrative, accounting, civil and criminal wrongdoings committed within the company in breach of European legislation - referred to in Annex 1 of Italian Decree 24/23 - in particular, by way of example, in relation to:

public contracts, financial markets, prevention of money laundering and terrorism 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, consumers' protection, privacy and personal data protection and security of networks and information systems, environmental and waste-related offences, acts affecting the financial interests of the Union, the free movement of goods, persons, services and capital, competition and State aid, dominant conduct, violations of free competition;

- effective or suspected breaches of the requirements contained in the Code of Ethics adopted by the Company
- breaches of the principles and procedures set out in 231 MOG adopted by the company
- the facts or conduct that constitute or that, even if only potentially, may constitute an offence according to 231 MOG or the inappropriate conduct provided for in the Code of Ethics;
- conduct, risks and behaviours not compliant with the laws or company procedures in force that may in any event cause economic damage or reputational damage to the company's image.

No whistleblowing the content of which is different from that indicated above are allowed.

For the purposes of the legislation referred to in Italian Legislative Decree 23/24, whistleblowing relating to a personal interest of the whistleblower are always excluded, which relate to their individual employment relationships (e.g. employment disputes, discrimination, conflicts between colleagues) and which do not involve a harm to the public interest or the integrity of the private body (cases in which the purposes are deviated or their correct action is deviated).

These whistleblowing may at most be treated as ordinary whistleblowing where the company considers them relevant for the application of the Code of Ethics and 231 MOG or internal ethical certifications.

Whistleblowing must always be made in good faith, be well-founded, clear and, therefore, based on precise and concordant elements.

To this end, the whistleblower is expected to:

- identify him/her/itself precisely by providing an address where subsequent updates can be communicated or choose anonymity;
- make a complete description of the facts that are the subject of the whistleblowing, specifying the details and methods by which he/she/it became aware of them;
- state the date and place where the event covered by the whistleblowing occurred;
- state the person(s) held responsible for the breach(es), as well as any other persons involved and/or who may report on the fact;
- describe the elements that may circumscribe the fact that is the subject of the whistleblowing;
- attach all relevant documents in support of the whistleblowing;
- provide all the elements useful for the reconstruction of the fact and for ascertaining the substantiation of the report (including any witnesses).

The reports must, however, be adequately substantiated and made with plenty of details and that are such as to bring out facts or situations in relation to specific contexts.

The information provided must relate to facts, or well-founded suspicions, of violations already committed or that could be committed or that could be concealed.

The whistleblower shall expressly request to benefit from Whistleblowing protections.

## 7. RECIPIENT OF THE WHISTLEBLOWING

The whistleblowing referred to in this procedure are received by the Head of the Internal Management System who is the 'Manager' of the procedure.

The same shall refer to the Supervisory Body all the breaches falling under its specific competence in relation to 231 (231 MOG's breaches and Code of Ethics), retaining the remaining breaches referred to in point 6 of this procedure.

The 'Manager' manages the whistleblowing in compliance with the principles of confidentiality and verifies its validity as set out below.

## 8. ACCREDITATION AND MANAGEMENT OF WHISTLEBLOWING

The Manager

- receives the whistleblowing, examines them and adopts all the initiatives deemed necessary in order to ascertain the validity of the same as explained in point 4;
- notes the whistleblowing however received in a special whistleblowing register, established and accessible exclusively to said body held for the time strictly necessary to manage the report and no

later than 5 years of its receipt;

- analyses the reported facts and documents (if any) received and, where deemed appropriate for the purposes of ascertaining the validity of the same whistleblowing, may:
  - contact the whistleblower (if not anonymous) and invite him/her to a personal and confidential interview in order to provide any clarifications or additions that may be deemed appropriate or necessary
  - invite any other persons who may report on the facts subject to whistleblowing;
  - carry out any further activities deemed appropriate for the purposes of ascertaining the whistleblowing.
- while carrying out the assessment activities, may involve other functions of the Company and, where necessary, also appoint external consultants. The subjects involved in the examination of the whistleblowing are subject to the same confidentiality constraints and the same responsibilities to which the Manager is subject. All parties involved must refrain from dealing with the whistleblowing in the event that even a potential conflict of interest is recognizable;
- in the event of a report concerning the same Manager, if there is an obvious conflict of interest, the same shall transmit it to the Legal Representative of the company;
- draws up and keeps the minutes of any meetings relating to the assessment activities;
- at the end of the investigation phase described, prepares a report on the activities carried out and, in the event of an unfounded whistleblowing, timely informs the whistleblower where known, closing the procedure and simultaneously dismissing the whistleblowing, with the relevant annotation in the whistleblowing register of the reasons that led to its dismissal;
- on the contrary, in the event that, following the investigations carried out, the report proves to be well-founded, he/she shall promptly notify the Legal Representative, the Auditor at the Supervisory Body proposing, in agreement with the Legal Representative, an intervention plan that may include, depending on the circumstance occurred, the possible adoption of sanctioning measures against the person subject to whistleblowing or in any event the subjects responsible for the illegal conduct or the breaches subject to whistleblowing. Also in this event, the Manager states in the Register the outcome of the procedure and the possible imposition of sanctioning measures against the person subject to whistleblowing as well as the possible initiation of legal proceedings;
- where the whistleblowing concerns the Legal Representative of the company, the activities attributed to him/her shall be carried out by the oldest member of the Board of Directors and, in any event, the person found responsible for the reported facts shall not participate in the (corrective, sanctioning, etc.) activities listed above as incompatible;
- as a result of the operations described above, the Manager may promote any initiative necessary for the possible adaptation of the Code of Ethics and company practices in relation to the violations that have occurred.

The Manager must transmit to the Supervisory Body the whistleblowing relating to 231 MOG, its application and violation as well as those relating to the Corporate Code of Ethics. The Supervisory Body shall carry out the necessary checks and report the result to the administrative body.

Each whistleblowing that reaches the Supervisory Body is accessible only to the latter and the relevant data are processed for the period of time strictly necessary for the management of the whistleblowing.

The processing of the data of the whistleblower and of the person subject to whistleblowing takes place in compliance with the Privacy Regulations. The data shall be kept only for the period strictly necessary to manage the whistleblowing and according to this specific purpose.

## 9. PROTECTION OF THE WHISTLEBLOWER

The Manager guarantees the utmost confidentiality of the whistleblower (if known), protecting his/her/its identity.

Except in circumstances where confidentiality is not enforceable by law, the identity of the whistleblower may not be disclosed to anyone without the consent of the subject concerned.

Therefore, without prejudice to the above exceptions, the 'Manager' and all those who receive or are involved in the management of the report are required to protect the confidentiality of the whistleblower (if known) and to ensure the utmost discretion regarding the information received, even indirectly, regarding the reported facts.

The breach of the obligation of confidentiality implies disciplinary responsibility, subject to further forms of liability provided for by law.

## 10. PROTECTION OF THE WHISTLEBLOWER FROM RETALIATORY AND DISCRIMINATORY ACTS

The Company does not allow and does not tolerate in any way threats, retaliation or discrimination against anyone who, in good faith, reports illegal conduct or conduct not in compliance with the Code of Ethics and the corporate 231 MOG as well as the company policies referable to him/her/it and breaches that are relevant pursuant to Italian Legislative Decree 23/24 on Whistleblowing.

Retaliatory or discriminatory measures are all those provided for, by way of example, by Article 17 paragraph 4 of Italian Legislative Decree no. 24 of 2023 (e.g. unjustified disciplinary actions, unjustified changes of job or location, harassment in the workplace or any type of mobbing directly or indirectly linked to the whistleblowing, which has an effect on the working conditions of the whistleblower).

The whistleblower who believes to have suffered a retaliatory or discriminatory act as a result of the complaint made, may notify the Manager so that he/she can liaise with the corporate bodies to restore the situation and remedy the effects of discrimination in addition to the existence of the grounds for initiating disciplinary proceedings against the author of the retaliation or discrimination.

The same may also trigger the external protection measures referred to in Article 18 of Italian Legislative Decree 24/2023.

## 11. WHISTLEBLOWER'S RESPONSIBILITIES

It is the whistleblower's responsibility, even anonymously, to make whistleblowing in good faith and in line with what is described in the Procedure. Whistleblowing that are manifestly unfounded, opportunistic or made for the sole purpose of causing a damage to the person subject to whistleblowing or the company are prohibited and shall be dismissed; in addition, legal actions for the protection of the company or individual shall be taken into account.

## 12. RIGHTS OF THE PERSON SUBJECT TO WHISTLEBLOWING

During the investigation and verification activity, the persons subject to whistleblowing may be involved in this activity, but under no circumstance shall a sanction procedure be initiated against them in the absence of actual findings regarding the content of it. Any initiatives, as anticipated, could be taken as a result of evidence found and ascertained from the same whistleblowing.

The person subject to whistleblowing is always guaranteed the possibility to reply and the right of defence.

## 13. PROCEDURE UPDATE

The Procedure shall be subject to periodic review, at least every two years and in any event upon issuance of interpretative and supplementary texts of the reference legislation.

## 14. DISSEMINATION OF THE PROCEDURE AND TRAINING

The Procedure shall be communicated, explained and disseminated, in all its parts, to all parties concerned, personnel (employees and collaborators), as well as to all those third parties who collaborate or operate as a matter of fact with the company, interested in the compliance with the requirements contained therein.

The Procedure shall be disseminated and implemented within the company organisation through publication on the company website.

Staff training takes place through IT methods or planned courses.

The procedure shall be formally adopted by decision of the company decision-making body.

## 15. WAIVERS AND SETTLEMENTS

The same can be carried out in accordance with Article 22 of Italian Legislative Decree 23/24 or in the forms provided for by law before a mediating body.

## 16. BUDGET

The company guarantees the Manager a budget (to be allocated annually) for the performance of technical in-depth activities (where necessary) of the whistleblowing with

external consultants.

#### 17. CLOSING CLAUSE

For anything not expressly provided for herein, reference is made, as if they were herein contained, to the contents of Italian Legislative Decree 23/24, the ANAC guidelines of July 2023, the Confindustria guidelines of October 2023 and the Opinion of the Italian Authority for Data Protection of July 2023.