

City Green Light S.r.l.

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001



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**DOCUMENT DESCRIBING THE
ORGANISATION, MANAGEMENT AND
CONTROL MODEL
PURSUANT TO ITALIAN LEGISLATIVE
DECREE NO. 231/2001**

City Green Light S.r.l.

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City Green Light S.r.l.

Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001

DEFINITIONS	6
INTRODUCTION.....	8
OBJECTIVES OF THE DOCUMENT	8
DOCUMENT DESCRIPTION	8
GENERAL SECTION	9
1 ITALIAN LEGISLATIVE DECREE NO. 231/2001	9
1.1 SUBJECT OF THE DECREE.....	9
1.2 TYPES OF OFFENCES.....	10
1.3 EXEMPT FROM ADMINISTRATIVE LIABILITY	12
1.4 WHISTLEBLOWING LAWS.....	12
2 CITY GREEN LIGHT S.R.L.....	16
2.1 THE CORPORATE GOVERNANCE OF CITY GREEN LIGHT S.R.L.	17
2.2 THE INTERNAL CONTROL SYSTEM.....	17
2.2.1 <i>The organisational structure</i>	18
2.2.2 <i>The Code of Ethics</i>	18
2.2.3 <i>The procedural system</i>	18
2.2.4 <i>A system of delegations and powers</i>	19
2.2.5 <i>Information systems</i>	19
2.2.6 <i>Relations with City Green Light Group companies</i>	20
3 THE ORGANISATION, MANAGEMENT AND CONTROL MODEL (231 OMCM)	20
3.1 ADOPTION AND UPDATING OF THE CITY GREEN LIGHT S.R.L. ORGANISATIONAL MODEL.....	20
3.3 MODEL RECIPIENTS	22
3.4 STRUCTURE AND COMPONENTS.....	22
3.5 THE METHODOLOGICAL APPROACH	23
3.5.1 <i>Methodology adopted</i>	23
3.6 THE SYSTEM OF DELEGATIONS AND POWERS.....	24
3.6.1 <i>Principles</i>	24
3.7 THE SANCTIONING SYSTEM.....	24
3.7.1 <i>Introduction</i>	24
3.7.2 <i>Definition and limits of disciplinary responsibility</i>	25
3.7.3 <i>Recipients and their duties</i>	25

City Green Light S.r.l.

Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001

3.7.4	General principles relating to sanctions	26
3.7.5	Sanctions related to whistleblowing	27
3.7.6	Loss of the protections guaranteed by law	27
3.7.7	Sanctions against employees	28
3.7.8	Sanctions against executives	30
3.7.9	Measures against directors (Article 5, first paragraph, letter a), of Italian Legislative Decree no. 231/01)	31
3.7.10	Measures against statutory auditors	32
3.7.11	Measures against members of the Supervisory Body	33
3.7.12	Measures against External Parties	33
3.8	THE COMMUNICATION AND TRAINING PLAN	33
3.8.1	Communication and training on the Model	33
3.9	THE SUPERVISORY BODY	34
3.9.1	Regulatory context	34
3.9.2	Appointment and dismissal procedures	35
3.9.3	Essential requirements	36
3.9.3.1	Autonomy	36
3.9.3.2	Independence	37
3.9.3.3	Professionalism	37
3.9.3.4	Continuity of action	37
3.9.4	Organisational placement	37
3.9.5	Composition	37
3.9.6	Functions	38
3.9.6.1	Supervisory and control activities	38
3.9.6.2	Monitoring of the implementation of the Code of Ethics	39
3.9.6.3	Updates to the 231 OMCM	39
3.9.6.4	Reporting to corporate bodies	39
3.9.6.5	Management of information flows	40
3.9.7	Powers	41
3.9.8	Budget	42
3.10	THE WHISTLEBLOWING SYSTEM OF CITY GREEN LIGHT S.R.L.	42

City Green Light S.r.l.

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

City Green Light S.r.l.

Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001

DEFINITIONS

Areas at risk of offences	Areas of activity considered potentially at risk with respect to offences under Italian Legislative Decree no. 231/2001.
Code of Ethics	The Code of Ethics adopted by City Green Light S.r.l. encompasses the set of values and rules of conduct the Company intends to make constant reference to when carrying out its business.
CCNL	The national collective bargaining agreement for the Metalworking and Construction Industries.
CCNL Executives	The national collective bargaining agreement for Federmanager Industry Executives.
Contractors	Persons who have relationships of collaboration with the Company without subordination, commercial representation or other relationships resulting in a professional service of a non-subordinate nature, whether continuous or occasional, as well as those who, by virtue of specific mandates and proxies, represent the Company vis-à-vis third parties.
Board of Directors (also BoD or Governing Body)	Board of Directors of City Green Light S.r.l.
Consultants	Those who, by reason of their professional expertise, perform their intellectual work for or on behalf of City Green Light S.r.l. on the basis of a mandate or other professional relationship.
Decree (also Italian Legislative Decree no. 231/2001)	Italian Legislative Decree no. 231 of 8 June 2001 containing <i>"Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Italian Law no. 300 of 29 September 2000"</i> in its current form.
Recipients	Persons to whom the provisions of this Model apply.
Employees	Individuals subject to the direction or supervision of persons with functions of representation, administration or management of the Company, i.e. all persons who have an employment relationship of any kind with the Company, as well as workers with quasi-subordinate employment contracts.
Entities	Legal persons, companies and associations, including those without legal personality, to which the provisions of the Decree apply.
Persons in charge of a public service	Those who <i>"perform a public service in any capacity"</i> , meaning an activity governed in the same manner as a public function but characterised by the lack of powers typical thereof (Article 358 of the Italian Criminal Code).
Confindustria Guidelines	Guidelines for the construction of Organisation, Management and Control Models pursuant to Italian Legislative Decree no. 231/2001 issued by Confindustria on 3 November 2003 and updated in 2024.

City Green Light S.r.l.

Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001

Organisation, Management and Control Model (also Organisational Model or OMCM or 231 OMCM)	Organisation, Management and Control Model envisaged by Italian Legislative Decree no. 231/2001 and adopted by the Company in order to prevent the commission of the offences referred to in the aforementioned decree.
Supervisory Body (also SB)	Body of the Entity endowed with autonomous powers of initiative and control, with the task of supervising the operation of and compliance with the Model, as well as reporting to the Board of Directors on the need to update it.
Public Administration (also PA or Public Bodies)	Public Administration, including its officials and persons in charge of a public service.
Public Official	One who <i>"exercises a legislative, judicial or administrative public function"</i> (Article 357 of the Italian Criminal Code).
Offences or predicate offences	Types of offences that the provisions of Italian Legislative Decree no. 231/2001 apply to, also following subsequent amendments or additions thereto.
Company (City Green Light)	City Green Light S.r.l.
Senior Managers	Pursuant to Article 5, paragraph 1, letter a), of the Decree, <i>persons vested with functions of representation, administration or management of the entity, or of one of its organisational units with financial and functional autonomy, as well as by persons exercising even de facto management and control thereof.</i>
Subordinates	Pursuant to Article 5, paragraph 1, letter b), of the Decree, <i>persons subject to the direction or supervision of one of the persons referred to in letter a) (or Senior Managers).</i>

INTRODUCTION

Objectives of the document

Italian Legislative Decree no. 231 of 8 June 2001, "*Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Italian Law no. 300 of 29 September 2000*" introduced into Italian law the administrative liability of entities for certain types of offences, when committed by:

- Persons in a senior position (i.e. having functions of representation, administration or management of the entity).
- Persons subject to the direction or supervision of others, in the interest or to the benefit of those entities.

As an exemption from the entity's administrative liability, Italian Legislative Decree no. 231/2001 identifies the Company's ability to demonstrate that it has adopted and effectively implemented an Organisation, Management and Control Model capable of preventing the commission of the offences covered by the Decree.

If an offence covered by Italian Legislative Decree no. 231/2001 is committed and the Company cannot prove that it has adopted and effectively implemented the Organisation, Management and Control Model, it exposes itself to the risk of being subject to pecuniary and disqualifying sanctions.

With regard to the regulatory context described above, City Green Light S.r.l. has taken steps to:

- Adopt and implement its own Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001.
- Set up a Supervisory Body pursuant to Italian Legislative Decree no. 231/2001 responsible for supervising the observance, functioning and updating of the model implemented.

This document illustrates the individual components of the 231 OMCM adopted by City Green Light S.r.l. and the methodological approach followed in creating them.

Document description

The descriptive document of City Green Light S.r.l.'s 231 OMCM consists of:

- **General Section**, which describes the corporate governance system, the definition process and the operating principles of the OMCM and the mechanisms for its actual implementation.
- **Special Section**, one for each family of offences, including:
 - A description of the respective offences.
 - The specific company activities deemed to be at risk.
 - The behavioural principles to be observed.
 - The controls implemented to monitor the activities at risk.
 - The systematic information flows set up.

GENERAL SECTION

1 Italian Legislative Decree no. 231/2001

1.1 Subject of the decree

On 8 June 2001 – in execution of the delegation of authority under Article 11 of Italian Law no. 300 of 29 September 2000 – Italian Legislative Decree no. 231 was enacted, which came into force on the following 4 July, in order to bring domestic legislation on the liability of legal persons into line with certain international conventions that Italy had already acceded to some time ago, such as the Brussels Convention of 26 July 1995 on the protection of the financial interests of the European Communities, the Convention – also signed in Brussels on 26 May 1997 – on combating bribery involving officials of the European Community or its Member States, and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international and economic transactions.

This Decree, entitled “Regulation of the administrative liability of legal persons, companies and associations, including those without legal personality”, introduced a system of administrative liability into the Italian legal system – essentially referring to criminal liability – for entities (to be understood as companies, consortia, etc.) for certain offences committed in their interest or to their benefit:

- By natural persons performing functions of representation, administration or management of those entities or of one of their organisational units with financial and functional autonomy, as well as by natural persons exercising even de facto management and control of those entities (e.g. directors and general managers).
- By natural persons subject to the direction or supervision of one of the aforementioned persons (e.g. non-executive employees).

This responsibility is in addition to that of the natural person who materially carried out the act. The broadening of liability is aimed at including those entities that have benefited from the commission of the offence in the sanctioning of certain criminal offences. For all offences committed there is always the application of a pecuniary sanction, while for the most serious cases there are also restrictive measures such as the suspension or revocation of licences and concessions, the prohibition to contract with the Public Administration, the disqualification from exercising the business, the exclusion or revocation of financing and contributions, and the prohibition to advertise goods and services.

Liability under Italian Legislative Decree no. 231/01 also applies to offences committed abroad, provided that the State of the place where the offence was committed does not prosecute them.

1.2 Types of offences

Under Italian Legislative Decree no. 231/2001, the Entity may be held liable only for the offences expressly referred to in Articles 24-25 duodevices (Article 26 "Attempted Crimes") of Italian Legislative Decree no. 231/2001 if committed in its interest or to its benefit by persons qualified under Article 5, paragraph 1, of the Decree itself or in the case of specific legal provisions referring to the Decree, as in the case of Article 10 of Italian Law no. 146/2006. For the sake of ease of exposition, the types can be categorised as follows:

- Offences against the Public Administration, Articles 24 and 25 of Italian Legislative Decree no. 231/2001.
- Computer crimes and unlawful processing of data, Article 24-bis of Italian Legislative Decree no. 231/2001.
- Organised crime, Article 24-ter of Italian Legislative Decree no. 231/2001.
- Offences relating to counterfeiting money, legal tender, revenue stamps and identification instruments or signs, Article 25-bis of Italian Legislative Decree no. 231/2001.
- Offences against industry and trade, Article 25-bis.1 of Italian Legislative Decree no. 231/2001.
- Corporate offences, including the offence of bribery between private individuals, Article 25-ter of Italian Legislative Decree no. 231/2001.
- Offences with the purpose of terrorism or subversion of the democratic order, Article 25-quater of Italian Legislative Decree no. 231/2001.
- Female genital mutilation, Article 25-quater.1 of Italian Legislative Decree no. 231/2001.
- Offences against the individual, Article 25-quinquies of Italian Legislative Decree no. 231/2001.
- Market abuse offences, Article 25-sexies of Italian Legislative Decree no. 231/2001.
- Offences of manslaughter committed in violation of the rules on accident prevention and on the protection of hygiene and health at work, Article 25-septies of Italian Legislative Decree no. 231/2001.
- Offences relating to receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, as well as self-laundering, Article 25-octies of Italian Legislative Decree no. 231/2001.
- Offences relating to non-cash payment instruments, Article 25-octies.1, Italian Legislative Decree no. 231/2001.
- Offences relating to violation of copyright, Article 25-nonies of Italian Legislative Decree no. 231/2001.
- Inducement not to make statements or to make false statements to the judicial authorities, Article 25-decies of Italian Legislative Decree no. 231/2001.
- Environmental offences, Article 25-undecies of Italian Legislative Decree no. 231/2001.
- Employment of third-country nationals staying illegally in the territory of the State, Article 25-duodecies of Italian Legislative Decree no. 231/2001.
- Racism and xenophobia, Article 25-terdecies of Italian Legislative Decree no. 231/2001.
- Fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices, Article 25-quaterdecies of Italian Legislative Decree no. 231/2001.
- Tax offences, Article 25-quinquiesdecies of Italian Legislative Decree no. 231/2001.
- Smuggling offences, Article 25-sexiesdecies of Italian Legislative Decree no. 231/2001.
- Offences against the cultural heritage, Article 25-septiesdecies, Italian Legislative Decree no. 231/2001.
- Laundering of cultural goods and devastation and looting of cultural and landscape assets, Article 25-duodevices, Italian Legislative Decree no. 231/2001.
- Liability of entities for administrative offences (Italian Law no. 9, Article 12 of 14 January 2013).
- Transnational crimes, (Law no. 146, Article 10 of 16 March 2006).

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

The categories listed above are destined to increase further due to the legislative tendency to broaden the scope of the Decree, also in compliance with international and EU obligations.

Sanctions

Articles 9-23 of Italian Legislative Decree no. 231/2001 provide for the following sanctions against the company as a consequence of the commission or attempted commission of the offences mentioned above:

- Fines (and protective seizures).
- Restrictive sanctions (also applicable as a precautionary measure) of a duration of no less than three months and no more than two years (with the clarification that, pursuant to Article 14, paragraph 1, of Italian Legislative Decree no. 231/2001, "*restrictive sanctions relate to the specific activity the offence committed by the entity relates to*"), which in turn may consist of:
 - Disqualification from exercising the business.
 - Suspension or revocation of authorisations, licences or concessions functional to the commission of the offence.
 - Prohibition against contracting with the public administration, except to obtain the performance of a public service.
 - Exclusion from benefits, financing, contributions or subsidies and the possible revocation of those already granted.
 - Ban on advertising goods or services.
- Publication of the judgement (in the case of application of a disqualification sanction).
- Confiscation (and preventive seizure in protective proceedings).

The fine is always applied to the company and is determined by the criminal court through a system based on "quotas" in a number of no less than one hundred and no more than one thousand. The amount of the quota varies from a minimum of €258.22 (two hundred fifty-eight.22) to a maximum of €1,549.37 (one thousand five hundred forty-nine.37).

In calculating the fine, the Court determines:

- The number of quotas, taking into account the seriousness of the offence, the degree of the entity's liability and the activity carried out to eliminate or mitigate the consequences of the offence and to prevent the commission of further offences.
- The amount of the quota is set based on the economic and financial condition of the entity in order to ensure the effectiveness of the sanction.

Disqualification sanctions apply only for offences for which they are expressly envisaged and provided that at least one of the following conditions is met:

- The company derived a significant profit from the commission of the offence and the offence was committed by persons in a senior position or by persons subject to the direction of others when, in this latter case, the commission of the offence was determined or facilitated by serious organisational deficiencies.
- In the event of repeated offences.

The Court determines the type and duration of the disqualification sanctions, taking into account the suitability of the individual sanctions to prevent offences of the type committed, and if necessary may apply them jointly (Article 14, paragraphs 1 and 3, of Italian Legislative Decree no. 231/2001). The sanctions of disqualification from carrying on the business, prohibition against contracting with the Public Administration and prohibition against advertising goods or services may be applied on a definitive basis in the most serious cases.

**Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001**

Note also the possible continuation of the company's activity (instead of the imposition of the sanction) by a commissioner appointed by the Court pursuant to and under the conditions of Article 15 of Italian Legislative Decree no. 231/2001.

1.3 Exempt from administrative liability

Italian Legislative Decree no. 231/2001 provides for forms of exemption from administrative liability of the entity. Specifically, Article 6 of Italian Legislative Decree no. 231/2001 states that in the event of an offence committed by a senior executive, the entity is not liable if it can prove that:

- Prior to the commission of the offence the entity's governing body had adopted and effectively implemented Organisation and Management Models capable of preventing offences of the kind committed.
- The task of supervising the functioning, effectiveness and observance of the Models, as well as ensuring that they are updated, had been entrusted to a body of the entity endowed with autonomous powers of initiative and control.
- The persons who committed the offence acted by fraudulently circumventing the aforementioned Organisation and Management Models.
- There was no failed or insufficient supervision on the part of the designated body (referred to in Article 6, first paragraph, letter b), of the Decree).

Consequently, there is a presumption of liability on the part of the entity due to the fact that senior executives express and represent the policy and therefore the will of the entity itself. This presumption can be overcome if the entity succeeds in proving the fulfilment of the four conditions set out above. In such case, while the senior executive remains personally liable, the entity is not liable under Italian Legislative Decree no. 231/2001.

As far as the liability of entities is concerned, Italian Legislative Decree no. 231/2001 attributes an exculpatory value to organisational, management and control models to the extent that they are able to prevent the offences referred to in Italian Legislative Decree no. 231/2001, and at the same time are adopted and effectively implemented by the governing body.

Article 7 of Italian Legislative Decree no. 231/2001 establishes the administrative liability of the entity for offences committed by subordinates if their commission was made possible by failure to comply with management and supervisory obligations. Such non-compliance is in any case excluded if, prior to the commission of the offence, the entity adopted and effectively implemented an Organisation, Management and Control Model capable of preventing offences of the kind committed.

1.4 Whistleblowing laws

Italian Legislative Decree no. 24/2023, implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, amended the provisions of Article 6, paragraph 2 bis,¹ of Italian Legislative Decree no. 231/2001 on whistleblowing, expressly providing that 231 Models must provide for internal reporting channels, the prohibition of retaliation against the whistleblower

¹ Paragraph introduced by Italian Law no. 179 of 30 November 2017 on Whistleblowing, O.J. no. 291 of 14 December 2017, in force since 29 December 2017.

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

and a specifically designed disciplinary system (adopted pursuant to paragraph 2, letter e), of Article 6 of Italian Legislative Decree no. 231/2001).

Specifically, Italian Legislative Decree no. 24/2023 establishes specific protections for persons who report violations of national or European Union law that harm the public interest or the integrity of the public administration or private entity that they have become aware of in a public or private work-related context.

Organisational, Management and Management Models must comply with the provisions of Italian Legislative Decree no. 24/2023 by providing for internal reporting channels (pursuant to Article 4, paragraph 1) that guarantee, including through the use of encryption, the confidentiality of the identity of the whistleblower, of the person involved and of the person in any event mentioned in the report, as well as the content of the report and of the relevant documentation.

The management of the reporting channel may be entrusted either to a dedicated autonomous internal person or office with specifically trained staff for the management of the reporting channel, or to an external entity, also autonomous and with specifically trained staff.

Any reports (handled internally or externally to the entity) must be submitted either:

- In written form, including on the computer.
- Orally, via telephone or voice messaging systems.
- At the request of the whistleblower, by means of a face-to-face meeting organised within a reasonable period of time.

As clarified by the ANAC Guidelines (ANAC GL) approved by resolution of 12 July 2023, and by the Confindustria Operational Guide (Confindustria OG) published in October 2023, the company is required to put in place both the written channel – analogue and/or digital – and the oral channel, having to make both available to the whistleblower.

Pursuant to Article 6 of Italian Legislative Decree no. 24/2023, the whistleblower may submit an external report if, at the time of its submission, one of the following conditions is met:

- There is no mandatory activation of an internal reporting channel within such person's work-related context, or such channel, even if mandatory, is not active or, even if activated, does not comply with the provisions of Article 4 of the aforementioned decree.
- The whistleblower has already submitted an internal report under Article 4 and the report received no follow-up.
- The whistleblower has reasonable grounds to believe that any internal report would not be effectively followed up on or that such report might give rise to the risk of retaliation.
- The whistleblower has well-founded reasons to believe that the violation may constitute an imminent or obvious danger to the public interest.

With regard to external reporting channels, the National Anti-Corruption Authority (ANAC) has activated a specific reporting channel that guarantees, including through the use of encryption, the confidentiality of the identity of the whistleblower, of the person involved and of the person mentioned in the report, as well as of the content of the report and of the relevant documentation. The same confidentiality is guaranteed even when the report is made through channels other than those indicated in the first sentence, or reaches staff other than those tasked with handling reports, to whom it must in any case be forwarded without delay.

Should the external report be submitted to a party other than ANAC, it must be forwarded to the Authority within seven days from the date of its receipt, with simultaneous notification of the transmission to the whistleblower.

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

In order to protect the confidentiality of the whistleblower, Article 12 of Italian Legislative Decree no. 24/2023 states that: *"The identity of the whistleblower and any other information from which such identity may be directly or indirectly inferred may not be disclosed without the express consent of such whistleblower to persons other than those authorised to receive or follow up on the reports and expressly authorised to process such data pursuant to Articles 29 and 32, paragraph 4, of Regulation (EU) 2016/679 and Article 2-quaterdecies of the Code on the Protection of Personal Data set out in Italian Legislative Decree no. 196 of 30 June 2003"*. The identity of the persons concerned and of the persons mentioned in the report must be protected until the conclusion of the proceedings initiated on account of the report in compliance with the same guarantees envisaged for the whistleblower. Should the identity of the whistleblower have been disclosed, they must be notified in writing, stating the reasons.

Protective measures apply when:

- At the time of the report or complaint to the judicial or accounting authorities or public disclosure, the whistleblower had reasonable grounds to believe that the information on the violations reported, publicly disclosed or communicated was true and fell within the objective scope of Article 1 of the aforementioned Italian Legislative Decree.
- The report or public disclosure was made on the basis of the provisions of Chapter II of the same Italian Legislative Decree.

Whistleblowers (pursuant to Article 3, Italian Legislative Decree no. 24/2023) may not suffer any kind of retaliation as a result of the report, and should this happen they are guaranteed the possibility of reporting any conduct committed in the work-related context directly to the National Anti-Corruption Authority, which will immediately inform the Civil Service Department at the Presidency of the Council of Ministers and any guarantee or disciplinary bodies if the worker is in the public sector, or the National Labour Inspectorate if the retaliation took place in the work-related context of a private entity.

The provisions of the aforementioned Italian Legislative Decree no. 24/2023, pursuant to Art. 1, paragraph 2, do not apply to:

- Objections, claims or demands linked to a personal interest of the whistleblower or of the person lodging a complaint with the judicial or accounting authorities that relate exclusively to their individual work or public employment relationship, or inherent in their work or public employment relationship with hierarchically superior figures.
- Reports of violations where already mandatorily regulated by the European Union or national acts indicated in Part II of the Annex to Italian Legislative Decree no. 24/2023 or by national acts that constitute implementation of the European Union acts indicated in Part II of the Annex to Directive (EU) 2019/1937, even if not indicated in Part II of the Annex to Italian Legislative Decree no. 24/2023.
- National security breaches, as well as contracts relating to defence or national security aspects, unless these aspects are covered by relevant secondary EU law.

The obligation to inform the employer of any suspicious conduct is already part of the broader duty of diligence and duty of loyalty of the employee, and consequently the proper fulfilment of the obligation to inform cannot give rise to the application of disciplinary sanctions, except in cases where the information is characterised by slanderous intent or driven by bad faith, wilful misconduct or gross negligence. In order to ensure the effectiveness of the Whistleblowing system, it is therefore necessary for the Entity to provide accurate information to all its staff and the persons who work with it, not only with regard to the procedures and rules adopted by the Company and the activities at risk, but also with respect to the knowledge, understanding and dissemination of the objectives and the spirit with which the report must be made.

City Green Light S.r.l.

Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001

With the aim of implementing the provisions on the employee's duty of loyalty and the law on Whistleblowing, it is therefore necessary to introduce into the Organisation, Management and Control Model a system for managing reports of wrongdoing that allows the identity of the whistleblower and the associated right to confidentiality to be protected, as well as the introduction of specific provisions within the disciplinary system aimed at sanctioning any acts of retaliation and discrimination against the whistleblower.

2 City Green Light S.r.l.

City Green Light S.r.l. is a private company operating in the field of public lighting and energy efficiency whose corporate purpose is primarily: the design, construction, maintenance, sale and integrated management of lighting systems of various kinds, as well as the execution of studies and works associated with the enhancement through lighting of public places and monuments, including the supply, installation and anything else necessary for the management of the aforementioned systems in a professional manner.

The Company's main activities include the following, among others: *"The competition for public and private contracts relating to the integrated management of the public lighting service and related energy efficiency measures, either directly or in temporary groupings with other entities or as part of a stable consortium(s) and in any case in all the ways envisaged by the law on public contracts and by the Italian civil code; the design, implementation, maintenance and management of the works referred to in the contracts awarded; the management of the services referred to in the contracts awarded...; the design, construction, maintenance and planned and unplanned management of public, religious, industrial and interior lighting systems of municipalities, provinces, and holders of motorway concessions...; the provision of services related to the improvement of energy performance in the public and private sectors, such as: 1) the design, development, construction, maintenance and planned and unplanned management of smart city services; 2) the design, development, construction, maintenance and planned and unplanned management of services linked to the electric and sustainable mobility sector, including the management of shared electric vehicles, of infrastructure for recharging electric vehicles and of public spaces for the construction of new recharging stations; 3) the construction, maintenance or restructuring of the works necessary for the production of electrical energy, complete with all related masonry work, as well as all electromechanical, electrical, telephone and electronic systems; 4) the installation, maintenance or restructuring as well as the execution of non-illuminated, vertical, horizontal and complementary road signage; 5) the development and management of energy communities, including through the installation of renewable energy systems; 6) the hire of machinery and equipment with or without operator"*.

The Company has well-established expertise, skills and resources through which it offers small and medium-sized companies the most innovative accounting, administrative and financial business process outsourcing services.

In order to maintain operational excellence, the Company has implemented the following management systems and obtained the relevant certifications:

- UNI EN ISO 9001 Quality Management System
- UNI EN ISO 14001 Environmental Management System
- ISO 45001 Occupational Health and Safety Management System
- ISO 50001 Energy Management System
- ISO 37001 Anti-Corruption Management System
- ISO/IEC 27001 Information Security Management System
- SA8000 Social Accountability
- UNI/PDR 125 Gender equality
- Regulation (EU) 2015/2067
- ISO 30415 Diversity & Inclusion
- UNI CEI 11352 (ESCO)

This Organisation, Management and Control Model has therefore also been constructed taking into account the principles governed by the aforementioned systems, and complies with the provisions of the labour regulations.

City Green Light S.r.l.

Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001

The company City Green Light Srl (CGL), founded in 2012 and wholly owned by Gemmo spa, was de facto inactive until the transfer of Gemmo's business unit consisting of the Public Lighting Division and the Tunnelgest Lombardia Business Unit on 5 December 2017.

5 February 2018 saw the entry of Fondo Italiano Efficienza Energetica (FIEE) into the capital of CGL, acquiring 86.5% through a purchase of parts and a capital increase. The remaining 13.5% is held by Gemmo Spa. On 24 May 2018, the corporate structure changed with the entry of the Marguerite Infrastructure II Fund, resulting in a capital increase of €20 million and consequent change in the representatives on the company's Board of Directors.

The chair was assigned to a representative of Marguerite. The appointment of the Managing Director remained unchanged. Marguerite is a leading European fund that counts Cassa Depositi e Prestiti among its investors along with its respective counterparts in France, Spain, Germany and Poland.

As of 24 May the ownership was as follows: Marguerite 48.225%, FIEE 44.166%, Gemmo 7.609%.

In July 2018, the company structure changed with the entry of IPIN 2E SpA.

On 31/12/2021, Gemmo S.p.a. exited the company's ownership.

The new ownership structure is as follows: Marguerite 40.72%, FIEE 33.77%, IPIN 2E 25.51%.

2.1 The Corporate Governance of City Green Light S.r.l.

The Company has a traditional top-down organisational structure.

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company and has the power to perform all acts it deems appropriate for the implementation and achievement of the corporate purposes, excluding only those that the law or the articles of association reserve strictly to the Shareholders' Meeting.

The Managing Director and the Chair of the Board of Directors are appointed by the Board of Directors.

The Board of Statutory Auditors is responsible for monitoring compliance with the law and the articles of association, compliance with the principles of proper administration, and the adequacy of the Company's organisational structure, internal control system and administrative accounting system.

2.2 The internal control system

City Green Light S.r.l.'s internal control system is a structured system of activities, procedures, rules of conduct and organisational structures designed to monitor the Company's main risks in accordance with corporate strategies.

The Company has designed and implemented an internal control system consistent with national and international best practices, the main components of which are described below.

Note that the general and specific rules and principles of conduct set out in the Special Sections of this Model form an integral part of the Company's overall internal control system.

2.2.1 The organisational structure

An organisation that is adequate to the needs, clear, formalised and communicated to personnel is a key element of City Green Light S.r.l.'s internal control system. In defining its organisation, it has adopted criteria that allow:

- The clear definition of the responsibilities assigned to personnel and the reporting lines between organisational positions.
- The existence of countervailing functions and segregation of duties, or alternatively the existence of countervailing organisational and control measures.
- The correspondence between the activities actually carried out and the formalisation of the organisation.

The company management has defined the most suitable internal organisational structure to achieve its objectives.

In order to clarify roles and responsibilities within the corporate decision-making process, City Green Light S.r.l. has drawn up:

- A company organisational chart.
- A description of organisational positions and their responsibilities.
- A system of delegations and powers.
- A procedural system.

The organisational system is defined and communicated by means of organisational communications, the formalisation and dissemination of which is ensured by the relevant functions, as well as organisational charts prepared and updated by the relevant functions.

2.2.2 The Code of Ethics

The Group's vision is underpinned by the culture of shared responsibility and the integrity of the decisions and actions of City Green Light S.r.l.'s employees, suppliers and partners. The Company's Code of Ethics governs the set of rights, duties and responsibilities that the Company recognises as its own and assumes vis-à-vis its stakeholders, with which all Recipients of this Model must comply. The Code of Ethics sets out the ethical principles that reflect the Company's values and which must also inspire all those it does business with.

The adoption of the Code of Ethics also constitutes one of the prerequisites for the effective functioning of the Model, establishing a close integration of internal rules with the intention of fostering a culture of ethics and corporate transparency and avoiding the risk of the commission of offences that trigger the administrative liability of the Entity.

The Code of Ethics thus represents the highest expression of the Company's guiding principles as well as the foundation underlying the provisions of this Model. The violation of the Code of Ethics entails the application of the sanctions envisaged in this Model's disciplinary system.

2.2.3 The procedural system

For the management of its processes, the Company has adopted a procedural system consisting of policies, procedures, manuals and operating instructions designed to govern the relevant processes and to provide operating methods and control measures for the performance of company activities.

The Company operates using formalised internal procedures having the following characteristics:

- Adequate dissemination in the company departments involved in the activities.
- Control over the way activities are carried out.

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

- Clear definition of the responsibilities for activities, in compliance with the principle of separation between the person who initiates the decision-making process, the person who executes and concludes it, and the person who controls it.
- Traceability of actions, operations and transactions by means of appropriate documentary evidence of the characteristics of and the reasons for the operation, which also identifies the persons involved in the operation in various capacities.
- Provision of specific control mechanisms (such as cross-checks, reconciliations, etc.) to ensure the integrity and completeness of the data managed and information exchanged within the organisation.

The entire procedural system is disseminated through internal communication channels and is available to all employees in designated sections of the company intranet.

2.2.4 A system of delegations and powers.

The Company has adopted a system of delegations and powers characterised by "security" elements for the prevention of offences (traceability of sensitive activities), which at the same time allows the efficient management of the Company's activities.

For the effective prevention of offences, the system of delegations and powers must comply with the following essential requirements:

- The delegations must combine each power with the relevant responsibility and an appropriate position in the organisational chart.
- Each delegation must specifically and unequivocally define the delegate's powers and the person (body or individual) to whom the delegate reports hierarchically.
- The managerial powers assigned with the delegations and their implementation must be consistent with the Company's objectives.
- The delegate must have spending powers appropriate to the functions granted to them.
- All those who have dealings with the PA and/or private parties on behalf of the Company must have a specific power of attorney to that effect.
- Each power of attorney entailing the power to represent the Company vis-à-vis third parties must be accompanied by an internal delegation describing the relevant management power.
- Copies of the delegations and powers of attorney and their updates will be sent to the SB.

With the support of the other competent functions, the SB periodically reviews the system of delegations and powers in force and their consistency with the organisational provisions, recommending any changes in the event that the management power and/or qualification does not correspond to the powers of representation granted to the delegate or there are other anomalies.

2.2.5 Information systems

The Company has equipped itself with IT systems that guarantee security, traceability and privacy of data as well as a high level of protection of the information contained therein.

In order to mitigate any risks associated with the management of its IT systems, the Company has defined specific rules and strict limitations such as, for example:

City Green Light S.r.l.

Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001

- A structured login system.
- The use of specific tools capable of ensuring both the identification of any unlawful transactions executed by third parties and the monitoring of all actions carried out by Company employees.
- The use of specially designed Data Loss Prevention systems.
- Continuous security scanner testing in order to identify any vulnerabilities and to implement the necessary corrective actions.

2.2.6 Relations with City Green Light Group companies

City Green Light S.r.l. provides services to Group companies that may involve activities and operations at risk as set out in the Special Sections of this Model.

Specifically, intercompany relations concern the following areas:

- Legal affairs and administrative services office, tender and planning office
- Purchasing and logistics office
- AFC area (administration, finance and management control)
- General affairs area
- Human resources office
- IT support
- Sales and business development area

Services are provided in accordance with the provisions of the Code of Ethics and this Model and are governed by special formalised agreements (so-called service contracts), communicated to the Company's Supervisory Body.

3 The Organisation, Management and Control Model (231 OMCM)

3.1 Adoption and updating of the City Green Light S.r.l. Organisational Model

The Company adopted the first edition of its Organisation, Management and Control Model on 24/07/2018.

The current version of the Model was adopted by resolution of the Board of Directors on 06/12/2024.

Amendments and additions to this Model are made by the Governing Body, also based on information from the Supervisory Body, which is responsible for updating it. The Board of Directors of the Company takes decisions on the implementation of the Model by evaluating and approving the actions necessary for the implementation of its constituent elements.

To define the Model, the following were taken into account in addition to the characteristics of the Company (organisational structure, corporate governance system, company context and areas of operations, etc.):

- The Guidelines issued by Confindustria as updated over time.
- The developments of legal practice and theory on the subject.
- Best practices.

3.2 Model operation

The Organisation, Management and Control Model is a structured, organic system of principles, internal rules, operating procedures and control activities for the purpose of a diligent and

**Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001**

transparent performance of the Company's activities, in order to prevent conduct liable to constitute the offences and crimes envisaged by Italian Legislative Decree no. 231/2001 and its subsequent amendments and additions.

Specifically, pursuant to paragraph 2 of Article 6 of Italian Legislative Decree no. 231/01, the 231 OMCM must adequately meet the following requirements:

- Identify sensitive activities, i.e. those within the scope of which offences may be committed, according to a risk assessment.
- Where possible, review and specify the general behavioural principles of the Model concerning the crime risks under examination (i.e., summary, integration, and/or specification of relevant ethical code provisions; specific prohibitions; relevant system of powers of attorney and internal delegations; etc.).
- Illustrate the Protocols, i.e. the specific control procedures implemented by the Company for the purpose of preventing risks of offences that the Recipients are required to observe for the proper application of this Model.
- Provide the Supervisory Body with the tools to perform the necessary monitoring and verifications by means of: (I) the definition of the information flows (frequency, reporting tools, minimum content, etc.) that the Supervisory Body must receive from the persons in charge of the controls; (II) the description of the control activities and the way they are carried out, enabling them to be verified in accordance with the activity plan.
- Identify ways of managing financial resources that are suitable for preventing the commission of offences.
- Put in place a disciplinary system that can sanction non-compliance with the measures indicated in the Model.

In compliance with Article 6 of Italian Legislative Decree no. 231/2001 and the interpretative and applicative Guidelines drawn up by the most representative trade associations, and in particular those provided by Confindustria, City Green Light S.r.l. has defined the general principles, structure and components of its Organisation, Management and Control Model.

In consideration of the above, the Special Sections of the Model aim to address the sensitive activities carried out by the Recipients (defined in the following paragraph) in order to prevent the occurrence of the offences referred to in Italian Legislative Decree no. 231/2001.

Specifically, they aim to:

- Illustrate the offences that can be traced back to the families of offences referred to in the Decree.
- Identify sensitive activities, i.e. those activities carried out by the Company that, based on a risk assessment, are considered relevant to and inherent in the crime risks outlined in the previous section.
- Where possible, review and specify the general behavioural principles of the Model concerning the crime risks under examination (i.e., summary, integration, and/or specification of relevant ethical code provisions; specific prohibitions; relevant system of powers of attorney and internal delegations; etc.).

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

- Illustrate the Protocols, i.e. the specific control procedures implemented by the Company for the purpose of preventing risks of offences under consideration that the Recipients are required to observe for the proper application of the following Special Section of this Model.
- Provide the Supervisory Body with the tools to perform the necessary monitoring and verifications by means of: (I) the definition of the information flows (frequency, reporting tools, minimum content, etc.) that the Supervisory Body must receive from the persons in charge of the controls; (II) the same description of the control activities and the way they are carried out, enabling them to be verified in accordance with the activity plan.

3.3 Model recipients

The following are Recipients (hereinafter "Recipients") of this Organisation, Management and Control Model of City Green Light S.r.l. pursuant to Italian Legislative Decree no. 231/2001 who commit to complying with its contents:

- Directors and executives of the Company (senior executives).
- Employees of the Company (internal persons subject to the direction of others).

By virtue of specific contractual clauses and limited to the performance of the sensitive activities they may be involved in, the external parties (hereinafter referred to as the "External Parties") indicated below may be the recipients of specific obligations instrumental to the adequate performance of the internal control activities envisaged in the Special Sections:

- The contractors, consultants and, in general, self-employed persons to the extent that they operate within the areas of sensitive activities on behalf of or in the interest of the Company.
- Suppliers and partners (including in the form of a temporary association of companies, as well as joint ventures) operating in a significant and/or continuous manner within the areas of so-called sensitive activities on behalf of or in the interest of the Company.

The External Parties thus defined must also include those who, although they have a contractual relationship with other Group companies, in substance operate in a significant and/or continuous manner within the sensitive areas of activity on behalf of or in the interest of the Company.

3.4 Structure and components

The main components of City Green Light's Organisation, Management and Control Model, in compliance with the provisions of Legislative Decree no. 231/01, are as follows:

- Principles of Corporate Governance
- Control protocols
- Sanctioning system
- Training and communication plan
- Supervisory Body

The **Principles of Corporate Governance** describe the Company's organisation.

Control Protocols represent the set of control measures that oversee the activities identified as sensitive to the commission of the offences set out in Italian Legislative Decree no. 231/01, the proper application of which helps prevent the commission of such offences.

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

The **Sanctioning System** establishes the disciplinary sanctions and their application, to be imposed on the persons (senior executives, employees, executives, external parties) responsible for violating the provisions set out in the Organisation, Management and Control Model. The Disciplinary System establishes:

- The regulatory framework governing – at the contractual and civil code level – the sanctions and related procedures applicable in the event of wrongdoing and improper conduct by employees, executives and non-executives, and external parties.
- Sanctions for senior executives, employees and executives as well as measures to be taken against external parties.
- Internal arrangements for the detection, communication and management of infractions.

The **Training and Communication Plan** is the means for communicating the rules and provisions set out in the Organisation, Management and Control Model to all stakeholders in order to achieve their broadest dissemination and sharing. The purpose of the Training and Communication Plan is to use targeted training courses to raise the awareness of City Green Light S.r.l.'s employees of the proper implementation of the provisions of the Organisation, Management and Control Model as well as the risk of committing the offences set out in current regulations.

The Plan must include the following points:

- The information and training programmes to be planned and executed.
- The techniques, means and tools to support training and communications (e.g. internal circulars, notices to be posted in common areas, multimedia documents, classroom training).
- The means used to test the trainees' level of understanding and learning.
- The way in which the training carried out is reported on.

The **Supervisory Body** has the task of supervising the operation of and compliance with the Organisation, Management and Control Model adopted and to ensure that it is updated in accordance with the organisational changes at City Green Light S.r.l. and the regulations in force.

The following are defined:

- The appointment and revocation process, detailing the causes of ineligibility and revocation.
- The essential requirements.
- Its organisational placement.
- Functions and powers.
- The budget.

3.5 The methodological approach

3.5.1 Methodology adopted

An Organisation, Management and Control Model adopted pursuant to Italian Legislative Decree no. 231/2001 must be created and implemented in order to prevent the commission of the offences covered by the Decree within the limits of reasonableness.

In this regard, particular importance is attached to analysing the organisational structure in order to:

**Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001**

- Identify sensitive activities where there might be opportunities to commit unlawful actions.
- Describe the internal control system to monitor the sensitive activities identified.

The activity of identifying and analysing sensitive activities must be repeated every time organisational and regulatory changes occur.

This activity envisages the direct involvement of senior executives, i.e. directors, and in general all those who as part of their responsibilities have significant decision-making and management autonomy for the company.

For more details on the methodology adopted, see the attached document "*Methodology for assessing sensitive activities pursuant to Italian Legislative Decree no. 231/01*".

The purpose of this document is to set out the methodology and tools supporting the analysis of activities potentially at risk of offences covered by Italian Legislative Decree no. 231/01.

3.6 The system of delegations and powers

3.6.1 Principles

The purpose of the system of delegations and powers is to:

- Assign roles and responsibilities to each company sector.
- Identify natural persons who may operate in specific company activities.
- Formalise the attributions of decision-making powers and their economic scope.

The fundamental principles of this system include a clear and organic allocation of tasks in order to avoid overlapping or power vacuums, as well as the segregation of responsibilities and the countervailing of interests in order to prevent concentrations of power, in compliance with the requirements of the Organisational Model set out in Italian Legislative Decree no. 231/2001.

The system of delegation of powers and authority must be consistent with the policies for taking, assessing and managing the most significant risks and with the established risk tolerance levels.

The Company commits to implement, maintain and communicate an organisational system that formally and clearly defines the allocation of management, coordination and control responsibilities within the company, as well as the levels of hierarchical dependence and the description of each employee's duties.

City Green Light S.r.l. has already adopted a system of external powers of attorney consistent with the responsibilities assigned to each director or executive, with an indication of quantitative expenditure thresholds.

3.7 The sanctioning system

3.7.1 Introduction

The effective implementation of the Organisation, Management and Control Model cannot exclude the preparation of an adequate sanctioning system, which plays an essential function in the architecture of Italian Legislative Decree no. 231/2001. In fact, it constitutes a safeguard for the internal procedures (pursuant to Article 6, paragraph 2, letter e), and Article 7, paragraph 4, letter b), of Italian Legislative Decree no. 231/2001).

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

Indeed, in order for the Organisational, Management and Control Model to have an exempting effect for the Company, as specified in Article 6, paragraph 2, cited above it must include "a disciplinary system capable of penalising non-compliance with the measures indicated in the Model".

Given the lack of details in the Decree, the requirements to be met by the Sanctioning System can be deduced from existing case law and legal theory, which identifies them as follows:

- **Specificity and autonomy:** *specificity* is reflected in the establishment of an internal sanctioning system within the Company aimed at penalising any violation of the 231 Model regardless of whether it results in the commission of a crime. *Autonomy*, on the other hand, is expressed in the self-sufficiency of the internal disciplinary system with respect to external systems (e.g. criminal proceedings). This means that the Company must impose sanctions for violations independent of the outcome of any criminal proceedings, considering the nature of the violation of the protocols and procedures set out in the Model.
- **Compatibility;** the procedure for ascertaining and imposing the sanction – as well as the sanction itself – may not conflict with the legal and contractual provisions governing the employment relationship in place with the Company.
- **Suitability;** the system must be efficient and effective in preventing the commission of offences.
- **Proportionality;** the sanction applicable or applied must be proportionate to the violation identified.
- **Written and appropriately disseminated:** the sanctioning system must be written and the subject of discussion with and training of the Recipients (therefore mere publication by posting in a place accessible to all is not sufficient).

It is therefore clear that the commission of offences would undermine the bond of trust existing between the Parties, legitimising the Company's application of disciplinary sanctions.

The substantive prerequisite for the Company's disciplinary power is the attribution of the violation to the worker (whether subordinate or in a senior position or contractor), and this regardless of whether such conduct constitutes a violation giving rise to criminal proceedings.

As mentioned above, a fundamental requirement for sanctions is their proportionality to the violation ascertained, which must be assessed according to two criteria:

- The seriousness of the violation.
- The type of employment relationship established with the employee (subordinate, quasi-subordinate, executive, etc.), taking into account the specific legal and contractual framework.

3.7.2 Definition and limits of disciplinary responsibility

Aware of the need to comply with the law and with the provisions in force on the matter, the Company ensures that the sanctions imposed under this Sanctioning System comply with the provisions of the relevant CCNLs, and also ensures that on a procedural level Article 7 of Italian Law no. 300 of 30 May 1970 (Workers' Statute) applies for the notification of the offence and the imposition of the relevant sanction.

3.7.3 Recipients and their duties

The Recipients of this Disciplinary System correspond to the Recipients of the 231 OMCM itself.

**Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001**

The Recipients must conduct themselves in a manner consistent with the principles enshrined in the Code of Ethics and with all the principles and measures for the organisation, management and control of company activities defined in the 231 OMCM.

Where ascertained, any violation of the aforementioned principles, measures and procedures shall constitute:

- In the case of employees and executives, a breach of contract with respect to the obligations arising from the employment relationship pursuant to Articles 2104 and 2106 of the Italian Civil Code.
- In the case of directors, non-compliance with the duties imposed on them by law and the Articles of Association pursuant to Article 2392 of the Italian Civil Code.
- In the case of external parties, a breach of contract justifying termination thereof, without prejudice to compensation for any loss or damage.

The procedure for the imposition of the sanctions listed below therefore takes into account the peculiar features arising from the legal status of the person against whom proceedings are brought.

In any case, the Supervisory Body must be involved in the process of imposing disciplinary sanctions.

The Supervisory Body checks that specific procedures are in place for informing all the aforementioned parties of the existence and content of this sanctioning system as soon as a relationship with the Company is established.

3.7.4 General principles relating to sanctions

The penalties imposed for infractions must in any case respect the principle of gradualness and proportionality with respect to the seriousness of the infringements committed.

The determination of the type and severity of the sanction imposed as a result of the commission of offences, including those covered by Italian Legislative Decree no. 231/2001, must be based on the observance and assessment of the following:

- The intentionality of the conduct giving rise to the violation.
- The negligence, recklessness and inexperience shown by the perpetrator in the commission of the infringement, especially with respect to the actual possibility of foreseeing the event.
- The significance and possible consequences of the violation or offence.
- The position held by the perpetrator within the company's organisation, especially in view of the responsibilities associated with their duties.
- Any aggravating and/or extenuating circumstances that may be found with respect to the conduct of the Recipient, including, by way of example, the imposition of disciplinary sanctions against such person in the two years preceding the violation or offence.
- The participation of multiple Recipients, in agreement with each other, in the commission of the violation or offence.

The process of charging someone with the offence and the imposition of the sanction are different depending on the category of the offender.

3.7.5 Sanctions related to whistleblowing

To identify the recipient the ANAC GLs make a distinction between a natural person and a legal entity held liable and therefore recipient of the sanction. Specifically:

- i. In cases where the channel has not been set up, where procedures have not been put in place or where procedures are not in compliance, the party deemed responsible is the policy-making body.
- ii. in cases where the reports have not been verified and analysed, as well as when the obligation of confidentiality has been breached, the party deemed responsible is the manager of the reports.

The handling of reports falls within the duties associated with the work of the individual assigned this task. Therefore, any non-compliance will result in the application of the sanctions established by the applicable National Collective Bargaining Agreement. On the other hand, with regard to the sanctioning of a person who has retaliated against a whistleblower, the natural person identified as responsible for such retaliation is the person to be sanctioned.

In detail, the administrative fines, as also outlined by the Confindustria OG, are as follows:

- a) €10,000 to €50,000 if the natural person identified as responsible is found to have committed retaliation.²
- b) €10,000 to €50,000 if the natural person identified as responsible is found to have obstructed the reporting or attempted to do so.
- c) €10,000 to €50,000 if the natural person identified as responsible is found to have breached the obligation of confidentiality pursuant to Article 12 of Italian Legislative Decree no. 24/2023 (subject to the sanctions applicable by the Privacy Authority under the data protection regulations).
- d) €10,000 to €50,000 if the reports have not been verified and analysed. In this case, the manager of the reports is considered responsible.

€500 to €2,500, when the civil liability of the whistleblower for defamation or slander in cases of wilful misconduct or gross negligence is ascertained, even with a first instance judgement, unless the whistleblower has already been convicted, even in the first instance, for the crimes of defamation or slander or in any case for the same crimes committed with a complaint to the judicial authority.

3.7.6 Loss of the protections guaranteed by law

The protections afforded to persons in top management, to persons subject to the direction of others, to those who collaborate with the Entity and in general to whistleblowers cease to apply if the author of the report is found, even if only by a judgement of first instance, to be criminally liable for the offences of slander, defamation or other offences attributable to the falsity of the report to the judicial or accounting authorities. Similarly, the protective measures under Article 16 of Italian Legislative Decree no. 24/2023 benefiting the whistleblower are not guaranteed when civil liability is

² The person who retaliates, or in any case the person to whom such act/measure and/or failure to act is attributable, shall be held responsible for the retaliatory measure. Also liable is the person who suggested or proposed the adoption of any form of retaliation against the whistleblower, thereby producing an indirect negative effect on their position (e.g. proposed disciplinary sanction).

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

established for the same reason in cases of wilful misconduct or gross negligence. In both cases, a disciplinary sanction is imposed.

However, pursuant to Article 20 of Italian Legislative Decree no. 24/2023, a person may not be punished if they disclose or disseminate information on violations that offend the reputation of the person involved or reported if at the time of the disclosure or dissemination there were reasonable grounds to believe that the disclosure or dissemination of such information was necessary to disclose the violation and the report, public disclosure or complaint was made pursuant to Article 16 of said decree.

3.7.7 Sanctions against employees

Actions by employees in violation of the individual rules of conduct set out in this 231 OMCM are defined as disciplinary offences.

The sanctions that may be imposed on employees are those envisaged in the company disciplinary system and/or in the sanctioning system envisaged in the National Collective Bargaining Agreement adopted by the company, in compliance with the procedures set out in Article 7 of the Workers' Statute and any applicable special regulations.

The Company's disciplinary system is therefore made up of the relevant provisions of the Italian Civil Code and those agreed to in the applicable CCNL. Specifically, the Disciplinary System describes the conduct sanctioned, depending on the significance of the individual facts considered, and the sanctions envisaged for the commission of the facts themselves on the basis of their seriousness.

With regard to the above, the 231 OMCM refers to the sanctions and to the categories of punishable acts envisaged by the existing sanctions apparatus within the framework of the CCNL in order to bring any breaches of the 231 OMCM within the cases already covered by the aforementioned provisions.

The Company considers that the sanctions envisaged in the CCNL apply to the infractions defined above in accordance with the procedures set out below and in consideration of the general principles and criteria identified in the previous point.

Specifically, the following sanctions are envisaged for employees in application of the Metalworking Industry CCNL and the Construction Industry CCNL:

- a. Verbal reprimand
- b. Written warning
- c. Fine
- d. Suspension
- e. Dismissal

(a) Verbal reprimand for minor offences, or (b) Written warning, with a more specific nature of deterrence.

In accordance with the CCNL, **a verbal or written reprimand** is applicable to the employee in the event of:

- First infringement of limited seriousness.
- Slight violation of the obligation of confidentiality with respect to the identity of the whistleblower – and of any other information, including any attached documentation from which the identity

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

of the whistleblower can be directly or indirectly traced – envisaged by Italian Legislative Decree no. 24/2023 to protect not only the employee, but also the persons involved and/or mentioned in the report, as well as the facilitators.

- Performance of small acts of retaliation or discrimination against the whistleblower or similar persons (e.g. co-workers) or facilitators.
- Negligent breach of the obligations to provide information to the Supervisory Body set out in the 231 OMCM.
- In general, minor non-compliance with the duties set out in the internal procedures of the 231 OMCM or the adoption of conduct that does not comply with the requirements of the 231 OMCM when working in an area at risk or with the instructions given by superiors.

(c) Fine

In accordance with the CCNL, **a fine** (not exceeding the amount of three hours of normal pay) is applicable to the employee in the event of:

- Ineffectiveness of the verbal or written reprimand, or in cases where the nature of the offence is such that a reprimand is deemed insufficient.
- First more serious infringement, also with respect to the duties performed.
- Ineffectiveness of the verbal or written warning, or first more serious violation of the obligation of confidentiality with respect to the identity of the whistleblower – and to any other information, including any attached documentation from which the identity of the whistleblower can be directly or indirectly traced – envisaged by Italian Legislative Decree no. 24/2023 to protect not only the employee, but also the persons involved and/or mentioned in the report, as well as the facilitators.
- Performance of modest acts of retaliation or discrimination against the whistleblower or similar persons (e.g. co-workers) and facilitators.
- In general, failure (repeated or of a certain seriousness) to comply with the duties set out in the internal procedures of the 231 OMCM, or conduct that does not comply with the provisions of the Model itself when working in an area at risk or with the instructions given by superiors, or with the provisions on the protection of employees or contractors who report offences pursuant to Italian Legislative Decree no. 24/2023.

(d) Suspension from work and pay for a maximum of three days

In accordance with the CCNL, **suspension from pay and work** (for a period not exceeding three days of actual work) is applicable to the employee in the case of:

- Cases of repeated infractions.
- First more serious infringement, also with respect to the duties performed.
- In general, failure (repeated or quite serious) to comply with the duties set out in the internal procedures of the 231 OMCM, or conduct that does not comply with the provisions of the Model itself when working in an area at risk or with the instructions given by superiors.

(e) Dismissal

Disciplinary dismissal without notice is applied in the event of conduct that does not comply with the provisions of the 231 Organisational Model and that is unequivocally aimed at committing one of the

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

offences sanctioned by Italian Legislative Decree no. 231/2001, and is therefore subject to the disciplinary sanction of **dismissal** in accordance with the CCNL.

Specifically, the sanction applies:

- Where an employee has intentionally and negligently (in the latter case, only for occupational health and safety offences) committed an offence of such importance as to constitute – even in purely abstract terms – a criminal offence under Italian Legislative Decree no. 231/2001.
- In the most serious cases of wilful or negligent breach of the whistleblowing provisions pursuant to Italian Legislative Decree no. 24/2023 by the employee, seriously breaching the obligation of confidentiality with respect to the identity of the whistleblower – and to any other information, including any attached documentation from which the identity of the whistleblower can be directly or indirectly traced – intended to protect not only the employee but also the persons involved and/or mentioned in the report, as well as the facilitators.
- In the most serious cases of wilful or negligent breach of the whistleblowing provisions pursuant to Italian Legislative Decree no. 24/2023 by the employee, engaging in serious acts of retaliation or discrimination against the whistleblower or similar persons (e.g. co-workers) or facilitators.

With regard to the ascertainment of the aforementioned infringements, the disciplinary procedure and the imposition of sanctions, the powers of the employer, possibly delegated to specific persons, remain unchanged.

Provision is made for the necessary involvement of the Supervisory Body in the procedure for imposing sanctions for breach of the 231 OMCM, in the sense that a disciplinary sanction for a breach of the 231 OMCM may not be imposed without prior notification to the Supervisory Body.

Such communication becomes superfluous when the proposal for the application of the sanction comes from the Supervisory Body itself.

The Supervisory Body must likewise be notified of any decision to dismiss the disciplinary proceedings referred to in this paragraph.

Workers will be given immediate and widespread information about the introduction of any new provisions by issuing an internal circular explaining the reasons and summarising their content.

3.7.8 Sanctions against executives

Relationships with executives are characterised by their fiduciary nature. In fact, an executive's conduct is visible not only within the Company but also externally, for instance to the market and in general to other stakeholders.

Therefore, compliance by the Company's executives with the provisions of this 231 OMCM and the obligation to enforce it is considered an essential element of the executive working relationship, since it constitutes an incentive and example for all those who are hierarchically subordinate to them.

The sanctions that can be imposed on Executives are to be found in the disciplinary system envisaged in the Federmanager Industry Executives CCNL and applicable in compliance with the procedures set out in Article 7 of the Workers' Statute and any applicable special regulations.

By virtue of the special relationship of trust existing between executives and the Company and the lack of a disciplinary system of reference, any breaches committed by such executives (to be understood not only as direct violations of the Organisation, Management and Control Model but

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

also of Italian Legislative Decree no. 231/2001 and related laws and decrees) shall be sanctioned with the disciplinary measures deemed most appropriate to the individual case, in compliance with the general principles previously identified in the paragraph "*General principles relating to sanctions*", in accordance with the law and contractual provisions, and in consideration of the fact that in any case the aforementioned violations constitute breaches of the obligations arising from the employment relationship.

The same disciplinary measures are envisaged in cases where an executive expressly allows or fails to supervise employees subordinate to them engaged in conduct that does not comply with the 231 OMCM and/or in breach thereof, conduct that may be qualified as violations, or conduct constituting violations of the legislative decree for the protection of employees or contractors who report unlawful conduct relevant for the purposes of Italian Legislative Decree no. 231/2001 or violations of the 231 OMCM they have become aware of by reason of their duties.

If the violations by executives of the 231 OMCM, i.e. of Italian Legislative Decree no. 231/2001 and related laws and decrees, including Italian Legislative Decree no. 24/2023 on Whistleblowing, constitute a criminal offence, the Company reserves the right at its own discretion to apply the following possible provisional measures against those responsible and pending a criminal trial:

- Precautionary suspension of the executive from the relationship, but with the right to full remuneration.
- Assignment of a different position within the Company.

Following the outcome of the criminal trial confirming the breach of the 231 OMCM by the executive and thus convicting them of one of the offences set out therein, the latter will be subject to the disciplinary measure reserved for more serious offences.

On the other hand, the sanction of dismissal for justified reason applies in the case of infractions that may lead to the application of precautionary sanctions against the Company envisaged by Italian Legislative Decree no. 231/2001 and that are such as to seriously negate the fiduciary element of the employment relationship, so as not to allow even the provisional continuation of the employment relationship, which is fundamentally based on mutual trust.

Provision is made for the necessary involvement of the Supervisory Body in the procedure for imposing sanctions on executives for breach of the 231 OMCM, in the sense that no sanction for a breach of the 231 OMCM may be imposed on an executive without the prior involvement of the Supervisory Body.

Such involvement is presumed when the proposal for the application of the sanction comes from the Supervisory Body itself.

The Supervisory Body must likewise be notified of any decision to dismiss the disciplinary proceedings referred to in this paragraph.

3.7.9 Measures against directors (Article 5, first paragraph, letter a), of Italian Legislative Decree no. 231/01)

The Company takes very seriously any breaches of this 231 OMCM committed by those who represent the top management of the Company and project its image towards employees, shareholders, customers, creditors, Supervisory Authorities and the general public. The values of propriety and transparency must first and foremost be embraced, shared and respected by those who guide company decisions, so as to set an example and stimulate all those who work for the Company at any level.

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

Violations of the principles and measures set out in the 231 OMCM adopted by the Company, as well as any failure to comply with Italian Legislative Decree no. 24/2023 on Whistleblowing consisting in a breach of confidentiality obligations concerning the identity of the whistleblower or in acts of retaliation or discrimination against the whistleblower by members of the Board of Directors of such Company must be promptly reported by the Supervisory Body to the entire Board of Directors.

The directors' liability to the Company is for all intents and purposes governed by Article 2392 of the Italian Civil Code.³

The Board of Directors is responsible for assessing the infringement and for taking the most appropriate measures against the director(s) who committed the infringements. In this assessment, the Board of Directors is assisted by the Supervisory Body and decides by an absolute majority of those present, excluding the director(s) who committed the infringements.

The sanctions applicable against directors are the revocation of their delegated powers or office and, if the director is linked to the Company by an employment contract, dismissal.

Pursuant to Article 2406 of the Italian Civil Code, in accordance with the applicable legal provisions the Board of Directors is responsible for convening the Shareholders' Meeting were deemed necessary. The convocation of the Shareholders' Meeting is mandatory for resolutions on the possible removal from office or liability action against directors (note that a liability action against directors is of a compensatory nature and therefore cannot be considered a sanction).

3.7.10 Measures against statutory auditors

In the event of a violation of the provisions and rules of conduct set out in this Organisation, Management and Control Model, as well as any failure to comply with Italian Legislative Decree no. 24/2023 on Whistleblowing consisting in a breach of confidentiality obligations concerning the identity of the whistleblower or in acts of retaliation or discrimination against such whistleblower by one or more statutory auditors,⁴ the Supervisory Body shall promptly inform the entire Board of Statutory Auditors and the Board of Directors, in the person of the Chair and the Managing Director, by means of a written report.

In accordance with the provisions of the Articles of Association, the recipients of the Supervisory Body's report may take any appropriate measures, including for example calling a shareholders' meeting to adopt the most appropriate measures envisaged by law.

³ Article 2392 of the Italian Civil Code. **Responsibility to the company.**

1. The directors shall perform the duties imposed on them by law and the articles of association with the diligence required by the nature of their office and their specific skills. They shall be jointly and severally liable to the company for damages arising from any failure to comply with such duties, unless they relate to the powers of the executive committee or to functions specifically assigned to one or more directors.
2. In any event, without prejudice to the provisions of the third paragraph of Article 2381, the directors shall be jointly and severally liable if, being aware of detrimental facts, they have not done what they could to prevent their occurrence or to eliminate or mitigate their damaging consequences.
3. The liability for the acts or omissions of the directors does not extend to any one among them who, being free from fault, has had their dissent promptly recorded in the board's book of meetings and resolutions, immediately notifying the chair of the board of statutory auditors in writing.
4. While in principle statutory auditors cannot be considered top management, their involvement, even indirectly, in the commission of the offences referred to in the Decree (possibly in collusion with senior executives) is abstractly conceivable.

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

In the case of violations constituting just cause for dismissal, the Board of Directors proposes to the Shareholders' Meeting the adoption of the relevant measures and takes the further steps required by law.

3.7.11 Measures against members of the Supervisory Body

Violations of this Organisation, Management and Control Model, as well as any failure to comply with Italian Legislative Decree no. 24/2023 on Whistleblowing consisting in a breach of confidentiality obligations concerning the identity of the whistleblower or in acts of retaliation or discrimination against the whistleblower by members of the Supervisory Body must be promptly reported by the Sole Statutory Auditor or by the directors to the Board of Directors.

After having charged someone with the breach and granted the appropriate means of defence, these bodies will take the appropriate measures such as, by way of example, revocation of the appointment.

3.7.12 Measures against External Parties

Any conduct engaged in by external parties (contractors, agents and representatives, consultants and self-employed workers in general, as well as suppliers and partners, including in the form of temporary associations of companies and joint ventures) that conflicts with the lines of conduct set out in this 231 OMCM and which entails the risk of commission of an offence under Italian Legislative Decree no. 231/2001, as well as any failure to comply with Whistleblowing requirements consisting in a breach of confidentiality concerning the identity of the whistleblower or acts of retaliation or discrimination against the whistleblower, may, in accordance with the provisions of the specific contractual clauses included in letters of appointment or contracts, lead to the termination of the contractual relationship or the right to withdraw therefrom, without prejudice to any claim for compensation if such conduct causes damage to the Company including but not limited to the application of the sanctions envisaged by the Decree against the Company, even as a precautionary measure.

In coordination with the Managing Director or another person delegated thereby, the Supervisory Body makes sure that specific procedures are adopted to inform external parties of the principles and lines of conduct contained in this 231 OMCM and in the Code of Ethics, and ensures that they are also informed of the consequences that may arise from the breach thereof.

3.8 The communication and training plan

3.8.1 Communication and training on the Model

The communication of the 231 OMCM (and of the Code of Ethics) will take place using the methods indicated below:

- **Internal personnel** (employees, new hires, etc.): the 231 OMCM (General Section and Special Section) and the Code of Ethics will be published on the company intranet. All personnel will therefore be informed of the publication (and/or updating) of the aforementioned documents by means of a special notice that will be sent to the company email address.
- **External parties** (suppliers, contractors, consultants, etc.): the General Section of the 231 OMCM and the Code of Ethics will be published on the company website at the address <https://citygreenlight.com/sistema-di-gestione>.

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

With regard to the information and training of the Model's Recipients, these are supervised and supplemented by the Supervisory Body and take the following forms:

- **Managers and staff with functions of representation of the entity:** initial general classroom training will be provided, followed by specific training for new hires and periodic updates in the event of significant changes to the 231 OMCM, especially in the event of the introduction of additional offences by the legislature.

It is the Supervisory Body's responsibility to oversee:

- The quality of the courses.
- The frequency of the updates.
- The actual participation of personnel.

The training courses must include:

- An introduction to the regulations and the Confindustria Guidelines.
 - An in-depth examination of the principles contained in the Code of Ethics and the General Section of the 231 OMCM.
 - A description of the Supervisory Body's role.
 - A description of the sanctioning system.
- **Non-managers involved in sensitive activities:** a training course will be organised, the contents of which are similar in nature and scope to those described above. It will be the Supervisory Body's responsibility to verify the adequacy of the training course and its actual implementation, including for newly hired persons or upon a change of organisational position that would require participation in the course.
 - **Non-managers not involved in sensitive activities:** an internal informative notice will be distributed to all employees currently in force and to those who will be subsequently hired. It will be the Supervisory Body's responsibility to verify the adequacy of the notice and its effective distribution.
 - **External parties:** a general informative notice will be distributed to all those that currently have contracts in place with the Company involving sensitive activities. For those that enter into contracts with the Company in the future, such notice will be delivered when the relevant contracts are signed. It will be the Supervisory Body's responsibility to verify the adequacy of the notice and its effective distribution.

Participation in the training programmes described above is mandatory, and the People & Organisation Department is responsible for monitoring actual attendance. The latter shall be responsible for informing the Supervisory Body of the outcome of such monitoring.

3.9 The Supervisory Body

3.9.1 Regulatory context

With reference to the actions of senior executives, Article 6, paragraph 1, letter b), provides that *"the task of supervising the functioning of and compliance with the models and ensuring that they are kept up to date"* must be entrusted *"to a body of the entity endowed with autonomous powers of initiative and control"*.

While there is no express legislative reference regarding the action of persons *subject to the direction of others* for the purposes of the effective implementation of the Model, Article 7, paragraph 4, letter a) requires *the periodic verification and possible amendment of the Model if significant violations of*

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

the provisions are discovered or if changes occur in the organisation or activity. This activity constitutes a typical responsibility of the Supervisory Body.

The Supervisory Body is the corporate function responsible for supervising the 231 OMCM, in terms of monitoring ethical, organisational and management procedures.

3.9.2 Appointment and dismissal procedures

The Supervisory Body is appointed by the Board of Directors, by a resolution thereof.

The appointment must explain the criteria followed for the identification, structuring and type of the body or function entrusted with the role of Supervisory Body, as well as the reasons that led to that choice and to the appointment of the individual members of the Supervisory Body.

When it consists of multiple persons, the Board of Directors appoints the Chair of the Supervisory Body from among its members. In any case, at the time of appointment and throughout the entire term of office, the Chair shall not be bound in any way or for any reason whatsoever to the Company by ties of dependency or subordination, or hold managerial positions within it.

The individual members of the Supervisory Body must personally meet the requirements of good repute and morality.

The following are grounds for ineligibility:

- Directly or indirectly owning shareholdings of such a size as to enable exercising control or significant influence over the company.
- Being a close relative of executive directors of the company or of persons in the situations indicated in the preceding points.
- Being disqualified, incapacitated or bankrupt.
- Being subject to criminal proceedings for one of the offences indicated in Italian Legislative Decree no. 231/2001.
- Having requested and consented to the application of the penalty by agreement of the parties pursuant to Article 444 of the Italian Code of Criminal Procedure for one of the offences referred to in Italian Legislative Decree no. 231/2001.
- Having been convicted by an irrevocable sentence pursuant to Article 648 of the Italian Code of Criminal Procedure:
 - For facts related to the performance of their duties.
 - For facts significantly affecting their professional morality.
 - For facts leading to disqualification from public offices, from the executive offices of companies and legal persons, from a profession or an art, as well as inability to contract with the Public Administration.
 - And in any case for having committed one of the offences enumerated in Italian Legislative Decree no. 231/2001.
- In any case, in order to protect the essential requirements of the Supervisory Body, from the time when a member is notified of the commencement of criminal proceedings pursuant to Articles 405 and 415 bis of the Italian Code of Civil Procedure and until a nonsuit is entered pursuant to Article 425 of the Italian Code of Criminal Procedure, or in the event of a

**Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001**

prosecution, until a judgement of acquittal is handed down pursuant to Articles 529 and 530 of the Code of Criminal Procedure. This cause of ineligibility applies exclusively to criminal proceedings for offences referred to in the previous point.

The appointment must provide for remuneration for the office, except in the case of appointment of members of other bodies or functions for which the supervision of the adequacy and effective functioning of the internal control system is a predominant part of their duties, since the 231 OMCM adopted – according to the most authoritative legal theory – is an integral part of the internal control system.

The members of the Supervisory Body cease to be members due to resignation, incapacity, death or dismissal.

The members of the Supervisory Body may be dismissed:

- In the event of repeated failure to perform their duties, or unjustified inactivity.
- In the event of the imposition of disqualification sanctions against the Company, due to the inactivity of the member(s).
- When violations of the 231 OMCM are found by the obliged parties and there is a failure to report such violations and to verify the suitability and effective implementation of the Model with a view to proposing possible amendments.
- Should any of the above causes of ineligibility arise after appointment.

Dismissal is decided by the Board of Directors.

In the event of resignation, intervening incapacity, death or dismissal of a member of the Supervisory Body, the Chair of the Supervisory Body shall promptly notify the Board of Directors, which shall take the appropriate decisions without delay.

In the event of resignation, intervening incapacity, death or dismissal of the Chair of the Supervisory Body, such person shall be succeeded by the most senior member, who shall remain in office until the date on which the Board of Directors has resolved to appoint a new Chair of the Supervisory Body.

3.9.3 Essential requirements

In view of the specific nature of its tasks, the provisions of Italian Legislative Decree no. 231/2001 and the indications contained in the Guidelines issued by Confindustria, the choice of the internal body with autonomous powers of initiative and control was made so as to ensure that the Supervisory Body meets the requirements of autonomy, independence, professionalism and continuity of action that Italian Legislative Decree no. 231/2001 requires for this function.

More specifically, also in consideration of the aforementioned Confindustria Guidelines, the aforesaid requirements can be qualified as follows:

3.9.3.1 Autonomy

The Supervisory Body has decision-making autonomy.

The Body is autonomous vis-à-vis the Company, i.e. it is not involved in any way in operational activities, nor is it involved in management. Moreover, the Body is able to perform its role without direct or indirect influence from controlled entities. The activities implemented by the Supervisory Body cannot be reviewed by any other corporate body or structure.

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

The Body is also autonomous in the regulatory sense, i.e. it can determine its own rules of conduct and procedures within the scope of the powers and functions determined by the Board of Directors.

3.9.3.2 Independence

The independence of the Supervisory Body is a necessary condition of not being subject to any subservience to the Company. Independence is achieved through proper and appropriate hierarchical placement.

3.9.3.3 Professionalism

The Supervisory Body is professionally capable and reliable.

The technical and professional skills appropriate to the functions it is called upon to perform must therefore be ensured by the body as a whole: legal, accounting, business, organisational and occupational health and safety skills are required.

Indeed, specific skills in inspection and consulting must be ensured, such as skills in statistical sampling, risk analysis and assessment techniques, interviewing and questionnaire design techniques, and methods for detecting fraud.

These characteristics, combined with independence, guarantee objectivity of judgement.

3.9.3.4 Continuity of action

In order to ensure the effective and constant implementation of the 231 OMCM, the Supervisory Body operates seamlessly. Therefore, in the operational solutions it adopts, the Supervisory Body guarantees a prevalent – though not necessarily exclusive – commitment, which is in any case suitable to effectively and efficiently perform its institutional tasks.

3.9.4 Organisational placement

Article 6 of Italian Legislative Decree no. 231/2001 requires the Body to be internal to the Company and to be part of the organisational chart. Only in this way can the Supervisory Body be informed of the Company's affairs and carry out the necessary coordination with the other corporate bodies. Likewise, only the Supervisory Body's inherent connection with the Company can guarantee the necessary continuity of action.

The Supervisory Body is a **staff function** of the Board of Directors, and is appointed by it. In order to further ensure the requirement of independence, the Supervisory Body must report to the Shareholders' Meeting.

Constant information flows between the Supervisory Body and the Board of Directors are also ensured by virtue of its inherent connection to the Company and its placement within the organisation.

3.9.5 Composition

Applying all the aforementioned principles to the Company's reality and in view of the specific nature of the tasks to be performed by the Supervisory Body, the Company opted to set up a Supervisory Body with three members.

The Supervisory Body is entitled to make use of its specific administrative office authorised to provide operational support within the framework of its full decision-making autonomy. The performance of operational activities by the secretarial function in support of the Supervisory Body is governed by a specific mandate or appointment.

**Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001**

The tasks that may be delegated externally are those relating to the performance of all activities of a technical nature, without prejudice to the obligation on the part of the function or other external party that may be used to support it to report to the entity's Supervisory Body. In fact, it is clear that the granting of this type of delegation does not affect the liability of the entity's Supervisory Body with respect to the supervisory function conferred upon it by law.

The composition is recognised as adequate to ensure that the Supervisory Body meets the prescribed requirements of autonomy and continuity of action.

3.9.6 Functions

The Supervisory Body performs the tasks envisaged in Articles 6 and 7 of Italian Legislative Decree no. 231/2001, and specifically:

- Supervisory and control activities
- Monitoring of the implementation of the Code of Ethics
- Activities to adapt and update the 231 OMCM
- Reporting to corporate bodies

3.9.6.1 Supervisory and control activities

The Supervisory Body's primary function relates to the continuous supervision of the functionality of the 231 Model adopted.

The Supervisory Body must oversee:

- Compliance with the provisions of the 231 OMCM by the Recipients with respect to the different types of offences covered by Italian Legislative Decree no. 231/2001.
- The actual effectiveness of the 231 OMCM with respect to the corporate structure and its actual capacity to prevent the commission of the offences referred to in Italian Legislative Decree no. 231/2001.

In order to adequately perform this important function, the Supervisory Body must carry out a periodic check of the individual areas assessed as sensitive, verifying the actual adoption and proper application of the protocols, the preparation and regular maintenance of the documentation set out in the protocols themselves, and the general efficiency and functionality of the measures and precautions adopted in the 231 OMCM with respect to preventing and impeding the commission of the offences set out in Italian Legislative Decree no. 231/2001.

Specifically, the Supervisory Body has the following tasks:

- Verify the effective adoption and proper application of the control protocols envisaged in the 231 OMCM. Note however that these control activities are the primary responsibility of operational management and are considered an integral part of every business process, hence the importance of a staff training process.
- Perform, also with the operational support of the administrative office, periodic targeted checks on specific transactions or acts performed, especially those related to sensitive activities, the results of which will be summarised in a specific report, the contents of which will be set out in communications to the corporate bodies, as described below.
- Collect, submit and store information relevant to compliance with the 231 OMCM.

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

- Monitor initiatives to disseminate knowledge and understanding of the 231 OMCM.

3.9.6.2 Monitoring of the implementation of the Code of Ethics

The Supervisory Body monitors the application of and compliance with the Code of Ethics adopted by the Company's Board of Directors on **06/12/2024**.

The Supervisory Body supervises the dissemination, understanding and implementation of the Code of Ethics.

The Supervisory Body proposes to the Board of Directors any need to update the Code.

3.9.6.3 Updates to the 231 OMCM

The Supervisory Body has the task of assessing whether changes should be made to the 231 OMCM, making an appropriate proposal to the Board of Directors should they become necessary as a consequence of:

- Significant breaches of the requirements of the 231 OMCM adopted.
- Significant changes in the internal structure of the Company, or in the manner in which the company operates.
- Regulatory changes.

Specifically, the Supervisory Body has the following tasks:

- Conduct surveys of company operations for the purpose of updating the mapping of sensitive activities.
- Coordinate with the person tasked with organising training programmes for staff and contractors.
- Interpret the relevant law on the subject of predicate offences as well as any guidelines that may have been drawn up, including any updates, and verifying the adequacy of the internal control system with respect to the regulatory requirements or to the Confindustria Guidelines.
- Check the need to update the 231 OMCM.

3.9.6.4 Reporting to corporate bodies

It is necessary for the Supervisory Body to constantly liaise with the Board of Directors.

The Supervisory Body reports to the Board of Directors:

- As needed, if it is unable to reach unanimous decisions.
- As needed, on the formulation of proposals for any updates and adjustments to the 231 OMCM adopted.
- Immediately with regard to ascertained violations of the 231 OMCM adopted in cases where such violations may give rise to liability for the Company, so that appropriate measures may be taken. In cases where it is necessary to take appropriate measures against directors, the Supervisory Body is required to inform the Shareholders' Meeting.
- Periodically, based on an informative report, at least twice a year concerning the audit and control activities carried out and their outcome, as well as with respect to any critical issues that have emerged in terms of conduct or events that may have an effect on the adequacy or effectiveness of the 231 OMCM.

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

The Supervisory Body meeting may be convened at any time by the aforementioned body or may in turn submit a request to that effect, to report on the operation of the 231 OMCM or on specific situations.

3.9.6.5 Management of information flows

In order to facilitate control and supervisory activities, information flows to the Supervisory Body must be activated and guaranteed.

It is therefore necessary for the Supervisory Body to be constantly informed of what is happening in the Company and of any significant events.

The obligations to provide information to the Supervisory Body guarantee smooth supervision and control of the effectiveness of the 231 OMCM and, on a periodic basis, concern the information, data and news specified in detail in the Special Sections, or further identified by the Supervisory Body and/or requested thereby from the individual functions of the Company.

This information must be transmitted at the times and in the manners detailed in the Special Sections or that will be defined by the Supervisory Body (information flows).

The obligations to provide information to the Supervisory Body also concern, on an occasional basis, any other information of any kind relating to the implementation of the 231 OMCM in sensitive areas as well as compliance with the provisions of Italian Legislative Decree no. 231/2001, which may be useful for the Supervisory Body's performance of its duties, and in particular on a mandatory basis:

- Information on the effective implementation of the 231 OMCM at all levels of the company, with evidence of any sanctions imposed or of measures to dismiss sanction proceedings, with the reasons therefor.
- The emergence of new risks in the areas directed by the various managers.
- Any reports prepared by the various managers as part of their control activities from which critical facts, acts or omissions may emerge with respect to compliance with the provisions of the 231 Decree or the 231 OMCM.
- The anomalies or inconsistencies detected, or findings of the control activities put in place by control functions to implement the 231 OMCM.
- Measures and/or information from criminal investigation bodies, or from any other public authority, from which it can be inferred that investigations have been carried out for offences under the 231 Decree, even against unknown persons.
- Internal reports ascribing responsibility for the alleged offences.
- Reports or requests for legal assistance forwarded to the Company by senior executives or persons subject to the direction of others in the event of legal proceedings being brought against them for one of the offences enumerated in Italian Legislative Decree no. 231/2001.
- Reports by senior executives or persons subject to the direction of others of alleged cases of violations and non-compliance with specific behavioural norms, or of any suspicious attitude with respect to the offences set out in Italian Legislative Decree no. 231/2001.
- Reports by contractors, agents and representatives, consultants and self-employed persons in general, by suppliers and partners (including in the form of a temporary association of companies, as well as joint ventures), and more generally by all those who operate for any

**Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001**

reason whatsoever within the so-called sensitive areas of activity on behalf of or in the interest of the Company.

The Supervisory Body is not required to follow up on all incidents reported in a detailed and systematic manner. It is therefore not required to act on every report since it is left to the Supervisory Body's discretion and responsibility to assess the specific cases in which it is appropriate to perform more detailed checks and take action.

With regard to the procedures for the submission of reports by senior executives or persons subject to the direction of others, note that the obligation to inform the employer of any conduct contrary to the 231 OMCM adopted falls within the employee's broader duty of diligence and duty of loyalty. Consequently, the proper fulfilment of the employee's duty to inform cannot give rise to the application of disciplinary sanctions. Conversely, any improper disclosure, whether in terms of content or form, made with the intent to slander another person will be subject to appropriate disciplinary sanctions.

More specifically, the following requirements apply:

- Information and reports from anyone, including those relating to any breach or suspected breach of the 231 OMCM, its general principles and the principles set out in the Code of Ethics, must be made in writing, even in anonymous form. The Supervisory Body shall act in such a way as to guarantee the authors of the reports against any form of retaliation, discrimination or penalisation or any consequence arising therefrom, ensuring the confidentiality of their identity, without prejudice however to legal obligations and the protection of the rights of the Company or of persons wrongly accused and/or accused in bad faith.
- Information and reports must be sent by the person concerned directly to the Supervisory Body.
- The Supervisory Body assesses the reports received. All the Recipients of the reporting obligations are required to cooperate with the Supervisory Body in order to enable it to gather all the additional information deemed necessary for a proper, complete assessment of the report.

Any information gathered and any reports are stored by the Supervisory Body in a special computer and/or paper database. The data and information stored in the database are only made available to persons outside the Supervisory Body with the Supervisory Body's prior authorisation, unless access is mandatory by law. The latter defines in an internal provision the criteria and conditions for access to the database, as well as for the storage and protection of data and information, in compliance with current regulations.

3.9.7 Powers

The Supervisory Body's primary powers are:

- Self-governance and definition of internal operating procedures.
- Supervision and control.

With regard to the powers of self-governance and the definition of internal operating procedures, the Supervisory Body has exclusive responsibility for the following:

- How it records its activities and decisions.
- The methods of communication and direct relationship with each corporate structure, as well as the acquisition of information, data and documentation from corporate structures.

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

- The arrangements for coordination with the Board of Directors and participation in the meetings of those bodies, at the initiative of the Body itself.
- How it organises its supervisory and control activities and how it reports on the results of its efforts.

With regard to supervisory and control powers, the Supervisory Body:

- Has free, unconditional access to all the functions of the Company – without the need for any prior consent – in order to obtain any information or data deemed necessary for the performance of the tasks envisaged by Italian Legislative Decree no. 231/2001.
- May freely dispose of its initial and periodic budgets without any interference in order to meet any requirements necessary for the proper performance of its tasks.
- May, if deemed necessary, avail itself – under its direct supervision and responsibility – of the assistance of all the Company's structures.
- Likewise, it may, in full decision-making autonomy and if specific skills are required and in any case to perform its tasks professionally, avail itself of the operational support of certain operating units of the Company, or even of the collaboration of particular professionals outside the Company, using its own budget for such purpose. In these cases, the parties external to the Supervisory Body act as mere technical support in an advisory role.
- May, having made the appropriate investigations and checks and having heard the perpetrator of the violation, report the event in accordance with the rules set out in the Sanctioning System adopted pursuant to Italian Legislative Decree no. 231/01, it being understood that the process of formal notice and imposition of the sanction is carried out by the employer.

3.9.8 Budget

In order to further strengthen the requirements of autonomy and independence, the Supervisory Body is endowed with an adequate initial and periodic budget approved in advance by the Board of Directors, proposed by the Supervisory Body itself and based on its needs.

The Supervisory Body may dispose of these economic resources in full autonomy, without prejudice to the need to report on the use of the budget at least on an annual basis, as well as to justify the presentation of the budget for the subsequent period as part of the periodic reporting to the Board of Directors.

3.10 The whistleblowing system of City Green Light S.r.l.

The Supervisory Body must be promptly informed by means of an appropriate internal communication system of those actions, conduct or events that may even potentially lead to a violation of the Organisation, Management and Control Model and that may more generally fall under Italian Legislative Decree no. 231/01. The Supervisory Body is responsible for monitoring potentially sensitive transactions and for setting up an effective internal communication system to enable the transmission and collection of information relevant to Italian Legislative Decree no. 231/01, which, in Article 6, paragraph 2, letter d), in order to facilitate the proper performance of the tasks assigned to it, envisages the OMCM's Recipients' obligation to keep the SB informed.

Reports can be made through the following channels:

- **Portal** available at <https://citygreenlight.integrityline.com/frontpage>
- **Voice recording** (recorded voicemail) offered by the Portal/Software

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

- **Personal meeting** with one or more of the Reporting Managers, including remotely via video conference.

In compliance with Italian Legislative Decree no. 24/2023, in this regard the Company has adopted *Procedure PG02-I04 (management of whistleblowing reports)* governing:

- The process for receiving, analysing and processing reports.
- The methods for managing the relevant investigation in compliance with privacy laws or other regulations in force in the country where the reported fact occurred, applicable to the person and the subject of the report.

With regard to the above:

- City Green Light S.r.l. has designated a reporting committee (composed of the Compliance Manager and the Chair of the Supervisory Body) as the body responsible for the handling of Protected Reports submitted through the Internal Reporting Channel. Specifically, the process of handling reports is divided into four phases: receipt; investigation; assessment; sanctions/action for improvement.
- Relevant offences relating to unlawful conduct pursuant to Italian Legislative Decree no. 231/2001 or violations of the Organisational, Management and Control Model (where these are not violations of national and European provisions) may only be reported via the Internal Reporting Channels.

As underlined by the Confindustria Guidelines, the SB verifies the functioning of the whistleblowing system and proposes any need for its improvement to the entity.

Reports to the SB may concern any violations of the OMCM, even if only alleged, and any ordinary and extraordinary facts relevant to its implementation and effectiveness. More specifically, the Supervisory Body must be provided with information concerning:

- Any pending criminal proceedings against employees and reports or requests for legal assistance made by staff in the event of legal proceedings being initiated for one of the offences enumerated in Italian Legislative Decree no. 231/01.
- Reports prepared by the heads of other corporate functions and/or operating units as part of their control activities containing information on the actual implementation of the OMCM, as well as critical facts, actions, events or failures to act with respect to compliance with the provisions of Italian Legislative Decree no. 231/01.
- Information on disciplinary proceedings carried out and any sanctions imposed related to offences under Italian Legislative Decree no. 231/01, or orders to dismiss such proceedings with the relevant reasons. This obligation also applies to all persons (directors, statutory auditors, employees, contractors, external consultants, suppliers, etc.) who become aware of such violations in the course of their work.

The whistleblower must provide all elements known to them that are useful to verify the facts reported.

In the event, on the other hand, of receipt of anonymous reports, also in light of ANAC's guidance, if they are detailed, substantiated and supported by appropriate documentation, such reports may be treated by the company as ordinary reports, and as such may be processed in accordance with internal rules, where implemented. In any case, anonymous reports must be recorded by the reporting manager and the documentation received must be retained. In fact, the Decree provides

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001

that where the anonymous whistleblower is subsequently identified and retaliated against, such person must be guaranteed the protections envisaged for whistleblowers.

The identity of the whistleblower is not protected in the case of reports that are manifestly unfounded and deliberately premeditated with the aim of damaging the reported person or the company. In this case, such conduct constitutes a serious disciplinary violation and will be sanctioned in accordance with the procedures set out in Chapter 3 of this Model, in exactly the same way as retaliatory acts against the author of the report acting in good faith. Likewise prohibited are:

- The use of insulting expressions.
- The submission of reports for purely defamatory or slanderous purposes.
- The submission of reports that relate exclusively to aspects of private life, without any direct or indirect connection with the company's business.

Such reports will be considered even more serious when they refer to sexual, religious, political and philosophical habits and orientations. In short, any report must have as its sole purpose the protection of the integrity of the company or the prevention and/or halting of unlawful conduct as defined in the OMCM. The Supervisory Body must promptly assess the reports received and any measures that may be necessary. Any decision not to proceed with internal investigations must be justified, documented and kept in the Body's records. Reports received will be kept on file and registered as annexes to the SB reports. It is the Supervisory Body's task to guarantee whistleblowers against any form of retaliation, discrimination or penalisation, also ensuring the confidentiality of their identity in the manner envisaged in "*PG02-I04 Whistleblowing Reporting Procedure*", without prejudice to legal obligations and the protection of the rights of the company or persons wrongly accused and/or accused in bad faith. Failure to comply with this obligation constitutes a serious breach of the 231 Model.

The confidentiality guarantees set out in the aforementioned *Whistleblowing Procedure* also protect the reported party.

For details of the operational procedures for handling whistleblowing reports and related protections, see "*PG02-I04 Whistleblowing Reporting Procedure*", which forms an integral part of this Model.

City Green Light S.r.l.

Organisation, Management and Control Model pursuant
to Italian Legislative Decree no. 231/2001