

**GUIDELINES FOR REPORTS,
INCLUDING
ANONYMOUS ONES
(Whistleblowing)**

Effettive from 07.10.2024

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EFFECTIVE DATE

07.10.2024

REFERENCE PROCESS

Management of alerts

REPORTING MANAGER

Lawyer Federico Allavelli

MAIN RECIPIENTS

Employees of Demm Ltd. and anyone falling within the subjective scope of the reports

OBJECTIVES

The main purpose of this document is to ensure compliance within Demm srl with the provisions of Legislative Decree 24/2023 on whistleblowing - applicable, as from 17 December p.v, to all entities in the private sector which have employed an average of between 50 and 249 employees in the last year - and, therefore, to guarantee the protection of persons who report violations of national or European Union provisions of law detrimental to the public interest or the integrity of the public administration or Demm srl of which they have become aware in the context of their work. Consequently, the intention herein is to protect the manifestation of freedom of expression and information, which includes the right to receive or communicate information, in order to counter and prevent violations of law in the business context.

From an operational point of view, the purpose of the document is to provide clear indications in relation to the process of sending, receiving, analysing and processing of reports submitted by anyone, whether employees or third parties, including anonymously, as well as to describe the forms of protection offered by our legal system to those who submit reports and to the persons involved in the reports.

MAIN CONTENTS

This regulatory document illustrates the contents of Legislative Decree no. 24/2023, with particular reference to the identification of the object of Reporting and the reporting channels, as well as to the subjective scope, the Manager of Internal Reporting, the management of Internal Reporting and the possible sanctioning consequences.

MAIN NEWS

The main changes introduced by Legislative Decree 24/2023 and reflected in this document concern:

- those who can send alerts;
- the subject of the Reports;
- the channels through which alerts can be sent;
- the role of the Internal Reporting Manager;
- the timetables applicable to the management of internal reporting;
- protective measures;
- the applicable sanctions.

SCOPE OF APPLICABILITY

This Document applies to Demm srl with registered office in Alto Reno Terme (Bo) Via Mazzini 230.

1. REFERENCE PRINCIPLES

Protection of confidentiality and privacy

All the persons involved in the receipt and processing of Reports must guarantee the absolute confidentiality of the information received through the Reports and, in particular, of the identity of the Reporting Parties, of the persons involved and/or mentioned in the Report, of the content of the Report and of the relevant documentation, without prejudice to legal obligations.

The processing of the personal data of the persons involved and/or mentioned in the Reports as well as the Reporting Parties is carried out in accordance with the provisions of Legislative Decree 24/2023, EU Regulation No. 679 of 27 April 2016 (GDPR), Legislative Decree 196/2003 (Privacy Code) as amended and Legislative Decree 101/2018.

Protection measures

Specific protections are granted to the person who makes a Report under this Guideline, as indicated in paragraph 6 below. In particular, no form of retaliation or discriminatory measure, whether direct or indirect, is allowed or tolerated for reasons related to the Reporting.

2. INTERNAL REGULATORY AND DOCUMENTARY REFERENCES

- Regulation of the European Parliament No 679 of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data;
- Law No 179 of 30 November 2017 'Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship';
- Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law;
- Legislative Decree No. 24 of 10 March 2023 implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and laying down provisions regarding the protection of persons who report breaches of national laws (the Legislative Decree 24/2023).

3. GLOSSARY

Reporting Manager: A lawyer entrusted with the responsibility of managing and, where necessary, assigning to the competent bodies the investigation of the Reports received through the special IT platform.

In the management of operational activities, the Reporting Manager may avail itself of the support of internal resources specifically trained and authorised by special letter.

IT platform "Segnalazioni Demm srl - Whistleblowing" (hereinafter also referred to as "IT platform"): a channel dedicated to the sending and management of Reports, also in anonymous form, which guarantees the confidentiality of the identity of the Reporting Party, of the Reported Parties and of the persons involved in any way, as well as the content of the Report and of the relevant documentation.

Retaliation: any behaviour, act or omission, even if only attempted or threatened, carried out on account of the Whistleblowing and that causes or may cause the Whistleblower, directly or indirectly, unjust damage. As further specified

in paragraph 6.2 below, this refers to acts, measures or behaviour occurring in the work context and causing prejudice to the protected persons.

Reporting: communication of information relating to violations, even suspected violations, of both Community and national law, to be understood as conduct, acts or omissions that harm the public interest or the integrity of the public administration or Demm srl of which the reporting party has become aware in the context of work and which concern unlawful conduct referable to specific disciplines indicated in paragraph 4.2 below.

Whistleblower: a person who may send Reports under this Guideline, as indicated in Section 4.1.

Reported person: a person mentioned in the Report as the person to whom the violation is attributed or otherwise implicated in the reported violation.

4. SUBJECTIVE AND OBJECTIVE SCOPE OF ALERTS

4.1. SUBJECTIVE SCOPE

Reports may be sent by the persons expressly identified by Legislative Decree 24/2023, as indicated below:

- **Workers** of Demm Ltd. including workers with part-time, fixed-term, apprenticeship, intermittent and ancillary employment contracts, as well as workers who perform occasional services, and temporary workers, trainees and volunteers;
- Self-employed persons, freelancers, collaborators and consultants working for Demm srl;
- **Suppliers:** workers or collaborators of external companies that supply goods or services or perform works for Demm srl;
- **Shareholders** are to be understood as natural persons holding shares in Demm srl;
- Persons who, also de facto, exercise **functions of administration, management, control, supervision or representation** of Demm srl

The provisions of this Guideline apply when the aforementioned legal relationships are in place, but also in cases where they have not yet begun, if the information has been acquired during the selection process or in other pre-contractual stages, and after their termination or dissolution, if the information on violations has been acquired in the course of employment activities as well as during the probationary period.

4.2. OBJECTIVE SCOPE

4.2.1. Subject of the Report

There is no list clearly indicating the offences or irregularities that may be the subject of a Report.

Pursuant to Legislative Decree 24/2023, the subject of the Report may be communications concerning the following:

- offences committed in the management of public contracts;
- violation of the rules governing financial services, products and markets, as well as of the rules designed to prevent money laundering and the financing of terrorism;
- violation of environmental protection regulations;
- violation of public health protection regulations;
- violation of the rules on the protection of privacy and personal data and the security of networks and information systems;
- violation of consumer protection rules;
- Infringement of product safety and compliance rules and transport safety as well as food and feed safety and animal welfare;
- violation of radiation protection and nuclear safety regulations;
- infringement of competition rules;
- infringement of State aid rules;
- infringement of internal market rules in connection with acts that violate corporate tax rules or mechanisms whose purpose is to obtain a tax advantage that frustrates the object or purpose of the applicable corporate tax law;
- administrative, accounting, civil or criminal offences that do not fall within the above areas.

In order to concretely specify the scope of application of this document, the following are some (non-exhaustive) examples of violations that may be the subject of Reports:

- violations of internal and external regulations governing the business activities of Demm srl;
- unlawful conduct on the part of employees or third parties (suppliers, consultants, collaborators) which may directly or indirectly result in financial, image and/or reputation damage for Demm srl;

- the possible commission of offences by employees or third parties (suppliers, consultants, collaborators) committed to the detriment of Demm srl that could give rise to possible liability of the company itself.

4.2.2. Exclusions

The following are excluded from eligible Alerts - which will therefore not be handled according to the provisions of this Guideline

- grievances, claims or requests concerning interpersonal matters. Grievances of a personal nature of the Whistleblower or claims/requests that fall within the discipline of the employment relationship, even in the pre-litigation phase, or interpersonal relations/conflicts with other workers or with the hierarchical superior, as well as discrimination between colleagues, shall continue to be sent to the relevant Personnel function, which will deal with them;
- complaints related to disservices or problems with the services provided by Demm srl to be sent to the dedicated company functions;
- reports of violations already mandatorily regulated by specific regulatory acts in the following areas:
 - financial services and prevention of money laundering or terrorist financing for which the companies subject to the obligations have activated the reporting procedures provided for in the relevant rules;
 - transport security with regard to civil and naval aviation;
 - environmental protection with regard to regulations concerning the safety of operations at sea in the hydrocarbon sector;
- reports of breaches of national security and procurement relating to defence or national security matters;
- information that is already fully in the public domain;
- information that is manifestly unsubstantiated, as well as information acquired only on the basis of unreliable indiscretions or rumours (so-called rumours).

4.2.3. Content of Reports

The Reporting Officer shall specify in the Report, in as much detail as possible, the information on the breach of which he/she is aware. In particular, the Reports must have certain characteristics necessary to allow the Reporting Manager to carry out the checks and verifications to confirm the validity of the facts reported, including:

- an indication of the circumstances of time and place in which the event occurred;
- the clear and complete description of the fact;
- details or other elements allowing the identification of the person to whom the fact reported is attributed.

The Whistleblower may also attach documents to provide further elements relating to the reported fact and indicate other persons with knowledge of it.

5. REPORTING CHANNELS

5.1. CHANNELS

The **IT Platform**, accessible from the Demm srl website, has been activated.

The IT Platform allows reporting in the following forms:

- written, with the possibility of uploading documents and video content;
 - orally, by means of a voice recording. Through the IT Platform, the reporting person may also request a direct meeting with the Reporting Manager. The content of the meeting, subject to the Report Subject's authorisation, will be documented either by recording it on a device suitable for storage and listening, or it will be recorded in a report drawn up by the Report Manager and signed by the Report Subject as confirmation of the accuracy of the report.

5.1.1. Reporting Manager

The person responsible for receiving and handling Reports is the **Reporting Manager**.

In the management of operational activities, the Reporting Manager may rely on the support of specifically trained and authorised internal resources by means of a specific letter; moreover, in carrying out its investigations, the Reporting Manager may be supported by the relevant corporate organisational structures or by external professionals appointed for the purpose.

In the event that a person other than the Reporting Manager receives a Report through channels other than those provided by Demm srl, the latter shall (i) transmit it to the Reporting Manager [at info@allavellilegal.com](mailto:info@allavellilegal.com) within 7 days of its receipt, adopting operating procedures that ensure appropriate confidentiality; (ii) at the same time notify the Reporting Manager of such transmission.

5.1.2. Management of Reports Received by the Reporting Manager

The Report sent via the IT Platform is received by the Report Manager.

The Reporting Manager issues the Reporting Officer with an acknowledgement of receipt of the Report within 7 days of its receipt.

The Reporting Manager then verifies the admissibility of the Report and, in particular, (i) if it does not fall within the objective scope of Legislative Decree 24/2023 because it is irrelevant or expressly excluded pursuant to paragraph 4.2.2 above, or (ii) if the vagueness of the Report's content does not allow the facts to be understood or if the attached documents are inappropriate or irrelevant.

In the first case (a Report that does not fall within the objective scope of application of Legislative Decree 24/2023), the Reporting Manager, deeming the Report inadmissible, forwards it to the competent organisational structure (e.g. Personnel Management if it is a request of a personal nature relating to one's employment relationship), files it and notifies the Reporting Party.

In the second case (generic Report, insufficiently substantiated or with irrelevant annexes), the Reporting Manager, deeming the Report inadmissible, closes it and notifies the Reporting Officer.

If the Report appears reasonably well-founded and is supported by sufficient evidence to proceed, the Reporting Manager initiates the investigation phase:

- may request clarifications and additions from the Reporting Party and/or any other person involved in the Report, taking the necessary precautions to ensure the protection of confidentiality;
- can interact with the reporting person, even if anonymous, via the IT Platform;
- if it does not prejudice the performance of the activities and the Reporting Manager deems it necessary to obtain information from the Reported Person, he/she may inform the latter of the existence of a Report concerning him/her and proceed to collect the relevant information by means of a written request or by means of a hearing, with minutes of the meeting. The Reporting Manager is not obliged to inform the Reported Person of the existence of an Alert concerning him/her, but if the Reported Person is aware of it, he/she may in any case request to be heard, and the Reporting Manager follows up the request received by inviting the Reported Person to make his/her views known in writing.

Upon completion of the checks, the Reporting Manager:

- file the Report if it is unfounded;
- identifies the consequent actions to be reported to the competent corporate structures as indicated in paragraph 5.1.3 below.

Within 3 months from the date of the acknowledgement of receipt or, in the absence thereof, from the expiry of the period of 7 days from the submission of the Report, the Reporting Manager provides feedback to the Reporting Subject, which may also be merely interlocutory (e.g. start of the internal investigation and its progress), it being understood that, at the end of the investigation, the final outcome must be communicated to the Reporting Subject.

Acknowledgement is also provided if the Reporting Manager considers that the Report is inadmissible.

All activities carried out by the Reporting Manager are tracked in the IT Platform, from the receipt of the Report until its closure.

5.1.3. Follow-up actions

At the end of the investigation, if the prerequisites for closing the Report are not met, the Reporting Manager informs the competent corporate bodies of the outcome:

- the adoption of the measures and/or actions that may be necessary in the concrete case for the protection of Demm srl, including the possible involvement of the competent authorities also in criminal proceedings;
- the implementation of any improvement actions identified; and
- the initiation of management measures within its competence, including, if the conditions are met, the exercise of disciplinary action.

5.1.4. Processing of Personal Data

The processing of the personal data of the persons involved and/or mentioned in the Reports as well as the Reporting Parties is carried out in accordance with the provisions of Legislative Decree 24/2023, EU Regulation No. 679 of 27 April 2016 (GDPR), Legislative Decree 196/2003 as amended (Privacy Code) and Legislative Decree 201/2018.

5.1.5. Reporting

Without prejudice to the obligation to respect the confidentiality of the identity of the reporter and of any reported persons, the Reporting Manager will prepare a six-monthly report of the Reports received and handled, providing aggregated information.

This reporting will be made available to the Managing Director of Demm srl

5.2. ADDITIONAL REPORTING CHANNELS PROVIDED FOR BY D. LGS. 24/2023

The ordinary and priority reporting channels to be used are those made available by Demm Ltd as set out in section 5.1 above.

The Legislative Decree 24/2023 provides that whistleblowers may use the external reporting channel activated at the National Anti-Corruption Authority (ANAC) or public disclosure only under certain conditions summarised in the following paragraphs. The right of Whistleblowers to lodge a complaint with the competent authorities remains unaffected.

5.2.1. External reporting to ANAC

The Whistleblower may make an external Report to the ANAC only if:

- the internal channel, although mandatory, is not active;
- the internal channel activated does not comply with the provisions of Legislative Decree 24/2023;
- the Complainant made a Report through the internal channel, but this was not followed up (e.g. the Report was not dealt with within the deadline or no action was taken to address the breach);
- the Reporting Officer has reasonable grounds to believe that the internal Report would not be effectively followed up (e.g. one of the members of the Reporting Manager is involved in the Report, or evidence could be concealed or destroyed);
- the Whistleblower has reasonable grounds to believe that the internal reporting could lead to the risk of retaliation (e.g. breach of the Whistleblower's obligation of confidentiality);
- the Whistleblower has good reason to believe that the breach may constitute an imminent or obvious danger to the public interest (e.g. breach requiring urgent action to safeguard the health and safety of persons).

In the absence of the prerequisites listed above, the Report is not handled by ANAC and the person does not benefit from the protections indicated in paragraph 6 below.

5.2.2. Public disclosure

The Whistleblower may make the Report by public disclosure, making the information public (e.g. press or social networks) only if:

- the Whistleblower made one internal and one external Report to ANAC, and neither Report was replied to within the deadline;
- the reporter made an external report directly and it was not answered within the deadline;
- the Whistleblower has reasonable grounds to believe that the breach that is the subject of the Report may represent an imminent or obvious danger to the public interest (e.g. emergency situation or risk of irreversible damage);
- the Whistleblower has a well-founded reason to believe that the external report may entail a risk of retaliation or may not be effectively followed up (e.g. evidence may be concealed or destroyed, or the Whistleblower may be colluding with the perpetrator or involved in the violation itself).

In the absence of the prerequisites listed above, the person does not benefit from the protections referred to in paragraph 6 below.

5.2.3. Complaint

The reporting person may freely address the competent national judicial and accounting authorities, benefiting from the safeguards provided.

6. PROTECTIONS

The protections set out in Sections 6.1 and 6.2 below apply if the Whistleblower at the time of the Report, whether through internal or external channels, or reports:

- had reasonable grounds to believe that the information on the reported violations was truthful (e.g. the reporter must have specified the circumstances of time and place and specifically described the fact, the reporter must not have knowingly reported incorrect or manifestly unfounded information) and fell within the objective scope of the Report set out in paragraph 4.2 above;
- complied with the provisions of this Guideline.

The reasons that prompted the reporting person to file the Report are irrelevant for the purposes of its protection.

The protections referred to in paragraphs 6.1 and 6.2 below do not apply, however, when the liability of the Whistleblower for the offences of slander or defamation or in any case for the same offences committed by reporting to the judicial or accounting authorities has been established by a judgment (even of first instance), or the civil liability of the Whistleblower for having intentionally or negligently reported false information. In these cases, disciplinary sanctions are also provided for.

The protective measures are also extended to the following persons:

- facilitators, i.e. people who assist the reporter in the reporting process, providing advice and support, and who work within the same work context as the reporter;
- persons in the same work environment as the reporting person who are linked to him/her by a stable emotional or family relationship up to the fourth degree, or persons linked by a network of relations arising from the fact that they work, or have worked in the past, in the same work environment as the reporting person;
- co-workers with a usual and current relationship with the reporting person, i.e. persons who, at the time of the reporting, work with the reporting person and have a relationship with him/her that is characterised by such continuity as to determine a relationship of commonality between them;
- entities owned by the reporting party, i.e. of which the reporting party is the sole owner or in which it has a majority shareholding;
- entities for which the reporting person works (e.g. employee of a company providing a supply service for Demm srl);
- entities operating in the same business environment as the reporting party (e.g. partnerships between companies).

The protections set out in Sections 6.1 and 6.2 below also apply in the case of an anonymous Report, if the Reporting person is subsequently identified in the course of the handling of the Report or if the Reporting person is in any case identifiable (so-called 'dressed Reporting person').

6.1. CONFIDENTIALITY

With the exception of the above-mentioned cases in which the protections do not apply, the identity of the Whistleblower is protected in all contexts following the sending of the Report through internal channels, or following any external Reports or allegations of which the Reporting Manager becomes aware.

Within the framework of the disciplinary proceedings initiated against a Whistleblower, the identity of the Whistleblower may be disclosed, subject to the Whistleblower's express consent, to the competent function when the accusation of the disciplinary charge is based, in whole or in part, on the Whistleblowing (made through the Whistleblowing channels or by means of a complaint) and knowledge of the Whistleblower's identity is absolutely essential to the Whistleblower's defence. In such cases, the Whistleblower is informed in writing of the reasons for the disclosure of the confidential data.

In the case of the initiation of proceedings before the Court of Auditors against the reported person, the identity of the reporting person is not disclosed until the closure of the investigation. After this deadline, the identity of the reporter can be disclosed by the accounting authority for use in the proceedings.

In the criminal proceedings initiated against the whistleblower, however, the identity of the whistleblower is covered by official secrecy until the end of the preliminary investigation. Should the judicial authorities, for investigative purposes, wish to know the name of the Whistleblower, the competent corporate function shall communicate the identity of the Whistleblower.

If the Reporting Manager ascertains the bad faith of the Whistleblower, confidentiality protection is waived and the Whistleblower is informed of the identity of the Whistleblower, in order to grant him/her the right to file a complaint for slander or defamation.

6.2. PROTECTION FROM RETORSIONS

No form of retaliation or discriminatory measure, even attempted or threatened, shall be allowed or tolerated against the Whistleblower and the other persons mentioned above.

Examples include retaliation:

- dismissal, suspension or equivalent measures;
- relegation in grade or non-promotion;
- change of duties, change of workplace, reduction of salary, change of working hours;
- suspension of training or any restriction of access to it;
- demerits or negative references;
- the adoption of disciplinary measures or other sanctions, including fines;

- coercion, intimidation, harassment or ostracism;
- discrimination or otherwise unfavourable treatment;
- the non-conversion of a fixed-term employment contract into an employment contract of indefinite duration, where the employee had a legitimate expectation of such conversion, or the non-renewal or early termination of a fixed-term employment contract;
- damage, including to a person's reputation, in particular on social media, or economic or financial harm, including loss of economic opportunities and loss of income;
- inclusion on improper lists on the basis of a formal or informal sectoral or industry agreement, which may result in the person being unable to find employment in the sector or industry in the future;
- early termination or cancellation of the contract for the supply of goods or services;
- cancellation of a licence or permit;
- the request to undergo psychiatric or medical examinations.

The adoption of discriminatory measures may be reported to the ANAC, which, if it establishes the retaliatory nature of the conduct or act, may impose sanctions on the company concerned.

Whistleblowers may inform ANAC of the retaliation they believe they have suffered. In the case of retaliation, the ANAC informs the National Labour Inspectorate for measures within its competence. Once the whistleblower proves that he or she made a report in compliance with the legislation and that he or she suffered behaviour deemed to be retaliatory, the onus is on the employer to prove that such behaviour is in no way connected to the report. Since this is a presumption of liability, evidence to the contrary must emerge in cross-examination before ANAC. To this end, it is essential that the alleged perpetrator provide all the elements from which to deduce the absence of the retaliatory nature of the measure taken against the whistleblower.

7. VIOLATION OF THIS GUIDELINE

Internally relevant sanctions are envisaged in the event of non-compliance with this Guideline, without prejudice to any liability, including civil, criminal and/or administrative liability to be ascertained by the competent authorities. In particular: disciplinary sanctions against the Whistleblower who has (i) in bad faith reported violations that turn out to be inconsistent and, more generally, (ii) misused or made improper use and/or intentional exploitation of this Guideline; disciplinary sanctions against the Whistleblower in the event that the Whistleblower Manager, at the outcome of the investigation, establishes that the Report is well-founded; sanctions against the members of the Reporting Manager or the persons in charge of or otherwise involved in the investigation in the event of breach of the duty of confidentiality.

8. SANCTIONS

In the event of a breach of the provisions of Legislative Decree 24/2023, the ANAC shall apply the following sanctions to the person responsible: (i) from €10,000 to €50,000 when it ascertains that retaliation has been committed or when it ascertains that the reporting has been obstructed or that an attempt has been made to obstruct it or that confidentiality obligations have been breached; (ii) from €10,000 to 50,000 Euro when it ascertains that reporting channels have not been set up, that procedures for making and handling reports have not been adopted, or that the adoption of such procedures does not comply with the provisions of the same D. Legislative Decree 24/2023, as well as when it ascertains that no activity of verification and analysis of the Reports has been carried out.

9. DOCUMENTATION MANAGEMENT

Internal Reports and related documentation are recorded and stored in special paper and/or computer files (including the IT Platform) and kept for the time strictly necessary for their management, in any case no longer than five years from the date of the communication of the final outcome of the reporting procedure.