

MANAGEMENT AND CONTROL  
ORGANISATION MODEL  
PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/01  
OF

IDM  
SÜDTIROL ALTO ADIGE

SECTION I.  
GENERAL PART

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## 1. REGULATORY FRAMEWORK

### 1.1. GENERAL ASPECTS

Italian Legislative Decree of 8 June 2001 no. 231 (hereinafter “Legislative Decree 231/01”) was issued implementing the enabling law pursuant to art. 11 of law no. 300 of 29 September 2000, intended to bring Italian legislation on the subject of the liability of entities into line with the provisions of certain international conventions ratified by the Italian state.

In particular, with the entry into force of Italian Legislative Decree 231/01, a complex system of sanctions was also introduced in Italy which includes forms of administrative liability of entities, such as companies, associations and consortia, deriving from the committing or the attempted committing, in the interest or to the advantage of the Entity itself, of certain criminal offences, strictly identified and listed in the Decree itself, by a person who:

- has functions of representation, administration or management of the Entity, or of one of its organisational units with financial and functional autonomy (hereinafter “Senior Managers”), or
- is subject to the direction or supervision of one of them (hereinafter “Subordinates”).

The liability provided for by Italian Legislative Decree 231/01 is also considered in relation to criminal offences committed abroad, provided that the State in whose territory the criminal offence was committed does not proceed with prosecution.

The administrative liability of entities is independent from the criminal liability of the natural person, senior manager or subordinate, who has physically committed the criminal offence, which is to say that the Entity can be declared liable even if the natural person who committed the crime is not attributable or has not been identified, or the criminal offence is time-barred.

If the alleged criminal offence was committed by a Senior Manager, the Entity can only be exempt from liability if they can prove that:

- the management body had adopted and effectively implemented, before committing of the criminal offence, organisation and management models pursuant to Italian Legislative Decree 231/01 suitable for preventing criminal offences of the kind committed;
- the Entity has established a body with autonomy and effective power of initiative, control and sanction of non-compliant conduct, which is entrusted with the task of supervising the functioning and observance of the Model adopted, and of reporting the need for updating;
- the criminal offence was committed fraudulently evading the organisational model;
- there was no lack of supervision by the control body.

If the alleged criminal offence has been committed by a subject managed by others, the responsibility of the Entity will be recognised when it is demonstrated that the committing of the criminal offence was made

possible by the fact that the subjects in senior positions did not sufficiently observe the obligations of direction and supervision.

In summary, the liability in question exists in that hypothesis in which the Entity, in the context of a criminal offence committed (also) in its interest, actually demonstrates a culpably negligent business organisation, such as to take advantage of criminal conduct committed within its own structure.

Therefore, the preparation and adoption by the body of an Organisational Model responds to the need to prevent the committing of criminal offences and, in the event that a criminal offence occurs, to avoid a situation whereby such action can be traced back to an organisation fault.

The suitability of the Model for the purposes of excluding the liability of the Entity is assessed by the magistrate during the criminal proceedings.

## 1.2. TYPES OF CRIMINAL OFFENCE

The types of criminal offences likely to constitute administrative liability of the Entity are those listed and referred to by Italian Legislative Decree 231/01. They number approximately 150 and can be linked to the following categories:

- a) The undue receipt of disbursements, fraud to the detriment of the State, a public body or of the European Union or for the obtaining of public funds, computer fraud to the detriment of the State or of a public body and fraud in public supplies (Art. 24, Italian Legislative Decree 231/2001) [article modified by Italian Legislative Decree no. 75/2020]
- b) Computer crimes and unlawful data processing (Art. 24-bis, Italian Legislative Decree no. 231/2001) [article added by Law no. 48/2008; amended by Italian Legislative Decree 7 and 8/2016; amended by Italian Legislative Decree no. 105/2019, converted with modification by Law no. 133/2019]
- c) Organised crime offences (Art. 24-ter, Italian Legislative Decree no. 231/2001) [article added by Law no. 49/2009, amended by Law 69/2015]
- d) Embezzlement, extortion, undue inducement to give or promise other benefits, corruption and abuse of office (Art. 25, Italian Legislative Decree no. 231/2001) [article amended by Law no. 190/2012; modified by Law no. 3/2019; amended by Italian Legislative Decree no. 75/2020]
- e) The counterfeiting of coins, securities, revenue stamps and distinctive tools or signs (Art. 25-bis, Italian Legislative Decree no. 231/2001) [article added by Italian Legislative Decree no. 350/2001, converted with amendments by Law no. 409/2001; modified by Law no. 99/2009; amended by Italian Legislative Decree 125/2016]
- f) Crimes against industry and commerce (Art. 25-bis.1, Italian Legislative Decree no. 231/2001) [article added by Law no. 99/2009]
- g) Corporate criminal offences (Art. 25-ter, Italian Legislative Decree no. 231/2001) [article added by Italian Legislative Decree no. 61/2002, amended by Law no. 190/2012 and by Law no. 69/2015; amended by Italian Legislative Decree 38/2017, amended by Law no. 3/2019]

- h) Criminal offences with the purpose of terrorism or subversion of the democratic order provided for by the Criminal Code and by special laws (Art. 25-quater, Italian Legislative Decree no. 231/2001) [article added by Law no. 7/2003]
- i) Practices of mutilation of female genital organs (Art. 583-bis of the Italian Criminal Code) (Art. 25-quater.1, Italian Legislative Decree no. 231/2001) [article added by Law no. 7/2006]
- j) Crimes against the individual (Art. 25-quinquies, Italian Legislative Decree no. 231/2001) [article added by Law no. 228/2003 and modified by Law no. 199/2016]
- k) Market abuse criminal offences (Art. 25-sexies, Italian Legislative Decree no. 231/2001) [article added by Law no. 62/2005]
- l) Criminal offences of manslaughter and serious or very serious negligent injuries, committed in breach of accident prevention regulations and the protection of hygiene and health in the workplace (Art. 25-septies, Italian Legislative Decree no. 231/2001) [article added by Law . no. 123/2007]
- m) Receiving, laundering and use of money, goods or utilities of illicit origin, as well as self-laundering (Art. 25-octies, Italian Legislative Decree no. 231/2001) [article added by Italian Legislative Decree no. 231/2007; modified by Law no. 186/2014]
- n) Crimes relating to payment instruments other than cash (Art. 25-octies.1, Italian Legislative Decree 231/2001) [article added by art. 3, paragraph 1, Italian Legislative Decree 184/2021];
- o) Crimes relating to infringement of copyright (Art. 25-novies, Italian Legislative Decree no. 231/2001) [article added by Law no. 99/2009]
- p) Inducing not to make statements or to make false statements to the judicial authority (Art. 25-decies, Italian Legislative Decree no. 231/2001) [article added by Law no. 116/2009]
- q) Environmental criminal offences (Art. 25-undecies, Legislative Decree no. 231/2001) [article added by Legislative Decree no. 121/2011 and amended by Law no. 68 dated 22/05/2015 bearing "*Provisions relating to crimes against the environment*" and effective from 29/05/2015]
- r) The employment of citizens of third countries whose stay is illegal (Art. 25-duodecies, Legislative Decree no. 231/2001) [article added by Legislative Decree no. 109/2012, amended by Law no. 161]
- s) Racism and xenophobia (Art. 25-terdecies, Legislative Decree no. 231/2001) [article added by Law no. 167].
- t) Fraud in sports competitions, illegal gambling or betting and gambling carried out by means of prohibited devices (Art. 25-quaterdecies, Italian Legislative Decree no. 231/2001) [article added by Law no. 39].
- u) Tax criminal offences (Art. 25-quinquiesdecies, Italian Legislative Decree no. 231/2001) [article added by Italian Legislative Decree 26 October 2019 no. 124, converted with amendments by Law 19 December 2019 n. 157; amended with Italian Legislative Decree 75/2020]
- v) Smuggling (Art. 25 sexiesdecies, Italian Legislative Decree 231/2001) [article added by Italian Legislative Decree 75/2020]
- w) Crimes against cultural heritage (Art. 25 septiesdecies of Italian Legislative Decree 231/2001) [article added by Law 9 March 2022, no. 22];
- x) Recycling of cultural assets and devastation and looting of cultural and landscape assets (Art. Octiesdecies Italian Legislative Decree 231/2001) [article added by Law 9 March 2022, no. 22];
- y) Transnational criminal offences (Law no. 146/2006) [The following criminal offences are a prerequisite for the administrative liability of entities if they are committed transnationally].

Of the criminal offences listed in Italian Legislative Decree 231/01 and subsequent additions, only some are actually applicable to the IDM activity, and it is, therefore, only with reference to these cases that the Model will have to compare develop its own preventive effectiveness. The criminal offences examined are indicated in the following paragraph 3.1 and then specifically addressed in Section V (Special Part A. - Description of the criminal offences).

### 1.3. SANCTIONS

The sanctions provided for by Italian Legislative Decree 231/01 against the entities as a consequence of the committing or attempted committing of the criminal offences listed above in paragraph 1.2 may be of a pecuniary or disqualifying nature.

The pecuniary sanctions are imposed by the criminal judge, in quotas with a maximum ceiling of Euro 1,500,000.00 taking into account:

- the severity of the offense;
- the degree of responsibility of the Entity;
- the activity carried out to eliminate or mitigate the consequences of the fact and to prevent the committing of further offenses.

Disqualification sanctions, also applicable in advance as precautionary measures, may involve:

- the prohibition of performing of the activity;
- the suspension or revocation of authorisations, licences or concession used for committing of the offense;
- a ban on contracting with the Public Administration;
- exclusion from concessions, loans, contributions or subsidies and the possible revocation of those already granted;
- a ban on advertising goods or services.

With the sentence of conviction against the Entity, the confiscation of the price or profit of the criminal offence is always ordered, even for equivalent value. Where disqualifying sanctions are imposed, the publication of the sentence may be ordered as an ancillary sanction.

### 1.4. CONSOLIDATED PRINCIPLES FOR PREPARATION OF THE ORGANISATIONAL MODELS

In implementation of the provisions of art. 6, paragraph 3, of Italian Legislative Decree 231/01, Confindustria has defined the “Guidelines for the construction of Organisation, Management and Control Models pursuant to Italian Legislative Decree 231/01”.

CNDEC, Consiglio Forense, ABI and Confindustria recently (February 2019) issued a joint summary document called “Consolidated principles for the preparation of Organisational Models and the activity of the Supervisory Body”: with this document, the Guidelines issued by ABI and Confindustria are re-read, the latter

also referred to by Circular no. 83607/2012 of the General Command of the Guardia di Finanza (Volume III - Administrative liability of entities depending on a criminal offence) and defined an important point of reference for the assessment of suitability by the Judicial Authority.

Regarding the interest herein, this document identifies the operational steps that the Entity is required to take to activate a risk management system that is consistent with the requirements imposed by Italian Legislative Decree 231/01, namely:

- identification of the relevant assumed criminal offences in relation to the company's core business;
- inventory of the business areas of activity based on the characteristics of the productions, the functions and the processes through a thorough periodic review of the company structure, with the final aim of identifying the areas that are affected by the criminal offence cases;
- the analysis of potential risks with regard to the possible methods of implementing the criminal offences in the various company areas, with the final aim of mapping the areas at risk identified with the criterion set out above;
- assessment/construction/adaptation of the preventive control system in such a way as to ensure that the risks of committing of criminal offences, according to the methods identified and documented in the previous phase, are reduced to an “acceptable level” and with the final aim of describing through documents, the preventive control system activated.

IDM used these documents as a basis for the drafting of this Model. It is emphasised that the fact of not having fully standardised this Model to specific points of the Guidelines does not affect its preventive suitability: the Model was, in fact, drawn up with reference to the actual operational reality of the Entity.

## 1.5. MODIFYING EVENTS OF THE ENTITY

Italian Legislative Decree 231/01 also governs the asset liability regime of the Entity for the sanctions imposed with regard to modifying events, such as the transformation, merger, spin-off and sale of the company.

In particular, in the event of transformation, the transformed Entity also remains administratively responsible for criminal offences committed prior to the date on which the transformation produced its effects.

Regarding mergers, including by incorporation, the Entity resulting from the merger is also liable for the criminal offences for which the entities participating in the merger were administratively responsible. In general, in the event of a partial demerger, the demerged Entity remains responsible for the criminal offences committed prior to the date on which the demerger took effect. The beneficiary entities of the demerger become jointly and severally liable for the payment of the pecuniary sanctions imposed on the demerged Entity, within the limit of the effective value of the net assets transferred.

Regarding the cases of sale and transfer of a company, Italian Legislative Decree 231/01 provides for the joint and several liability of the transferee and transferor for the pecuniary sanctions imposed in relation to the criminal offences committed within the transferred company, within the limit of the transferred value and of the sanctions resulting from the mandatory accounting books or of the sanctions due to offenses of which the transferee was nevertheless aware. In any case, the benefit of the prior enforcement of the transferring body is reserved.



## 1.6. LEGAL FORM OF IDM AND THE APPLICATION OF LAW 190/2012

The corruption prevention measures other than transparency contained in the National Anti-corruption Plan, pursuant to paragraph 2bis of art. 1 of Law 190/2012 (introduced by art. 41 of Italian Legislative Decree 97/2016), are intended both for public administrations and for the “*other subjects referred to in art. 2bis, paragraph 2, Italian Legislative Decree no. 33 of 2013*”.

The subjects covered by art. 2bis, paragraph 2, Italian Legislative Decree no. 33/2013 are: public institutions of industrial and commercial nature, professional associations, publicly controlled companies as defined by art. 2, paragraph 1, lett. m), Italian Legislative Decree 175/2016, associations, foundations and private law entities, however named, even without legal personality, with a budget exceeding five hundred thousand Euro, whose activity is financed in a majority way for at least two consecutive financial years in the last three years by public administrations and in which all the owners or members of the administrative or steering body are designated by public administrations.

While the public administrations referred to in art. 1, paragraph 2, Italian Legislative Decree 165/2001 are required to adopt the three-year plan for the prevention of corruption and transparency, it is the duty of the subjects referred to in the afore-mentioned art. 2bis, paragraph 2, Italian Legislative Decree no. 33/2013 to define measures additional to those adopted pursuant to Italian Legislative Decree 231/2001.

Considering that IDM is a special company of the Autonomous Province of Bolzano and of the Chamber of Commerce, Industry, Crafts and Agriculture of Bolzano, with organisational, administrative, financial, accounting and patrimonial autonomy, it is one of the recipients of the regulatory provisions referred to in the Anti-Corruption Law (Law 190/2012) and of the rules on transparency, in particular among the subjects referred to in art. 2bis, paragraph 2, Italian Legislative Decree no. 33/2013.

For this reason, even before the adoption of this Model, IDM had implemented and oversaw the continuous updating of a Three-year Corruption Prevention Plan and a Transparency and Integrity Program and identified a Corruption Prevention Officer within its corporate structure. It will be the task of the Supervisory Body to continuously liaise with the Corruption Prevention Officer with a view to optimally coordinating the respective activities.

Regarding the figure of the Internal Assessment Body (IAB), the body responsible for certifying the suitability of the measures adopted pursuant to Law 190/2012, reference should be made to ANAC resolution no. 1134/2017, according to which each Entity, having regard to its own business reality, must identify the most suitable person to carry out the functions of IAB.

This stated, IDM has decided to assign, based on organisational assessments, IAB's own functions to the Supervisory Body, the control body deemed most suitable to perform the afore-mentioned functions.

## 2. IDM ORGANISATIONAL MODEL

### 2.1. CONTENTS OF THE MODEL

IDM, acknowledging the legislation in force and of its scope, sharing the need for the prevention of criminal offences claimed by the legislator and being aware both of the fundamental importance of ethics, as a necessary element for every healthy company, and of the opportunities that a internal control system for the prevention of the committing of criminal offences by its staff, directors, consultants and partners, has reviewed and completed its organisational system and adopted this Model.

It should be emphasised, in fact, how IDM has already equipped itself with a system of procedures as a tool for correct company management. As part of this system of procedures, and with a view to its completion, the Model was considered, in particular, as an opportunity for systemic coordination between its various components. It is not the aim of this Model to replace the internal company regulations in force, which obviously remain applicable, also to oversee and protect the risks connected to Italian Legislative Decree 231/01.

This Model has been prepared taking into account the types of criminal offences currently covered by Italian Legislative Decree 231/01 and the supplementary conduct of such cases potentially feasible in the specific sector of IDM's activity.

In particular, pursuant to Art. 6, paragraph 2, of Italian Legislative Decree 231/01, this Model meets the following requirements:

- identification of activities exposed to the risk of the committing of criminal offences;
- provision of specific protocols to plan the formation and implementation of the intention of IDM in relation to risk prevention;
- identification of methods to manage financial resources suitable to prevent the committing of criminal offences;
- provision of information obligations towards the Supervisory Body on the functioning and observance of the Model;
- introduction of an adequate system of penalties to sanction non-compliance with the protocols and measures provided for in the Model.

### 2.2. THE METHODOLOGY ADOPTED FOR IMPLEMENTATION OF THE MODEL

The process adopted for the preparation of this Model was developed according to the following procedure:

- presentation of the project to the IDM management;
- assumption of relevant documentation;
- analysis of the general control framework of the Entity (articles of association, organisation chart, regulatory system and conferral of powers and proxies, etc.);

- analysis of company operations in order to identify the activities at risk and the business units involved (mapping of risk areas);
- analysis and assessment of the actual exposure to the risk of committing criminal offences and of the procedures and controls already in place;
- creation of specific Protocols (one for each activity at risk) to describe the controls on the process of formation and implementation of the decisions of the body aimed at preventing the committing of criminal offences, as well as regulating the methods of managing financial resources suitable to prevent the committing of criminal offences;
- defining, where necessary, of changes and additions to procedures and/or to controls and their implementation;
- establishing of the Supervisory Body and definition of information flows towards it and between it, the Board of Directors and the other bodies and functions of IDM;
- introduction of a penalty system suitable to sanction non-compliance with the Model and/or with the Protocols;
- drafting of the final document;
- approval by the administrative body;
- presentation to management and to employees.

### 2.3. STRUCTURE OF THE MODEL

The Model adopted by IDM is structured on the following constitutive elements:

Sect. I	General part
Sect. II	Special part (A. Description of criminal offences – B. Sensitive areas and activities)
Sect. III	Corporate Governance
Sect. IV	Supervisory Body
Sect. V	System of Sanctions
Sect. VI	Whistleblowing
Sect. VII	Code of Ethics and Conduct

### 3. METHODOLOGY FOLLOWED FOR RISK MAPPING

#### 3.1. IDENTIFICATION OF SENSITIVE ACTIVITIES

After analysis, also by means of an audit by IDM management, of the operational reality of the company in the areas in which it is possible to commit the types of criminal offences listed above (paragraph 1.2) and likely to constitute the administrative liability of the Entity, the following cases abstractly applicable to the reality of the Entity were identified:

1. Criminal offences committed in relations with the Public Administration
2. Computer crimes
3. Offences of organised crime
4. Crimes against public faith: counterfeiting, alteration or use of trademarks or distinctive signs or patents, models and designs
5. Corporate criminal offences
6. Manslaughter or serious or very serious injuries deriving from the breaching of accident prevention regulations and those in place to protect health and hygiene in the workplace
7. The receiving, laundering and reuse of assets deriving from crime, as well as self-laundering
8. Criminal offences relating to copyright infringement
9. Criminal offences against the administration of justice
10. Criminal offences relating to the environment
11. Employment of illegally staying third-country nationals
12. Racism and xenophobia
13. Tax criminal offences
14. Transnational criminal offences

Subsequently, for each category of criminal offence, the activities at risk (so-called “sensitive activities”) were identified by means of matrices.

In order to specifically and concretely identify the areas and activities at risk in the reality of IDM, an analysis of the corporate and organisational structure of the Entity was carried out by examining the documentation and operating manuals of the Entity and with a detailed inspection of the company processes in force and applied such as to identify among them all those likely to be considered at risk.




#### 3.2. RISK ANALYSIS AND ASSESSMENT – FMEA METHOD

The assessment of the risk, i.e. of the exposure to danger that the Entity commits or facilitates the committing of an alleged criminal offence, was carried out by verifying the control standards identified by the *best practice*, that is to say:

- 1) The existence of internal regulatory procedures;
- 2) The traceability of operations;

- 3) The segregation of functions and duties;
- 4) The presence of formally conferred authorisation powers.

Classification of the control standards was performed by indicating the risk as High, Medium or Low, in relation to the existence and adequacy of the control standards adopted by IDM and implemented:

- High risk = the control standards are not complied with 
- Medium risk = the standards are only partially complied with 
- Low risk = the standards are met 

Measurement of the “net risk”, that is determination of the level of exposure to the risk of committing the relevant alleged criminal offences and the level of acceptability of the risk were performed using the FMEA methodology (*Failure Mode and Effect Analysis*), used to analyse the failure or failure modes of a process, product or system.

Note that the term “failure” is not used here in its current meaning of “broken” but denotes an anomaly in the process and consequently has fairly serious repercussions on the functioning of the system of which it is part.

The *failure mode* is the expression of how the failure or defect occurs in the process, while *effect* means the impact of the failure or defect on the process or on the organisation.

Through the application of the FMEA methodology it is possible to:

- identify in advance the potential “failure” modes that may occur during application of the process;
- determine the causes of the “failure” modes referring to the process;
- assess the effects of the “failure” modes in the context of the risk of committing criminal offences under legislative decree 231;
- quantify the risk indices and establish intervention priorities to eliminate the root causes of the identified “failure” modes and/or to improve the control systems;
- identify the appropriate corrective/preventive actions and assess their overall impact on the risk indices.

The systematic and full application of the FMEA methodology is also used to:

- obtain up-to-date mapping of the parts/elements of the process and of their criticality from the point of view of the risk of the committing of criminal offences, the relative “failure” modes and the phases of the process when it is appropriate to intervene to eliminate the causes of the “failure” modes and/or to improve the control systems;
- document and historicise the improvements implemented, contributing to the construction of a “technical memory” (*knowledge data base*).

The first step consists of breaking down the process into its elementary activities. At this point, in the analysis of the “failures” of each activity, it is necessary to:

- Identify all the possible “failure” modes and for each:
  - identify all possible causes (e.g. absence of adequate preventive controls, anomalies in the application practices, etc.)

- identify all possible effects (risk of committing criminal offences under legislative decree 231)
- identify all the controls in place (to prevent or detect the failure mode - classification of control standards).

For all the combinations of failure - cause mode, three factors must be considered:

- P - probability of occurrence (1-10)
- S - severity of the effect (1-10)
- D - possibility of detection by controls (10-1)

For the items “P” and “G” 1 represents the condition of minimum risk and 10 that of maximum risk. For the “R” item the lower the score (for example 1) the greater the possibility of detecting the failure mode.

Probability (P)		Severity (S)		Detectability (D)	
1	remote	1	irrelevant (pecuniary sanction <100 quotas)	1	very high
2-3	low	2-3	slight damage (pecuniary sanction between 100 and 200 quotas)	2-3	High
4-6	medium/moderate	4-6	moderate damage, slight impact (pecuniary sanction between 200 and 500 quotas)	4-6	medium/moderate
7-8	high	7-8	serious damage (pecuniary sanction between 200 and 500 + disqualification sanction)	7-8	Low
9-10	very high	9-10	very serious permanent damage (pecuniary sanction > 500 quotas + disqualification sanction)	9-10	remote

The analysis described above is used to identify the most critical failure modes using the Risk Priority Index (RPI):

$$RPI = P \times S \times D$$

The actions to improve the process or system must be mainly oriented on the failure modes that have the highest RPI values.

RPI	Risk	Intervention priority	Improvement/corrective actions
1 to 50	acceptable/negligible	monitoring interventions	maintaining of the control standard / improvement measures can be implemented
51 to 100	medium	programming interventions	the control standards must be modified / implemented

101 to 1000	high	emergency interventions	the control standards must be implemented immediately
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### 3.3. DEFINITION OF ACCEPTABLE RISK

With reference to the sanction mechanism envisaged by the Decree, and by the provisions of the Confindustria Guidelines, with reference to intentional criminal offences, the acceptability threshold is represented by the effective implementation of an adequate preventive system that is such that it cannot be circumvented unless fraudulently. Therefore, in order to exclude the administrative liability of the Entity, the subjects who committed the criminal offence must have acted by fraudulently evading the Model and the Entity's controls. It is therefore agreed that the assessment of the acceptable nature of risk must also be based on the comparative analysis of costs and related benefits.

Otherwise, in cases of criminal offences involving manslaughter and negligent personal injury committed in breach of the rules on health and safety at work, the conceptual threshold of acceptability, for the exempting effects of Italian Legislative Decree 231/2001, is represented by the implementation of a conduct (not accompanied by the intention of the event-death/personal injury) that violates the Organisational Model (and the underlying mandatory obligations prescribed by the prevention regulations) despite the precise observance by the appropriate body of the supervisory obligations provided for by Italian Legislative Decree 231/2001.

### 3.4. PROTOCOLS

A protocol has been prepared for each of the identified risk activities (Special Part - B. Sensitive areas and activities) which contains a brief description of the controls on the process of formation and implementation of the Entity's decisions within these activities.

The afore-mentioned controls were preliminarily identified on the basis of their adequacy to respond to specific needs for the purposes of Italian Legislative Decree 231/01 and represent only a part of the standards that constitute the overall system of controls of the Entity.

Controls, thus defined, are divided into “general” and “specific”, as the latter are specifically related to containment of the risk of committing the criminal offences listed in Italian Legislative Decree 231/01.

Prior to the statement and analysis of the types of criminal offence (Special Part A. Description of the criminal offences), in compiling the protocols (Special Part B. Sensitive areas and activities), a reference scheme was adopted consisting of the following categories of information:

1. Introductory part
  - a. Definition of the risk area in relation to the type of criminal offence
  - b. Organisational units concerned and processes involved

2. Descriptive part of the controls
  - a. General controls: ethical sensitivity
    - internal reference legislation
    - system of proxies, powers of signature and authorisation powers
    - information flow/process
  - b. Specific controls: any additional requirements that vary in relation to the characteristics of the risk activities



## 4. CRITERIA FOR UPDATING AND ADAPTING THE MODEL

### 4.1. CHECKS AND CONTROLS ON THE MODEL

Checking of the suitability and effective implementation of the Organisational Model within the activity of the Entity is entrusted to the Supervisory Body, identified and appointed in accordance with the provisions of Section II (Supervisory Body) and with the duties and powers assigned to it therein.

The Supervisory Body is required to draw up a supervisory plan through which it plans its own checks and controls activity.

The program must contain a calendar of activities to be carried out during the year, also providing for the possibility of unscheduled checks and controls.

### 4.2. UPDATE AND ADAPTATION

The Administrative Body is responsible for updating the Model and its adaptation in relation to changes in organisational structures and operational processes, as well as the results of controls.

The Supervisory Body in any case retains specific tasks and powers regarding the care, development and promotion of the constant updating of the Model. For this purpose, it may formulate observations and proposals relating to the organisation and to the system of control for the corporate functions responsible for this or, in cases of particular importance, for the Board of Directors, with appropriate adjustment notes.

The Supervisory Body must also provide for the follow-up, i.e. the constant checking of the effective implementation by the Administrative Body of the proposed solutions, the actual effectiveness of the same, as well as disclosure of the contents within and outside the Entity.

Finally, the Supervisory Body must propose to the Board of Directors changes or updates to the Model in response to deficiencies and/or gaps revealed as a result of checks on the effectiveness of the same, and also as a consequence of the change in the reference regulatory framework.

## 5. COMMUNICATION PLAN

### 5.1. INTRODUCTION

IDM, in order to effectively implement the organisational model adopted, intends to ensure correct disclosure of its contents and principles within and outside its structure.

IDM's objective is to extend the communication of the contents and principles of the Model not only to its employees, but also to subjects who, while not having the formal qualification of employee, also work occasionally for the achievement of IDM objectives by virtue of contractual relationships.

The information concerning the contents and principles of the Model will be based on completeness, timeliness, precision, accessibility and continuity in order to allow the various recipients to be fully aware of the provisions and principles they are required to observe.

### 5.2. DISSEMINATION AND TRAINING

The contents of the Model will be brought to the attention of all employees, collaborators and other subjects who have contractually regulated collaboration relationships with IDM, in compliance with the principle of maximum internal and external dissemination of the values, principles and provisions contained in the Model.

For employees and internal collaborators, the possibility of accessing and consulting the documentation constituting the Model must be guaranteed, while for the other recipients of the Model the afore-mentioned documentation, limited to this document and to the Code of Ethics, will be made available on the company website.

The internal information and communication tools also include an e-mail address available to all recipients also for any reports to the Supervisory Body.

IDM will also organise training that can be run, as required, through the distribution of information material or in the form of classroom courses.

The training plan will be agreed in terms of contents and methods with the Supervisory Body.

### 6.3. CONTRACTUAL CLAUSES

In order to encourage compliance with the Model by all those persons who interact in various capacities with the Entity, IDM will insert standard clauses in the contracts, the aim of which is to discourage conduct that

could lead to violations of the principles contained in the Code of Ethics, with provision, in case of violation of this obligation, of contractual sanctions, including possible termination of the contractual relationship.