

COOPERATIVA

**CERAMICA**

IMOLA-DAL 1874

**COOPERATIVA CERAMICA D'IMOLA  
SOCIETA' COOPERATIVA**

**ORGANISATION,**  
**MANAGEMENT AND CONTROL MODEL**  
**pursuant to Legislative Decree 231/2001**

in accordance with Legislative Decree No. 231 of 08 June 2001  
concerning "Administrative liability of legal persons"

**General Part**

COOPERATIVA

**CERAMICA**

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**Organisation, management and control model**

**General Part**

**Issue and Amendments**

<b>REV.</b>	<b>DATE</b>	<b>DESCRIPTION OF CHANGES MADE I= inserted, V= change, D= deleted</b>
01	09.04.2010	First approval and implementation
02	05/11/2013	OMM update
03	10/04/2018	OMM update regarding general structure, inclusion of new predicate offences and protection of subjects who make reports
04	27/04/2020	OMM update for inclusion of new predicate offences and addition of "Covid-19 Emergency Company Health Protocol"
05	23/12/2021	OMM update for changes to the organisation chart and for inclusion of tax crimes protocols
06	05/04/2023	OMM update for changes to the organisation chart and for inclusion of new predicate offences
07	26/02/2024	OMM update for changes to the organisation chart, inclusion of new predicate offences and new information about Whistleblowing (Legislative Decree 23/24)

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## **Section I – Regulatory overview of administrative liability of Entities**

### ***1.1 Legislative Decree No. 231 of 8 June 2001***

Legislative Decree No. 231 of 8 June 2001 (hereinafter, for brevity, also referred to as the “Decree”), “Governing the administrative liability of legal persons, Companies and associations with or without legal personality, pursuant to article 11 of Law No. 300 of 29 September 2000”, brought into force the following 4 July, introduced into Italian law a particular form of liability, nominally administrative, but substantially punitive - criminal, for legal persons (Companies, Associations and Entities in general), which adds to the liability of the natural person who has actually committed certain criminal offences and which aims to involve, in the punishment of said offences, the Companies in whose interests or for whose benefit the crimes in question have been committed.

The requirements for application of the new regulations may be summarised as follows:

- a) the Entity's inclusion in the group to which the Decree applies;
- b) commission of a crime included amongst those listed in the Decree (so-called “predicate offences”), in the interests or for the benefit of the Entity;
- c) the person who committed the crime being a senior figure or subordinate within the Entity;
- d) the Entity's failure to adopt or implement an organisational model suitable for preventing crimes of the type committed;
- e) the Entity's failure to assign autonomous powers to act and monitor to a suitable body (or insufficient vigilance by the latter);
- f) fraudulent circumventing by the senior figure or subordinate subject of the prevention model adopted by the Entity.

The combination of these conditions results in the Entity being subject to various kinds of sanctions, all of them very serious, the most important being fines and disqualification, in varying degrees (culminating in compulsory closing down of the business).

### ***1.2 Definitions and general guidelines***

The key points of the Decree relate to:

- a) Decree addressees:
  - so-called “private” Entities, including – by way of example only – Foundations, Associations, Committees, Public Limited Companies, Partnerships Limited by Shares, Limited Liability Companies, Cooperatives, Insurance Mutual Societies, Simple

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Partnerships, Unlimited Partnerships, Limited Partnerships, Brokerage Firms, Asset Management Companies, Open-End Investment Companies and Auditing Companies;

- so-called “Public” Entities, that is to say, all public economic entities operating under private law;
- in contrast, these do not include individual entrepreneurs, the State, Regional Authorities, Provincial Authorities, Municipal Authorities, other non-economic public Bodies, Political parties and trade unions.

b) Persons involved in committing the crime:

- natural persons whose positions are “senior figure” (that is to say, they represent, administer or manage the Entity or one of its organisational units with financial and functional autonomy, or who, by virtue of their office or de facto, manage and control the Entity);
- natural persons under the management or supervision of a Senior Figure Subject (for brevity, hereinafter referred to as a Subordinate Subject);
- external subjects operating in the name and/or on behalf of the Entity.

c) The type of crimes envisaged, so-called “predicate offences”:

- Crimes against the Public Administration (*articles 24 and 25*);
- Computer crimes and illegal data processing (*art. 24-bis*);
- Organised crime (*art. 24-ter*);
- Crimes against public trust (*art. 25-bis*);
- Crimes against trade and industry (*art. 25-bis1*);
- Corporate crimes (*art. 25-ter*);
- Crimes for the purposes of terrorism or subversion of democratic order (*art. 25 quater*);
- Practices of female genital mutilation (*art. 25-quater 1*);
- Crimes against individual persons (*art. 25-quinquies*);
- Market Abuse (*art. 25-sexies*);
- Crimes committed with violation of accident-prevention and occupational health and safety regulations (*art. 25-septies*);
- Crimes relating to laundering and self-laundering (*art. 25-octies*);
- Crimes relating to non-cash means of payment (*art. 25-octies.1*);
- Crimes relating to breach of copyright (*art- 25-novies*);
- Crimes of inducing to make or of making false statements to judicial authorities (*art. 25-decies*);
- Environmental crimes (*art. 25-undecies*);

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- Crimes using foreigners who do not have a right to be in the country (*art. 25-duodecies*);
- Racism and xenophobia (*art. 25-terdecies*);
- Sports fraud (*art. 25-quaterdecies*);
- Tax crimes (*art. 25-quinquiesdecies*);
- Smuggling (*art.25-sexiesdecies*);
- Crimes against cultural heritage (*art. 25-septiesdecies*);
- Laundering of cultural property and devastation and looting of cultural property and landscapes (*art. 25-duodevicies*);
- Transnational offences (Law No.146/2006).

d) Sanctions applicable:

- financial sanctions;
- disqualification sanctions;
- confiscation of profit deriving from the crime;
- publication of the conviction.

For administrative liability, following the commission of a crime financial sanctions are always applied, subject to the exemption in section 1.3 below, consisting of payment of an amount set by Law, in any case not less than € 10,329 and not more than € 1,549,000.

The Judge determines the financial sanction according to the seriousness of the offence, the Entity's level of responsibility and the action taken by the Entity to eliminate or attenuate the consequences of the offence or to prevent the commission of further offences.

There are cases in which the financial sanction may be reduced, including, for example:

- a) if the perpetrator committed the crime primarily in his/her own interest or in the interests of third parties and the Entity did not gain from it in any way or only benefited minimally;
- b) if the Entity adopted and implemented an organisational model suitable for preventing crimes of the type committed.

Disqualification sanctions:

- a) permanent or temporary disqualification from the exercise of business activity;
- b) suspension or revocation of the authorisations, licences or concessions instrumental to commission of the offence;
- c) permanent or temporary disqualification from entering into agreements with the Public Administration, except for the purpose of obtaining a public service;
- d) exclusion from facilitated conditions, funding, contributions or subsidies, and the possible revocation of those already granted;



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- e) permanent or temporary prohibition from advertising goods or services.

Disqualification sanctions are applied when at least one of the following conditions is met:

- a) the Entity gained a substantial profit from the crime, and the crime was committed by a Senior Figure or by a Subordinate Subject, and in the latter case, commission of the crime was occasioned or facilitated by serious organisational shortcomings;
- b) in the case of repeat offences.

However, even when one or both of the preceding conditions are met, disqualification sanctions are not applied if even one of the following circumstances exists:

- a) if the perpetrator committed the crime primarily in his/her own interest or in the interests of third parties and the Entity did not gain from it in any way or only benefited minimally;
- b) the financial damage caused is particularly tenuous;
- c) before the statement opening the first instance hearing, all of the following conditions have been met
- ◆ the Entity has paid full compensation for the damage and has eliminated the harmful or dangerous consequences of the crime or in any case has effectively worked towards that end;
  - ◆ the Entity has eliminated the organisational shortcomings which resulted in the crime by adopting and implementing a Model;
  - ◆ the Entity has made the profit available for confiscation.

Confiscation is the compulsory acquisition by the State of the price or profit deriving from the crime, except for the part that can be returned to the injured party and, in any case, with the exception of rights acquired by third parties in good faith, or, should this not be possible, sums of money, assets or other goods of equivalent value to the price or profit deriving from the crime.

Publication of the conviction consists of publication only once, in part or in full, in one or more newspapers chosen by the Judge in the ruling, undertaken for the Judge by the clerk of the court at the Entity's expense, and putting up notices in the municipality in which the Entity is based.

Publication of the conviction may be ordered when a disqualification sanction is applied to the Entity.

### ***1.3 Exemption from administrative liability***

Article 6 of the Decree envisages a special form of exemption from administrative liability if the crime has been committed by a "senior figure" and the Entity demonstrates that:



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- a) before the offence was committed, the Executive body adopted and effectively implemented an Organisation, Management and Control Model (hereinafter also the "Model") suitable for preventing offences of the type in question;
- b) the task of overseeing the operation of and compliance with the Model and attending to its updating was assigned to a Supervisory Body within the Entity invested with autonomous powers to act and monitor;
- c) the persons committed the crime by fraudulently circumventing the above-mentioned Model;
- d) supervision by the Supervisory Body was neither omitted nor insufficient.

The Decree also indicates that, relative to the extent of the powers delegated and the risk of the crimes being committed, the Organisation, Management and Control Model must meet the following requirements:

- identify the risk areas, that is to say, sectors of activity within which the possibility of committing the crimes exist;
- establish specific "protocols" aimed at planning the formulation and implementation of the Entity's decisions in relation to the crimes to be prevented;
- prevent any subject operating within the Entity from being able to justify their conduct by pleading ignorance of company regulations and prevent, under normal circumstances, the crime from being caused by errors – even due to negligence or inexperience – in the assessment of company directives;
- introduce an internal disciplinary system of sanctions for non-compliance with the measures indicated in the Model;
- identify suitable financial asset management procedures for preventing the commission of such crimes;
- establish a preventive control system, which can only be circumvented intentionally;
- establish the obligation to inform the Supervisory Body assigned to oversee the functioning of and compliance with the Model.

#### ***1.4. Whistleblowing***

Legislative decree No. 24 of 10 March 2023 – implementing in our country Directive (EU) 2019/1937 – replaced the pre-existing whistleblowing provisions set out in Decree 231 for the private sector, gathering in a single regulatory text the entire regulations for reporting channels and the system of protection for subjects reporting breaches of domestic or EU regulations which





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damage public interests or the integrity of the private entity (and of the public administration), which they became aware of at work.

In order to effectively apply what is envisaged by Legislative Decree 24/2023 which, amongst other things, repealed the provisions of art. 6, paragraph 2-ter and paragraph 2-quater, and amended art. 6, paragraph 2-bis, of Decree 231, Cooperativa Ceramica d'Imola S.C. adopted a reporting procedure ("Whistleblowing Procedure") which is an integral part of Model 231 and governs the process for receiving, analysing and managing reports.

In particular, the Whistleblowing Procedure:

- has reporting channels which allow subjects meeting the requirements of the regulations to make statements concerning information about illegal conduct relevant in accordance with Legislative Decree 231/2001 and breaches of Model 231 and of the Code of Ethics or breaches of the community and domestic regulations envisaged in Legislative Decree 24/2023;
- guarantees, even through the use of encryption tools, the confidentiality of the identity of the reporting person, those involved in the report, as well as the content of the report itself and the relative documentation;
- provides measures for the protection of the authors of the report or of the statement to the judicial or auditing authorities, as well as for other subjects specifically identified by Legislative Decree 24/2023 (for example, facilitators, colleagues, etc.);
- prohibits any form of retaliation against the person who makes a report or statement to the judicial or auditing authorities, as well as against other subjects specifically identified by Legislative Decree 24/2023 (for example, facilitators, colleagues, etc.).

In compliance with art. 6, paragraph 2-bis, of Decree 231 and of Legislative Decree No. 24/2023, this Model 231 extends application of the Disciplinary System to anyone in breach of regulations for the management of whistleblowing and/or measures for the protection of reporting persons, and to the reporting person in those cases indicated in art. 16, paragraph 3, of Legislative Decree No. 24/2023, subject to what is envisaged by art. 21, paragraph 1, letter c) of Legislative Decree No. 24/2023 (see Sec. V – Disciplinary System).

Reports, even anonymous, may be made via the IT portal, accessible at the page dedicated to Whistleblowing present on the Cooperativa Ceramica d'Imola S.C. website and by filling in the form on the report management portal, also reachable using the link <https://ccimola.com/>

Reports may also be made:



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- verbally, using a free-phone line 800.033.720 open from Monday to Friday from 9.30 a.m. until 12.30. The verbal channel is managed by Winger s.a.s. with the confidentiality guarantees envisaged by the Whistleblowing Procedure;
- by regular mail, addressed to the external consulting company responsible for managing reports Winger s.a.s. – Ufficio Segnalazioni D.Lgs. 24/2023 – Via Piccard 16/G, Reggio Emilia (RE);
- by making an appointment with a professional tasked with this job at the offices of external company Winger s.a.s.

Reports concerning illegal conduct relevant in accordance with Legislative Decree 231/2001 and breaches of Model 231 and of the Code of Ethics will be forwarded to Cooperativa Ceramica d'Imola S.C.'s 231 Supervisory Body.

For more details about what is indicated in this section, see the Whistleblowing Procedure.

### ***1.5 Adoption of a Model***

Adoption of the Model involves two basic steps:

- identification of the risks: that is to say, analysis of the Entity's context in order to highlight where (in which areas/sector of activity) and in what ways events which might compromise the objectives set out in Legislative Decree No. 231/2001 could occur;
- design of the control system (so-called protocols for planning the formulation and implementation of the Entity's decisions): that is to say, assessing the system existing within the Entity and the possibility of improving it in such a way as to implement a system capable of effectively preventing the risks identified.

Specifically, in order to be exempted from criminal liability, Entities must:

- a) adopt a Code of Ethics that sets out the principles of conduct relative to the crimes in question;
- b) define an organisational structure, capable of guaranteeing clear and coherent allocation of tasks, of separating functions and inspiring and monitoring honest behaviour;
- c) formalising manual and computer-based company procedures for regulating how activities are carried out. Particularly effective prevention comes from the “segregation of duties” control tool, amongst those performing crucial steps of a process involving risk;
- d) assigning mandates and powers of signature in line with the organisational and management responsibilities defined;



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- e) communicating to personnel in a thorough, effective, clear and detailed way the Code of Ethics, company procedures, sanctions system, mandates and powers of signature, and all other tools for preventing crimes from being committed;
- f) having a suitable system of sanctions for breaches of the Code of Ethics and of the procedures envisaged in the Model;
- g) establishing a Supervisory Body:
  - having substantial autonomy and independence;
  - whose members have the professionalism necessary to be able to carry out the required activities;
  - which assesses the suitability of the Model, supervises its functioning and handles its updating;
  - which operates with continuity of action, closely with and making use of the company departments.



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#### **Section II – The Cooperativa Ceramica d’Imola S.C. Model**

Cooperativa Ceramica d’Imola S.C. (hereinafter also referred to as the “Company”), in order to ensure ever more honest and transparent conditions in the running of company business affairs, considered it appropriate to adopt an Organisation, Management and Control Model in line with the Decree's requirements.

The Company believes that adoption of that Model, with the simultaneous issuing of the Code of Ethics, constitutes, beyond the requirements of the Law, a valid tool for raising awareness amongst and informing all employees and everyone who collaborates with the Company in any capacity (Suppliers, Consultants, partners, etc.). All of this is so that, while performing their activities, the above-mentioned subjects adopt honest and transparent conduct in line with the ethical - social values which inspire the Company's pursuit of its company object, and to prevent the risk of the crimes described by the Decree being committed.

To prepare this Model, the Company analysed its risk areas, taking into account the Decree's requirements when drafting the Model.

In particular, in implementing the Decree's instructions, the Company established its own Supervisory Body with the task of supervising the Model's operation, effectiveness and compliance with it, as well as updating it.

#### ***2.1 Objectives of the Model***

The main aim of the Model is to create a structured, coherent system of control procedures and activities, intended to prevent, as far as possible, unsuitable conduct liable to lead to the offences described by the Decree.

Therefore, by identifying activities exposed to the risk of an offence (“sensitive activities”) and introducing suitable procedures for regulating them, the intention is:

- a) to prevent and reasonably limit, within the scope of the offences envisaged in Legislative Decree 231/01, the risks linked to company activity, aiming to eliminate the possibility of any illegal conduct occurring;
- b) to ensure that everyone who works in the name and on behalf of the Company is fully aware that it is likely that, should they breach the provisions of Legislative Decree 231/01 also referred to in the Model, they will be committing an offence liable to criminal and administrative sanctions and this is strongly condemned by the Company, being against its interests even when it could apparently benefit from immediate economic gains;



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- c) to confirm that Company will not tolerate illegal conduct, of any kind and irrespective of the reason, because in addition to breaking the laws in force, it contravenes Company ethical – social principles;
- D) to allow prompt action to be taken in order to prevent or thwart the commission of the crimes, by constantly monitoring activities.

### ***2.2 Structure of the Model***

The Organisation, Management and Control Model prepared by the Company is based on the following key points:

- a) preparation of a Code of Ethics, setting out general conduct guidelines;
- b) defining an organisational structure, for guaranteeing clear and coherent allocation of duties (where possible ensuring clear separation of functions or, alternatively, compensating checks) and monitoring the honesty of behaviour;
- c) identifying and documenting potential risks, by mapping activities involving risk, and adoption of tools for mitigating them;
- d) using formalised guidelines, to govern operating methods for taking and implementing decisions in “sensitive” areas;
- e) checking and documenting every significant operation;
- f) structuring of a system of company proxies and powers, in line with the organisational responsibilities assigned and which guarantees a clear and transparent picture of the company decision-making and implementation process;
- g) implementing a personnel training plan, particularly for executives and middle management operating in sensitive areas, and informing all other subjects involved (Suppliers, Consultants, partners, etc.);
- h) circulating and involving all company levels in implementation of company rules of conduct, procedures and policies;
- i) enforcing disciplinary sanctions for breaches of Company rules of conduct;
- j) assigning a Supervisory Body specific duties for supervising the effectiveness of the Model and its consistency with the objectives;
- k) checking company conduct and operation of the Model "after the fact", with consequent regular updates.



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#### ***2.3 General Part and Special Parts***

The documentation relating to the Organisation, Management and Control Model according to Legislative Decree 231/01 is made up of the following parts:

- a) General Part A, covering:
  - i. the process for identification of sensitive areas and drafting of the Model”;
  - ii. the Supervisory Body;
  - iii. the terminology used in the Model (Glossary).
- b) Appendix A General Part - List of predicate offences pursuant to Decree 231/01 covered in the Company Guidelines;
- c) Appendix B General Part - Code of Ethics;
- d) Appendix C General Part – System of proxies and powers of attorney;
- e) Appendix D General Part – Whistleblowing Procedure;
- f) Special Part - Guidelines for management of sensitive areas relating to:
  - i. Crimes against the Public Administration;
  - ii. Computer crimes;
  - iii. Organised crime;
  - iv. Crimes of counterfeiting money, public credit cards, revenue stamps and distinguishing marks or signs;
  - v. Crimes against trade and infringement of industrial property rights;
  - vi. Corporate crimes;
  - vii. Crimes of Market manipulation;
  - viii. Crimes against safety at work
  - ix. Crimes of Receiving, Laundering and Self-Laundering and Crimes relating to means of payment other than cash;
  - x. Offences relating to breach of copyright;
  - xi. Crimes of inducing to make or of making false statements to judicial authorities;
  - xii. Environmental crimes;
  - xiii. Crimes using foreigners who do not have a right to be in the country;
  - xiv. Transnational crimes
  - xv. Tax crimes.

#### ***2.4 Approval of the Model and subsequent amendments/additions***

Since, as confirmed by art. 6, paragraph 1, letter a) of the Decree, the Model must be a deed issued by the Executive body, it is approved by the Board of Directors.



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The Supervisory Body is responsible for supervising the Model's operation and compliance with it, and for updating the Model to adapt it to any changes.

Therefore, if due to company needs or regulatory requirements, substantial amendments and additions are necessary, such amendments must be put to the Board of Directors for approval.

### ***2.5 Method for creating the Model***

The method used to draft and implement the Model involves the following steps:

- identification of senior figures and subordinate subjects to be interviewed so as to understand how the company operates and, therefore, for general mapping of the sensitive areas;
- identification of areas potentially exposed to the risk of crimes being committed;
- "risk assessment" of processes relating to the risk areas pinpointed, with a description of any relative critical points encountered;
- identification of solutions and action intended to overcome or mitigate the critical points discovered;
- adjustment and drafting of guidelines relating to the areas identified and potentially involving risk, containing binding provisions for reasonable prevention of the offences described in the Decree;
- development of the Code of Ethics;
- drawing up a disciplinary system of sanctions for non-compliance with the measures indicated in the Model;
- regulation by the Supervisory Body;
- plan for regular training and communication relative to the Model.



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#### **Section III – Cooperative governance model and organisational structure**

Coop Ceramica d'Imola is currently a "Società Cooperativa" (cooperative society), meaning that Special Laws apply, as well as the regulations envisaged under heading VI of the Civil Code. It is registered on the Roll of Cooperative Societies.

The Cooperative's object is the production and marketing of ceramic products and of products made of materials for construction and other industries, as well as products useful for completion of its supplies.

#### ***3.1 Meeting of the Members***

The members make decisions on matters reserved for them by the law and by the Articles of Association.

Persons with the right to vote at the meeting are those registered in the members' register and who are not in arrears in terms of payment for shares subscribed.

Each worker member has the right to one vote, regardless of the number of shares they hold.

#### ***3.2 Board of Directors***

The company is governed by a Board of Directors made up of seven directors who are appointed by the members.

The Directors remain in office for three financial years, according to the decisions taken at the Meeting.

The Board of Directors has the most wide-ranging powers for ordinary and extraordinary management of the Company, excluding only those reserved by the law and Articles of Association for the Meeting of the members.

#### ***3.3 Board of Auditors and statutory audit***

If required by the provisions of the laws in force - that is to say, in those cases envisaged by article 2477 of the Civil Code, or when the members consider it appropriate, the Articles of Association envisage the possibility of the members appointing a board of auditors.

The auditors remain in office for 3 (three) financial years and are usually re-electable.





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The Statutory audit is performed by an auditor or auditing company registered in the relevant registers.

#### ***3.4 Internal control system***

The process-based approach identifies which are the “company's main processes“. Each is subject to a set of targeted activities for keeping them under control, governing and regulating them so that they achieve what they were designed to, but in compliance with the laws and rules establishing the scope of their operations.

The company has assigned responsibility for control of every “main process“ to the subjects listed below:

- Board of Directors
- Control Bodies
- Sales Manager
- Technical Manager
- Logistics Manager
- New Plant Development Manager
- Marketing Manager
- Administration, Finance and Legal Manager
- Planning and Control Manager
- Purchasing and ISO Manager
- Human Resources Manager
- Preventive and Protective Service Manager - Safety and Environment Manager
- Artistic Section Manager

The company organisational structure is specified in more detail in the appended organisation chart.



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#### ***3.5 The system of proxies and powers of attorney***

The system of proxies and powers of attorney is set up to allow more efficient operation of the structures involved, giving the relevant managers the powers necessary to carry out the duties assigned to them.

Within its own organisational structure, the Company has granted proxies and powers of attorney based on what is described in more detail in Appendix C to this General Part, which should be consulted for further information.



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## **Section IV – The Supervisory Body (S.B.)**

### ***4.1 Supervisory Body fundamental requirements***

In order to be suitable for a role as a member of the Supervisory Body, a person must meet these requirements:

- / autonomy and independence: the S.B. must not be influenced in the execution of its duties, from appointment, which must be transparent, to actual day-to-day operations, nor should it be assigned duties which would compromise its objective judgement in verifying the conduct of subjects from inside/outside of the Company. The highest possible hierarchical position is also of fundamental importance, to avoid feeling any kind of pressure from the Company which would inevitably undermine independent action;
- / professionalism: primarily a wealth of legal, accounting, corporate and organisational tools and techniques which the S.B. as a whole, and not necessarily also each member of it, must possess in order to do the best possible job in terms of inspection and monitoring. The Body must be not just capable, but also dependable and, as a result, made up of members who are honourable and free of any hint of conflicts;
- / continuity of action: above all in larger companies, it is good practice to have a Body which continuously supervises the Organisational Model, for guaranteeing its constant maximum efficiency, but without measures such as activity scheduling, recording of meeting minutes and regular reports becoming mere bureaucratisation of S.B. activities.

### ***4.2 Supervisory Body establishment, appointment and replacement***

The Coop Ceramica d'Imola Supervisory Body is established with a resolution of the Board of Directors and its members remain in office for the period set when they are appointed.

Appointment as a member of the Supervisory Body is dependent on the subjective eligibility requirements being met.

For the selection of members of the S.B., the only relevant criteria are those concerning the specific professionalism and competence needed in order to carry out the work of the S.B., respectability and absolute autonomy and independence.

When appointing the Supervisory Body, and subsequently on an annual basis, the Board of Directors must acknowledge the existence of the requirements of independence, autonomy, respectability and professionalism of the members of the Supervisory Body.



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For assessment of the requirement of independence, at the time of the appointment and for the duration of their time in office, members of the S.B.:

- must not hold executive or proxy positions on the Company Board of Directors;
- must not have an operational role within the Company;
- must not have professional relationships with the Company, with its holding companies, subsidiary or associate companies, or with companies under joint control, which could give rise to real conflicts of interest, nor with the directors who hold delegated powers (executive directors);
- must not be a member of the family unit of executive directors, where family unit means partner not legally separated, relatives and the like up to and including the fourth degree;
- must not be the owners, whether directly or indirectly, of shares in the cooperative;
- must not have convictions (even with plea-bargains pursuant to art. 444 of the Code of Criminal Procedure), for any of the predicate offences envisaged by Legislative Decree 231/2001;
- must not be under investigation, for crimes which the Model is intended to prevent, or for other crimes which the Board of Directors deems serious and incompatible with the role and functions of the S.B.; however, in all of these cases, the Board of Directors may evaluate the arguments of the person in question - and with the agreement of the other members of the S.B. - decide, with adequate reasons, not to replace that person, keeping them in office until the outcome of the trial.

Should any of the above-mentioned reasons for ineligibility apply to an appointed person, confirmed by a resolution of the Board of Directors, they will automatically be removed from office.

The Supervisory Body's powers may be revoked and assigned to another subject only for just cause (even linked to organisational restructuring of the Company) by a special resolution of the Board of Directors.

With regard to that, "just cause" for revoking the powers linked to a member of the Supervisory Body means, by way of example only:

- gross negligence in the performance of the duties linked to the job, e.g.: failure to draft the six-monthly report or the annual summary report on the activities performed, which are required of the Body; failure to draft the supervisory plan;
- "no or insufficient supervision" by the Supervisory Body – as envisaged in art. 6, paragraph 1, letter d) of Legislative Decree 231/2001 – resulting from a guilty verdict, even if not the final judgement, issued against the Company pursuant to Legislative Decree 231/2001 or from a conviction with punishment applied upon request (plea-bargain);

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- in the case of an internal member, allocation of operational functions and responsibilities within the company organisation which are incompatible with the requirements of “autonomy and independence” and “continuity of action” of the Supervisory Body. Whatever the case, any organisational measure relating to them (e.g.: ending the working relationship, moving to a different job, firing, disciplinary measures, appointment of a new manager) must be the subject of a resolution of the Board of Directors;
- in the case of an external member, serious and ascertained reasons for incompatibility which nullify their independence and autonomy;
- failure of even just one of the eligibility requirements.

In performing their functions, the members of the S.B. must not find themselves in conflict of interest situations, even potential, deriving from any personal, family or professional reason. Should such situations arise, they must immediately inform the other members of the Body and must refrain from taking part in the relative decisions.

Any decision relating to individual members or the whole Supervisory Body concerning revocation, replacement or suspension are the exclusive responsibility of the Board of Directors.

### ***4.3 Functions and powers***

The Supervisory Body is assigned the task of supervising:

- / application of the Model: supervising so that the conduct existing within the Company corresponds to the Model prepared;
- / efficacy of the Model: verifying that the Model prepared is actually suitable for preventing the commission of those crimes envisaged by the Law and subsequent legislation amending its scope;
- / advisability of updating the Model, to adapt it to environmental changes and to changes in the company structure.

On a more operational level the Supervisory Body is assigned the task of:

- / regularly checking the map of areas involving risk of offences (or “sensitive activities”), so as to adjust it to changes in the company business and/or structure. To that end, the management and persons responsible for control activities in the individual departments may report to the Supervisory Body any situations that could expose the Company to the risk of offences. All communications must be exclusively in writing or sent by e-mail;
- / regularly checking, even using outside professionals, what is set out in the Model, in particular ensuring that the Guidelines and controls envisaged are put in place and documented in the

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required way and that the ethical principles are respected. However, it should be noticed that control activities are primarily the responsibility of operating management and are considered an integral part of each company process (known as “line control”);

- / checking the suitability and efficacy of the Model in the prevention of the offences indicated in the Decree;
- / regularly carrying out targeted checks on certain specific operations or acts set up, above all, within the sensitive activities whose results are summarised in a special report whose content will be exposed during communications with Company Bodies;
- / coordinating with other company departments (even through suitable meetings) for an exchange of information intended to keep up to date sensitive areas / those involving risk of offences for:
  - keeping their development under constant control, thereby constantly monitoring them;
  - checking the various aspects relating to implementation of the Model (definition of standard clauses, personnel training, regulatory and organisational changes, etc.);
  - guaranteeing that the corrective action necessary to make the Model suitable and effective is promptly taken;
- / collecting, processing and storing all relevant information received about the Model, as well as updating the list of information which must be sent to it. For that purpose, the Supervisory Body has free access to all relevant company documentation and must constantly be kept informed by the management:
  - about aspects of company activity which may expose the Company to the risk consequent to commission of one of the offences envisaged by the Decree;
  - about relationships with Consultants and partners;
- / promoting initiatives for training and communication relating to the Model and preparing the necessary documentation;
- / interpreting the relevant regulations and checking the suitability of the internal control system relative to those regulatory requirements;
- / regularly reporting to the Board of Directors and its Chairman.

The structure identified in this way must be able to act in compliance with the need for acceptance, verification and implementation of the Models required by art. 6 of the Decree, but also, necessarily, the need for constant monitoring of the state of implementation and the actual correspondence of the Models to the prevention requirements of the Decree.

That constant monitoring activity must tend to take two directions:

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- / if it emerges that the state of implementation of the required operating standards is inadequate, the Supervisory Body is responsible for applying all initiatives necessary to correct this “unhealthy” condition. Depending on the cases and circumstances, this will involve:
  - demanding that the managers of the individual organisational units comply with the conduct Model;
  - directly indicating what corrections and changes must be made to routine business practices;
  - reporting the most serious cases of failure to implement the Model to the managers and workers responsible for controls within the individual departments.
- / if, instead, monitoring of the state of implementation of the Model reveals the need to adjust it, because it is not suitable for the purpose of avoiding the risk of commission of any of the offences indicated in the Decree, the Body itself will have to take steps to guarantee its updating, as well as the schedules and forms for that adjustment.

As already indicated, for that purpose, the Supervisory Body must have free access to people and all company documentation and the possibility of acquiring relevant data and information from responsible subjects. Finally, all information must be reported to the Supervisory Body.

The Chairman of the Supervisory Body defines the role and duties of any staff partly or wholly dedicated to the Supervisory Body (e.g.: support staff for admin work, etc.).

#### ***4.4 Flows of information in relation to the Supervisory Body - Whistleblowing***

All recipients of the Model shall provide the Supervisory Body with any information useful for facilitating verification of correct implementation of the Model. In particular:

- i. Process managers (Process Owner and Co-owner) who discover ways to improve the definition and/or application of the prevention protocols defined in this Model shall promptly draft and send to the Supervisory Body a written report containing at least:
  - a) a description of the state of implementation of the prevention protocols of the activities involving risk for which they are responsible;
  - b) a description of activities carried out to verify the state of implementation of the prevention protocols and/or the action taken to improve them;
  - c) justifiable reasons for any need for changes to the prevention protocols and to the related implementation procedures;
  - d) any further content which may be expressly requested by the S.B. on each occasion.
- ii. Process managers (Process Owner and Co-owner) must promptly send the S.B. a written note with any information about:

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- a) the issuing and/or updating of organisational documents;
  - b) changes in responsibility for the departments affected by the activities involving risk;
  - c) the system of company proxies and powers of attorney and any updating of it;
  - d) the main elements of extraordinary operations started and concluded;
  - e) relationships established by the departments/Control bodies within their verification activities, which may give rise to facts, deeds, events or omissions that are critical to compliance with the rules of the Decree or the provisions of the Model and Code of Ethics;
  - f) disciplinary processes started for breaches of the Model, measures for archiving such processes and the relative reasons, application of sanctions for breaches of the Code of Ethics, of the Model or of the procedures established for its implementation;
  - g) the information about the trend of company activities precisely defined in the procedures for implementing the protocols envisaged in the Special Part of the Model.
- iii. All employees and members of the Company bodies must report the commission or alleged commission of the offences indicated in the Decree which they become aware of, as well as any breach or alleged breach of the Code of Ethics, of the Model or of the procedures set out for its implementation which they become aware of. In any case, the following must always be reported:
- a) measures and/or news from judicial police bodies, or any other authority, from which it may be inferred that investigations are under way, even into unknown parties, and which could involve the Company;
  - b) requests for legal assistance forwarded by employees in the event of the start of criminal proceedings against them, unless expressly forbidden by judicial authorities.
- iv. Within the scope of the work they do for the Company, collaborators and all subjects external to the Company must directly report to the S.B. any breaches indicated in the preceding point, provided that the obligation is specified in the contracts connecting those subjects to the Company.
- v. All employees and members of Company bodies can request clarification from the S.B. concerning the correct interpretation/application of this Model, of the prevention protocols, relative implementation procedures and the Code of Ethics.

#### ***4.5 Reporting by the Supervisory Body to the Company Bodies***

The Supervisory Body reports directly to the Board of Directors in order to protect its autonomy. The Supervisory Body is responsible for communicating the following to the Board of Directors:

- ◆ at the start of each financial year: the plan of activities it intends to carry out in order to fulfil the duties assigned to it;





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- ◆ regularly: the state of progress of the plan defined and any changes made to the plan, giving reasons for them;
- ◆ immediately: any significant problems resulting from the activities;
- ◆ providing a written report, at least annually, about implementation of the Model by the Company.

The Supervisory Body may also communicate, assessing the individual circumstances:

- 1) the results of its inquiries to the managers of the departments and/or the processes, if the activities reveal aspects which can be improved on. In such cases, the Supervisory Body must obtain an action plan from the process managers, with relative schedule, for the activities that can be improved on, as well as the specifics of the operating changes necessary for implementation;
- 2) indicate any conduct/actions not in line with the Code of Ethics and with company procedures, so as to:
  - / acquire all elements for any communications to be made to the relevant structures for assessment and application of disciplinary sanctions;
  - / prevent the event from being repeated, by providing instructions on how to eliminate shortcomings.

The Supervisory Body must report the activities indicated in point 2) to the Board of Directors as quickly as possible, also requesting support from other company structures, which can help with inquiries and identification of the action which can prevent such circumstances from being repeated.

The Supervisory Body must immediately inform the Board of Directors if a breach is committed by a member of the Company top management.

Copies of the relative reports will be saved by the Supervisory Body and by the bodies involved on each occasion.

### ***4.6 Composition***

Legislative Decree 231/2001 provides no indications concerning the composition of the Supervisory Body. On the other hand, relevant guidelines indicate a series of alternative solutions in terms of its composition.

Coop Ceramica d'Imola opted for a solution which, taking into account the purposes of the law, is able to guarantee, for its size and organisational complexity, the effectiveness of the controls for which the supervisory body is intended.



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In compliance with art. 6, paragraph 1, letter b) of Legislative Decree 231/2001, Coop Ceramica d'Imola identified its own supervisory body (hereinafter, "Supervisory Body" or "S.B.") as being of the monocratic or single judge type, consisting of an external professional who must possess and document both the professional and expertise qualifications for carrying out the functions, and the personal qualifications of respectability and independence which are crucial to their independent action.

Considering the composition defined, in order to fulfil the role and function of Supervisory Body, the afore-said body will be supported by all company internal departments and may also call on the support of external subjects whose professional contribution may be necessary on each occasion, having specific qualifications in the subjects relating to the offences envisaged by Legislative Decree 231/2001. For that purpose, an initial amount of € 10,000.00 is made available for the activity, subject to any necessity of increasing that amount in relation to the needs revealed.

#### ***4.7 Information collection and archiving***

Any information, communication or report envisaged in the Model is saved by the Supervisory Body in a special computer database and/or on paper.

Data and information kept in the database is made available to subjects external to the Supervisory Body subject to authorisation by the Body itself.

The latter defines criteria and conditions for accessing the database using special internal provisions.



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#### **Section V – The disciplinary system**

In order to assess the efficacy and suitability of the Model in preventing the offences indicated in Legislative Decree 231/2001, a disciplinary system must be established which is suitable for identifying and sanctioning conduct which breaches the provisions of the Model and, therefore, may favour the commission of offences in the interest or for the benefit of the Company.

In fact, such breaches damage the relationship based on transparency, honesty, trust, integrity and credibility between the Company and the Directors, Employees and Collaborators and Consultants, and may result in the application of disciplinary action against the persons involved, irrespective of a criminal conviction whether or not the conduct is a type of offence.

#### ***5.1 Scope of application***

The disciplinary system in question applies to all Company Workers, including Executives and Directors, as well as Consultants and Collaborators and anyone having contractual relationships with the Company for performing any work, including employment agencies and service contractors.

These people must bring their conduct into line with the principles and rules ratified in Model 231.

For the purposes of the Disciplinary System, relevant conduct for the application of sanctions is any action or omission – even jointly with others – in breach of the above-mentioned principles and rules.

The sanctions envisaged in the following paragraphs may be applied, depending on the level of seriousness, in the case of disciplinary offences deriving from:

- a) non-compliance with the provisions of the Model;
- b) missing or untrue evidence of the activity performed relative to the methods of documentation, saving and control of deeds envisaged by the Guidelines in such a way as to prevent the transparency and verifiability of the activity;
- c) failure by hierarchical superiors to supervise their subordinates in order to verify the correct and effective application of the provisions of the Model;
- d) if within their area of responsibility, failure to provide training and/or to update and/or to communicate with personal operating in the areas involving risk the processes covered by the Model;

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- e) breach and/or circumventing of the control system, by removal, destruction or alteration of the documentation envisaged by the Guidelines or preventing the control or access to the information and documentation by eligible subjects, including the Supervisory Body;
- f) any retaliation, understood to be conduct, deed or omission, even only attempted or threatened, arising as a result of reporting, statement to judicial or auditing authorities or public disclosure in whistleblowing and which causes or may cause, whether directly or indirectly, unjust harm to the reporting party or to the person who made the statement or who made a public disclosure and/or to those subjects specifically identified by Legislative Decree No. 24/2023;
- g) breach of the obligation of confidentiality concerning the identity of the reporting party, of the people involved or, in any case, mentioned in the report as well as the content of the report and the relative documentation.
- h) actions or conduct used to obstruct, or attempt to obstruct reporting;
- i) failure to set up internal reporting channels;
- j) failure to adopt procedures for making and managing reports;
- k) adoption of procedures for making and managing reports which do not meet the requirements of articles 4 and 5 of Legislative Decree No. 24/2023;
- l) failure to verify and analyse reports received;
- m) malicious or grossly negligent reporting which proves to be unfounded.

In those cases set out in art. 16, paragraph 3 of Legislative Decree No. 24/2023 (i.e.: if the reporting person is found liable according to criminal law, even in the first degree and not definitive, for offences of slander or libel, or for the same offences according to civil law, for intentionally reporting false information to judicial or auditing authorities in a malicious or grossly negligent way), subject to what is envisaged in art. 21, paragraph 1, letter c) of Legislative Decree No. 24/2023, the Company will launch disciplinary proceedings according to this Disciplinary System, the National Collective Bargaining Agreement and the law.

### ***5.2 Enforceability***

Disciplinary sanctions shall be enforced irrespective of any criminal proceedings, since the rules of conduct imposed by the Model and internal procedures are binding for the addressees and autonomous relative to the offence which such conduct could lead to.

Any imposing of disciplinary sanctions, irrespective of whether or not criminal proceedings and/or a criminal conviction are in place, must, as far as possible, be based on the principles of timeliness, immediateness and justice.



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## **5.3 Sanctions for Company Representatives**

### **5.3.1 Disciplinary sanctions against Employees**

The provisions of the Model are an integral part of the contractual obligations accepted by Employees.

Therefore, breaches of legal regulations, the Code of Ethics and the Guidelines appended to the Model, committed by Employees, and, in general, using conduct which exposes the Company to application of the measures envisaged by Legislative Decree 231/01, including that relating to reports to the S.B., protection of confidentiality and protection of reporting parties, may result in sanctions which see the person in question kept on or dismissed.

The type and extent of each of the above-mentioned sanctions specified in the next section of this Disciplinary System, will also be applied taking into account:

- whether or not the conduct showed intent or a degree of negligence, imprudence or inexperience also considering the predictability of the event;
- the overall conduct of the Worker, and in particular whether or not they have a history of disciplinary proceedings, within the legal limits;
- duties of the Worker;
- functional position of the persons involved in the events constituting the non-compliance;
- other special circumstances surrounding the disciplinary offence.

The breach of the provisions may constitute non-compliance with contractual obligations, pursuant to articles 2104, 2105, 2106 and 2118 of the Civil Code, 7 of Law 300/70, and Law 604/66, of the National Collective Bargaining Agreement applied and in force, where the most serious cases have recourse to art. 2119 of the Civil Code

Below is the scale of sanctions applicable to Employees, always subject to contractual and *pro tempore* legal provisions whose content must always take precedence over what is set out in this document.

#### **Verbal warning**

Sanction for perpetrators of a minor failure to comply with the provisions of the Model, or who have adopted slightly negligent conduct which does not comply with the requirements of the Model.

#### **Written warning**



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Sanction for perpetrators of acts punishable with a verbal warning but which, because of specific consequences or recidivism, become more important (repeated breach of the Guidelines of the Model or repeated conduct which does not comply with the requirements of the Model).

#### ***Fine of up to an amount equivalent to 3 hours of pay***

Sanction for multiple breaches of the provisions of the Model or, while performing activities in the areas involving risk, adopting on multiple occasions conduct which does not comply with the requirements of the Model, such conduct being construed as deliberate non-compliance with Company provisions.

#### ***Suspension from work and of up to 3 days' pay***

Sanction for persons who breach the provisions and procedures of the Model or, while performing activities in the areas involving risk, adopt conduct which does not comply with the requirements of the Model, or in any case perform acts which go against the interest of the Company, damaging the Company or exposing it to an objectively dangerous situation for the integrity of its assets.

#### ***Dismissal with notice***

Sanction for persons whose conduct does not comply with the requirements of the Model and aims solely to commit an offence sanctioned under Legislative Decree 231/01, with that conduct causing significant damage to or considerably compromising the Company.

#### ***Dismissal for misconduct (immediate)***

Sanction for persons whose conduct is clearly and deliberately in breach of this Model and such that it causes the Company to take the action envisaged in Legislative Decree 231/01, being construed as conduct which breaches the relationship of trust with the Company.

#### ***Precautionary suspension***

Investigation of breaches of the provisions of the Model, and of inadequate supervision and late information to the relevant body concerning breaches by subordinates, may lead to Executives being temporarily suspended from work as a precaution, with pay, and, also temporarily, for a period not longer than three months, assignment to different duties, pursuant to art. 2103 of the Civil Code.

### ***5.3.2 Disciplinary sanctions against Executives***

In the course of their work, the Cooperative's executives must comply with and ensure that their collaborators comply with the requirements of the Model.



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By way of example, the following conduct by an executive in breach of the requirements of the Model is subject to sanctions:

- failure to supervise personnel hierarchically dependent on them, to ensure compliance with the requirements of the Model for work done in the areas involving risk of offences and for activities involved in operating processes where there is a risk of offences;
- failure to report non-compliance and/or failures to fulfil the obligations of the Model which they become aware of, therefore rendering the Model ineffective with consequent potential danger to the Company of sanctions pursuant to Legislative Decree 231/2001;
- failure to report to the Supervisory Body critical situations relating to the performance of activities in areas involving risk of offences, encountered during monitoring by the relevant authorities;
- personally committing one or more serious breaches of the requirements of the Model, resulting in commission of the offences indicated in the Model, exposing the Company to the application of sanctions pursuant to Legislative Decree 231/2001;
- taking direct or indirect retaliatory, penalising or discriminating action against subjects who send reports to the Supervisory Body envisaged in the preceding Section Four;
- breach of the measures for protection of persons who make reports and of the confidentiality of their identity;
- fraudulently or through gross negligence making reports to the Supervisory Body which prove to be unfounded.

Should executives breach the provisions and rules of conduct in the Model, Coop Ceramica Imola applies to the Executive the measure considered most suitable in compliance with the applicable regulations. If the breach of the Model breaks the trust between the Company and the Executive, the sanction is dismissal.

In particular, the Board of Directors is responsible for managing the disciplinary procedure. The HR department will guarantee suitable notification of the Supervisory Body.

#### ***5.3.3 Disciplinary sanctions against Directors***

For breaches of the requirements of the Model or the rules of conduct of the Code of Ethics by the Cooperative's Directors, the Supervisory Body, or the Cooperative's other control bodies, informs the Board of Directors which takes the appropriate action envisaged by the regulations in force.



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#### ***5.4 Measures for Collaborators, Consultants and business partners***

Contracts entered into by the Cooperative with Collaborators, Consultants and business partners must contain special declarations of awareness of the existence of the Code of Ethics and, if the activities performed require it, of any Cooperative Guidelines and the obligation to comply with them.

Contracts with the afore-mentioned subjects will include specific clauses committing those subjects to inform their own Employees, consultants and third parties in general who carry out their services at or for the Cooperative, of the risks to the Cooperative of incurring administrative liability, of the existence of the Code of Ethics and if the activities performed require it, of any Cooperative Guidelines and the obligation to comply with them.

It is the responsibility of the company department which uses the subjects in question, and which in any case is designated responsible for the process involving the activities, to collect all information and news which allows a knowledge and assessment of the conduct of those subjects.

Should the S.B. request it, that data must be made available to it, to allow it to perform its duties.

Contracts with such subjects will contain a specific clause for withdrawal and/or termination of the contract linked to non-compliance with those obligations, without prejudice to claims for compensation by the Cooperative if such conduct proves damaging to the Cooperative.

#### ***5.5 Imposing sanctions***

##### ***5.5.1 Sanctions against Employees***

Following a written report by the Manager of the relevant Department, or by the S.B. or even by a third party, which may be anonymous, indicating breaches of the Model, the Cooperative's Human Resources Department begins disciplinary proceedings and prepares pursuant to the usual *pro tempore* methods adopted.

The Department Manager, together with the Cooperative's Human Resources Department, is responsible for imposing the sanction.

##### ***5.5.2 Sanctions against Executives***

As indicated in the preceding section 5.3 of this Disciplinary System, the responsibility for assessing reports by the Supervisory Body, or the other control bodies, about potential censurable conduct by Executives lies exclusively with the Board of Directors.





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#### ***5.5.3 Sanctions against Directors***

As indicated in the preceding section 5.3 of this Disciplinary System, the responsibility for assessing reports by the Supervisory Body, or the other control bodies, about potential censurable conduct by Directors lies exclusively with the Board of Directors.

Following receipt of a report, which must always be made in writing, the Board of Directors, exercising the powers assigned, assesses that report and, if considered necessary, requests further information and the application of measures in the time frames and according to the methods established by the law and *pro tempore* provisions of the Articles of Association.

#### ***5.5.4 Sanctions against Collaborators, Consultants and business partners***

Concerning sanctions which may be imposed against Collaborators, Consultants and business partners, the relative decisions are the responsibility of the *pro tempore* Department Manager holding a suitable power of attorney for exercising the right to withdraw from or terminate the contract.



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## **Section VI – Circulating the Model and training addressees**

### **6.1 Employees**

In order to make this Model effective, the Cooperative aims to guarantee that Company Representatives are familiar with the rules of conduct contained in it and that those rules of conduct are circulated. All personnel require training, raising of awareness and information, including senior figures and all company human resources, whether already working at the Company or still to be integrated.

The level of training and information differs according to resources' different degree of involvement in the “sensitive activities”.

### **6.2 Collaborators, Consultants and Partners**

Other Addressees, in particular suppliers and consultants, will be provided by the company departments in official contact with them, with suitable information about the policies and procedures adopted by the Cooperative based on the Model, and about the consequences for contractual relationships of conduct that goes against the requirements of the Model or the regulations in force.

Where possible, contracts will include specific clauses intended to govern such consequences.

Appendices:

- A) List of Predicate offences
- B) Code of Ethics
- C) System of Proxies and Powers of Attorney
- D) Whistleblowing Procedure

**CODE OF  
ETHICS**



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**COOPERATIVA CERAMICA D'IMOLA  
SOCIETA' COOPERATIVA**

*Updated April 2018*

COOPERATIVA

**CERAMICA**

IMOLA-DAL 1874

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**1. BASIC PRINCIPLES**

**1.1 Basic Principles**



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The members of COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA, mindful of the work of Giuseppe Bucci who transferred ownership of his factory to the workers and the founding members who signed a brotherhood agreement "promising each other lasting friendship to continue united in their moral and material improvement", are aware that they are the current heirs to an extraordinary wealth of values and ideals, human and professional commitment, great sacrifices and important achievements. It is in light of this that the members of COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA intensify their commitment, despite the changed historical context, with the same spirit with which the Company was established. They aim to contribute to the moral and material well-being of members, workers, the local community and anyone dealing with the Company. The goal is to hand down to future generations assets and values even greater than those passed on to them by previous generations.

On 15 February 1875, the members of COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA, acknowledging that personal divisions and ill feeling do serious harm to the progress and interests of the Cooperative and, feeling united by a community spirit at work, form a single family, forget their differences and sign a Brotherhood Agreement promising each other lasting friendship, in order to work together towards moral and material improvement

Membership of COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA is open to any individual able to act and, in particular, those who have acquired professional skills in the sectors in which the Cooperative acts. In all cases, those whose work can help to achieve the company aims.

COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA, a company established and developed over the decades according to those principles, seeks to reflect those elements in its Code of Ethics, so that the conduct of Members, employees and collaborators is always in line with those principles and its mission.

This Code of Ethics (hereinafter also shortened to "Code"), a set of general ethical values to be adhered to, may be amended and integrated to bring the content into line with any further related provisions which may subsequently be necessary.

Therefore, this "Code" may be considered the set of rights, duties and responsibilities which the Organisation expressly adopts with regard to "stakeholders" in its business activities. It states principles, bans or forbids behaviours, imposes and guides actions, control procedures and establishes any sanctions.

Generally speaking, the ethical profile of every Company is the result of its own way of operating in the reference market, in the territories where it has a presence — the Mission — and the ability to demonstrate that it abides by that institutional purpose.



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The true effectiveness of a "Code" largely depends on the degree to which it is encouraged and spread at a basic level in the Company and on the actual willingness of directors and managers to pursue it, particularly in complex organisations.

Moreover, formally defining ethical values can ensure they are communicated to recipients, providing a more effective organisational tool for their implementation and for specifying the "Organisational, management and control model", (of which this "Code" is an integral part), adopted by COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA, pursuant to Legislative Decree No. 231/2001, in order to prevent the related administrative offences connected to criminal acts.

### **1.2 Prerequisites, Aims and Value of the Code**

In the course of its business, both in the private sector and in supplying the Public Administration, everyone who acts, operates and collaborates in any way with COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA (employees, agents, consultants, suppliers and third parties in general) has to tackle situations necessitating the adoption of behaviours that are significant in various spheres, including, most importantly, ethical and legal.

Everyone has a duty to engage in and ensure that the people they work and interact with engage in conduct that complies with general principles of absolute honesty, fairness, good faith, balance, appropriateness and diligence, as well as specific obligations which might arise from the code of ethics and, in any case, from those principles considered proper by virtue of the context and aims of their mission.

The aim of the Code is not to set out in detail the specific conduct to be adopted in all situations a person may find himself in. Instead, it aims to provide general guidance on ethics and behaviour, to be followed when working, and to help prevent the offences connected to criminal acts envisaged in Legislative Decree No. 231/2001.

However, with or without specific regulations, it is absolutely necessary that everyone's actions be inspired by the highest standards of behaviour, to which COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA in turn adjusts its own conduct, bearing in mind that the appropriate behaviour in any situation is always prompted not just by good faith, but also by transparency, impartiality and, above all, honesty and fairness of thought.

COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA's abiding principle is respect for the law and rules in force in all of the countries in which it operates. Therefore, all activities must be marked by and carried out in compliance with all applicable legislation and regulations, as well as the related principles and procedures in place.



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COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA pursues its "Mission" in accordance with the law, the Articles of Association and Company Rules, guaranteeing correct running of company bodies, plus protection of Members' asset and investment rights - the original core of every mutual organisation and tangible evidence of cooperative action. At the same time, it safeguards the integrity of the share capital and equity.

Under no circumstances shall the belief that one is acting in the interest or to the benefit of COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA justify behaviour that goes against the principles set out in this Code.

Application of and compliance with the principles indicated is also part of the most general obligations of collaboration, fairness, diligence and loyalty which are required by the nature of the service to be provided and by the interest of the business, expected of anyone providing any service for COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA.

The above obligations, particularly for COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA employees, are in addition to the provisions of articles 2104 and 2105 of the Civil Code and the National Collective Labour Agreement applicable and in force.

## **2. GENERAL PRINCIPLES**

### **2.1 Who the Code is for**

All of the principles in the Code, including those in the "Human Resources" section below, apply:

- a) to all COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA employees, irrespective of their role and function;
- b) to the members of the various company bodies;
- c) to all service providers who, for various reasons, collaborate with the Company, professionals who do work for it;
- d) to COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA suppliers or, in any case, other parties who have entered into contracts with it;
- e) to any other subject who, in relationships with COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA, even institutional, declares that they refer to this Code.



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In particular, executives and Managers of the various company Departments, Areas and Organisational Units must promote familiarity with the Code, adapting their actions and behaviours to conform to the principles and goals envisaged in the Code.

#### **2.2 Employee commitments**

Every employee must know about and be fully aware of the principles and directives in the Code. They must ensure that their behaviour is in line with those principles, as well as abstaining from non-conforming behaviour. Employees must also cooperate with inquiries into any breaches of the principles, providing any appropriate information that will allow the identification of offenders.

Each employee has the right and duty to consult his/her direct superior and/or the hierarchically appropriate Management, as well as the Supervisory Body, for any clarification about interpretation and application of the Code's principles and directives. Consultations may also cover required behaviour, should an employee have any doubts about whether or not it is appropriate or compatible with the provisions of in the Code and/or its basic principles.

#### **2.3 Company body commitments**

Members of the Board of Directors and the Board of Auditors shall ensure that their activities are in line with the provisions and principles of this Code, as well as cooperation with each other and compliance with the legislation in force.

The methods for convening, running and recording minutes for company Meetings and for meetings of the Board of Directors must be governed by criteria and procedures guaranteeing maximum information and involvement for all interested parties and legal compliance.

#### **2.4 The Code and third parties**

By third parties we mean anyone who has relationships with COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA. For example, agents, service providers, suppliers, any subject having even basic relationships with the Company and other parties who have entered into contracts with COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA or with which it negotiates or concludes agreements for any reason, including those stipulated with Public Administrations.

COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA, like any other subject acting on its behalf, is obliged to inform third parties of the existence and specific content of the Code, inviting them to comply with the principles herein.





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Therefore, each, in accordance with its responsibilities, will strive to ensure that third parties are made aware of the Code and will use the methods in section 11 below to report any breaches of it by third parties,

## **3. RELATIONSHIPS WITH THE MARKET**

### **3.1 Relationships with suppliers and their selection**

In relationships with third parties, including suppliers, everyone must apply the above principles of absolute honesty, fairness, good faith, balance, uprightness, diligence, effectiveness, efficiency, clarity, impartiality and, where appropriate, transparency and confidentiality.

In supplier selection, the primary objective is to allow maximum participation and competition among potential suppliers. Therefore, it is essential to follow the procedures put in place for the best possible choice of suppliers and correct management of the relationship with them, even during fulfilment of the supply contract.

Correct management of the relationship must also be ensured during fulfilment of the contract and compliance with contractual clauses.

### **3.2 Conflict of interest**

There is a ban on actions and behaviours which could be in conflict or in competition with COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA business or with the aims and interests that it pursues. There is also a ban on performing activities or taking decisions which may, directly or indirectly, be linked to a financial or non-financial interest of one's spouse, relatives to the fourth degree and/or cohabitants, related persons (friends, acquaintances, etc.) or organisations in which the above persons are directors or executives, which might compromise the duty of impartiality and are in conflict with the business and aims of COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA.

In particular, the following may give rise to a conflict of interest at work:

- a) when a person has direct or indirect interests, including of the economic and financial type, which could influence his or her activities for COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA;
- b) when a person could gain a personal advantage, whether financial or non-financial, by accessing and improper use of information;



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- c) when a person carries out activities at or in favour of Company suppliers,
- d) when, even at informal meetings, confidential news is disclosed about COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA business before the Company has officially released such information;
- e) when someone exploits their position or role for personal gain, of any kind, in conflict with the interests of COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA.

If the persons for whom the Code is intended are or believe that they may be in a conflict of interest position, or if there are serious competition issues, they must not take any decision and/or carry out any activity which could directly or indirectly affect COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA.

### **3.3 Gifts in kind**

By gifts in kind we mean tangible assets, such as presents or money, but also intangible assets or services and discounts for the purchase of such goods or services or any other benefit, whether direct or indirect.

No one may request, nor in any case accept, directly or indirectly, for example, through their relatives, gifts in kind from suppliers, even potential suppliers to the Company, if they may seem in any way linked to relationships existing with COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA or, in any case, may be interpreted as aiming to gain an undue advantage.

Anyone who receives, even at their home, gifts in kind as a consequence of activities carried out or to be carried out for COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA and falling within the scope of the above bans, is duty bound to inform their Manager or the hierarchically relevant Department, immediately returning said gifts.

It is possible to accept gifts in kind which are of symbolic or low value, provided that they:

- are given in compliance with the applicable legislation;
- cannot be interpreted as being linked to benefits obtained or aiming to gain an undue advantage;
- are normally offered to any other subject having similar relationships or to celebrate special occasions or festivities.

In any event, the extent of the gifts in kind must be promptly reported to the hierarchically relevant Department. Any breach of the above rules, like the contractual provisions governing the working



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relationship, will lead to the application of the legal provisions in force and applicable company collective and individual agreements.

## **4. EXTERNAL RELATIONSHIPS**

### **4.1 Relationships with public administrations**

Even in relationships with Public Administrations, everyone must comply with the principles and rules of this Code.

In carrying out its business, COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA is required to guarantee the quality of goods and services supplied, as well as the confidentiality and security of data, all in a way that is appropriate for the predefined objectives.

### **4.2 Relationships with union and political organisations**

COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA relationships with union organisations are managed in a spirit of cooperation and transparency, subject to mutual respect for the different roles, national collective agreements and any additional company agreements.

Everyone is free to choose the union organisation they want to join, or to not join any and may also become a member of any legal political party or organisation, without thereby being subject to discrimination or favouritism.

Similarly, everyone must operate in accordance with the laws in force and company procedures and regulations, without any discrimination as regards membership of union organisations or political parties and whatever their stated political, party or religious ideas.

### **4.3 Relationships with mass media**

COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA communication with mass media must be transparent and truthful.

Relationships with mass media are reserved exclusively for the company function designated and authorised for it by the Chairman of the Board of Directors.

Therefore, no one can supply news about COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA or engage in relationships with mass media, without prior authorisation from the Chairman of the Board of Directors.



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In any case, declarations, statements, or public releases which could in any way harm or cast bad light on the position and conduct of COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA are forbidden.

## **5. COMPANY ACCOUNTS AND REPORTS**

### **5.1 Company accounts and reports**

All accounts and any other document concerning COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA economic, asset and financial information must:

- be based on the principles of truthfulness, precision and completeness of the relative data resulting from the supporting documentation which, in turn, must be complete and auditable;
- be kept in accordance with legislation in force and company procedures;
- be filed using to criteria which allow them to be easily found and consulted, precise reconstruction of the transaction they refer to, and identification of the various levels of responsibility.

In order to allow or facilitate those activities, everyone involved, within the scope of their own responsibilities, must provide their full cooperation.

In particular as regards drafting of the financial statements, other accounting documents and documents relating to the economic, asset and financial situation of COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA, the inclusion of misleading or false items is prohibited.

Anyone who discovers omissions, falsifications or imprecisions in accounts and the underlying records, must report this immediately. It is the duty of employees to inform their Manager or, if that is not possible, to directly inform the Supervisory Body. The Company's external consultants must report such incidents to COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA Management or, if that is not possible, directly to the Supervisory Body. Managers must report directly to the Supervisory Body.

Any non-conforming behaviour may add to a breach of articles 2621, 2622, 2623 and 2625 of the Civil Code.

Every employee must also provide the Board of Auditors and/or the Auditing Company, as well as the Supervisory Body with all information about the Company economic, asset and financial



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situation, acquired and/or learned while carrying out their activities promptly, clearly, correctly and unreservedly.

COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA uses the company bodies, Departments and functions involved in each case, as well as the Auditing Company, if one is appointed, to verify the truthfulness of accounting records and their compliance with the provisions of the Civil Code, tax rules and reference legislation.

It is in the interest of COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA, as well as its company policy, that legislation in force are complied with, including tax regulations, both by its employees, and by the subjects (even external) who provide the Company with regular or occasional consulting services.

## **6. HUMAN RESOURCES**

### **6.1 Human resources**

The main resource of cooperation is the people involved. Therefore, COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA increases the value of work, stimulating and recognising people's creativity, professionalism and ability to collaborate in order to achieve common goals. It offers employees security, advantages and rewards in proportion to everyone's contribution. At the same time, it asks for openness, a spirit of fairness and sense of responsibility, whatever role or position a person holds.

Cooperatives express themselves through the quality of the work they do, transparency, honesty and fairness of behaviour and, therefore, COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA considers its human resources to be an essential part of the company organisation and the main source of success of its company Mission.

All employees must be familiar with the regulations governing the fulfilment of their functions and the consequent behaviours.

COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA offers all employees the same opportunities, based on merit and respect for the principle of equality. It allows everyone to develop their skills, abilities and experience, where required, by providing education and/or training and/or refresher courses.

In particular, COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA provides different professional education and training programmes for employees, according to role, skills, responsibilities and functions carried out.



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Personnel to be hired are assessed based on candidate profiles and specific skills matching what is needed to meet company requirements and, in any case, always with equal opportunities for everyone involved. Moreover, the information requested is strictly linked to a check of aspects required by the professional and psychological - aptitude profile, and respects the privacy and opinions of the candidate.

COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA regularly provides and promotes awareness-raising programmes for its employees, in particular with reference to the duty of confidentiality of data and the conduct required with companies which are suppliers of goods and/or services.

COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA protects disabled workers, promoting their integration in the working environment.

## **6.2 Employee rights and duties**

Based on applicable employment agreements, whether collective, company or individual, as well as the rules established by the Civil Code and by law, employees are assigned several rights and duties.

In particular, amongst other things, the employee has the right to:

- a) pay and regulatory treatment as envisaged by law and by collective, company and individual employment agreements;
- b) protection of health and safety at work, which must comply with health and safety regulations in force;
- c) legal support in those cases expressly envisaged by collective and individual agreement regulations.

Duties of COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA employees include:

- a) knowing and complying with regulations in force, company processes, procedures and guidelines as well as the principles in this Code;
- b) complying with the provisions and instructions issued by the Company, executive or, in any case, their Manager;
- c) complying with all obligations necessary for protecting health and safety at work;



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- d) suitably cooperating with colleagues, executives and/or their Managers, reporting all information and behaving in such a way as to allow the work assigned to be done with maximum efficiency, in the pursuit of common goals;
- e) not taking advantage of or creating false beliefs about their position, role or powers within the Company and about the role of COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA, acting immediately to clear up any misunderstanding;
- f) not acting in conflict with their official duties, nor delaying or failing to perform an official duty due to undue payment or promise of money or any other benefit for themselves or others;
- g) to maintain the trust of the market and, in particular, of COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA suppliers, treating everyone in a fair and equal way, avoiding favours or pressure, whether real or apparent, aimed at obtaining special advantages from certain suppliers;
- h) keeping information about COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA activities, as well as financial and economic data, confidential;
- i) not using information obtained during activities carried out for personal purposes or for financial or non-financial gain;
- j) promoting knowledge of the Code to all subjects with which they have dealings, whether formal or informal, while carrying out their work;
- k) not disclosing any information about Company suppliers to third parties and in particular to the Company's other suppliers;
- l) I) not under any circumstances disparaging COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA and/or anyone who has or has had relationships of any kind and for any reason with it;
- m) not attending informal meetings with subjects interested in obtaining information about relevant matters concerning official activities, unless expressly authorised by their Manager;
- n) avoiding attendance of associations, circles or other bodies of any kind, if it could give rise to obligations, constraints or expectations which might interfere with their work;
- o) diligently using work tools, in compliance with company procedures, taking care of premises, furniture, vehicles or materials made available;



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- p) acquiring the professional skills essential for fulfilment of their work and maintaining, for the duration of the working relationship, an appropriate level of knowledge and experience, constantly updating their qualifications and attending any refresher or re-qualification courses suggested and put in place by the Company;
- q) not profiting or exploiting for advantage, whether direct or indirect, financial or non-financial, with or without harming the Company, from performing their work;
- r) engaging in conduct and using language which are appropriate and dressing appropriately for the working environment.

## **7. CENSURABLE BEHAVIOURS**

### **7.1 Harassment and discrimination**

COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA:

- a) guarantees a working environment which places a high value on employee diversity, in compliance with the principle of equality, safeguarding the dignity and freedom of every employee at work;
- b) does not tolerate any kind of discrimination in terms of race, gender, politics, union links or religious beliefs;
- c) imposes the obligation to abstain from any intimidation, harassing act or behaviour;
- d) does not allow sexual harassment, where by "sexual harassment" we mean any unwanted act or behaviour, even verbal, having sexual connotations which may offend the dignity of a person who is subjected to it; and also does not allow the creation of a climate of intimidation towards a person who has suffered such harassment;
- e) forbids propaganda, instigation, incitement to racism and xenophobia, committed in any way and based on any reasoning, denial or minimisation of serious historical events.

Anyone who believes that they have been subjected to harassing or discriminatory behaviour, or who is aware of intimidation, discrimination or harassing and/or discriminatory behaviour in progress must report it to their Manager and/or the Human Resources Management as well as the Supervisory Body, which will act as quickly as possible and with maximum confidentiality to overcome the disruptive situation and restore a serene working environment.

### **7.2 Alcohol and drug abuse**





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Working under the influence of alcohol or drugs, as well as the use of such substances during working hours are censurable behaviours.

### **7.3 Smoking**

Smoking is not allowed in working environments, in places accessible to the public and in places where computer equipment is stored.

However, COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA will consider the discomfort, on one hand, of non-smokers and, on the other hand of smokers, where possible identifying smoking areas, subject to regulations in force.

## **8. ENVIRONMENT, HEALTH, SAFETY**

COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA pays special attention to protection of the working environment and to the well-being of everyone who works, in any capacity, at the Company premises. It provides suitable premises and equipment, guaranteeing workplace health and safety, taking every possible precaution to ensure their healthiness and protection of the environment.

In order to avoid unpleasant incidents and harmful events, everyone must comply with the safety rules envisaged by the relative internal rules. They must strictly follow the instructions governing access to the premises and unless authorised must not admit unauthorised persons to areas not open to the public.

As part of its efforts to protect the environment, COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA has always expressed a desire for the following:

- observing and complying with all applicable laws and regulations governing industrial activities is essential to running this company;
- its plants and factories and the work carried out in them must be integrated as far as possible with the local territory and the resulting impact on the environment must cause as little inconvenience as possible to the local community;
- work already done and that done in future in the environmental sphere will not just satisfy the relevant authorities, but include management, awareness, training and educational initiatives.

COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA wants to extend this attitude to all its stakeholders, whether employees, suppliers or customers. Therefore, without prejudice to compliance with legal requirements, the company expresses its desire to continuously improve its environmental performance, assessing and checking the effects of work in progress on the local environment and examining all relevant incidences of such activities on the environment in general. COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA believes that, with this attitude,



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it can win the trust of the community and, in particular, it is aware that the environment belongs to everyone, and must be protected and defended in the same way as workers' health.

For this policy COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA undertakes to achieve the objectives and actions set out in the environmental programme, which is regularly reviewed for the purpose of continual improvement.

## **9. CONFIDENTIALITY**

### **9.1 Information and documents**

#### **9.1.1 Disclosure and information**

All information and documentation seen while carrying out work for COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA, including that relating to tender procedures, is confidential.

For example, confidential status shall apply to information and documentation relating to management plans, production processes, products and systems developed or, in any case, managed and/or maintained, as well as that relating to negotiated and competitive procedures, for selection of the contractor in order to enter into contracts for works, services and public and private supply contracts, in particular with reference to awarding criteria, and all databases and data, as well as related personal data (hereinafter, for brevity, also simply "Information").

Employees and everyone with any relationship with COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA, are required to maintain maximum confidentiality concerning the Information and documentation they become aware of or they come into possession of during work, to avoid even potentially compromising the image, interests or activities of COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA and of the Public Administrations for which it acts.

When using the information they become aware of during work, everyone must remember that it must not be disclosed in any way, nor used for personal gain, whether financial or non-financial, direct or indirect.

The principle to be followed is that of using the information exclusively for the work done for the Company.

The intended addressees of the Code who, due to their work for COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA, are in possession of confidential information that is not available to the public, must not be involved, even through their spouse/partner, relatives to the first degree and/or third parties in general, in any financial transaction (for example, buying or selling stocks and shares) which involves the use of that information. Freely investing in stocks and shares is permitted, but in that activity there is an express ban on using, for personal or third party gain, information that is not publicly available and has been acquired through work done for COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA.



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The employee will allow the Information to be accessed by those persons eligible to see it, within the limits allowed by professional secrecy, legislative or regulatory provisions and confidentiality obligations.

Everyone must apply the necessary and appropriate measures, for example not leaving confidential documents unattended, to prevent the information from being made accessible to unauthorised personnel, whether at work or outside of work.

#### **9.1.2 Involuntary disclosure**

Everyone must take due care to prevent the involuntary disclosure of information which may harm COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA on the same level as voluntary disclosures.

To prevent involuntary disclosures, it is necessary to avoid discussing, with unauthorised persons, information which COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA has not made public.

Said information must not be used even by authorised persons who belong to the Company in the presence of third parties, or in public places, or in any case in inappropriate company spaces such as corridors. The same applies for friends or relatives who could unintentionally disclose the information to third parties.

It is important to remember that information leaks can start with the most insignificant revelations. In fact, such elements may then be pieced together with other details obtained from different sources to provide a complete picture.

#### **9.1.3 Importance of information**

Information is very important and third parties are therefore highly interested in acquiring it.

COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA is the sole owner of the information and is the only party which can prepare it and decide who it can be made available to and what use may be made of it.

#### **9.1.4 Requests for the information**

Employees or people who work for COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA may be contacted by third parties, including journalists, seeking to obtain information about the Company's activities: with regard to this, there is an express ban on communicating, disclosing or using any information other than what is expressly indicated in section 4.3.

#### **9.1.5 Special precautions**



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Diligence and care are required in the use of electronic communication tools, the exchange of messages and information and for accessing the company intranet and/or the internet.

Therefore, everyone must comply with the rules and provisions on the use of such tools and services.

#### **9.1.6 Communication of information**

Information to be communicated to third parties must be transmitted in a proper, transparent and truthful manner: therefore, the disclosure of information that is untrue or may confuse or deceive recipients is forbidden. Such behaviour could be damaging, have consequences leading to compensation, as well as being a criminal offence

#### **9.2 Protection of privacy**

In carrying out its business, COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA collects, manages and processes personal data in compliance with regulations in force.

Relative to this, COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA has implemented the requirements of the regulatory provisions concerning the protection of personal data and has adopted a privacy management system which allows it to have an organisational and control model for the risks deriving from personal data processing.

In particular, concerning the processing of data on paper and using computer equipment, there is an obligation to comply with special security measures for preventing the risk of external intrusion, such as room access control, passwords, personnel identification codes, screen savers, etc., non-permitted uses, as well as loss (even accidental) of data,

The security measures are established with special instructions issued by the Controller.

Breach of the privacy rules may result in disciplinary action, depending on the extent of the breach

## **10. CHECKS**

### **10.1 Internal checks**

All COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA activities and operations must be carried out in compliance with legislation in force, company processes, procedures and guidelines and the principles in this Code,

Every operation must be supported by documents so that, at any time, it is possible to carry out checks to prove the characteristics of and reasons for the operation and to identify who has authorised, recorded and verified the operation.

The checks performed by COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA are intended to:

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- assess the compliance of employee behaviour to the rules of the Code, to the processes, procedures and guidelines adopted by COOPERATIVA CERAMICA D'IMOLA SOCIETA' COOPERATIVA and to take action in the event of breaches of them, adopting the measures deemed appropriate in each case;
- regularly verify that company procedures and organisation comply with the regulations in force and are suitable in terms of efficiency, efficacy and cost effectiveness;
- verify the proper management of the Company in compliance with the applicable regulations.

The checks are carried out by the individual Departments, by the Board of Auditors, by the Auditing company, if one is appointed, and by the Supervisory Body, each according to its relevant responsibilities. All operations linked to these checks must be appropriately documented.

#### **10.2 Checks by the Supervisory Body**

Correct compliance with and application of this Code is guaranteed by the Supervisory Body established for the Organisational, management and control model pursuant to Legislative Decree 231/2001 referred to in section 1.1.

The Supervisory Body performs the following functions:

- a) promotes the spread and knowledge of the Code amongst everyone for whom it is intended and, together with the Company Departments, provides the correct interpretation of it;
- b) suggests to the Company Board of Directors regular reviews of the Code in order to adjust its content, in cooperation with the Departments involved on each occasion, to the different realities in which the Company is required to operate, to new internal organisational demands, to possible changes which may become necessary after changes in the general reference regulatory framework;
- c) verify, check and assess breaches of the Code and, if a violation has occurred, suggest appropriate measures in compliance with applicable regulations;
- d) verify, check and assess the existence of conflicts of interest and suggest appropriate measures;
- e) receive reports from employees about behaviour that does not comply with the Code and, where necessary, protect the employees from any pressure, intimidation and retaliation;
- f) inform the Managers of the relevant company Departments about any abnormal behaviour by their personnel, so that the appropriate measures can be taken.

The above activities are carried out with the support of the competent company Departments involved on each occasion.



## ***Organisation, management and control model***

### ***General Part***

#### **11. BREACHES AND DISCIPLINARY SANCTIONS**

Breaches of the provisions and principles set out in the Code may result in sanctions and/or further measures, even precautionary, expressly indicated in the Organisational, management and control model pursuant to Legislative Decree 231/2001.

To report possible breaches of the Code, everyone should contact their own Manager, who will report the issue to the Supervisory Body or, if that is not possible, go directly to the Supervisory Body. If Managers and members of the company Bodies become aware of possible breaches of the Code, they must report them to the Supervisory Body.

Carrying out personal investigations or reporting to subjects other than those specifically indicated is not permitted.

The Supervisory Body, having independent powers to act and monitor, checks the existence of the alleged breaches of the rules of the Code and, if necessary, suggests the appropriate measures to the competent subjects.

Where necessary, the Supervisory Body protects those who have provided information about possible breaches of the Code from any pressure, intimidation and retaliation.

The Supervisory Body regularly reports to the Board of Directors and the Board of Auditors even about the above activities.