



ORGANISATION, MANAGEMENT AND CONTROL MODEL

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PROGETTI EUROPA & GLOBAL S.P.A.

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

(Version approved by the Board of Directors on November 13, 2023)



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DEFINITIONS

- **Activities at risk** means any corporate areas and processes which may give rise to the commission of the offences referred to in Legislative Decree 231/2001.
- **Code of Ethics** is the document setting out the principles, values and rules of conduct adopted and implemented by the Company.
- **Recipients** means the members of the Board of Directors, Board of Statutory Auditors and Supervisory Body, the managers, employees, collaborators and consultants of PEG, its suppliers, partners and all other persons involved, for any reason, in the activities at risk, on behalf or in the interest of the Company.
- **Decree 231** means Legislative Decree 231/2001, which lays down “*Provisions on the administrative liability of legal persons, companies and associations, including those without a legal personality, pursuant to Article 11 of Law 300/2000*” as amended.
- **Model** means this “Organisation, Management and Control Model” adopted by the Company pursuant to Articles 6 and 7 of Decree 231, for the purpose of preventing the commission of the Predicate offences.
- **Supervisory Body** or **SB** means the oversight committee within the meaning of Article 6 of Decree 231, which is responsible for overseeing the implementation and observance of and updating the Model.
- **Sensitive Processes** means the processes that, although not necessarily at risk of directly giving rise to the commission of the Offences, may nevertheless lead to the creation of circumstances and/or conditions conducive to the commission of the said Offences.
- **Protocols** means the set of organisational, physical and/or logical measures put into place to prevent the commission of the Offences.
- **PEG** means Progetti Europa & Global S.p.A., based at Piazza Stia 8, Rome.
- **Predicate offences** means the offences, or each single offence, referred to in Decree 231 or other laws and regulations referring to Decree 231.
- **Senior Officers** means the persons referred to in Article 5(1)(a), namely the persons “*acting in a representative, administrative or managerial capacity for the entity or for an organisational unit of the entity having financial and operational autonomy within the entity and persons acting as the de facto managers and supervisors of the entity*”. Senior officials include the members of the Board of Directors, the Chairperson, the top executives, certain employees vested with independent decision-making powers and any attorneys appointed by the Company.
- **Subordinates** means the persons referred to in Article 5(1)(b) of Decree 231, namely the persons “*acting under the direction and control of one of the Senior Officers*”, regardless of the nature of their employment relationship with the Company.
- **Company** means Progetti Europa & Global S.p.A.



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NOTE RELATED TO THE MODEL REVISION

The first revision of the PEG Model 231 was issued on 10 December 2013.
The second revision of the PEG Model 231 was issued on 23 March 2016.
The third revision of the PEG Model 231 was issued on 26 February 2019.
The fourth revision of the PEG Model 231 was issued on 12 December 2019.
The fifth revision of the PEG Model 231 was issued on 31 March 2020.
The sixth revision of the PEG Model 231 was issued on 02 December 2021.
This seventh revision of the PEG Model was issued on 13 November 2023, and replaces and cancels the previous versions.

GENERAL SECTION

1. REGULATORY FRAMEWORK

1.1 Legislative Decree 231/2001

Legislative Decree 231/2001 (“Decree 231”), which lays down “Provisions on the administrative liability of legal persons, companies and associations, including those without a legal personality, pursuant to Article 11 of Law 300/2000”, published in the Officer Journal no. 140 of 19 June 2001, has introduced into the Italian legal system the so-called “administrative liability” of legal persons, companies and associations, including those without a legal personality (entities), with regard to the commission of criminal offences by persons acting in their interest or to their advantage.

In 2000, the Italian Parliament approved Law 300/2000¹, which - *inter alia* - ratified the Convention on the protection of the European Communities’ financial interests of 26 July 1995, the EU Convention of 26 May 1997 on the fight against corruption and the OECD Convention of 17 September 1997 on Combating Bribery of Foreign Public Officers in International Business Transaction, thus implementing the obligations, provided under the above mentioned EU and international instruments, to introduce models of corporate responsibility of legal persons and a corresponding disciplinary system for sanctioning corporate crime.

Decree 231 should, therefore, be viewed within the broader framework of a set of international obligations, bringing Italy in line with the normative systems of many European countries by establishing new specific forms of liability of corporate entities, which do not replace but are in addition to the liability of the individual perpetrators of offences.

As a result of the new liability system, the entity itself becomes the recipient of sanctions, as specified in Decree 231, if a qualified person (whether a senior official or a subordinate person) commits an offence in the interest or to the advantage of the legal person for which he or she operates.

Decree 231 provides for a cohesive sanctionative system ranging from light financial penalties to severe disqualification and debarment measures (such as disqualification from managing corporations, the suspension or withdrawal of authorisations, licences or concessions functional to the commission of an offence, debarment from public procurement, except for the purpose of receiving a public service, the exclusion from financial facilitations, grants and aid, and the withdrawal of any such measures, the prohibition to advertise goods or services), besides confiscation (and precautionary seizure) and the publication of the decision (in the case of disqualification and debarment measures).

The liability of entities also covers offences committed abroad, however provided that no prosecutions are brought by the country in which they are committed and that the conditions laid down in Decree 231 are relevant.

The recipients of Decree 231 are all legal persons, companies and associations, including those without a legal personality, with the sole exclusion of the State, of regional and local authorities, of non-economic public entities and of entities that perform functions of a constitutional nature.

¹ Article 11 of Law 300/2000 introduced, in Italy, the administrative liability of legal persons, in respect of certain offences. In particular, the Article authorised the Government to regulate this administrative liability, as a result of which Legislative Decree 231/2001 was adopted.

Administrative liability is incurred primarily in connection with offences committed in the interest of the entity, or where the illegal conduct is carried out with the intention to benefit the entity. Liability is also incurred when the entity indirectly receives an advantage (regardless of its nature) from the offending conduct, even though the perpetrator of the offence did not act solely to benefit the entity. If, instead, the perpetrator acted solely to promote his or her own interests, or to benefit a third party, then the entity incurs no liability.

With regard to the persons who, as material perpetrators of the offence, incur liability on the part of the entity or legal person concerned, Article 5 of Decree 231 provides as follows:

- persons acting in a representative, administrative or managerial capacity for the entity or for an organisational unit of the entity having financial and operational autonomy within the entity and persons acting as the de facto managers and supervisors of the entity (“*Senior Officers*”);
- persons acting under the direction and control of one of the Senior Officers (“*Subordinates*”).

Furthermore, Decree 231 provides that the entity shall incur no liability if it can prove that it had adopted, and effectively applied, before the offence was committed, “*organisational and managerial systems capable of preventing offences of the kind established occurring*”.

Therefore, to establish the entity’s liability, it is necessary to determine its “organisational responsibility”, as well as the presence of the aforementioned requirements to objectively link the entity itself and the offence. This responsibility consists in the failure to adopt an organisation, management and control model capable of ensuring the effective and efficient monitoring of the entity’s critical processes and, therefore, preventing - or providing for the prevention of - the offences.

Finally, Decree 231 provides for the setting up of an “internal control body” with the task of overseeing the model’s operation, effectiveness and observance, as well as providing for its constant updating.

1.2 Offences envisaged by the Decree

An entity may be considered liable solely in respect of the offences referred to in Decree 231, or in other laws and regulations referring to Decree 231 (the so-called “*predicate offences*”).

Over the years, the matter of offences giving rise to the administrative liability of entities has been concerned by numerous legislative measures, as a result of which the range of predicate offences has considerably broadened.

The Predicate offences, referred to in Decree 231 (or other relevant legislation), are as follows:

- a) Offences committed within the context of relations with the Public Administration (Articles 24 and 25)
- b) Cybercrimes and unlawful processing of data (Article 24-second subsection)
- c) Crimes committed by criminal organisations (Article 24-third subsection)
- d) Offences concerning counterfeiting of coins, legal tender, revenue stamps and distinguishing marks (Article 25-second subsection)
- e) Offences against industry and trade (25-second subsection 1)
- f) Corporate offences (Article 25-third subsection)
- g) Crimes involving terrorist activities and subversion of the democratic order, as provided in the Criminal Code and special laws (Article 25-fourth subsection)
- h) Offences related to the mutilation of female genital organs (Article 25-fourth subsection 1)
- i) Crimes against the individual (Article 25-fifth subsection)
- j) Offences of market abuse (Article 25-sixth subsection)

- k) Manslaughter or serious or very serious personal injuries committed in violation of workplace accident prevention and health and safety at work legislation (Article 25-seventh subsection)
- l) Crimes of handling, laundering and investing illicitly derived funds, assets or utilities and self-laundering (Article 25-eighth subsection)
- m) Crimes involving non-cash payment instruments (Art. 25-eighth.1)
- n) Offences related to the violation of copyright (Article 171, paragraph 1, letter a bis and 3, Article 171-second subsection, Article 171-third subsection, Article 171-eighth subsection, Law 633/1941) - (Article 25-ninth subsection)
- o) Crime of inducing others not to issue statements or to issue untrue statements to the judicial authorities (Article 377-second subsection of the Criminal Code) - (Article 25-tenth subsection)
- p) Environmental offences (Article 25-eleventh subsection)
- q) Offence of employment of illegal immigrants (Article 25-twelfth subsection)
- r) Offences related to racism and xenophobia as set forth in Law no. 654/1975 (Art. 25-thirteenth subsection) amended by Law no. 167/2017 and modified by Legislative Decree no. 21/2018
- s) Transnational crimes (Law 146/2006, Articles 3 and 10)
- t) Fraud in sports competitions, unlawful gaming or betting and gambling by means of prohibited devices (art. 25-fourteenth subsection)
- u) Tax crimes (Article 25-fifteenth subsection)
- v) Smuggling (Article 25-sixteenth subsection).
- w) Crimes against cultural heritage (Art. 25-seventeenth)
- x) Laundering of cultural assets and devastation and looting of cultural and scenic assets (Art. 25-eighteenth).

1.3 Exemption from liability

Articles 6 and 7 of Decree 231 specifically provide for exemption from administrative liability if the entity has put into place effective organisation and management models, suited to preventing the commission of offences of the type that occurred.

In particular, Article 6, paragraph 1, of Decree 231 provides that, in the case of offences committed by Senior Officers, the entity shall not be held liable if it can prove that:

- a) before the commission of the offence, the Management had adopted and effectively implemented organisation and management models suited to preventing the commission of the offence;
- b) the task of overseeing the operation and observance of the models, and of updating them, had been assigned to a specific corporate body endowed with independent powers of initiative and control;
- c) the persons committing the offence had wilfully, intentionally and fraudulently disregarded the operation and management models;
- d) the body referred to in paragraph b) above failed to or inadequately performed its supervisory duties.

Lawmakers, therefore, have laid down that by adopting and implementing organisation and management models, entities may be exempted from administrative liability, effectively reversing the burden of proof; when, in fact, Senior Officers of an entity commit any of the offences listed in Decree 231, in the ensuing legal proceedings the onus is on the entity to prove that the said Officers eluded and violated the model put into place for its protection.

The entity, in other words, must prove that it effectively implemented a system capable of preventing the commission of the offences referred to in Model 231. The mere adoption of the model, in fact, is not sufficient to exempt the entity, which also has the burden of proving its effectiveness and efficacy.

Exemption from liability is grounded on the model's overall suitability and preventive capacity, as assessed by the criminal court, in connection with the prosecution of the legal person charged with having committed an offence.

Paragraph two of Article 6 completes the general framework by defining the prevention requirements of organisation and management models, which must:

- identify the corporate processes and activities capable of leading to the commission of offences (the so-called "mapping of activities at risk");
- provide for dedicated guidelines focusing on the entity's decision-making and implementation processes, in relation to the prevention of the offences;
- identify specific financial management procedures suited to preventing the commission of offences;
- provide for the mandatory disclosure of information to the Supervisory Body;
- introduce a suitable disciplinary system for sanctioning the failure to comply with the measures set out in the model.

Article 7 of Decree 231 then provides that, where the offence is committed by Subordinates, the entity can be held liable if the commission of the offence was made possible by the failure to perform the required management and supervisory functions. Here too the entity can be exempted from liability if it implemented organisation and management models suited to ensuring the fulfilment of all activities in accordance with the law, and to preventing at-risk situations. In this case, the onus of proving the entity's liability lies on the prosecution, which must prove that the entity failed to adopt or implement the model.

Furthermore, for the purpose of effectively implementing the model, the provision requires the performance of periodical inspections and its amendment if there are changes to the entity's organisation or activities, or any serious violations are found, as well as the implementation of a disciplinary system suited to adequately sanctioning the failure to comply with the model's provisions.

1.4 Guidelines by Confindustria

Article 6, paragraph 3, of Decree 231 reads "*Organisation and management models may be adopted to ensure the requirements set out in paragraph 2, based on codes of conduct drafted by the relevant trade associations and submitted to the Ministry of Justice, which, acting in agreement with the competent Government departments, may formulate, within 30 days, observations as to their suitability to prevent the commission of offences*".

Confindustria - the Italian Employers' organisation - has adopted and subsequently updated the "*Guidelines for drafting organisation, management and control models pursuant to Legislative Decree 231/2001*".

This Model is based on the rules and criteria set out in the Guidelines by Confindustria, as well as the most recent case law developments on the matter.

The key stages for drafting a model, according to the above Guidelines, are as follows:

- a) **identifying the risks**, based on an analysis of the company's organisation, in order to pinpoint and highlight the areas/processes that can become breeding grounds for criminal behaviour and the commission of the offences referred to in Decree 231;
- b) **designing a control system** (the so-called Procedures), based on an overhaul of the current control system and its adjustment, for the purpose of effectively opposing the risks identified in the previous



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stage. Confindustria has identified the following key components of an effective crime prevention system, on the basis of the adoption by the company of:

- an ethical code referring to the listed offences;
- a clearly defined corporate organisation, especially with regard to roles and responsibilities;
- manual and electronic procedures;
- a system for the delegation of powers and signing authority;
- a management control system;
- a system for employee information and training.

The above components should be inspired by the following principles:

- each operation, transaction and action must be verifiable, documented, consistent and appropriate;
- no process must be independently and entirely managed by a single person;
- the control system must provide for the recording of the controls carried out.

- c) **appointing the Supervisory Body**, which is the body responsible for overseeing the operation and observance of the model and providing for its update;
- d) **providing for an adequate disciplinary system** or sanctioning mechanisms, in respect of any violations of the code of ethics and the procedures set out in the model.

2. THE ORGANISATION, MANAGEMENT AND CONTROL MODEL OF PEG

2.1 PEG's operations

PEG is an Italian-based company established in 1998, by the current Management, to provide management and integrated services in the field of engineering design and information systems.

PEG is a flexible and multidisciplinary company operating in various civil and industrial engineering sectors, as well as managing Global Service operations. In particular, our operating sectors are:

- Engineering, Procurement and Construction (EPC) and Project Management Consultancy (PMC) of plants for the Energy Sector (oil and gas, power plants, photovoltaic plants).

PEG's offices are located in Rome, Piazza Stia 8. If a contract requires, we can open temporary sites, such as construction sites and/or representative offices, generally abroad, in the countries in which we operate.

The corporate policy is founded on quality and flexibility, achieved through our highly qualified and skilled human resources. Furthermore, we select our suppliers of materials, products, components or services on the basis of international selection and recruitment processes, from among businesses that can guarantee the highest quality and compliance with the applicable health, safety and environmental standards and regulations. Supplier monitoring is carried out based on our Integrated HSEQ Management System.

2.2 PEG's organisation

The company's organisational structure is set out in an organisation chart defining the roles, functions reporting structures and lines of authority and responsibility.

In our organisation, the same person can occupy different functional positions, although this is allowed only moving downwards on the hierarchy.



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The quality plan for each contract defines both the specific organisation in charge of performing the contract and the persons responsible for reporting to/interfacing with the company organisation, for the purpose of clearly identifying the specific roles and responsibilities of each staff member involved.

The PEG organisation is structured according to the principles as follows:

1. the definition of each role and related responsibilities and reporting lines;
2. the powers of representation to the Chairperson of the Board of Directors, consistently with the articles of association;
3. the delegation of operating authority, based on the position held in the organisation and the tasks, duties and responsibilities assigned;
4. the spending powers vested in accordance with the position held and the tasks, duties and responsibilities assigned.

2.3 The integrated internal control system

The internal control system that already exists and is implemented at PEG consists of the set of rules, procedures and internal organisation structures aimed at ensuring the achievement of and compliance with the corporate policies and strategies and the good performance of the company, as well as the reasonable accomplishment of the following objectives:

- the effectiveness and efficiency of the corporate processes;
- the reliability of the information system, which primarily aims to ensure the reliability and integrity of the accounting and financial reporting documents disclosed externally;
- the protection of the company's assets;
- compliance with the applicable rules and regulations and the company's procedures.

The internal control system involves all the sectors in which PEG operates and is based on the following key principles and components:

- Code of Ethics;
- the duties, powers and responsibilities vested in the positions making up the organisation;
- the separation of tasks and functions;
- the definition of operating policies and procedures suited to ensuring the effective performance of the company's core business, especially with regard to the more sensitive activities at risk of Predicate offences;
- information systems aimed at ensuring the separation of the functions and suited to ensuring the protection of both the data and the instruments used;
- the management control and reporting system;
- the organisation powers and signing authority vested in accordance with the position held and the duties, role and responsibilities assigned;
- the internal communications and employee training system.

The controls shall concern all corporate sectors and activities and, with different roles, the Board of Directors, the Board of Statutory Auditors and all the Company's internal divisions/departments and all the employees at the different levels.

Each company structure, with regard to the processes for which it is responsible and within its remit, is responsible for implementing the internal control systems, with a view to ensuring their effective operation.

The above-mentioned internal control system is based on the following types of controls:

- controls by the single operational units on the processes for which they are responsible, to ensure that they are properly carried out;
- controls carried out hierarchically by the persons in charge of the single processes, to ensure the proper performance of the underlying activities;
- internal audits aimed at verifying compliance with the internal procedures and any anomalies in their performance.

All operations carried out by the Company are documented and recorded, so that controls may be made, at any time, by the competent persons. All PEG human resources are made aware of the importance of the controls and the applicable rules and procedures, as well as the importance of a proactive commitment by everyone to ensure the successful outcome of the control procedures.

PEG, despite the internal control system outlined above is suited to ensuring the prevention of the Predicate offences, has nevertheless decided to examine its organisation, management and control instruments, with a view to making sure that the existing principles and procedures are consistent with the applicable provisions and, if necessary, improve and supplement them accordingly.

2.4 Scope of the Model and its underlying principles

The present Model is aimed at implementing a consistent and coherent system of control procedures and activities for the prevention of the Predicate offences, with respect to the activities at risk.

The decision by PEG to adopt this Model is part of a broader corporate policy, pursued by the Company, for raising the awareness of all the persons operating on account and/in the interest of PEG, or who maintain business relations with the Company, with regard to the observance of the applicable legal provisions and the principles of sound and transparent management and ethical conduct in the pursuit of the Company's objects.

The principles and rules set out in the Model are aimed at fully enhancing the awareness of the persons operating on account and/in the interest of PEG, or who maintain business relations with the Company, that a certain conduct or actions can be a criminal offence and, therefore, are totally unacceptable, firmly condemned and contrary to the interests of PEG. In particular, PEG forcefully and absolutely denounces any conduct that is contrary to the laws, regulations and supervisory rules, or in violation of the principles of sound and transparent management, by which the Company abides.

PEG, by adopting this Model, intends to pursue the following aims:

- to ensure respect of the principle of the separation of the functions, according to which no single function may independently manage an entire process;
- to identify the activities at risk of the commission of Predicate offences and to formalise the corporate procedures aimed at regulating the performance of the said activities;
- to set up an independent Supervisory Body, for carrying out the duties provided for in Decree 231;
- to prevent, as far as possible, the commission of the Predicate offences within the Company, through ongoing controls of all the activities at risk;
- to circulate the adopted rules of conduct and procedures throughout the Company;
- to adopt a disciplinary system capable of sanctioning the failure to observe the requirements and procedures of the Model.

2.5 The structure of the Model

The Model features a "General Section" and a "Special Section".

The former illustrates the contents of Decree 231, and outlines the general principles applicable to the Company, not only with regard to the activities at risk.

The latter identifies the Predicate offences that might be concretely or potentially committed within the Company, the general rules of conduct and the specific procedures that need to be complied with, in connection with the performance of the activities at risk and, lastly, the duties of the Supervisory Body.

The Model is completed by the Code of Ethics, as better specified hereinbelow.

2.6 The Code of Ethics

The Code of Ethics adopted by PEG contains the commitments and general rules of conduct that must be abided by in the running of the Company and the business activities carried out by the people working in or for the Company, or who maintain relations with the Company. The Code of Ethics also lays down the values that should inspire the directors, employees and collaborators of the Company in the performance of their tasks and duties.

The Code of Ethics is an integral part of the Model and the violation of its provisions entails the application of sanctions, as specified hereinbelow.

3. ADOPTION OF THE MODEL

3.1 The method for defining the Model

The activities carried out have made it possible to identify the corporate areas and processes at risk of the commission of Predicate offences (“*Activities at risk*” and “*Sensitive processes*”).

Article 6, paragraph 2, letter a) of Decree 231 expressly provides that the Model of the entity must “*identify those activities at risk of the commission of offences*”. The identification of sensitive corporate activities/processes, with respect to the potential commission of offences, is therefore the starting point in the definition of the Model.

The Company’s operations were analysed, with a special focus on the areas most appreciably at risk of the commission of Predicate offences. In parallel, an investigation was conducted into the constituent elements of the Predicate offences, for the purpose of identifying the conduct that could lead to the commission, within the Company, of the offences. This analysis was made and is periodically completed in conformity with the Guidelines by Confindustria and consistently with the Company’s distinctive features.

In particular, the Model was defined with the following stages.

Stage 1 - Collection and analysis of the relevant documentation

The first step was the analysis of the Company’s organisation, based on the following documents:

- Organisation chart;
- System of delegated authority and powers of attorney;
- Policy, operating procedures, guidelines, internal regulations;
- Manual, records and procedures of the Integrated HSEQ Management System.

This stage led to an in-depth investigation into the organisation of the company and how the functions and powers are apportioned within the Company.

Stage 2 – Activities and processes at risk of crime and control mechanisms



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In order to determine which areas and processes are at risk of the commission of the Predicate offences, it was necessary to map the corporate organisation, with a detailed analysis of each unit of the organisational structure, aimed specifically at examining the way in which the relevant activities are carried out and the internal competences performed.

In a preliminary capacity, the scope of application of the subjective assumptions of Decree 231 was determined. In particular, with regard to the provisions of Article 5, paragraph 1, letters a) and b), this stage also consisted in identifying the persons whose potentially criminal activities could lead to the involvement of the Company. The provision concerns both the top management ("*Senior Officers*") of the Company and the persons subject to their authority and control ("*Subordinates*").

This analysis concerned all those persons who, for any reason, maintain relations with the Company and who, according to their functions and responsibilities, might be involved in the activities at risk of criminal behaviour.

Regarding the external persons (i.e. outsourced service providers, consultants, suppliers) with whom PEG maintains steady and regular business relations, the analysis has found that the Company has put into place a system of direction and control over their activities. Therefore, PEG is committed to ensuring that these third parties, with whom it maintains business relations, continue to observe its corporate procedures and Code of Ethics, on the basis of specific clauses in the contracts (or supply orders) and the constant dissemination of the contents of the Model (including the Code of Ethics).

The areas at risk of the commission of the Predicate offences have been identified as a result of a preliminary interview with the Quality Manager, during which it was possible to assess the assumptions made primarily in connection with the outcome of the perusal of the documents supplied. After the initial identification of the areas potentially at risk of criminal behaviour, various interviews were conducted with the top management, and with the persons in charge of the relevant corporate areas, for the purpose of collecting more specific information and accurately identifying the ambits at risk and the related corporate activities and processes. These persons were then asked, during the interviews, to illustrate the existing operating procedures and controls suited to preventing the commission of offences.

The manner in which the offences might be committed, in the various corporate areas, were also identified, with respect to the internal operating environment and the external environment in which the Company operates.

Based on the Company's current business operations and the information collected, it was decided to focus on an assessment of the risk profiles of certain types of offences, namely: offences against the public administration, corporate offences, the violation of environmental and health and safety at work regulations, money laundering, cybercrime and illegal data processing, copyright infringements, organised and transnational crime, environmental crimes, offences related to the employment of illegal aliens, tax crimes, smuggling, and crimes related to racism and xenophobia.

As regards offences related to organised crime (Article 24-third subsection), and the transnational crimes referred to in Law 146/2006, PEG has decided, after further investigating the matter, that all the areas and processes at risk, as identified in this Model, need to be looked into, in connection with their potential for criminal conspiracy crimes.

Instead, as regards the other offences referred to in Decree 231, it was concluded that, in consideration of PEG's core business, the potential commission of offences in the interest or to the advantage of the Company was not reasonably grounded. Therefore, a reference to the principles set out in the Code of



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Ethics was deemed exhaustive, whereby all the Recipients are obliged to comply with and abide by the principles for the protection of the individual, correctness, morality and respect of the law.

Stage 3 – The risk interviews and analysis

The interviews with the top management and with the persons in charge of the activities and processes carried out and performed within the Company, and identified as at risk of criminal behaviour, have made it possible to:

- further investigate and look into the ambits and areas in which the Predicate offences could - potentially at least - be committed;
- verify the control and monitoring activities currently in place;
- further investigate the delegation of authority system;
- verify the existence of operational practices and procedures applied but never been formalised within the procedures;
- carry out and conduct a preliminary assessment of the suitability of the operational procedures to protect from the commission of Predicate offences;
- make an initial assessment of the suitability and, indeed, the adequacy of the inflow of information and of the document filing, archiving and tracking system.

The activities carried out have allowed the identification of the necessary requirements for the realisation of a Model suited to preventing criminal behaviour and, indeed, the commission of the Predicate offences, in relation to the specific nature of the Company. In particular, the processes/activities at risk of criminal behaviour, identified together with the existing control measures and procedures currently in place, i.e. already adopted by the Company, have been compared with the requirements set out in Decree 231, with a view to identifying any shortcomings in the system (this is known as a “gap analysis”). Where at-risk processes/activities have been identified with inadequate controls, steps have been taken for the purpose of identifying the best measures for concretely - i.e. effectively - preventing the potential risks from becoming real risks, taking into account the existence of the current applicable operational rules or which are even only observed in the current operational practice.

In the ambit of each specific Procedure, as contained in the previously mentioned risk analysis, the possible improvements are lists, as they emerged from the interviews themselves, capable of strengthening the structure of the control systems within the Company, or of constituting an obstacle to the commission of the Predicate offences (i.e. hindering and therefore preventing any criminal behaviour).

These possible improvements are detailed and have been assessed within a document and ordered based on priority, with reference to both the adjustment to Decree 231 and the improvement of the Company's organisational structure.

The entire documentation produced in connection with the above stages is available for perusal at the Company headquarters.

Stage 4 – Definition of the Model

Based on the work outlined hereinabove, PEG drafted this document, which constitutes the Organisation, Management and Control Model of the Company, pursuant to Article 6 of Decree 231.

The Model identifies a set of preventive procedures or rules (guidelines), general principal and specific audit and control procedures deemed suitable to govern and prevent the identified risks.



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A disciplinary and sanctioning system was also adopted, for the purpose of ensuring observance of the rules and procedures set out in the Model.

Lastly, another integral part of the Model is the Code of Ethics, as better described in paragraph 2.6.

3.2 Adoption of the Model

The Board of Directors of PEG resolved to adopt the first version of the Model on 10 December 2013, for the purpose of preventing the commission of the Predicate offences, improving the governance and oversight of the management and promoting a culture of ethics and corporate transparency, and therefore also adopted a Code of Ethics.

Furthermore, PEG set up a Supervisory Body, with the task of supervising the operation, effectiveness and observance of the Model and providing for its update, consistently with any regulatory and corporate changes, as better specified in paragraph 4 below.

PEG guarantees that the Model will be continuously updated to ensure its continued suitability and adequacy in preventing the committing of the offences set forth in the Decree (see sec. 7 below).

PEG considers compliance with the laws, regulations, and principles expressed in the Code of Ethics and in this Model to be an essential condition for increasing the company's value over time, wherever it operates.

Therefore, in compliance with the organisational, managerial, and operational autonomy of the companies that are part of the Group, the Company promotes the adoption and implementation of Models or similar Compliance Programs, consistent with the principles of prevention for the administrative responsibility of entities, subsidiaries, and branches, including those with offices abroad, taking into account the particular regulatory situations and specific risk profiles connected with their individual operations.

With regard to the establishment of new associative arrangements on a national and international basis, PEG ascertains if the partners are compliant with Legislative Decree 231/2001 or if they have adopted similar compliance models.

4. SUPERVISORY BODY

4.1 Structure of the Supervisory Body

In order to qualify for exemption from administrative liability, in accordance with Article 6, paragraph 1, of Decree 231, a Company must mandatorily set up an internal body - the "Supervisory Body" abbreviated as "SB" - endowed with independent powers of initiative and control, enabling it to supervise the operation and observance of the Model and provide for its updating.

The collegial structure of the Supervisory Body is seen as the best guarantee for enabling it to best perform its duties.

The members of the SB must have an in-depth knowledge of the Company and, at the same time, they must be authoritative and independent, to ensure the credibility and cogency of the SB and its functions.

Following is an overview of the key requirements the SB must possess in order to be considered suitable to performing its role:

- Autonomy and independence

The requirements of autonomy and independence are of fundamental value, to ensure that the SB is not directly involved in the management activities of the Company, which it is called to oversee. Therefore, the SB must be granted the greatest possible independence from the management, to ensure maximum effectiveness and impartiality of judgement. These requirements may be achieved by ensuring that the SB enjoys the highest possible hierarchical influence, also by introducing it as a staff unit in a superior position in the Company's organisation, and providing for top management level reporting activities.

The members of the SB should not be in conflict of interest with the Company and should possess the requirements of independence and honour, as set out in the applicable regulations for the members of the Board of Statutory Auditors. In particular, the SB is independent insofar as its members do not have financial relations with the Company; in derogation of the above, to enable the SB to obtain the in-depth corporate knowledge needed to carry out the control functions, it may include members with professional relations with the Company, provided that they liaise directly with the Board of Directors and/or its chairperson. The following cannot be or become members of the SB and, if appointed, shall forfeit their office:

- persons to whom Article 2382 of the Civil Code apply, or who have been debarred from public office, either permanently or temporarily, or persons held, by a court of law, to be unfit for a management position;
- the spouse, relatives and in-laws within the fourth degree of the directors of the Company, the directors, their spouse, relatives and in-laws within the fourth degree of the directors of the companies controlled by the Company, the Company's controlling companies and any jointly controlled companies.
- Professionalism
The SB members must be professionally qualified for the functions they are called to perform. These characteristics, combined with their independence, shall guarantee their objective judgement.
- Continuity of action
The SB shall:
 - oversee the Model on a continuous basis with the necessary powers of investigation;
 - be an internal structure suited to ensuring the continuity of the oversight activities;
 - provide for the implementation of the Model and ensure that it is constantly updated.

4.2 Appointment, membership, forfeiture and dismissal of the Supervisory Body

The SB is appointed by resolution of the Board of Directors, which shall define its structure, appoint its members and determine their term of office and remuneration.

Regarding the membership of the SB, PEG, having completed the assessment of its structural, operational and business characteristics of the Company, has opted - from among the solutions proposed in both theory and practice, and consistently with the Confindustria Guidelines - for the appointment of a multi-member body.

In particular, the SB of PEG consists of three external professionals.

The selection of the three external professionals, who are experts in the fields referred to in Decree 231 (such as, by way of example, legal matters, business management, accounting, taxation, internal auditing) and do not have any financial or professional ties with the Company and may, therefore, ensure the necessary competences and full independence.



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Therefore, all the members of the SB have absolutely no relations with the Company's organisation.

The members of the SB shall possess the requirements referred to in paragraph 4.1 above, and shall not be incompatible with the position of member of the SB, as also specified therein. They are also duty-bound to inform the Board of Directors, as soon as possible, if they no longer possess the requirements or become incompatible with the position.

Loss of the requirements for appointment to the position of member of the SB shall result in forfeiture of and withdrawal from the office of the individual members concerned, but shall not result in the forfeiture and withdrawal of the other members of the SB. The Board of Directors may also decide to dismiss the members of the SB, for justified reasons, having consulted with the Board of Statutory Auditors.

In conformity with the principles of Decree 231, the SB may appoint consultants, from inside or outside the Company, although it, and it alone, shall be and remain responsible for overseeing the Model.

The Board of Directors provides the SB with an annual budget to allow it to meet specific demands and also to guarantee its autonomy and continuity.

4.3 Tasks, duties and powers of the Supervisory Body

The SB has the following tasks:

- to examine the adequacy of the Model, in relation to the Company's organisation, i.e. to determine whether or not it is effectively capable of preventing the commission of the Predicate offences;
- to supervise the effectiveness of the Model, i.e. to verify the consistency between the actual behaviour of the persons concerned and the rules set out in the Model;
- to ensure that the Model maintains its soundness and functionality over time;
- to update the Model, as needed, i.e. to adapt it to changes in the regulatory framework and/or the Company, or in connection with any significant violations of the requirements set out therein.

In particular, from a purely operational point of view, the SB is responsible for carrying out the following activities:

- to implement the control procedures for verifying the full and effective operation of the Model, specifying that, in any case, the top management of the Company has primary responsibility for the control activities, which are considered an integral part of the corporate processes ("line controls");
- to survey and inspect the Company's activities, for the purpose of updating the map of at-risk corporate activities and processes;
- to coordinate with the corporate functions, for monitoring activities in the areas at risk;
- to consider any Model updates;
- to periodically inspect specific operations or activities carried out in the areas at risk, even without prior notice;
- to collect, process and keep all significant information regarding the observance of the Model, and to update the list of information that needs to be disclosed or made available to the SB;

- to control the existence and regularity of the documentation required in connection with the Model;
- to establish a dedicated electronic mailbox for receiving from the corporate structures requests for clarification, in respect of doubtful cases, problematic issues and requests for action, in connection with the implementation of the Model;
- to promote actions to circulate the Model, train employees and raise awareness among them on the observance of the contents of the Model;
- to periodically report to the corporate bodies of the PEG on the implementation of the policies in support of the activities carried out in conformity with Decree 231;
- to assess any reports of possible violations of and/or failures to observe the Model;
- to conduct investigations into the possible violations of the Model;
- to report to the Board of Directors any failures found and to propose the application of the sanctions provided for by the sanctioning system;
- to monitor developments in the relevant regulatory framework.

In performing their duties, the members of the SB shall have unrestricted access, at any PEG function, to all the information, data and documents deemed necessary for the performance of their tasks, without the need of prior authorisation.

The activities carried out by the SB may not be questioned by any other corporate body or structure, albeit without prejudice to the Top Management's duty to supervise the overall adequacy and timeliness of the SB's actions, since the former is ultimately responsible for the operation and effectiveness of the Model.

It should be noted that, the establishment of the SB shall not affect the powers and responsibilities of the Company's top management, under the Civil Code, or its powers and responsibilities relating to the adoption and effectiveness of the Model and to the establishment of the SB [Article 6, paragraph 1, letter a) and b) of Legislative Decree 231/2001].

The Board of Statutory Auditors, in consideration of its duties, shall be one of the "institutional" partners of the SB. The Auditors, in fact, shall be responsible for assessing the adequacy of the internal control system and shall be constantly informed about any criminal behaviour within the Company, in respect of the Predicate offences, and any shortcomings of the Model.

4.4 Information flows to the Supervisory Body

Decree 231 provides for the mandatory reporting of information to the SB.

In particular, the information flows to the SB shall concern all the information and documents to be made available to the SB, in accordance to the Procedures set out in the special section, as well as reports relating to the implementation of the Model, the commission of the Predicate offences, or of any other behaviour not in line with the corporate procedures and the rules of conduct adopted by the Company, and any information regarding any - potential - responsibility of the Company, in relation to Decree 231.

The corporate reporting activities may be summarised as follows:



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- periodical reporting: regarding all the information requested by the SB from the individual organisational and management structures. The timelines and procedures relating to periodical reporting shall be defined in more detail by the SB;
- occasional reporting: regarding all the information, also from third parties, with regard to the implementation of the Model and the observance of the requirements set out in Decree 231, which may be significant for the performance of the SB activities.

In order to facilitate the supervisory activities, with regard to the effectiveness of the Model, the following information must be mandatorily transmitted to the SB:

- information of any kind, sort of nature from police sources, or other authorities, relating to investigations concerning persons, companies, and any third parties in general, apart from the said persons and companies, who maintain relations with PEG, in respect of the offences referred to in Decree 231;
- requests for legal assistance made by managers, employees or other persons legally entitled to do so, in the case of the initiation of legal proceedings for the offences referred to in Decree 231;
- any information relating to compliance, at all corporate levels, of the Model, highlighting any disciplinary proceedings incepted and any sanctions applied, or dismissals of actions, with the relevant reasons;
- reports prepared by the chiefs of other corporate functions, in connection with their control activities, containing any significant information, with respect to facts, actions, events or omissions related to the provisions of Decree 231;
- information relating to any violations of the management and control procedures directly or indirectly referred to in the Model.

Furthermore, it shall be the duty of the corporate functions or structures to provide periodical information to the SB on the following matters, given by way of example only:

- decisions relating to the applications for and the payment and use of public financing;
- summary tables of the contracts awarded to PEG, in connection with national and international procurement and tendering procedures or negotiations with private clients;
- information relating to contracts awarded by public entities or entities operating in the public interest;
- the delegated authority system of PEG;
- indicators of any anomalies relating to the management control, administration and treasury (financial) activities;
- operations concerning the Company's share capital;
- extraordinary operations;
- criticalities or conflicts of interest, in connection with the management of privileged information;
- documents relating to the identification/assessment of health and safety at work risks;
- results of the verification activities, non-conformities and problems found in connection with health and safety at work;



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- accidents at work.

Each corporate function or structure shall make available all the documents relating to the information transmitted to the SB, which may, however, independently request the function or structure to provide further information of a periodical nature, or information relating to specific situations.

All the information, documents and reports collected in connection with its institutional tasks and duties shall be filed and kept by the SB, which must keep them strictly confidential and in accordance with the applicable personal data protection regulations.

To facilitate the aforementioned flow of information, PEG has established special dedicated lines of communication for sending information, data, documents, and notifications, even anonymously, using the following methods:

- via email to odv@pegitaly.it;
- in paper form to the attention of the Supervisory Body, at Progetti Europa & Global S.p.A., Piazza Stia 8 – 00138 Roma.

4.5 Reporting by the Supervisory Body

The SB ensures communication through the following reporting lines:

- continuous reporting, to the Chairperson of the Board of Directors, with regard to any circumstances the reporting of which is deemed necessary and expedient, for the fulfilment of its activities;
- periodical reporting, to the Board of Directors and the Board of Statutory Auditors, by means of an annual report of the activities carried out, the audits and inspections performed, the reports received, the violations committed and related disciplinary measures, the planning of audits and inspections and the implementation status of the Model by the Company;
- occasional reporting, to the Board of Directors and the Board of Statutory Auditors, if and when the SB becomes aware or is informed of any serious circumstances, in connection with its activities, or behaviour or activities that conflict with the corporate procedures and such as to expose the Company to the risk of commission of the Predicate offences. This information shall also concern any facts relating to or behaviour by members of the corporate bodies and the senior officers of the Company.

The SB may also receive requests for information and/or clarification from the Board of Directors, the Board of Statutory Auditors and the Auditing Firm, and it may also be summoned or ask to be heard, at any time, by the Board of Directors and the Board of Statutory Auditors.

Finally, the SB, during the performance of its institutional activities, shall also communicate with the managers in charge of the areas or processes at risk of criminal behaviour, as identified herein, to request information and clarification and to receive support documents, with respect to its requests.

4.6 Whistleblowing

In compliance with what is set forth in the Decree (art. 6, paragraph 2-second subsection) and to promote the collaboration of all company departments involved in the implementation of the Model, PEG, to safeguard the Company's integrity, has prepared special channels that allow all Recipients to send reports regarding unlawful conduct that could lead to one of the offences set forth in the Decree or in violation of the Model, the Code of Ethics, and internal procedures.



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Unlawful or irregular conduct reports must be circumstantial, relevant to the Decree, and based on precise and concordant facts, that is, on violations of the Model, the Code of Ethics, and internal procedures that the reporting party became knowledgeable of during and/or due to the work tasks carried out or through the work/collaboration relationship.

The SB must receive, analyse, and verify the reports, with the support of other Company departments as needed.

These reports must be sent in writing:

- via email to whistleblowing@pegitaly.it;
- in paper form to the attention of the Supervisory Body, at Progetti Europa & Global S.p.A., Piazza Stia 8 – 00138 Rome.

The report management process is carried out according to the methods established in Procedure PE10000-00-PR0007 “Requirements for handling unlawful or irregular conduct reports” (whistleblowing) as well as in compliance with the procedures and policies adopted by the Company regarding the protection of personal data. The reporter’s privacy is guaranteed from the time of reporting and in every subsequent phase.

PEG promotes every initiative and adopts suitable measures to prevent retaliatory or discriminatory acts or any other form of direct or indirect penalisation against the person making the report for reasons connected to the report. Any discriminatory or retaliatory conduct may be reported to the National Labour Inspectorate by the reporting party or by the trade union they indicate.

Any anonymous reports, i.e., without elements that make it possible to identify the author, will be taken into consideration for further verification only if they relate to particularly serious incidents and if their content includes adequate details and circumstances.

In compliance with the provisions of the Decree and in order to prevent any abuses, PEG has set forth specific penalties against those who violate the measures protecting the reporting party and against those who make reports with malice or gross negligence that turn out to be unfounded (see section 6.6 below).

5. EMPLOYEE INFORMATION AND TRAINING

In order to ensure the effective implementation and disclosure of this Model, PEG aims to ensure that its present and future human resources become perfectly aware of and acquainted with the Company’s principles and rules of conduct, with a different degree of detailed knowledge in relation to the different level of involvement of the human resources concerned in the sensitive activities and processes.

The training and information system is put into place by the Human Resources structure, in partnership with the managers of the structures involved, each time, in the application of the Model, also in coordination with the SB.

The Employees and collaborators are under the obligation to take part in the information and training programs and activities, which are an integral part of their employment obligations.

Information



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The adoption of this Model is notified to all the human resources working at the Company and posted in the corporate intranet. Any intervening changes to and information about the Model are also disclosed through the same communication channels.

Newly hired employees, instead, are given a paper and/or digital copy of the Model (including the Code of Ethics), together with specific information on the subject. They are then required to sign a specific form, as acknowledgement, acceptance and receipt of the Model.

Training

The training activities, aimed at disseminating knowledge of Decree 231, differ, with regard to content and methods (including e-learning), depending on the qualifications of the trainees, the level of risk in which they operate, and whether or not the trainees have representative functions of the Company and have been vested with specific authority and powers.

Therefore, PEG has established different levels of training, based on different methods and tools (such as, by way of example, seminars, information notes).

Employee training is carried out as follows.

a) Directors, executives managers and/or Company representatives.

These roles are trained based on an initial seminar and periodical training/refresher courses, which are also attended by any newly-hired managers and/or staff members with representation powers. The function managers are responsible for circulating knowledge about the Model through adequate training activities.

b) Employees in general

PEG employees are trained on the basis of a so-called internal "information note" which, in the case of newly-hireds, is attached to the letter of employment, and on the basis of an initial training seminar and periodical training/refresher courses.

c) Third parties (consultants, collaborators and suppliers)

All external parties (consultants, freelance collaborators, suppliers, agents, partners, etc.), who work with the Company in any capacity, are also suitably informed as to the adoption by PEG of the Model and Code of Ethics. These parties are requested to become acquainted with the requirements of Decree 231, and to formally commit themselves to comply with and abide by the provisions set out in the relevant documents.

Furthermore, when the contracts entered into with these parties are renewed, specific clauses are introduced allowing the Company to terminate the contract for any violations of the Model and Code of Ethics, or of the provisions set out in Decree 231. All the contracts entered into after the date of adoption of this Model shall contain, where possible, the so-called "Clause 231", attesting to knowledge of Decree 231 and providing for the commitment to abide by the provisions of the Model and Code of Ethics adopted by PEG.

6. DISCIPLINARY SYSTEM

The Model's effectiveness is linked to and depends on the adequacy of the disciplinary and sanctioning system put into place in connection with the violation of the rules of conduct and, generally speaking, of the internal procedures and regulations.

Pursuant to Article 6, paragraph 1, letter e) of Decree 231, the establishment of an effective system of sanctions is a prerequisite for the Company's exemption of liability, with respect to the Model.

The application of disciplinary measures shall be distinct from any penalties applied by the competent criminal and administrative courts, as well as from any legal proceedings; the aim of the sanctions provided for under the system, in fact, is to suppress any violations of the Model, for the purpose of preventing the commission of criminal and administrative offences, by rooting in the PEG employees and collaborators the awareness that the Company is firmly committed to pursuing and prosecuting any breaches of the rules introduced to ensure the proper and lawful performance of the tasks and/or duties assigned to them.

All disciplinary sanctions shall be commensurate with the gravity of the violations and the re-iteration thereof.

Disciplinary proceedings shall be initiated each time any violations of the Model are found by the SB during the performance of its functions.

Based on the report by the SB of any violations of the Model, as provided in paragraph 4 above, the relevant disciplinary proceedings shall be initiated by the Administration and Finance Department - Human Resources Structure. The Department is also responsible for applying the disciplinary sanctions.

The liability associated with any violation of the Model shall be established and the relevant sanctions applied in accordance with the applicable laws and respecting the dignity of the persons involved.

For the purpose of abiding by Decree 231, the following behaviour/actions shall be considered relevant, in view of the adoption of disciplinary and contract measures, by way of example only:

- behaviour or actions that do not conform to the Model, or the failure to comply with the Model, in connection with the performance of the activities at risk of the commission of the Predicate offences;
- behaviour or actions that do not conform to the principles set out in the Code of Ethics, or the failure to comply with the Code of Ethics, in connection with the performance of the activities at risk of the commission of the Predicate offences.

6.1 Measures applicable to employees

The violation, by the Company employees (meaning all persons bound to the Company under an employment contract), of the rules of conduct set out in this Model, shall be considered to be in default of the obligations under the employment contract and, therefore, shall be viewed as a disciplinary offence.

The sanctions provided for in the applicable regulations and collective labour agreements shall be applied to the employees. The violations shall be established and the relevant disciplinary proceedings initiated by the Administration and Finance Department - Human Resources Structure, in accordance with the applicable collective labour agreement, the corporate procedures and the applicable regulations.

The disciplinary sanctions set out in the applicable collective labour agreement (CCNL Industria Metalmeccanica Privata – Art. 8), in ascending order, are:

- a verbal warning;
- a written warning;
- a fine not exceeding three hours' pay, up to no more than three days;
- suspension from work and pay, for no more than three days;
- dismissal, with or without notice.



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1. Incurs the measure of "verbal warning" the employee who violates any of the internal procedures referred to in the Model (e.g., who fails to observe the prescribed procedures, fails to notify the Supervisory Board of the prescribed information, fails to carry out due checks, etc.), or adopts in the performance of activities in sensitive areas a behavior that does not comply with the requirements of the Model itself. Such conduct constitutes non-compliance with the provisions issued by the Company.
2. Incurs the measure of "written warning" the employee who is a repeat offender in violating the procedures referred to in the Model or in adopting, in the performance of activities in sensitive areas, behavior that does not comply with the requirements of the Model. Such behavior constitutes repeated non-compliance with the provisions issued by the Company.
3. Incurs the measure of "fine", not exceeding the amount of 3 hours of normal pay, the employee who in violating the procedures referred to in the Model, or adopting in the performance of activities in sensitive areas a behavior that does not comply with the requirements of the Model, exposes the integrity of corporate assets to a situation of objective danger. Such behaviors, carried out with failure to comply with the provisions issued by the Company, result in a situation of danger to the integrity of the Company's assets and/or constitute acts contrary to the interests of the Company.
4. Incurs the measure of "suspension" from work with related curtailment of pay for a period not exceeding 3 days the employee who in violating the procedures referred to in the Model, or adopting in the performance of activities in sensitive areas a behavior that does not comply with the requirements of the Model, is recidivist more than the third time in the calendar year in the failures referred to in points 1, 2 and 3. These behaviors, put in place due to failure to comply with the provisions issued by the Company, result in damage to the Company and, in any case, constitute acts objectively contrary to the interests of the Company.
5. Incurs the measure of "dismissal with notice" the employee who adopts, in the performance of sensitive activities, a behavior that does not comply with the requirements of the Model and unequivocally directed to the commission of an offense sanctioned by the Decree. A similar sanction shall be applied against anyone who makes, with malice or gross negligence, reports of violations of the Model and of the commission of the crimes provided for by Legislative Decree 231/2001 that prove to be unfounded, and against anyone who engages in direct or indirect acts of retaliation or discrimination against anyone who has made reports of violations of the Model and of the commission of the crimes provided for by Legislative Decree 231/2001. All of the above behaviors constitute a serious failure to comply with the provisions issued by the Company and/or a serious violation of the employee's obligation to cooperate in the development of the Company.
6. Incurs the measure of "dismissal without notice" the employee who adopts, in the performance of activities in sensitive areas, a behavior in violation of the requirements of the Model, such as to determine the concrete application against the Company of the measures provided for in the Decree, as well as the employee who is recidivist more than the third time in the calendar year in the failures referred to in paragraph 4. Such behavior radically undermines the Company's trust in the employee, constituting serious moral and/or material harm to the Company.

In any case, the sanctions are commensurate with the level of responsibility and autonomy of the employee, the intentionality of the behavior, and the seriousness of the behavior, by which is meant both the relevance of the obligations violated and the effects to which the Company can reasonably be considered exposed, also pursuant to and for the purposes of the Decree. If more than one infraction, punished with different penalties, is committed by a single act, the most serious penalty shall be applied. Repeat offenses over the course of three years automatically result in the application of the immediately more serious sanction.



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The Head of the Administration and Finance Department shall notify the disciplinary decisions made to the SB, which shall then - in partnership with the Administration and Finance Department - Human Resources Structure - monitor the application of the relevant sanctions.

6.2 Measures applicable to managers

Compliance by the managers of PEG with the provisions set out in the Model, and their obligation to ensure compliance with the Model, is a prerequisite of their employment relationship and an example for all their subordinates.

The managerial relationship is characterized by the eminently fiduciary nature between the employee and the employer. The executive's behavior is reflected not only within the Company but also externally, for example in terms of image with respect to the market. Compliance by the Company's managers with the provisions of this Model and the Code of Ethics and the obligation to make other employees comply with the provisions of these documents are essential elements of the managerial working relationship, constituting an incentive and example for all those who report hierarchically to them.

Any breaches of the Model and/or the Code of Ethics shall be established and the relevant disciplinary proceedings initiated by the Administration and Finance Department - Human Resources Structure, in accordance with the applicable collective labour agreement and the corporate procedures.

In the case of a violation, by a manager, of the Model or a behaviour, in the performance of actions included among the so-called activities and processes at risk, that does not conform to the requirements of the Model, or if the manager allows his or her subordinates to behave in a manner that does not conform to the Model and/or violates the Model, sanctions shall be applied that are commensurate with the manager's position, in accordance with the applicable regulations and collective labour agreement and any internal agreements relating to the managers.

6.3 Measures applicable to the Directors

The Company evaluates with extreme rigor breaches of this Model put in place by those who represent the top management of the Company and thus manifest its image to institutions, employees, shareholders and the public. The formation and consolidation of corporate ethics sensitive to the values of fairness and transparency presuppose, first and foremost, that these values are acquired and respected by those who guide corporate decisions, so as to set an example and stimulate all those who, at any level, work for the Company.

In the case of violation, by the Directors of the Company, of the internal procedures set out in the Model and/or in the Code of Ethics, or the adoption, in the performance of their duties, of measures that contrast with the provisions or principles set out in the Model, the SB shall promptly notify the Board of Directors and Board of Statutory Auditors to this effect, who shall take the necessary measures, in accordance with the applicable law.

6.4 Measures applicable to the Auditors

In the case of violation, by the Auditors, of the internal procedures set out in the Model, or the adoption, in the performance of their duties, of measures that contrast with the provisions or principles set out in the Model, the SB shall promptly notify the Board of Statutory Auditors and Board of Directors to this effect, who shall take the necessary measures, in accordance with the applicable law.



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6.5 Measures applicable to the consultants, freelance collaborators, suppliers and partners

Any violation, by the consultants, freelance collaborators, suppliers, partners, etc., i.e. by parties operating on their behalf, of the rules and lines of conduct set out in the Model adopted by PEG they are obliged to comply with, or commission, by them, of the Predicate offences shall be sanctioned in accordance with the specific clauses introduced in the relevant contracts, which must be expressly approved and accepted and must empower the Company to terminate the contract, or, alternatively, to request the performance of the contract, without prejudice to compensation of any further damages.

6.6 Measures related to Whistleblowing

The Decree provides for a specific form of liability for those who, through malice or gross negligence, report illegal or irregular conduct that turns out to be unfounded (see sec. 4.6 above).

In compliance with what is set forth in Procedure PE10000-00-PR-0007 *Requirements for the management of reports of unlawful or irregular conduct (whistleblowing)*, any form of abuse such as unfounded reports made with malice or gross negligence, manifestly opportunistic ones, and/or those made with the sole purpose of causing harm to the reported subject or others, as well as any case of improper use of the violation reporting system are censurable in disciplinary proceedings.

Any form of disciplinary liability shall be proportionate to the unfoundedness of the report, the behaviour reported, and the activity and expenses incurred by the Company in dealing with it. In this case, the measures set forth in the previous points will apply according to the reporting party's role.

There are also penalties in place for those who violate the measures protecting the reporting party.

7. UPDATING THE MODEL

Since the Model, according to Article 6, paragraph 1, letter a), of Decree 231, is "*subject to issue by the corporate governance body*" it shall, therefore, be approved by the Board of Directors.

If it becomes necessary to materially amend and supplement the Model, the relevant changes must first be approved by the Board of Directors.

Updating activities shall aim to ensure the adequacy and suitability of the Model, in respect of its function to prevent the commission of Predicate offences. Responsibility for updating the Model lies with the SB, in accordance with the provisions herein.

SPECIAL SECTION

Structure of the Special Section

This Special Section refers to the activities that the Recipients (the members of the corporate governance bodies, employees, freelance collaborators, consultants, suppliers, partners and, generally speaking, all those people who, for any reason, work in areas at risk of criminal behaviour, on behalf and in the interest of the Company), as previously defined in the General Section, must carry out to promote rules of conduct complying with the Model, with a view to preventing the commission of the Predicate offences and any illegal behaviour.

This Special Section is made up of the following specific Procedures, with regard to:

- I. Offences committed against the Public Administration;
- II. Corporate offences;
- III. Corruption between private individuals;
- IV. Offences related to health and safety at work;
- V. Crimes of receiving stolen goods and money laundering and in the area of non-cash payment instruments;
- VI. Health and unlawful processing of data;
- VII. Crimes committed by national and transnational criminal organisations;
- VIII. Environmental offences;
- IX. Employment of illegal aliens;
- X. Offences related to racism and xenophobia;
- XI. Tax crimes;
- XII. Smuggling;
- XIII. Other types of offences.

In particular, this Special Section:

- details the principles of conduct and the rules/procedures/practices that the Recipients are obliged to observe and abide by, for the purpose of correctly implementing the Model;
- provides to the SB, and to the heads of the corporate functions that cooperate with the SB, the tools for performing the necessary control, monitoring and auditing activities.

As regards the description of the single offences and the mapping of the areas and activities at risk and the sensitive processes that could lead to the commission of the offences, reference should be made, for the sake of brevity, to the Interview Records filed with the Company and which are available for consultation by authorised persons.

The system in general

When performing their duties, the Recipients must observe:

- the applicable Italian and foreign regulations;
- the values and policies of the shareholders;
- the resolutions passed by the management board;
- the service provisions issued by the competent functions;
- the internal organisational procedures adopted by the Company;

- the principles and rules set out in the Code of Ethics;
- the rules set out in the Model and related implementation procedures.

Generally speaking, the Company's organisation must comply with the requirements of formalisation and clarity, separation of functions and roles, in particular with regard to the attribution of responsibilities, representation powers, the definition of lines of command and operational activities.

The general prohibitions set out hereinbelow apply to all the Recipients of the Model, both the direct Recipients (employees and members of the corporate governance bodies) and the Recipients by virtue of contract provisions (consultants, suppliers and partners).

I. PROCEDURE RELATING TO OFFENCES AGAINST THE PUBLIC ADMINISTRATION

Offences committed within the context of relations with the public administration obviously require the existence of relations with public administration bodies.

In short, the term Public Administration (hereinafter also referred to as "PA") refers to any public or, sometimes, private entity or subject that performs legislative, judicial or administrative functions, including through authoritative and/or certification powers, in the public interest and the interest of the community. For example, the definition of the PA may include but is not limited to:

- Independent State Entities and Administrations (such as Ministries, the Chamber and Senate, Revenue Agencies, Independent Administrative Authorities, etc.);
- Local administrations (such as Regions; Provinces; Mountain Communities; Unions of Municipalities; Chambers of Commerce, Industry, Crafts and Agriculture; etc.);
- Institutions and schools of all levels and educational institutions;
- Private law subjects exercising a public service or a public function;
- National Social Security and Welfare Institutions.

It should be noted that not all natural persons acting in the sphere of and in relation to the aforementioned entities, listed purely by way of example, are persons against whom (or by whom) the types of offences provided for by the Decree in relations with the Public Administration are committed. In particular, the relevant figures for this purpose are only "Public Officials" and "Individuals in Charge of a Public Service"².

Types of offences and related methods of committing them

The types of offences (Articles 24, 25, and 25-tenth subsection of Decree 231) potentially associated with the areas of activity at risk and how they are committed are as follows:

Corruption (Articles 318, 319, 319-second subsection, 320, and 321 of the Criminal Code)

² It should be noted that under Article 357 of the Criminal Code, "public officials are those who exercise a legislative, judicial or administrative public function. For the same purposes, an administrative function is public if it is governed by rules of public law and authoritative acts, and is characterised by the formation and manifestation of the will of the public administration or by its performance by means of authoritative or certifying powers."

Pursuant to the subsequent Article 358 of the Criminal Code, "persons in charge of a public service are those who, for whatever reason, provide a public service. The term 'public service' is to be understood as meaning an activity governed in the same way as a public function, but characterised by the absence of the powers typical of the latter, and excluding the performance of simple tasks of order and the provision of merely material work."

The primary methods for committing the crime, including in conjunction with other corporate bodies, include but are not limited to the following:

- giving/promising money, also in conjunction with others, to Public Officials or Third Party Entities that manage relations and carry out checks on behalf of the Public Administration. The money could be provided using invoices relating to non-existent transactions or fictitious expense reimbursements or for an amount different from that of the expenses actually incurred;
- giving/promising money, also in conjunction with others, to officials of the Guardia di Finanza (Italian Financial Police) or other authorities in charge of carrying out checks at the Company on behalf of the Public Administration. The money could be provided using invoices relating to non-existent transactions or fictitious expense reimbursements or for an amount different from that of the expenses actually incurred;
- giving/promising money, also in conjunction with others, to Public Administration officials/public bodies in charge of issuing licences, certifications, authorisations or administrative concessions. The money could be provided using invoices relating to non-existent transactions or fictitious expense reimbursements or for an amount different from that of the expenses actually incurred;
- unjustified (total or partial) cancellation of a residual debt owed by the Entity to the Company or the granting of a repayment plan with unjustifiably favourable financial terms;
- acknowledgement/promise of another benefit to the official/public subject that can also be achieved in conjunction with others, for example, through:
 - hiring a person who lacks the professional requirements or skills required for the role and who is connected to the official/public subject by ties of kinship, affinity, friendship or in any case on the latter's recommendation;
 - consultants appointed to manage the relationship with the officials mentioned above. The "economic availability" for the unlawful donation could arise from payment to the consultant that is higher than that corresponding to the service provided;
 - improper management of contributions, donations, gifts, or other marketing expenses;
 - stipulation of contracts/letters of appointment for collaboration with persons indicated by the official/public subject at particularly advantageous conditions.

Corruption in judicial proceedings (319-third subsection of the Criminal Code)

This offence could be committed through Company members giving/promising money or other benefits in order to favour or injure a party in a civil, criminal, or administrative trial in which it is involved or for the sole purpose of damaging a competing company or business.

Extortion (Art. 317 of the Criminal Code)

This offence could be committed in all those cases in which a Public Official or Person in Charge of a Public Service compels the Chairman of the Board of Directors or other Company delegates to give or promise money or other benefits in connection with the performance of an act which benefits the Company.

Undue inducement to give or promise favours (Art. 319-fourth subsection of the Criminal Code)

This offence could be committed in all those cases in which the Public Official or the Person in Charge of a Public Service induces the Chairman of the Board of Directors or other Company delegates to give or promise money or other benefits in order for them to perform an act that benefits the Company.



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Incitement to the corruption of Public Officials or Persons in Charge of Public Services (Article 322 of the Criminal Code)

This offence could be committed where there has been an offer/promise of money or other benefits not accepted by the Public Official or the Person in Charge of a Public Service in order for them to perform an act contrary to or in accordance with their duties which is to the Company's advantage.

Embezzlement, extortion, undue inducement to give or promise favours, corruption, and incitement to corruption of members of European Community bodies and officials of the European Community and foreign states (Article 322-second subsection of the Criminal Code)

The first paragraph of the provision governing the offence in question provides for the applicability of the provisions relating to the offences indicated in cases where the persons involved are "members of the Commission of the European Communities, the European Parliament, the Court of Justice and the Court of Auditors of the European Communities, or officials and agents employed under contract in accordance with the Staff Regulations of Officials of the European Communities or the Conditions of Employment of Agents of the European Communities, persons controlled by the Member States or by any public or private body with the European Communities who perform functions corresponding to those of officials or agents of the European Communities, members and employees of bodies established on the basis of the Treaties establishing the European Communities". It also applies to "persons who, within the framework of other Member States of the European Union, perform functions or activities corresponding to those of public officials and persons in charge of a public service; judges, the public prosecutor, assistant public prosecutors, officials and agents of the International Criminal Court; persons seconded by States that are party to the Treaty establishing the International Criminal Court who perform functions corresponding to those of officials or agents of the Court itself; and members and employees of bodies established on the basis of the Treaty establishing the International Criminal Court".

The offences referred to in Articles 319-fourth subsection, 321, and 322 paragraphs 1 and 2 (undue inducement to give or promise favours, corruption, and incitement to corruption) also apply if the money or other favour is given, offered, or promised to persons exercising functions, activities corresponding to those of public officials and public service officers within other foreign states or international public organisations if the act is committed to procure an undue advantage in international economic transactions for oneself or others or in order to obtain or maintain an economic or financial activity. Article 322-second subsection, paragraph 2 of the Criminal Code provides for a further requirement, namely that the offence must be aimed at obtaining an undue advantage, for oneself or others, in international economic transactions or in order to obtain (thus excluding the unlawfulness of conduct relating to transactions which are not economic in nature or of exclusively national importance) or maintain an economic or financial activity.

Embezzlement to the detriment of the State (Article 316-second subsection of the Criminal Code)

The purpose of this type of offence is to inhibit fraud following the receipt of public services provided by the State or by the European Community for a specific purpose and, therefore, linked to the final purpose. The public service must take the form of grants, contributions, or financing, to be understood as non-repayable financial allocations or as negotiated contracts which are characterised by the existence of a mitigated burden compared to that resulting from the application of ordinary market rules.

The offence referred to in Article 316-second subsection of the Criminal Code differs from that provided for in Article 640-second subsection of the Criminal Code (aggravated fraud for the obtainment of public



funds) in that it does not take into account the moment the disbursement is perceived, but only the executive phase.

Aggravated fraud to obtain public funds (Art. 640-second subsection of the Criminal Code)

The aggravated offence provided for in Article 640-second subsection of the Criminal Code punishes the misappropriation of financing or other public funds; the protected benefit is, therefore, all the public resources intended for economic incentives (contributions, financing, subsidised loans).

The conduct of the individual who unduly obtains public grants by presenting false data and information is punishable under Article 640-second subsection of the Criminal Code where the mere presentation of false information (Article 316-third subsection of the Criminal Code) is accompanied by a fraudulent activity that goes beyond the mere presentation of false data and results in a deception aimed at circumventing the audit activity of the granting body.

Computer fraud to the detriment of the State or a public body (Art. 640-third subsection of the Criminal Code)

This offence is relevant under the Decree only if committed to the detriment of the Public Administration. The offence in question has the same structure and, therefore, the same elements as fraud and differs only in that the agent's fraudulent activity does not attack the victim directly but rather the computer system through its manipulation.

Computer fraud, therefore, occurs when someone obtains (or causes to be obtained) an unfair profit to the detriment of others using a computer or telecommunications system, and when the computer or telecommunications system is the object of the unfair profit obtained (or caused to be obtained) to the detriment of others.

The term computer system refers to hardware and software, as well as other elements that augment the system's functions and utilities and enable the automatic processing of data and information. The term telecommunications system refers to the set of interconnected objects that uses principles and technologies linked to computers and telecommunications, which implies user access to databases stored on a central computer.

Fraud to the detriment of the state or other public body or the European Communities (Article 640 paragraph 2, no. 1 of the Criminal Code)

The crime of fraud, set forth in Decree 231 solely in the aggravated circumstance referred to in Article 640, paragraph 2, no. 1 of the Criminal Code, occurs when devices or deception are used to mislead the State or another Public Body and to procure an unjust profit for the offender to the detriment of others. Devices can be defined as an alteration or falsification of the reality presented to the victim, while deception constitutes a devious, simulated, or even concealed action carried out in order to convince someone to carry out a particular act.

Fraud is committed when injury or undue profit is realised. The aggravating circumstance referred to in paragraph 2, no. 1 occurs when the State or another Public Body is the injured party, it being irrelevant whether the deceitful conduct falls on an individual with public functions or third parties with the power of disposal over public assets.

This offence could be committed by making false statements in the documentation sent to a Public Body to obtain grants, financing, subsidised loans, or other disbursements granted by the State, other Public Bodies, or the European Communities.



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Misappropriation of funds to the detriment of the State (Art. 316-third subsection of the Criminal Code)

In principle, this offence could be committed in all those cases in which, through false statements or documents certifying things that are not true or through the omission of due information, the Company unduly obtains contributions, financing, subsidised loans, or other disbursements of the same type, regardless of name, which are granted, and/or disbursed by the State, other Public Bodies, or the European Union, for itself or other companies in the Group.

Inducement to not make statements or to make false statements to Judicial Authorities (Art. 377-second subsection of the Criminal Code).

The offence in question punishes anyone who, through violence, threats, offers, or promises of money or other benefits, induces a person called before the judicial authority to make statements to be used in criminal proceedings, to not make statements or to make false statements, when the individual has the right to remain silent.

In abstract terms, the offence could be relevant for the application of Decree 231 with regard to cases in which a person who has the right to not make statements to the Judicial Authorities is induced to silence or to make false statements in the interest or to the advantage of the Entity (for example, to not disclose information that could be prejudicial to the Entity in the context of the proceedings), through threats (dismissal, demotion) or promises (money or career advancement). The regulation protects the proper conduct of the proceedings against any form of undue interference. A typical example of the offence is when violence, threats, offers, or promises of money or other benefits are used to induce a person to not make statements to the Judicial Authority or to make false statements.

Trafficking in unlawful influence (Article 346-second subsection of the Criminal Code)

Apart from cases of complicity in the offences referred to in Articles 318, 319, 319-third subsection and corruption offences referred to in Article 322-second subsection, this offence could be committed in all those cases where a person engages in intermediary conduct carried out by third parties who place themselves between the private individual and the public official at a functional stage prior to reaching future corruption agreements. In concrete terms, exploiting or claiming to have existing or alleged relations with a public official or a person in charge of a public service or one of the other persons referred to in Article 322-second subsection unduly causes the person to take, give, or promise money or other benefits as the price of unlawful mediation towards a public official or a person in charge of a public service or one of the other individuals referred to in Article 322-second subsection, or to provide remuneration for exercising the functions or powers. These activities bring together two private parties, one of whom acts as an "unlawful" intermediary for a public official or person charged with performing a public service in exchange for an interest or advantage, obviously in favour of the Company.

Public supply fraud (Art. 356 of the Criminal Code)

This offence could be committed in all those cases in which a corporate representative, in order to obtain cost savings, for example, commits fraud in the performance of obligations related to the management of a contract with the Public Administration, by failing to perform the service or by providing a different or lower-quality service than set forth in the contract. According to established case law, the supply contract referred to in Article 356 as a precondition of the offence should not be understood as a specific type of contract, but, more generally, as any contractual instrument intended to provide the Public Administration with goods, labour, or services deemed necessary.

Embezzlement (Article 314 of the Criminal Code) and Embezzlement by exploiting the error of others (Article 316 of the Criminal Code)

This offence could be committed in all those cases in which a corporate representative - in order to favour the Company - instigates or concretely helps the public official, possibly taking advantage of the error of others to appropriate (or divert) undue benefits even without a donation or promise of benefits which would otherwise lead to acts of corruption.

Abuse of office (Art. 323 of the Criminal Code)

This type of offence could occur in the case of an employee of a company who, taking advantage of personal relations with the public official responsible for issuing certain permits and/or authorisations, contacts the latter, inducing the abuse of the official's power to obtain a favourable measure in the interest of the company, despite being aware of not being entitled to it.

Areas of activity at risk and instrumental processes

The areas and processes potentially at risk of the commission of the above mentioned offences, in respect of relations with the public administration and its bodies, as identified based on the survey carried out - as mentioned hereinabove - are as follows hereinbelow:

- a) the management and handling of institutional relations with persons or bodies that are a part of the public administration (i.e. government in general);
- b) the participation in public tendering and general public procurement activities, and the relevant negotiations, also including private negotiations, and in particular:
 - the management of activities and operations related to, associated with or connected to the participation in the said public tendering/procurement activities (tender selection and preparation of the relevant tender documents);
 - the management of relations with - as already mentioned above - the persons or bodies that are part of the public administration (i.e. government) Contracting Authorities;
 - the management of the related phase in the contract awarding process;
 - the negotiations for securing and the actual securing of contracts, through private negotiation processes and procedures with public administration bodies;
 - the management of relations with the temporary groupings of undertakings.
- c) the management of contracts with parties and bodies that are part of the public administration, as also mentioned above, and, in particular:
 - the management of relations with the public administration (i.e. government) in general;
 - the management of contract awarding follow-up activities (preparation of the required documents and conclusion of the related contract);
 - the management of the activities provided for in the relevant contract;

- the routine management of the contract (approval of the general and detailed schedules of works, the coordination of all the related design, materials procurement, construction & commissioning, management of resources activities);
 - the preparation of the contract quality plan;
 - the examination, approval and formalisation of any amendments/changes to the contract;
 - the management of the contract-related supplies;
 - the definition of the professionals - such as external consultants and outsourced engineering activities - appointed to provide services in connection with the performance of the contract;
 - the definition and management of the contract budget;
 - the management of the activities related to the completion of the contract works;
- d) the management of relations with public officials, in respect of the relevant normative (i.e. red tape procedures) and contract performance formalities and the management of the relevant audits and inspections, in particular with regard to:
- the management of relations with public officials with regard to the relevant bureaucratic formalities (i.e. formalities related to Legislative Decree 81/2008 and Legislative Decree 196/2003) and related audits;
 - the management of relations with public officials, in respect of the bureaucratic formalities relating to tax, administrative and accounting matters (for example, formalities related to the Chambers of Commerce, tax authorities, Guardia di Finanza, supervisory authorities) and related audits;
 - the management of relations with public officials, in respect of the bureaucratic formalities relating to the human resources (for example, formalities related to social security and insurance bodies, pension schemes, the Labour Inspectorate authorities).
- e) the handling of disputes and complaints.

In relation to the above mentioned areas, activities and processes at risk of criminal behaviour, in connection with relations with public administration bodies, the following Sensitive Processes have been identified, potentially conducive to the commission of the relevant offences:

- Selection, recruitment, employment and management of human resources;
- Gifts, expenses and related refunds;
- Consulting activities;
- Agents and representatives;
- Selection of suppliers and procurement activities;

- Cash flows and financial matters.

Principal rules of conduct

It is forbidden to adopt or collaborate in or give rise to a conduct or behaviour such as to, individually or collectively, directly or indirectly integrate the above mentioned offences referred to in Articles 24 and 25 of Decree 231. It is also forbidden to adopt a behaviour in violation of the corporate principles and procedures referred to in this Special Section.

With regard to the above mentioned conduct, and consistently with PEG's Code of Ethics, it is forbidden, in particular, to:

- make gifts in cash to Italian or foreign public officials;
- offer or receive gifts and other benefits (including hospitality and entertainment) outside the ordinary corporate procedure (i.e. any gifts or other benefits offered or received in excess of the routine business or courtesy practices, or, in any case, with a view to obtaining favourable treatment, in respect of any corporate activities). It is the Company's policy to give gifts and other benefits of little value and they must always be justified by commercial or business activities, or those aimed at enhancing the Company's brand image. The gifts and other benefits offered or received - except for those of little value - shall be adequately documented and recorded, so that they may be verified by the SB. The gifts and other benefits must be transparent, proportional, reasonable, and made in good faith.
- The maximum value allowed for gifts and other benefits (including hospitality and entertainment), without the need for prior authorisation, is indicated in the corporate procedure, unless otherwise permitted by local customs and applicable laws and regulations and expressly authorised by the relevant Companies or branches.
- Gifts and other benefits are always prohibited when:
 - illegal or forbidden by any counterparties;
 - in favour of subjects who participate in a tender or negotiations managed by the PEG Group or in which it participates.
- Grant advantages of any kind (for example, promises of employment or business opportunities) to representatives of the public administration or their relatives, in Italy or elsewhere, to influence their independent judgement or obtain any sort of favour or advantage for the Company;
- provide services or make payments to any freelance collaborators, suppliers, consultants or other persons operating on behalf of the Company and which are not justified under the contracts, agreements and arrangements entered into with the Company;
- provide services or make payments to any freelance collaborators, suppliers, consultants or other persons operating on behalf of the Company and which are not justified in relation to the type of work they are required to carry out, or the local practices;
- provide – or promise to provide – confidential information and/or documents;
- produce false or altered documents, including for the purposes of obtaining exemptions, incentives, or any other type of public financing;
- adopt a deceitful conduct such as to induce the public administration to commit errors of assessment, with respect to any technical or financial documents produced;
- allocate public contributions, grants, aid and financing for purposes other than those for which they were granted.



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Special procedures

The Company, with regard to any of the above mentioned activities that are of considerable commercial interest (for example, tendering procedures, private negotiations), shall follow procedures capable of ensuring the traceability and transparency of its decisions, always making available to the SB all the relevant support documents.

For the purpose of abiding by and complying with the above mentioned prohibitions, the Recipients of the Model shall follow the procedures hereinbelow and the rules and general principles set out in the General Section above, both in Italy and abroad.

1. All persons dealing with the public administration on behalf of the Company must always be formally authorised for this purpose and must act and operate in accordance with the requirements set out in the Code of Ethics, as well as in the corporate procedures and policies.
2. The stages of the Company's internal decision making and authorisation process must always be adequately documented, traceable, and, consequently, reproducible, particularly during the following stages:
 - Participation in tenders and negotiation/acquisition of contracts with Public Bodies through private negotiations;
 - Operational management of work orders with subjects belonging to the Public Administration;
 - Management of Activities connected to the closing of work orders with subjects belonging to the Public Administration.
3. Relations and obligations with the Public Administration must be carried out with the utmost transparency, diligence, and professionalism to provide clear, accurate, truthful, and complete information.
4. Like business relations, relations with the Public Administration must be adequately documented.
5. Researching and selecting staff must be based on the Company's specific needs, according to transparent, subjective, and impartial criteria in order to avoid favouritism and conflict of interest, in compliance with the principles contained in the Code of Ethics and internal procedures.
6. Any criticalities, irregularities, anomalies or conflicts of interest arising in connection with any relations with the public administration shall be promptly notified to the SB.
7. The contracts concluded by PEG with any third parties (freelance collaborators, consultants, suppliers, agents) dealing with the public administration must be defined in writing; they must contain standard clauses, defined with the legal affairs department, aimed at ensuring compliance with the provisions of Decree 231 and specifically providing for any violations, by the parties concerned, of the said provisions (for example, an express termination clause, penalties); they must also specifically specify any delegated authority. Furthermore, the third parties must issue a specific statement declaring that they:
 - are aware of the provisions in Decree 231 and of their implications for the Company;
 - do not have a criminal record and have not been charged with any offences or are not involved in criminal proceedings regarding the Predicate offences;
 - do not carry out any activities that may lead to the commission of the Predicate offences or which may contrast with it.
8. As a rule, payments in cash are prohibited, except in sufficiently documented cases and for amounts that do not exceed the limits allowed by the applicable regulations and, in any case, not to public administration personnel.



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9. Third parties must always be chosen using transparent methods that allow traceability of the choices made in assigning positions, following adequate due diligence based on a structure risk management approach.
10. Staff incentives must be granted based on periodic planning approved in advance by the responsible department.
11. Expense reimbursements must be adequately documented (e.g., invoices, expense lists) and must be duly authorised by the responsible business unit before payment. Payment must be properly registered in the company's accounting records.
12. The public financing request, issue, and management stages must always be adequately documented, traceable, and, consequently, reproducible and adequately booked.
13. When public funds are obtained, the principle of segregation of duties and controls must always be guaranteed to ensure that the relevant application, management, and accounting phases are managed by different individuals within the organisation.
14. All information provided as part of public procedures to obtain grants, funding, subsidies, or any other type of public financing must be correct, true, and complete.
15. The audits related to the performance of bureaucratic formalities must be attended by the persons specifically authorised and delegated for this purpose. The audit minutes drafted by the public authorities shall then be filed with and kept by the competent function. Any criticalities found and highlighted, in connection with the said audits, shall be promptly notified to the SB.

Company Bodies and Departments involved

- Chairman
- Oil & Gas Director
- Finance Administration Director
- Sales & Market Director
- Proposal Manager
- Project Manager
- HR Manager

Reference documents

- Code of Ethics
- Compliance Program for Foreign Subsidiaries
- Conflict of Interest Policy
- Anti-corruption – Third Party Due Diligence Procedure
- Gift, Hospitality, and Entertainment Management Policy
- Proposal and Job Order Management Procedure
- Construction Site Organisation and Management Procedure
- Project Planning, Control, and Reporting Procedure

- Planning Review, Audit, and Validation Procedure
- Construction and Progress Control Planning Procedure
- Staff Selection and Hiring Procedure
- Information Flows to the SB
- Whistleblowing Procedure

Principal activities by the SB

The principal activities carried out by the SB, with regard to the assessment of the effectiveness of the procedures and observance of the requirements of the Model for the prevention of the offences against the public administration, are as follows:

- the verification of compliance with the principles of conduct and the procedures put into place for “protecting” (i.e. preventing the commission of offences or criminal behaviour in general, with respect to) activities and dealings with the public administration;
- the examination of any reports relating to alleged violations of the Model and the performance of the necessary inspections and audits, deemed necessary or expedient, in relation to the reports received;
- the monitoring of the effectiveness of the implemented procedures - i.e. the procedures put into place for “protecting” the activities and dealings with the public administration - and any proposals aimed at their modification, alteration or integration;
- the verification of compliance with the principle of traceability;
- the periodical verification of the current authority delegation system (i.e. the system for delegating authority).

Therefore, the SB must be given unrestricted access to all significant corporate documents. If the SB finds any violations of the Model it must promptly inform the Board of Directors and the Board of Statutory Auditors.

II. PROCEDURE RELATING TO CORPORATE OFFENCES

Types of offences and how they are committed

The types of offences (Article 25-tenth subsection of Decree 231) potentially associated with the areas of activity at risk and how they are committed are as follows:

False corporate communications (Articles 2621, 2621-second subsection of the Civil Code)

The primary methods for committing the crime, including in conjunction with other corporate bodies, include but are not limited to the following:

- altering accounting data in order to provide a false representation of the asset, economic, and financial situation through the inclusion of non-existent balance sheet items or values that differ from the actual ones;
- concealing company resources in liquid funds or hidden reserves, in order to allow *management* to handle these resources outside of any control (e.g. by setting up a slush fund aimed at bribing public officials);
- overstatement or understatement of financial statement entries.

Falsity in the reports or communications of the auditing firms (Art. 174-second subsection of the Consolidated Law on Finance)

This offence could be committed in all those cases where, in reports or other communications, the persons in charge of the audit makes false statements or conceal information concerning the economic, asset or financial situation of the Company, entity, or audited subject, with the knowledge of the falsehood and with the intention of misleading the recipients of the communications.

Obstruction of the audit (Art. 2625 of the Civil Code)

The primary methods for committing the offence, including in conjunction with other corporate bodies, include but are not limited to the following:

- concealment of information requested by the Shareholders, including by providing the latter with information not corresponding to the truth;
- concealment of corporate and administrative accounting documentation using artifices designed to prevent or hinder audits by Statutory Auditors or other corporate bodies;
- alteration of the Company Books, concealment of corporate and administrative accounting documentation using artifices designed to prevent or hinder audits by Statutory Auditors or other corporate bodies.

Unlawful return of capital (Art. 2626 of the Civil Code)

Except in legitimate share capital reduction cases, this offence could be committed if the directors return or simulate the return of contributions to the shareholders or free themselves from the obligation to execute them.

Unlawful distribution of profits and reserves (Art. 2627 of the Civil Code)

This offence could be committed in the event of:

- distribution by the directors of profits or advances on profits not truly earned or that are allocated by law to reserves, or in the event of distribution of reserves, including those not consisting of profits, which cannot be distributed by law;
- repayment or simulated repayment by the directors of the contributions to the Shareholders, except in legitimate cases of the reduction of share capital, or release from the obligation to execute them;
- formulating proposals to the Board of Directors on allocating the profit for the year to the reserve, including in conjunction with other entities;
- misrepresentation of distributable profits and reserves in the financial statement.

Unlawful transactions involving shares or quotas of a company or the parent company (Art. 2628 of the Civil Code)

This offence could be committed if the company directors, except where permitted by law, purchase or subscribe to company shares or quotas, including those of the parent company, causing damage to the integrity of the share capital or reserves that cannot be distributed by law.

Transactions to the detriment of creditors (Art. 2629 of the Civil Code)

This offence could be committed in the event of:

- transactions to reduce the share capital in order to injure the Company's creditors;

- exposure of data likely to damage the rights of the company's creditors in the event of mergers/divisions or capital reductions, including in conjunction with other parties;
- adoption of procedures in the event of mergers, demergers, capital reductions and other extraordinary transactions that violate the legal rights of the company's creditors related to those transactions.

Failure to disclose a conflict of interest (Art. 2629-second subsection of the Civil Code)

In principle, this offence could be committed when a company director violates the provisions of Article 2391 of the Civil Code and results in damage to the Company or third parties.

Fictitious formation of capital (Art. 2632 of the Civil Code)

This offence could be committed by the senior executives using a fictitious increase in the share capital by allocating shares or quotas in excess of the amount of the share capital itself. The offence could also be committed, in principle, by overvaluing contributions of goods in kind and/or receivables.

Undue distribution of the company's assets by the liquidators (Art. 2633 of the Civil Code)

Only liquidators who distribute the company's assets among the shareholders before paying the company's creditors or setting aside the sums necessary to satisfy their claims may be parties to the offence. This distribution of the company's assets in the absence of safeguards must cause damage to creditors (time of the perpetration of the offence). In this case, there is also a ground for extinction of the offence in the event of compensation of damages to creditors before the judgement.

Unlawful influence on shareholders' meetings (Art. 2636 of the Civil Code)

In principle, this crime could be committed in the event of:

- simulation or fraudulent preparation of projects, prospectuses, and documentation to be submitted to the approval of the assembly, in conspiracy with others;
- execution of (simulated or fraudulent) acts that make the majority at the meeting come together towards pre-established theses (e.g., giving money to shareholders).

Stock manipulation (Article 2637 of the Civil Code)

This offence could be committed in the event of the dissemination of false information or with the carrying out of simulated transactions or other devices likely to cause a significant change in the price of unlisted financial instruments or for which no request for admission to trading on a regulated market has been submitted.

Impeding the functions of public supervisory authorities (Art. 2638 paragraphs 1 and 2 of the Civil Code)

This offence could be committed through the conduct of the Company's employees who, when called upon to produce the documents required by a Public Supervisory Authority, present untrue material facts on the balance sheet or entirely or partially conceal facts or documents which they should have communicated or, again, knowingly obstruct the functions the Authority is called upon to perform.

With regard to the offence of bribery between private individuals, refer to the "Protocol on Offences against Bribery between Private Individuals" (Protocol III).

Areas of activity at risk and instrumental processes

The areas and processes potentially at risk of the commission of the above mentioned offences, as identified based on the survey carried out - as mentioned hereinabove - are as follows hereinbelow:

a) the management of general accounting, the preparation of the financial statements and other related formalities and, in particular, by way of example only:

- the management of PEG's administrative, tax and accounting activities;
- activities related to the interpretation and proper implementation of the applicable regulations;
- the preparation of the financial budget;
- the management of relations with banks;
- the management of general accounting;
- the administrative and accounting management of both clients and suppliers;
- the preparation of the financial statements;
- the bookkeeping activities and other tax records;
- as already mentioned above, all activities related to the keeping of the Company's accounting books and records, none excepted;
- the management and handling of relations with the Board of Statutory Auditors and the Independent Auditing Firm;
- management control activities;
- the management of relations with the Holding company and the subsidiaries;
- cash flow management;
- treasury management;
- the management of credit collection activities;
- the management of relations with the supervisory authorities.

In relation to the above mentioned areas, activities and processes at risk of criminal behaviour, in connection with the commission of corporate offences, the following Sensitive Processes have been identified, potentially conducive to the commission of the relevant offences:

- Selection, recruitment, employment and management of human resources;
- Gifts, expenses and related refunds;
- Consulting activities;

- Agents and representatives;
- Selection of suppliers and procurement activities;
- Cash flows and financial matters.

Principal rules of conduct

With respect to the performance of the activities and operations relating to the management of the Company, besides the provisions and requirements set out in the Model, and especially in this Special Section, the members of the corporate governance bodies of PEG and its employees and consultants, the Board of Statutory Auditors and all the parties involved, each one within the scope of his or her activities, must be or become acquainted with and comply with and abide by:

- the corporate governance principles adopted by PEG;
- the Code of Ethics;
- the corporate procedures and guidelines, the documents and provisions related to the corporate organisation and the management control system;
- the provisions relating to the administrative, account and financial/financial reporting system put up by the Company;
- the applicable Italian and foreign regulations;
- the national and international accounting standards;
- the laws, provisions and regulations issued by the competent public supervisory authorities.

In particular, the above mentioned persons and parties must:

- behave in a proper, transparent and collaborative way, in accordance with the law and the corporate procedures, in respect of all the activities aimed at the formation of the financial statements and other financial reports of the Company, for the purpose of providing the shareholders and other stakeholders and third parties with truthful, clear and fair information on PEG's operations, financial situation, equity and assets;
- strictly abide by and, indeed, comply with and conform to all and every law passed to protect the integrity and effectiveness of the Company's share capital, for the purpose of not harming the guarantees provided to creditors, shareholders and third parties in general;
- behave correctly and truthfully with the press (i.e. release fair, accurate and truthful information to the press);
- ensure the regular and proper operation of the Company and the Company's corporate governance bodies, guaranteeing and, indeed, facilitating all forms of control over and supervision of the Company's management, in accordance with the law, and the free and proper formation of the will of the Shareholders;
- promptly disclose, with correctness and good faith, all the information, and make the relevant communications and disclosures, as required by the law and the applicable regulations, to the competent public supervisory authorities, removing and, indeed, not putting into place, any obstacles to the operation of the supervisory functions undertaken by the said authorities;
- fulfil all the obligations required by their position, strictly in accordance with the applicable laws.

It is forbidden to adopt or collaborate in or give rise to a conduct or behaviour such as to, individually or collectively, directly or indirectly integrate the above mentioned offences referred to in Article 25-third



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subsection of Decree 231. It is also forbidden to adopt a behaviour in violation of the corporate principles and procedures referred to in this Special Section.

With regard to the above mentioned conduct, and consistently with PEG's Code of Ethics, it is forbidden, in particular, to:

- represent or transmit for processing and representation in financial statements, reports and schedules or other corporate disclosures, false, mistaken or, in any case, untruthful data and figures regarding the Company's operations, financial situation, equity and assets;
- omit any data and information which, on the contrary, are required by the law, with regard to the Company's operations, financial situation, equity and assets;
- return contributions to shareholders, or release the said shareholders from the obligation to make the said contributions, except for the legitimate cases of share capital reductions;
- apportion profit or advances on profit not actually made by the Company or which, under the law, are to legally set aside for reserves and not distributed;
- acquire or subscribe to corporate shares, or to the stock of subsidiaries, except as authorised by the law, in such a manner as to harm or impair the Company's share capital;
- reduce the Company's share capital or authorise mergers or demergers, in violation of the law for protecting creditors, in such a manner as to impair or harm their interests;
- fictitiously form or increase the Company's share capital, attributing shares for a value below their face value, in connection with share capital increases;
- behave in such a manner as to prevent or hinder the performance of control and auditing activities by the Board of Statutory Auditors or the Independent Auditing Firm;
- omit to prepare and transmit the periodical reports required under the applicable laws and regulations, to the competent public supervisory authorities, and to omit to transmit the data and documents provided for and referred to in the regulations and/or specifically required by the above mentioned authorities;
- set out in the above mentioned disclosures and transmissions facts that are untruthful, or to hide and conceal any facts relating to the Company's operations, financial situation, equity and assets.

Special procedures

For the purpose of abiding by and complying with the above mentioned prohibitions, the following special procedures must be followed.

1. The financial statements shall be prepared in accordance with the applicable financial reporting laws and regulations and must provide a fair and accurate picture of the Company's financial situation and its operating results. The relevant data and information must be transmitted and forwarded by means of a system that enables the traceability of the single stages and the persons responsible for the reporting process; the persons providing significant data and information for financial reporting purposes are required to declare, in writing, that the said data and information are complete and accurate. The draft financial statements must be promptly made available, before approval, to the members of the Board of Directors and must be examined and perused by the Board of Statutory Auditors; the meeting (called to examine the financial statements) may also be attended by the Supervisory Body.
2. The Company shall carry out its accounting processes and keep its books in accordance with the applicable laws and regulations, the relevant items and commitments must be accurately reported in the accounting books; the valuation of the items must be expressed clearly and accompanied by any assessments deemed suited to ensuring the truthfulness of the financial statement documents. The



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- financial data and accounting records must reflect the transactions actually carried out. The relevant auditing procedures shall ensure the truthfulness and accuracy of the data and the independence of the audits themselves.
3. The invoices and other accounting documents related to the transactions carried out must be supported by adequate documentation as well as accurately recorded and audited in compliance with the laws and regulations, applicable accounting principles, and internal procedures.
 4. All the transactions relating to the Company's share capital, and the establishment of companies and the purchase/transfer of stock, the mergers and demergers, must be carried out and performed in accordance with the rules of corporate governance, the corporate procedures and the applicable laws and regulations.
 5. All relations within the group must take place in compliance with the laws and regulations; infragroup payment and invoicing activities must comply with the Civil Code, accounting principles, and in accordance with the procedures in this Model, with particular but not exclusive reference to the financial flow management and accounting procedures. These relations must be adequately contractualized and the related fees are based on reasonable criteria that can be compared with those of the market.
 6. With reference to paying suppliers, the bank transfer is the most used payment method. All payments must be authorised by the Finance Administration Department Manager.
 7. All disclosures to the public supervisory bodies must be made in accordance with the applicable laws and regulations, besides the corporate procedures and policies. The audits and inspections performed by the said public supervisory authorities may be attended only by the authorised persons. The statements then made, with respect to the said audits and inspections, by the said authorities shall be filed with and kept by each competent function. Any criticalities emerging from or highlighted in connection with the said audits and inspections shall be promptly notified to the Supervisory Body as well.
 8. The levels of authorisation, instruments delegating authority and powers of attorney shall provide for and ensure the assignment of responsibilities, the separation of activities among the persons that authorise, the persons that carry out (the delegated activities), the persons responsible for keeping the accounting books and the persons responsible for controlling and auditing the activities, operations and transactions performed and carried out.
 9. Periodical meetings shall be scheduled between the Supervisory Body and the Board of Statutory Auditors, for the purpose of verifying compliance with the Company Law provisions and corporate governance regulations, as well as the ensuing behaviour by the directors, the management and the employees.
 10. The following training programmes shall be put into place:
 - basic training targeting all the persons in charge of the functions involved in the financial reporting processes and the preparation of the related documents and records, in respect of the principal financial reporting notices and the requisite disclosures relating to the Company's operations, financial situation, equity and assets.
 - periodical training-information of the directors, management and employees, focusing on the corporate governance rules and the corporate offences.

Any violations, omissions, inaccuracies, falsifications relating to the Company's accounts and support documents shall be promptly notified to the Supervisory Body.

Company Bodies and Departments Involved

- Finance Administration Director

Reference Documents

- Code of Ethics
- Compliance Program for Foreign Subsidiaries
- Cash Funds Management Procedure
- Information Flows to the SB
- Whistleblowing Procedure

Principal activities by the SB

The principal activities carried out by the SB, with regard to the assessment of the effectiveness of the procedures and observance of the requirements of the Model for the prevention of the corporate offences, are as follows.

Regarding the Company's financial statements, reports and other documents and records required by the law, by reason of the circumstance that the financial statements are subject to auditing by an independent auditing firm, which is called to certify them, the SB:

- conducts periodical audits and inspections, with respect to the effectiveness of and compliance with the internal procedures relating to accounting, financial reporting and other related administrative activities;
- verifies the purchasing/sale processes;
- verifies the consulting and other appointments made;
- verifies the activities related to the selection, hiring and management of the human resources;
- verifies the independence of the auditing firm called to certify the financial statements;
- conducts periodical audits with respect to the disclosures made to the public supervisory authorities;
- periodically assesses the effectiveness of the procedures aimed at preventing any criminal behaviour;
- examines any reports received of alleged violations of the Model and carries out the inquiries deemed necessary or expedient, in connection with the reports received.

Therefore, the SB must be given unrestricted access to all significant corporate documents. If the SB finds any violations of the Model it must promptly inform the Board of Directors and the Board of Statutory Auditors.

III. PROCEDURE RELATED TO CORRUPTION AMONG PRIVATE INDIVIDUALS

Types of offences and how they are committed

The types of offences (Article 25-third subsection of the Decree) potentially associated with the areas of activity at risk and how they are committed are as follows:

Corruption among private individuals (Art. 2635 of the Civil Code) and incitement to corruption among private individuals (Art. 2635-second subsection of the Civil Code)

The offence in question (Art. 2365 of the Civil Code) was reformed by Legislative Decree 38/2017. Compared to the previous wording:

- The category of “insiders” was expanded to include those who perform work by carrying out management functions within the company or private entities;
- the applicability of the regulation was also extended to private non-corporate entities (such as non-profit organisations);
- references to the solicitation or offer of benefits were included as conduct through which a corrupt agreement may be reached;
- punishability was also extended to cases where the offence is committed through an intermediary;
- in order for the offence to be punishable, it is no longer necessary for the company to have been harmed.

Article 2635-second subsection of the Civil Code was then introduced concerning the new offence of inciting corruption among private individuals. This new criminal offence punishes: (i) anyone who unsuccessfully offers or promises money or other benefits to an insider to perform or omit an act in violation of the obligations of their office or the obligations of loyalty; (ii) an insider who unsuccessfully solicits for himself or others, including through an intermediary, a promise or donation of money or other benefits to perform or omit an act in violation of the obligations of their office or the obligations of loyalty. Finally, Article 6 of Legislative Decree 38/2017 has tightened the penalty regime in the event of the entity’s administrative liability under Article 25-third subsection of Decree 231 for the aforementioned offences of corruption and active incitement committed by persons within the entity itself.

In principle, these offences could be committed in the case of gifts/promises of money or other benefits from anyone (e.g., suppliers or even someone inside the Company) to board members, statutory auditors, or individuals subject to their supervision, for themselves or others, in order to carry out/omit acts that harm the Company, in violation of the obligations of their office (e.g., obligations regarding the environment, safety in the workplace, taxes, instructions/company procedures) or the obligations of loyalty (Art. 2105 of the Civil Code for employees and Art. 2392 of the Civil Code for members of the Board of Directors). For example, a company may corrupt the Managing Director of a private company in order to conclude a sale at an out-of-market price, or obtain more favourable sales conditions, or obtain the purchase of certain goods/services not needed in whole or in part by the buyer, thus causing them harm.

Areas of activity at risk and instrumental processes

The areas potentially at risk of the aforementioned corporate offences, as identified by the analysis performed, are as follows:

a) management of PEG’s business connected to performing activities and, in particular, including but not limited to:

- management of negotiations;
- definition of the offer and signing the related contract with the customer;
- operational management of the work order and the customer;
- accounting of revenues and receipts;
- management of related processes to obtain the sums of money needed to perform the corrupt act with the suppliers;

b) participation in tenders organised by private entities;



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- c) selection of suppliers and procurement management (purchase management, assignment of tasks, etc.);
- d) management of relationships with certification organisations.

Corruption among private individuals is also theoretically conceivable within the risk areas identified in (Protocol II). Therefore, reference is made to the specific rules and procedures listed there.

Concerning the aforementioned area of activity at risk for the commission of corruption among private individuals, the following sensitive processes instrumental to the commission of such offences have been identified:

- Selection, hiring, and management of staff
- Management of gifts, expenses, and related reimbursements
- Consultancy management
- Agent management
- Supplier selection and procurement management
- Management of money and financial flows.

General principles of conduct

When performing the duties for which they are responsible, the Recipients must comply with the applicable laws and regulations, the principles and values contained in the Code of Ethics, the PEG internal guidelines and operating procedures, and the rules of conduct contained in the Model and, in particular, this protocol.

In particular, in line with the principles and values contained in the Code of Ethics, the following are forbidden:

- selling products and services at out-of-market prices or, more generally, obtaining more favourable sales conditions that are unjustified;
- purchasing certain services which are not required in whole or in part by the purchaser;
- conduct that prevents or obstructs the performance of control and audit activities;
- carrying out tacit renewals, review, or undue updating of prices when contracts expire;
- proposing business opportunities that may personally benefit the competitors' staff or granting them other advantages of any kind in order to influence their independence of judgment or induce them to guarantee any undue advantage to PEG;
- offer or receive gifts or other benefits (including hospitality and entertainment) outside of what is set forth in the company procedure (i.e., any form of gift or other benefit offered or received in excess of regular business or courtesy practices, or in any case aimed at obtaining favourable treatment in the conduct of any business activity). Permitted gifts and other benefits are always characterised by their low value and must always be justified by commercial or business activities or those aimed at promoting the Company's brand image. Gifts and other benefits offered or received - except for those of modest value - must be adequately recorded and documented in compliance with the corporate procedure, so the SB can also verify them. Gifts and other benefits must be transparent, proportional, reasonable, and done in good faith.

The maximum value permitted for gifts and other benefits (including hospitality and entertainment), without the need for prior authorisation, is indicated in the company procedure unless permitted otherwise in compliance with local customs, laws, and applicable regulations and expressly authorised by the relevant Companies or branches. Gifts and other benefits that are illegal or



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prohibited by any counterparty or in favour of any person participating in a tender or negotiation managed by the PEG Group or in which it participates are always prohibited.

It is forbidden to engage in, collaborate in, or cause conduct which, individually or collectively, directly or indirectly constitutes the types of offence provided for in Article 25-third subsection of Decree 231. It is also forbidden to engage in conduct in violation of the company principles and procedures set forth in the Special Part.

All staff that manages and supervises employees must attentively follow the activities of their contract workers and immediately report any irregularities or conflicts of interest to the SB.

Special procedures

Besides the general rules and principles contained in the general part of the Model, the Recipients must adhere to the following procedures.

1. Contracts signed by PEG with third parties (e.g., contract workers, consultants, etc.) must be defined in writing and contain a standard clause (see Clause 231) that requires compliance with the Model and Decree 231. The text of this clause must be defined together with the SB. Where possible, these contracts must also contain a specific declaration by the third parties, stating that they are aware of the regulations contained in Decree 231 and that they undertake to behave in a manner consistent with PEG's policy of transparency and legality, i.e., to behave in a manner that does not fall within the types of offences set out in Decree 231 and that complies with the principles and rules contained in the Model. Finally, they must include the possibility of withdrawing from the contract in the event of violations of the Model and/or the standards set forth in Decree 231.
2. The stages of the Company's internal decision-making and authorisation process must always be adequately documented, traceable, and, consequently, reproducible. In particular, during the following stages:
 - participation in tenders issued by private entities and/or negotiation/acquisition of contracts with private entities through private negotiations;
 - operational management of work orders acquired from private parties.
 - management of closing activities for work orders acquired from private parties.
3. The staff selection and hiring activities must be carried out in compliance with the principles of transparency and equity, ensuring equal opportunity in compliance with PEG's guidelines and policies.
4. The following are required:
 - carry out the necessary controls to ensure transparency in relations with customers and all contractual counterparties;
 - ensure the segregation of duties and responsibilities and a clear division of tasks between the various departments in organising activities;
 - prepare adequate protocols and/or company procedures for managing procurement and supplier selection, granting consultancies and other professional services, consistent with the principles and values recognised by PEG in the Code of Ethics.
 - define advanced methods for providing incentives to employees and contract workers as well as a system aimed at ensuring the traceability of the motivations that led to Company to choose or exclude a candidate.
 - identify general and transparent criteria for determining the maximum offer price for each service in order to manage any anomalies.

5. If gifts or other benefits are not of modest value, the recipient must promptly inform their manager and the SB. In this respect, the same principles set forth in the Protocol relating to offences against the Public Administration shall apply concerning gifts offered.
6. A specific procedure was established to monitor conflicts of interest of employees and collaborators in relation to preventing corruption among private individuals.

Every violation, omission, inaccuracy, or falsification relating to the accounts and supporting documentation shall be promptly reported to the Board of Directors, the Board of Statutory Auditors, and the SB.

Corporate Bodies and Departments involved

- Chairman
- Oil & Gas Director
- Finance Administration Director
- Sales & Market Director
- Proposal Manager
- HR Manager

Reference documents

- Code of Ethics
- Compliance Program for Foreign Subsidiaries
- Conflict of Interest Policy
- Anti-Corruption – Third-Party Due Diligence Procedure
- Proposal and work order management procedure
- Construction site management and organisation procedure
- Project Planning, Control, and Reporting Procedure
- Design Review, Verification, and Validation Procedure
- Procedure for planning during construction and progress control
- Staff Selection and Hiring Procedure
- Information Flows to the SB
- Whistleblowing Procedures

Principal activities of the SB

The principal activities of the SB to evaluate the effectiveness of the procedures and compliance with the provisions of the Model for the prevention of the offence of corruption among private individuals are specified below.

In particular, the SB carries out the following activities:

- periodic checks on compliance with the conduct principles and internal procedures relating to the active cycle and to monitoring corruption among private individuals indicated in the Protocol and assessing their effectiveness in preventing of the offences referred to;
- checks on processes related to the passive cycle of PEG's customers and commercial activities;
- checks on expenses, gifts, sponsorships, and other donations;
- checks on consultancy and professional assignments, as well as activities related to staff selection, recruitment, and management;
- monitoring of the effectiveness of existing control arrangements;
- examination of any reports of violations of the Model and investigations deemed necessary or appropriate in relation to the reports received;
- periodic checks of the applicable system of delegated and proxy powers.

To that end, the SB is ensured full access to all relevant corporate documentation. When the SB encounters violations of the Model, it promptly informs the Board of Directors and the Board of Statutory Auditors.

IV. PROCEDURE RELATING TO HEALTH AND SAFETY AT WORK

Types of offences and how they are committed

The types of offences (Art. 24-seventh subsection) that can potentially be associated with the areas and processes at risk of criminal behaviour are:

Manslaughter (Art. 589 of the Criminal Code)

In principle, this offence could be committed when the Company culpably causes a person's death by violating the regulations regarding preventing workplace accidents or workplace hygiene and occupational illness. For example, violations of accident prevention regulations may consist of the failure to:

- define the scope of application of security to the company's activities both physically (locations, etc.) and in terms of personnel (employees, contractors, public);
- identify suitable technical criteria for defining and facing risks;
- define the methods, levels, and possibility of exposure of the persons at risk;
- identify a health and safety organisational structure with particular attention to the specific individuals operating in that area (e.g., PPSS);
- highlight the prevention and protection measures adopted (technical, organisational, and procedural) to eliminate, reduce, or manage risks;
- compare the identified exposure methods with the defined criteria, taking into account the measures adopted;
- adequately train and instruct the staff during the activities.

The Company could also incur liability under Legislative Decree 231/01 if it does not adopt suitable and reasonable measures to protect employees and contract workers from threats to their safety not arising from the production cycle in the strict sense of the term (e.g., risks of terrorist attacks, risks of kidnapping, sabotage, etc.).

Serious injury or grievous bodily harm (Art. 590 of the Criminal Code)

In principle, this offence could be committed in the event the Company violates the regulations for the prevention of workplace injuries or those related to workplace hygiene and occupational illness, culpably causing serious injury (e.g., if the act results in an illness endangering the life of the injured person, or an illness or incapacity to attend to ordinary occupations for over forty days) or grievous injury (e.g., if the act causes an illness that is definitely or probably incurable or the loss of a sense or limb or mutilation that renders the limb useless) to a person. The offence could also occur if the Company does not take the necessary measures to reasonably avoid incurring terrorist attacks, kidnappings, and other events not strictly related to the company's production cycle.

Violations of accident prevention regulations are attributable to the same offences as manslaughter.

Areas of activity at risk and instrumental processes

These offences, committed as a result of the violation of the health and safety at work provisions, may occur in all the areas/processes of PEG, as a result of which no areas/processes may be excluded a priori.

PEG has approved and adopted an Integrated Management System (Health and Safety, Environment, Quality) - HSEQ conforming to the relevant applicable standards (ISO 14001:2015 and ISO 9001:2015). The health and safety at work management system has been developed in accordance with the provisions set out in Legislative Decree 81/2008 (Consolidation Act on Health & Safety at Work), which PEG is committed to abiding by, and is currently being adjusted to comply with the international ISO 45001:2018 standards.

PEG's SSL Management System has been certified according to the ISO 45001:2018 reference standard.

This Model has been prepared and structured taking into account all the legal requirements referred to in Article 30 of the above mentioned Legislative Decree 81/2008 and, in particular, with regard to:

- compliance with the technical and structural legal standards relating to equipment, plant, workplaces, chemical, physical and biological agents;
- assessment of risks and preparation of the relevant prevention and protection measures;
- organisational activities like emergencies, first aid, contract management, periodical health and safety meetings, consultation with the workers' health and safety representatives;
- health and safety supervision activity;
- employee information and training activities;
- supervisory activities, especially with respect to the employee safety at work procedures and instructions;
- collection of mandatory documents and certificates;
- periodical audits and inspections for determining the effectiveness of the procedures put into place.

The areas, activities and processes potentially at risk of criminal behaviour, entailing the violation of the health and safety at work rules, standards and regulations, as identified at the conclusion of the corporate survey carried out, concern the management and handling of the bureaucratic health and safety at work formalities and, in particular:

- the management of the Workers' Health and Safety System;
- the management of Security at the offices and construction sites located abroad;
- the definition of the organisation, roles and responsibilities, and the performance of all the activities, related to the protection of health and safety at work;



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- the identification and assessment of the relevant risks and the preparation of a Risk Assessment Document;
- action planning;
- the appointment of the Prevention & Protection Service Manager and the Company Physician;
- the assignment of duties and the performance of the training and information activities;
- the assessment of the adequacy and suitability of the work systems and equipment;
- the handling of relations with the Prevention & Protection Service Manager, Workers' Health & Safety Representative, the Company Physician and the competent authorities;
- the handling of relations with government and local authorities, including foreign ones, and diplomatic representations abroad;
- the handling of relations with the suppliers, in respect of health and safety at work matters;
- the acquisition and filing of the relevant documents, certificates and records;
- the performance of control and monitoring activities.

Regarding the risk factors, PEG - for the purposes of ensuring compliance with Decree 231 - has taken into account those highlighted in the documents adopted in conformity of Legislative Decree 81/2008, which is entirely implemented in this Procedure.

Following is a brief overview of the Company's organisation for health and safety purposes.

PEG is a company whose core business is the Engineering, Procurement, and Construction (EPC) and Project Management Consultancy (PMC) of plants for the Energy Sector (oil and gas, power plants, photovoltaic plants).

Part of the above activities are carried out at the headquarters in Piazza Stia 8, while another (considerable) part - such as on the ground inspections, audits, controls, site supervision, etc. - are carried out abroad, at the premises/sites of the Company's clients.

The health and safety at work organisation is structured in such a manner as to ensure the full control of all (internal and external) workplaces.

The Company has identified and appointed the following health & safety officers pursuant to Legislative Decree 81/08, in particular:

- the Prevention & Protection Service Manager (PPSM);
- the Function Managers and Heads of Departments classified - for work related purposes - as "managerial staff members" (see Article 18 – Legislative Decree 81/08) and so-called "preposti" (Article 19 – Legislative Decree 81/08);
- the Company Physician;
- the Workers' Health & Safety Representatives (WHSR).

The Company has also appointed a Security Officer to manage the procedures and policies concerning corporate security and the prevention of related risks.

Consistently with Legislative Decree 81/2008, the Company has adopted the documents as follows:

- the Risk Assessment Document (pursuant to Legislative Decree 81/08 – Section I);
- the Health & Safety Operations Plan (pursuant to Legislative Decree 81/08 – Section IV);
- the Risk Assessment Document for External Activities (pursuant to Legislative Decree 81/08 – Section I – Article 26), supplementing the Single Risk Assessment Document, regarding risks from Interferences (Coordination Report and DUVRI, pursuant to Article 26 of Legislative Decree 81/08)



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prepared by the Client. The Company is required to prepare the coordination report pursuant to art 26 of Legislative Decree 81/2008.

- the Single Risk Assessment Document, regarding risks from Interferences (Coordination Report and DUVRI, pursuant to Article 26 of Legislative Decree 81/08) by the subcontractors working inside the Company's premises.

Staff training is carried out through specific courses required in the applicable regulations and updated according to the frequency required therein. In particular, the Company has provided for, performed and carried out all the requisite employee information and training activities, with a special focus on the training/information activities relating to health & safety at work and environmental protection, also for the staff members seconded at the external construction sites and/or industrial plants, where the objective risks are much greater and varied, also in relation to the diverse operations carried out there.

For the duration of the COVID-19 health emergency, the employer is implementing measures in compliance with the provisions of the Public Authorities (e.g., Shared Protocol for the regulation of measures to combat and contain the spread of the Covid-19 virus in the workplace, as amended).

General rules of conduct

The Company has implemented all the typical health & safety standards for its various activities and operations.

Regarding the management of health & safety at work, besides the requirements set out in the Model - and in this Procedure in particular - the members of the corporate governance bodies of PEG, and its employees, managers, the so-called "Employer", the Prevention & Protection Services Manager, the Function Managers and Heads of the Departments, when performing the activities they are required to perform, either directly or through their suppliers and external consultants, must know and abide by or, in any case, with regard to the members of the corporate governance bodies, make sure that everybody knows and abides by:

- the applicable laws, rules and standards and the instructions received from the persons with health & safety at work duties;
- the rules of conduct set out in the Code of Ethics;
- the corporate guidelines and internal procedures for ensuring health & safety at work.

It is forbidden to adopt or collaborate in or give rise to a conduct or behaviour such as to, individually or collectively, directly or indirectly integrate the above mentioned offences referred to in Article 25-seventh subsection of Decree 231. It is also forbidden to adopt a behaviour in violation of the corporate principles and procedures referred to in this Special Section.

With regard to the above mentioned conduct, and consistently with PEG's Code of Ethics, it is forbidden, in particular, to:

- behave in an imprudent, negligent or careless manner, such as to endanger health & safety at work;
- omit or refuse to use personal protective equipment;
- omit or refuse to take part in dedicated training courses;
- carry out any jobs or have them carried out without having received adequate instructions or without having taken part in the suitable training courses;
- omit to report any inability or incapacity to perform the assigned job duties.

In particular, the above mentioned persons must:

- take care of their own health and safety and of that of all the people present at the workplace, consistently with the training and equipment received;
- acquire a full knowledge of the applicable health and safety regulations, also by taking part in the training programmes organised by the Company, in accordance with their specific job and duties;
- comply with the applicable collective and individual protection provisions;
- adopt all the necessary health and safety at work measures and the measures required in the event of an emergency;
- periodically update the prevention measures, in relation to any organisational and production changes affecting health & safety matters, or in relation to the technological developments in the field of prevention and protection of health & safety at work;
- undergo the relevant health checks and exams;
- appoint the persons in charge of implementing and, indeed, applying and enforcing the applicable health & safety at work measures, including the so-called “preposti”, to ensure that the workplace is made safe for all the workers and for the performance of all activities and operations therein;
- assign the jobs and positions, as well as the relevant duties, based on the workers skills, capacities and qualifications and their conditions, in respect of their health and safety;
- provide and supply all the necessary tools and equipment to prevent the behaviour of any individuals from involving the liability of the legal person;
- correctly use the machines and machinery, equipment, tools and instruments, hazardous substances and preparations, means of transport and all other equipment and apparatuses, as well as the safety equipment and the personal and collective protective equipment and to immediately report to the so-called “employer” any shortcomings with respect thereto, and in connection therewith, or other hazardous or dangerous or risky conditions that emerge, taking and implementing direct measures and actions, in the event of an emergency, and within the field of one’s competences, skills, abilities and qualifications, to remove or, indeed, minimise the said shortcomings or hazards, dangers and risks;
- identify and enclose the work areas - and processes - subject to activities at risk, with regard to maintenance or implementation operations, in such a manner as to prevent the access thereto by all unauthorised persons and personnel;
- observe, when preparing, drafting and performing contracts, the health & safety at work rules and regulations circulated by the Prevention & Protection Office;
- promptly perform and carry out the necessary legal requirements, as applicable, or to directly contribute to the performance and fulfilment of all the necessary and, indeed, requisite obligations for protecting the health and safety at work of the workers and employees during the performance, of course, of their work activities;
- check the proper application and implementation of the formalities relating to contracts and construction site management;
- implement all the health and safety at work protection and prevention measures, none excepted, such as to affect the contract work activities, and to coordinate the measures and actions also for prevention and protection measures, with a view to and for the purpose of eliminating the risks caused by and due to interferences among the different site construction activities by the firms and undertakings involved in the execution of the works;

- allow access to the areas affected by serious risks and hazards only to the workers who have been adequately informed about and trained, in respect of the said risks and hazards, and have received specific instructions, in connection therewith.

The suppliers of any kind and the installers of plant, machinery and other technical equipment, as well as the designers of the worksites/workplaces, shall guarantee, in relation to the nature of the goods supplied or of the services delivered, full compliance with the health and safety at work regulations.

Special procedures

The corporate Workers' Health and Safety System is aimed at ensuring the fulfilment of all the legal obligations set out and referred to in Article 30 of Legislative Decree 81/2008, as mentioned hereinabove.

For the purpose of respecting, complying with and abiding by the principles and the prohibitions mentioned above, the Recipients of the Model must - within the framework of the said corporate health and safety at work system - strictly abide by and comply with, as well as conform to, the provisions set out hereinbelow, and the general rules and principles contained and set out in the General Section of the Model and in the preceding paragraph, both in Italy and elsewhere.

1. The Employer shall comply with all the obligations provided for in the applicable accident prevention laws and regulations, and shall make sure, also with the aid and support of qualified external consultants, that the health and safety at work management system is consistent with PEG's organisation.
2. The documentation produced regarding the management of conformity with health and safety at work obligations pursuant to Legislative Decree 81/08 is comprised of:
 - Risk Assessment Document (Legislative Decree 81/108 – Title I) in which the potential risks connected with the delivery of the services are identified and assessed in advance and the actions to be taken to minimise the possibility of those risks are defined, even through staff training and education activities and adoption of the proper PPE)
 - Operational Safety Plan (Legislative Decree 81/108 – Title IV)
 - Single Document for the Assessment of Interference Risks (Coordination Report and Unified Document for the Assessment of Interferential Risks per Art. 26 of Legislative Decree 81/08) for contractors operating in the premises of the Società Progetti Europa & Global S.p.A.
 - Risk Assessment Document for External Activities (Legislative Decree 81/08 - Title I - Art. 26), supplementing the Single Document for the Assessment of Interference Risks (Coordination Report and Unified Document for the Assessment of Interferential Risks per Art. 26 of Legislative Decree 81/08) drawn up by the client.
3. The workers' health and safety documents must be drafted consistently with the applicable laws and regulations and must clearly set out and define the organisational and operational tasks and duties of the persons and staff members responsible for implementing the health and safety at work system, the managers of any kind sort or nature (i.e. including the so-called "preposti"), the workers and other persons involved and concerned, as well as their relevant responsibilities, with respect thereto and in connection therewith.
4. The performance of the tasks assigned to the Prevention & Protection Services Manager, of the Workers' Health & Safety Representative, of the emergency service team members and of the Company Physician shall all be recorded and documented.

5. The training of the employees must be aimed at ensuring that all the staff members become aware of all the aspects of the health and safety at work system, the importance of making sure that their actions and activities conform to the instruments adopted and implemented by PEG and the possible consequences of any violations or non-conforming behaviour. In particular, with regard to Decree 231, the workers shall be informed about the possible consequences for the Company. The workers shall also be adequately trained in respect of the role assigned to them and the tasks and duties carried out, as set out in the Risk Assessment Document and the applicable corporate procedures.
6. The obligations and duties of the workers provided in the corporate documents, in respect of the workers' health and safety are binding.
7. In order to prevent the commission of offences and criminal behaviour in general, the corporate functions shall focus specifically on:
 - the recruitment process of human resources;
 - the work and workplace organisation arrangements;
 - the purchase of goods and services relating to health and safety at work;
 - the maintenance of the equipment, PCs and videoterminals;
 - the emergency management system;
 - the criteria and principles governing the health & safety control operations;
 - the management of non-conformities.
8. In the event of corporate changes, it is mandatory to update the relevant risk level, with a view to ensuring the continued effectiveness of the controls and of the risk management system adopted by PEG.

All the PEG areas of operation and processes shall be controlled and monitored by the functions concerned.

It is mandatory for all to strictly observe and comply with the health and safety at work system and to carry out and perform all the verification and control activities set out in the corporate documents. The verification and control activities must also - inter alia - ensure the suitability and effectiveness of the prevention and protection measures.

Specific anti-terrorism and anti-sabotage procedures

With reference to security risks relating to threats to workers' safety, which can be traced back to factors external to the Company's organisation, in the light of the geopolitical and social situation of some territorial contexts in which PEG operates, further prevention protocols are adopted according to the risks identified from time to time. In particular, by way of example, the following preventive protocols may be adopted:

1. systematic analysis of threats that are not necessarily related to the production process and that are present in the countries in which the company operates;
2. adaptation, where necessary, and systematic updating of the Risk Assessment Document;
3. provision of adequate insurance cover for employees travelling or relocated abroad.
4. constant monitoring of information disseminated by the Crisis Unit of the Ministry of Foreign Affairs concerning the country in which it operates;
5. systematic information to employees and collaborators on existing risks;
6. establishment, where possible, of direct information channels with local authorities;
7. provision of appropriate safety and protection measures on construction sites.
8. possible assignment of an escort to protect the company's staff and collaborators;

9. preparation of specific transport procedures;
10. presence of specialised transfer security staff;
11. advance planning of trips.

The worker must comply with the instructions given by the Employer or the Security Manager and, in particular, must never:

- moving outside the context provided by the company;
- carrying out activities outside protected areas.

The PPSM and the Security Manager, as well as the HSE Manager of the foreign branch, if any, cooperate in formalising and implementing the protocols adopted.

Company Bodies and Departments Involved

- Employer
- Prevention & Protection Services Manager (PPSM)
- Security Manager
- HSE Manager for construction sites located abroad
- Function managers and heads of departments
- Company Physician
- Workers' Health & Safety Representative (WHSP)
- Integrated HSEQ Management System Manager

Reference Documents

- Code of Ethics
- Compliance Program for Foreign Subsidiaries
- Risk Assessment Document
- Manual of the Integrated HSEQ Management System
- Procedure for managing health, safety at work, security and environment onsite
- Procedure for managing health supervision activities
- Procedure for managing accidents
- Procedure for managing emergencies
- Operative instructions for managing PPE
- Operative instructions relative to individual tasks
- Operative instructions on how to behave in case of emergency
- Operative instructions concerning first aid
- Operative instructions concerning fire prevention
- Management of risks deriving from Coronavirus
- Information Flows to the SB
- Whistleblowing procedures

Principal activities by the SB

It should be pointed out preliminarily that the extension of the application of Decree 231 to the offences involving health and safety at work matters does not pose of problem of relations between the health and safety aspects and the Model, nor between the activities of the persons responsible for implementing the health and safety at work matters and the SB. The independence of these bodies, in fact, shall not determine the superimposition and overlapping of the relevant control and oversight activities: the various persons and bodies responsible for the control activities shall continue to carry out and perform their duties on different levels of authority.

The SB, regarding the performance of its duties, shall continue to avail itself of the support of all the resources activated pursuant to Legislative Decree 81/08 for managing the relevant formalities: Employer, PPSM, WHSR, function managers and heads of departments, Company Physician, Security Manager, Construction site HSE Manager and Integrated HSEQ Management System Manager.

The SB oversees and verifies the suitability and adequacy of the Model and of the procedures put into place to prevent the commission of offences and any criminal behaviour, and to assess the risks, the adopted risk prevention and protection measures and the formalities introduced in connection with the applicable laws and regulations.

Therefore, the SB shall continue to have unrestricted access to all the significant corporate documents and records and shall receive a copy of the periodical health and safety at work reports. The SB may also decide to intervene, with respect to any reports received from any sources, including anonymous sources and sources from outside the Company.

If and where the SB finds any violations of the Model it shall promptly inform the Board of Directors and the Board of Statutory Auditors.

V. PROCEDURE RELATING TO RECEIVING STOLEN GOODS, MONEY LAUNDERING AND REGARDING NON-CASH PAYMENT INSTRUMENTS

Types of offences and how they are committed

The types of offences (Article 25-eighth subsection) potentially associated with the areas of activity at risk and how they are committed are as follows:

Handling Stolen Goods (Art. 648 of the Criminal Code)

In principle and except in cases of complicity, this crime could be committed in the event of:

- purchase and performance of any negotiations, whether for valuable consideration or free of charge, the purpose of which is to make money or goods deriving from criminal activities available to the Company;
- the performance by the Company of any negotiations for money, goods, or other benefits of unlawful origin;
- sale and/or intermediation in purchases and/or the exchange of money or goods resulting from criminal activity;
- concealment or intermediation in the concealment of money or goods resulting from criminal activity, including in order to resell them and/or transfer them at a later time.

Money Laundering (Art. 648-second subsection of the Criminal Code)

In principle and except in cases of complicity, this crime could be committed in the event of:



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- replacement of money or other benefits of unlawful origin with other goods or benefits;
- transfer, whether for valuable consideration or free of charge, of money or assets resulting from non-culpable offences;
- obstructing, concealing, or carrying out transactions aimed at hiding the unlawful origin of money or other benefits in order to prevent the identification of their criminal origin;
- payments in cash resulting from unlawful activities in the interest and to the advantage of the company;
- concluding contracts with customers who purchase with money from unlawful activities.

The use of money, goods, or benefits of unlawful origin (Art. 648-third subsection of the Criminal Code)

In principle and except in cases of complicity, this crime could be committed in the event of:

- The use of resources in economic or financial activities to lose track of their unlawful origins and to obtain a profit;
- investment/divestment in goods, money, or other benefits of criminal origin.

Self-laundering (Art. 648-third subsection of the Criminal Code)

In principle, this offence could be committed if the Company has committed or conspired to commit a non-culpable offence and subsequently uses the proceeds in economic, financial, entrepreneurial, or speculative activities in such a way as to inhibit the identification of their origin.

Misuse and falsification of non-cash payment instruments (Art. 493-third of the Criminal Code)

This crime could be committed by a corporate representative - including for the benefit or in the interest of the Company - by wrongfully using, not being the holder of, credit or payment cards or any other similar document that enables the withdrawal of cash or the purchase of goods or the provision of services. Similarly, the crime could be committed by forging or altering credit or payment cards or any other similar document that qualifies for the withdrawal of cash or the purchase of goods or the provision of services, or by possessing, disposing of, or acquiring such cards or documents of illicit origin or otherwise forged or altered, as well as payment orders produced with them.

Possession and dissemination of equipment, devices or computer programs aimed at committing crimes regarding non-cash payment instruments (Art. 493-fourth of the Criminal Code)

This crime could be committed by a corporate representative - including for the benefit or in the interest of the Company - who, in order to make use of them or to allow others to use them, produces, imports, exports, sells, transports, distributes, makes available or in any way procures for himself or others equipment, devices or computer programs that, due to technical-constructive or design characteristics, are constructed primarily for committing such crimes or are specifically adapted for the same purpose.

Computer fraud (Art. 640-third of the Criminal Code).

This crime could be committed by a corporate representative who procures an advantage for the Company by damaging third parties and altering in any way the operation of a computer or telematic system, or intervening without right in any way on data, information or programs contained in a computer or telematic system or pertaining to it, in the hypothesis aggravated by the realization of a transfer of money, monetary value or virtual currency.



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Finally, unless the act constitutes another administrative offense sanctioned more seriously, certain pecuniary penalties are applied to the Company in connection with the commission of any other crime against public faith, against property or otherwise offending property provided for in the Criminal Code, when it relates to payment instruments other than cash.

Areas of activity at risk and instrumental processes

The areas and processes potentially at risk of the commission of the offences referred to in Article 25-eighth subsection of Decree 231, as identified in connection with the corporate survey carried out, are:

- a) the management of Company business activities even when relating to relations with third parties at risk of committing the offence of money laundering;
- b) the management of Company administrative/financial activities even when relating to relations with third parties at risk of committing the offence of money laundering and intra-group transactions.

In relation to the above-mentioned area of activity at risk for the commission of corruption among private individuals, the following sensitive Processes instrumental to the commission of such offences have been identified:

- Selection, hiring, and management of staff
- Management of gifts, expenses, and related reimbursements
- Consultancy management;
- Agent management;
- Supplier selection and procurement management
- Management of money and financial flows.

General principles of conduct

In relation to the corporate processes identified above, the Recipients must conduct themselves with honesty and integrity, in compliance with the applicable laws and regulations and refrain from conduct in violation of the principles and values contained in the PEG Code of Ethics

In particular, in the context of the aforementioned processes, the following are forbidden:

- acquiring, procuring, converting, or transferring money or assets known to be of criminal origin or, more generally, carrying out any operation aimed at concealing or disguising their illegal origin or helping anyone involved in this activity to escape the legal consequences of their actions;
- paying in cash, except when expressly authorised;
- reimbursing expenses incurred by the staff without the presentation of expense reports;
- performing services (e.g., transfer of goods) and/or payments to third parties (including customers) that are not justified in the context of the relationship;
- requesting the opening of current accounts without authorisation from the responsible business units;
- making or accepting payments to anonymous bank accounts or those located in tax havens or “uncooperative” countries.

Refer also to what has already been identified within the framework of the Protocols set forth regarding offences in relations with the Public Administration and corporate offences set out in this Special Section, the principles of which are also considered suitable for preventing the offences set out in Article 25-eighth subsection of Decree 231 and are therefore applicable.



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Special procedures

In regard to the special procedures to be adopted in order to prevent the offences in question, PEG will comply with the following:

1. before establishing business, commercial, and/or contractual relationships with third parties, adequate due diligence must be carried out regarding specific criteria and risk indicators;
2. all commercial transactions must be supported by adequate contractual documentation;
3. continuous monitoring of the financial flows must be guaranteed, with particular attention paid to checking the regularity of payments to and from third parties and intra-group payments/transactions. These checks must involve invoices and any other tax and accounting document, and any other documentation required by the internal procedures. The checks must take into account the registered office of the other company (e.g., tax havens, countries at risk of terrorism, etc.), the credit institutions used (registered offices of the banks involved in the transactions and institutes that do not have a physical presence in any country) and any corporate screens and trust structures used for extraordinary transactions or operations;
4. definition of adequate checks and audits of extraordinary transactions involving the payment of money or the contribution of assets; this applies both to the establishment of the entity and to capital increases or the entry of new shareholders who contribute money or other assets to the entity.
5. verification of the validity of the payments, in regard to compliance with the thresholds for cash payments and the complete correspondence between the beneficiary/payer and the counterparties effectively involved in the transactions;
6. use of credit and payment cards exclusively by the legitimate holders and verification of documentation supporting the expenses incurred;
7. prohibition of using and making available to others computer equipment, devices or programs that, due to technical-constructive or design characteristics, are constructed primarily to commit crimes involving non-cash payment instruments;
8. the traceability of all relevant operations and transactions must be guaranteed, including from a tax and accounting point of view, and a copy of the relevant documentation must be kept in compliance with the applicable laws and local regulations.
9. contracts with third parties must be in writing and include standard clauses to prevent the commission of offences.

Refer also to what has already been identified within the framework of the Protocols set forth regarding offences in relations with the Public Administration and corporate offences set out in this Special Section, the procedures of which are also considered suitable for preventing the offences set out in Article 25-eighth subsection of Decree 231 and are therefore applicable.

Corporate Bodies and Departments involved

- Chairman
- Finance Administration Director
- Sales & Market Director
- Proposal Manager
- Procurement Manager

Reference documents

- Code of Ethics
- Compliance Program for Foreign Subsidiaries
- Conflict of Interest Policy
- Anti-Corruption – Third-Party Due Diligence Procedure
- Proposal and Work Order Management Procedure
- Cash Fund Management Procedure
- Procurement Procedure
- Supplier/Contractor Assessment Procedure
- Procedure for Managing Procurement Documentation
- Shipping and Transportation Management Procedure
- Expediting Management Procedure
- Inspection Management Procedure
- Information Flows to the SB
- Whistleblowing Procedures

Principal activities by the SB

The supervisory and oversight activities of the SB, with regard to the assessment of the effectiveness of the procedures and the observance of the requirements set out in the Model, with respect to the offences of handling stolen goods, money laundering and the use of illicitly derived funds, assets or utilities and self-laundering are as follows, to:

- supervise the issuing and updating of standard instructions relating to the behaviour to be adopted in respect of the relevant areas and processes at risk, as identified in this Special Section. The said instructions must be written and filed either on paper or in digital format;
- verify whether the competent functions have fixed/determined the minimum requirements to be possessed by the bidders in order to qualify for business relations with the Company;
- verify the implementation, by the competent functions, of the correct procedure for determining the accuracy of the payments, with reference to overall concordance between the recipients/makers of the payments and the counterparties actually involved in the transaction;
- verify the existence of formal and material controls of the corporate cash flows, with regard to the payment of third parties and the intra-group payments/transactions;
- verify the adoption, by the competent functions, of the proper assessment procedures relating to the analysis of the financial congruity of the investments made;
- verify the adoption, by the competent functions, of the training programmes for employees considered to be at risk of committing money laundering offences.

Therefore, the SB shall continue to have unrestricted access to all the significant corporate documents. If and where the SB finds any violations of the Model it shall promptly inform the Board of Directors and the Board of Statutory Auditors.

VI. PROCEDURE RELATING TO CYBERCRIMES AND UNLAWFUL DATA PROCESSING

Types of offences and how they are committed

The types of offences (Art. 24-second subsection) that can potentially be associated with the areas and processes at risk of criminal behaviour are:

Unauthorised access to a computer or telecommunications system (Art. 615-third subsection of the Criminal Code)

The goods protected by the regulations in question must be identified with the confidentiality and inviolability of the data and programs contained in another's computer system.

The offence occurs in the event of unauthorised access to a computer or telecommunications system protected by security measures. Therefore, the offence assumes that protections were put in place by the owner of the computer or telecommunications system to limit or regulate access to it. Therefore, the existence of these protective measures is a criterion for selecting protection by limiting it to data or programs stored in a computer whose owner has demonstrated an interest in confidentiality. The term "security measures" may cover all those protective measures that can be used to prevent access to the data and programs contained in the system. For example, these may be alphabetical or numerical access codes to be keyed in or stored on the magnetic band of a card to be used in a special reader or anthropometric data that can be detected with a special sensor.

The typical conduct consists of either illegally entering a protected system or remaining there against the express or tacit will of the holder of the right to exclude others.

Unauthorized possession, dissemination and installation of equipment, codes and other means of access to computer or telecommunications systems (Art. 615-fourth subsection of the Criminal Code)

The offence in question refers to a series of behaviours symptomatic of the possible commission of unlawful access to a computer or telecommunications system protected by security measures and, therefore, dangerous for the legal asset protected by the rule governing this offence.

The standard in question prohibits unlawfully obtaining codes, passwords, or other means of accessing a computer or telecommunications system protected by security measures for oneself or others and provides indications or instructions suitable for that purpose.

There are two types of incriminating behaviour: conduct aimed at acquiring the means necessary to access another person's computer system and that aimed at providing others with those means or, in any event, with information on how to circumvent the protective barriers. Of the various ways in which it is possible to procure for others the means to gain undue access to a computer system, the standard almost exhaustively mentions diffusion, communication, and delivery. With reference to the indications (or instructions) suitable for carrying out unauthorised access, the legislator used an extremely generic expression, "provides", encompassing all previously considered behaviours. Contrary to what is stated in the information, the mere possession of access codes (or similar instruments) by a person who is not authorised to use them is not punishable.

Possession, dissemination and abusive installation of computer equipment, devices or programs designed to damage or disrupt a computer or telecommunications system (Art. 615-fifth subsection of the Criminal Code)



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The purpose of the offence in question is to protect the integrity and functionality of computer systems by inhibiting conduct aimed at the circulation of tools used to carry out the offences of damaging information, data, and computer programs and harming computer systems.

The typical behaviour falls into two categories: procuring damaging instruments (procure, produce, reproduce, import) and putting them into circulation (distribute, communicate, deliver, make available to others).

The object of the behaviour may be both hardware (equipment and devices) and software (computer programs). These undoubtedly include virus programs, which insert a specific set of instructions in the computer that can quickly damage the data and programs stored in the processor and infect any media inserted later, transmitting the destructive capacity to them. However, they also include worm programs that reproduce continuously in the memory of the processor in which they are inserted, causing the normal system functions to slow down and stop due to the progressive depletion of the memory capacity. Specific intent is required for this offence to be committed. This intent consists of the objective of unlawfully damaging the systems and information or promoting the interruption or alteration of their operation.

Illegal interception, prevention or interruption of computer or electronic communications (Art. 617-fourth subsection of the Criminal Code)

This offence occurs in the case of fraudulent interception of communications relating to a computer or telecommunications system or between several systems or in the case of obstruction or interruption of those communications. The offence may also consist of fraudulently intercepting computer or electronic communication or preventing or interrupting such communication by circumventing any systems protecting the transmission in progress or making the unauthorised interference imperceptible or unrecognisable.

Criminal law also provides for punishment of the complete or partial disclosure of the content of an intercepted communication to the public, using any means, unless the act constitutes a more serious offence.

Unauthorized possession, dissemination and installation of equipment and other means of intercepting, preventing, or interrupting computer or electronic communications (Art. 617-fifth subsection of the Criminal Code)

The offence in question occurs when - except where allowed by law - equipment is installed to intercept, prevent, or interrupt communications relating to a computer or telecommunications system or between several systems. Therefore, the offence in question aims to suppress behaviour that is symptomatic of that set forth in the previously analysed regulation.

Damage to computer information, data, and programs (Art. 635-second subsection of the Criminal Code) and damage to computer information, data, and programs used by the state or another public body or of public utility (Art. 635-third subsection of the Criminal Code)

The offences in question have in common destruction, deterioration, deletion, alteration, or suppression and differ in relation to the material object (information, data, computer programs), whether of public relevance or not, in that they are used by the state or by another public body or of public utility.



The term “data” refers to the representations of information or concepts intended for computer processing, which are codified in a form (electronic, optical magnetic, or similar) and are not visually perceptible. “Computer program”, on the other hand, refers to a set of data.

The goods susceptible to computer damage also include information. Since information, an abstract entity in itself is what data expresses in encoded form, this expression takes on meaning only insofar as it refers to information incorporated on a material medium, whether paper or otherwise. As mentioned above, in the case of computer assets of no public value, the conduct consists of their destruction, deterioration, deletion, alteration, or suppression. However, when this involves data, programs, or information used by the state or other public entity or of public utility, carrying out acts suitable for and directed at damaging them is sufficient for punishment. If the action was carried out and the damage has actually occurred, criminal law provides for an increase in the penalty.

Damage to computer or telecommunications systems (Art. 635-fourth subsection of the Criminal Code) and Damage to computer or telecommunications systems of public utility. (Art. 635-fifth subsection of the Criminal Code)

These offences supplement the protection of “computer assets” provided for in the previously mentioned regulations by punishing damage to computer systems overall.

Regarding the manner in which the assets in question are attacked, the regulation provides for damage to or destruction of the systems, or the hypothesis in which they are rendered wholly or partially unusable and in which their operation is seriously impeded. Even in this situation, if systems of public utility are involved, carrying out acts suitable for or directed at damaging them is sufficient for punishment. If the action was carried out and the damage has actually occurred, criminal law provides for an increase in the penalty.

Falsification of public or private computer documents with evidentiary effect (Art. 491-second subsection of the Criminal Code)

The provision in Article 491-second subsection of the Criminal Code referred to in the third paragraph of Article 24-second subsection of the Decree puts computer forgery in line with the applicable rules on the forgery of documents, establishing the express equating of the computer document with public acts and private agreements, to which each of those rules periodically refers.

The term “computer document” can be found in Legislative Decree 82/05 (the Digital Administration Code), which, in Article 1, states that “computer document” is to be understood as “the computer representation of legally relevant acts, facts, or data”. Unlike the traditionally understood meaning of the term “document”, “computer document” does not need to be incorporated in a tangible object, so not only data stored on a physical medium (whether internal or external to a computer), but also data that are not recorded on any medium, are equated with traditional documents. In order to be relevant for the purposes of the offence in question, the computer document must have an evidentiary effect.

Areas of activity at risk and instrumental processes

The areas and processes potentially at risk of the commission of the cybercrimes and offences referred to hereinabove, as identified in connection with the corporate survey carried out, are the management of the Company’s IT system and of its IT records and documents and, in particular:

- the management of the IT infrastructure, web, website, email and the Internet;
- the management of the users and the authentication credentials for accessing the system;

- the management of the security measures for the protection of the IT and/or telematic systems;
- the management of the system maintenance and security activities;
- the management of software licences;
- the preparation of IT documents.

In relation to the above-mentioned area of activity at risk for the commission of computer crimes and unlawful processing of data, the following sensitive processes instrumental to the commission of such offences have been identified:

- Consultancy management
- Supplier selection and procurement management
- Management of money and financial flows.

Principal rules of conduct

The Company promotes the observance of:

- the principles set out in the Code of Ethics;
- the applicable personal data protection law (Legislative Decree 196/2003);
- the proprietary nature and ownership of other parties' information systems;
- the copyright laws.

It is forbidden to adopt or collaborate in or give rise to a conduct or behaviour such as to, individually or collectively, directly or indirectly integrate the above mentioned offences referred to in Article 24-second subsection of Decree 231. It is also forbidden to adopt a behaviour in violation of the corporate principles and procedures referred to in this Special Section.

With regard to the above mentioned conduct, and consistently with PEG's Code of Ethics, it is forbidden, in particular, to:

- acquire, copy and use, without authorisation, or damage the software owned by the Company or third parties;
- make or distribute copies of software or documents used for personal use or use by others;
- introduce and/or use in the Company software and devices from unauthorised sources, including any downloaded from the web or which do not require the purchase of a licence;
- use the information system of PEG to illegally intercept, interrupt or damage the Company's activities, or any third parties, or in such a manner as to violate the relevant laws or regulations;
- alter the IT documents;
- download software from unauthorised or unreliable sources onto company computers or devices, or obtaining, installing, or using, within the company, software obtained without purchasing the relevant licence;
- change the parameters set on the computers and devices provided, unless authorised to do so;
- use resources (hardware and software) related to the company's information systems to intercept, interrupt, or unlawfully damage the activities of third parties, violating the applicable law;
- destroy, damage, delete, alter, or suppress information, data, or computer programs belonging to third parties or stored in the company's computer archives;
- access directories, folders, archives, data, or confidential information without authorisation;
- illegally use access codes to computer and telecommunications systems;



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- make any changes or updates to operating systems or application programs on company computers and devices on their own initiative, except those previously authorised or permitted by company policies or instructions;
- engage in conduct to gain unauthorised access to the information systems of others for the purpose of (i) illegally acquiring information contained in those information systems; (ii) damaging or destroying the data contained therein;
- improper or unauthorised use of digital signature instruments, the use of which must be reserved for the holder of the signature in order to allow it to be traced back to the holder;
- unauthorised use of someone else's company credentials in violation of the Company's security policies;
- disclose or disseminate their access credentials to company accounts to third parties in violation of the Company's security policies.

Special procedures

For the purpose of respecting, complying with and abiding by the principles and the prohibitions mentioned above, the Recipients of the Model must strictly abide by and comply with, as well as conform to, the special provisions set out hereinbelow:

- the operating instructions on processing personal data issued to the persons authorised to process the data, as well as the instructions provided for the use of the IT tools made available by the Company;
- Company procedures regarding managing data breaches;
- the corporate policy and procedures relating to the management of the security measures adopted for the IT systems and documents.
- the Company's Information Security policies and standards;
- provisions related to industrial property and patents and the rights of others on software, databases, and, in any case, on material protected by copyright.

Corporate Bodies and Departments involved

- Information Technology Manager

Reference documents

- Code of Ethics
- Compliance Program for Foreign Subsidiaries
- Guidelines for the Use of IT Tools
- Data Breach Management Procedure
- Processing
- Information Flows to the SB
- Whistleblowing Procedure

Principal activities by the SB

The supervisory and oversight activities of the SB, with regard to the assessment of the effectiveness of the procedures and the observance of the requirements set out in the Model, with respect to cybercrimes and unlawful processing of data, are as follows, to:

- supervise the issuing and updating of standard instructions relating to the behaviour to be adopted in respect of the relevant areas and processes at risk, as identified in this Procedure;
- conduct periodical inspections of the effectiveness and compliance of the internal procedures relating to the management of the information systems and the other activities aimed at preventing the commission of the offences in question;
- examine any reports of alleged violations of the Model and carry out the assessments deemed necessary or expedient, based on the reports received.

Therefore, the SB shall have unrestricted access to all the significant corporate documents. If and where the SB finds any violations of the Model it shall promptly inform the Board of Directors and the Board of Statutory Auditors.

This Procedure shall also apply to the prevention of the copyright infringement offences referred to in Article 25-seventh subsection of Decree 231 231 (Law 633/1941, Article 171, paragraph 1, letter a)-second subsection and paragraph 3, Article 171-second subsection, Article 171 *ter*, Article 171-seventh subsection, Article 171-eighth subsection)

VII. PROCEDURE RELATING TO NATIONAL AND TRANSNATIONAL ORGANISED CRIME

Types of offences and how they are committed

The types of offences that can potentially be associated with the areas and processes at risk of criminal behaviour are:

Criminal association (Art. 416 of the Criminal Code)

Mafia-type criminal associations, including foreign ones (Art. 416-second subsection of the Criminal Code) [article modified by Law no. 69/2015]

Political-mafioso clientelism (Art. 416-third subsection of the Criminal Code)

All offences if committed using the conditions provided for in Article 416-second subsection of the Criminal Code in order to facilitate the activities of the associations provided for in the same Article (Law 203/91).

Association-type offences, particularly those set forth in Art. 416 and 416-second subsection of the Criminal Code are characterised by the stable and permanent nature of the criminal agreement between the persons who constitute, participate in, promote, or organise the association.

To this end, the association requires a minimal, stable organisation that is adequate to achieve the criminal objectives and destined to last even beyond the implementation - which is merely possible - of the specifically planned crimes. The association, which must be made up of at least three people, is also characterised by the vagueness of the criminal program pursued by the associates, who must not, therefore, aim to commit a specific and defined number of offences. Under the extension of Article 10 of Law no. 146/2006, the offence of association is also a prerequisite for the entity's liability if committed transnationally.



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First, the entity's liability is provided for in relation to the generic figure of criminal association, which is characterised by the very purpose of the members to commit several crimes. In this regard, it should be noted that the offences for which the association is responsible may include any crime, such as, for example, fraud, tax offences, environmental offences, money laundering, corruption, corporate offences, etc.

Given the particular structure of the offences in question, it should be pointed out that to avoid undue extensions of the Decree's scope of application and in compliance with the principle of legality set forth in Article 2 of the Criminal Code, the criteria of interest or advantage must refer to the crime of association and not to the crimes that make up the criminal association's purpose.

The entity is also punishable for the offence of mafia-type association, which, pursuant to Article 416-second subsection par. 3, exists when its members use the so-called mafia method.

In this regard, it should also be pointed out that the entity may be punished not only due to the participation of its senior executives or employees in the association as organisers, promoters, members, or managers, but also in relation to the hypothesis of so-called external aiding and abetting, i.e. when the natural person, although not actually a member of the association and not having adhered to the unspecified and unlawful purposes which it pursues, also provides support to the organisation with respect to its specific activities or interests.

To correctly identify the risk profiles connected to the offences in question, it is also important to distinguish that only in extreme and very specific cases can the entity itself be considered a real association for the purpose of committing a number of offences, a hypothesis which, pursuant to Article 14 par. 4 leads to permanent disqualification from the activity. In this regard, the Report on the Decree and Article 10 par. 4 of Law 146/2006 provide essential interpretative elements. In fact, identification is only possible if "the entity or one of its organisational units is permanently used for the sole or predominant purpose of enabling or facilitating the commission of the indicated offences."

For this reason, beyond this extreme hypothesis, it is considered that the highest risk profiles related to the company's operations consist of carrying out activities involving contacts with outside individuals who are part of existing criminal associations to which corporate representatives could provide conscious support, in view of the pursuit of alleged corporate interests as well.

It should be noted that the transnational crime is described by Law 146/2006 as a crime that is punishable by a maximum prison term of at least four years, when an organised criminal group is involved, as well as: a) it is committed in more than one state, b) it is committed in one state, but a substantial part of its preparation, planning, direction, or control takes place in another State, c) it is committed in one state, but it involves an organised criminal group engaged in criminal activities in more than one state, d) it is committed in one state but has substantial effects in another State.

Areas of activity at risk and instrumental processes

The areas at risk of offences and the related instrumental processes identified in this Model must all be considered sensitive for the purposes of committing both national and transnational organised crime offences.



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General principles of conduct

The conduct of those who hold representation, administration, or management positions in the Company, of persons subject to their control or supervision, of those who act as company consultants, external contract workers, agents, or business partners, and all those involved in the company's activities must comply with the rules of conduct identified by the Model for the specific purpose of avoiding the risk of commission of the offences provided for in Decree 231.

In particular, the following are prohibited:

- engage in conduct that could constitute the types of offence considered above;
- engage in conduct that, while not in itself constituting one of the offences considered above, may potentially become one;
- engage in conduct that does not comply with company procedures or, in any case, is not in line with the principles set out in this Model and the Code of Ethics.

All those working on behalf of PEG are required to act according to the principles of integrity, caution, fairness, transparency, and honesty, meeting the following requirements:

- whoever, working in the name of and on behalf of PEG, comes in contact with third parties with whom PEG intends to undertake business relations or with whom the company must have relations of an institutional, social, political, or any other nature, must:
 - i. inform those subjects of the commitments and obligations set forth in the Code of Ethics;
 - ii. adopt the internal initiatives necessary in the event the third party refuses to comply with the Code of Ethics or observe the provisions contained in the Code.
- all relationships with business partners and intermediaries must be based on the principles of transparency and integrity and must provide for services and remuneration in line with market practices and ensure that there are no aspects that could favour the commission of offences in Italy or abroad by third parties;
- the fairness, effectiveness, congruity, and correspondence of the social interests of the services requested, provided by or for third parties must be constantly and continuously verified, to ensure that only correct commercial, financial and consultancy relations are established and maintained, which genuinely correspond to the social interests and are characterised by effectiveness, transparency, and congruity;
- prudence, accuracy, and objectivity must be adopted in the selection, identification, or hiring and continuation of relations with third parties and in the determination of the conditions relating to the relationship itself, in order to prevent the risk of establishing contacts with persons belonging to national or transnational criminal associations of any nature;
- any consideration, in the form of money or other benefits, from any person in exchange for performing an act relating to their role or contrary to their official duties will be refused;
- the law, regulations issued by the competent authorities, and internal procedures relating to the management of those with delegated spending powers must be respected;
- accounting entries, tax obligations, and the resulting audits must be based on absolute correctness, transparency, and accuracy.

Special procedures

This Model, the internal control system it describes, and the set of procedures adopted can be considered suitable for meeting the requirements of protection and control with regard to activities and processes that are sensitive to the commission of the offences in question, as defined by the Legislator.

Refer, in particular, to the provisions of the Special Section concerning the prevention of receiving stolen goods and money laundering.

Corporate Bodies and Departments involved

All Corporate Departments

Reference documents

- Code of Ethics
- Compliance Program for Foreign Subsidiaries
- Conflict of Interest Policy
- Anti-Corruption – Third-Party Due Diligence Procedure

Principal activities of the SB

For the main activities of the SB concerning assessing the effectiveness of the procedures and compliance with the provisions of the Model for the prevention of national and transnational organised crime, refer to the activities provided for concerning all the offences set forth in this Model.

VIII. PROCEDURE RELATING TO ENVIRONMENTAL OFFENCES

Types of offences and how they are committed

The types of offences (Article 25-eleventh subsection) potentially associated with the areas of activity at risk and how they are committed are as follows:

Environmental pollution (Art. 452-second subsection of the Criminal Code)

In principle, this offence could be committed through the Company employees engaging in conduct in which, after carrying out their activities, they do not properly dispose of the waste produced and, as a consequence, cause significant and measurable deterioration and/or destruction of the water, air, an ecosystem, or the soil (e.g., by not complying with waste disposal legislation).

Environmental disaster (Art. 452- fourth subsection of the Criminal Code)

Outside the cases provided for in Article 434, this offence could be committed by anyone who illegally causes an environmental disaster.

Environmental disasters could also be: 1) the irreversible alteration of the equilibrium of an ecosystem; 2) the alteration of the equilibrium of an ecosystem whose elimination is particularly costly and can only be achieved through exceptional measures; 3) endangering public safety due to the magnitude of the event, the extent of the impairment or its damaging effects, or for the number of persons affected or exposed to danger.

When the disaster occurs in a protected natural area or an area subject to landscape, environmental, historical, artistic, architectural, or archaeological constraints, or caused damage to protected animal or plant species, the penalty shall be increased.”

Crimes against the environment (Art. 452-fifth subsection of the Criminal Code)

In principle, this offence could be committed if, through negligence, carelessness or inexperience, the individuals carrying out the activities on behalf of the Company engage in conduct that qualifies as pollution (e.g., if a worker in charge of disposing of the Company's obsolete computers disposes of them without complying with the relevant legislation).

The killing, destruction, catching, taking, or possession and trading of specimens of protected wild fauna or flora (Art. 727-second subsection of the Criminal Code)

In principle, this offence could be committed if, through negligence, carelessness, or inexperience, the individuals carrying out activities on behalf of the Company kill, capture, or hold specimens belonging to a protected wild animal species or destroy, pick, or hold specimens belonging to a protected wild plant species.

Destruction or deterioration of habitats within a protected site (Art. 733-second subsection of the Criminal Code)

In principle, this offence could be committed if individuals carrying out activities on behalf of the Company, outside the permitted cases, destroy a habitat within a protected site or in any case damage it by compromising its state of conservation.

Pollution of the soil, subsoil, surface water or groundwater (Legislative Decree No 152/2006, Article 137)

This offence could be committed in the event of:

- discharge of wastewater containing certain dangerous substances without complying with the authorisation or requirements provided by the competent authorities;
- pollution of the soil, subsoil, surface water, or groundwater by exceeding risk threshold concentrations.

Site reclamation (Legislative Decree no. 152/2006, Art. 257)

This offence could be committed in the event of failure to carry out reclamation activities in compliance with the project approved by the competent authority after causing pollution of the soil, subsoil, surface water, or groundwater by exceeding the risk thresholds concentrations.

Falsification and use of false waste analysis certificates (Art. 258, Legislative Decree no. 152/2006)

This offence could be committed in the event of:

- failure to prepare a waste analysis certificate
- Preparation of a false waste analysis certificate (regarding the information related to the nature, composition, and chemical and physical characteristics of the waste);
- use of a false certificate during transport (Art. 258, par. 4, second period).

Illegal waste trafficking (Art. 259, paragraph 1 of Legislative Decree 152/06)

This offence is committed when a shipment of waste constitutes illegal trafficking under Article 26 of EEC Regulation No 259 of 1 February 1993, or when the shipment involves the waste listed in Annex II of that Regulation in breach of Article 1 par. 3, letters a), b), e), and d) of the regulation.

Activities organised for the illegal trafficking of waste (Art. 452-fourteenth subsection of the Criminal Code)



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This offence is committed when, through several operations and the preparation of means and continuous organised activities, large quantities of waste are sold, received, transported, exported, imported, or illegally managed.

Offences set forth in Law no. 549 of 28 December 1993 on measures to protect the ozone layer and the environment (Art. 3 par. 6 of Law 549/93)

This offence is committed in the case of production, consumption, import, export, possession, and marketing of substances that are harmful to the ozone layer.

Areas of activity at risk and instrumental processes

PEG has developed an Integrated Quality and HSE System that conforms to the requirements set out in the relevant standards (ISO 45001:2018, ISO 14001:2015, ISO 9001:2015).

With regard to the Environmental Management System, this complies with the provisions set out in Legislative Decree 152/2006 (Environmental protection provisions) and the international UNI EN ISO 14001:2004 standard. The Company has also obtained the UNI EN ISO 14001:2004 certification.

The areas and processes potentially at risk of the commission of the environmental offences referred to in Article 25-eleventh subsection of Decree 231, as identified in connection with the corporate survey carried out, are the management of the environmental aspects and, in particular:

- the management of the environmental system;
- the definition of the relevant organisation, roles and responsibilities;
- the identification of the environmental aspects of PEG;
- the management of environmental formalities;
- the assignment of jobs and duties and information/training activities;
- the acquisition and filing of documents and certificates;
- controls and monitoring.

With regard to the risk factors, PEG, for the purposes of Decree 231, has considered those already highlighted in the documents adopted by PEG in conformity to Legislative Decree 152/2006, as amended, which is entirely integrated in this Procedure.

The adoption of an environmental management system conforming to the international ISO 14001:2004 standard, even though it does not constitute an exemption, pursuant to Decree 231, is nevertheless suited to fulfilling the requirements of protection of the Company from the commission of the offences referred to in Article 25-eleventh subsection of Decree 231.

Following is an overview of the Company's organisation, for environmental protection purposes.

The environmental management system is aimed at identifying the key environmental aspects of the Company, for the purpose of keeping them under control and coordinating the activities with an environmental impact, as well as distributing the specific responsibilities, with respect to their implementation.

The identification of the Company's environmental aspects concerns the management operations carried out at the head office and the operations related to the provision of services at the Clients' premises/sites, in Italy and elsewhere, and those indirectly related to the services delivered by the suppliers and/or subcontractors.

The Company has identified the following persons in charge of environmental matters and, in particular:

- the Manager in charge of Coordinating Quality and the Environment;
- the staff member in charge of Maintenance, Safety and Waste Disposal.

Operational management of the system is entrusted to the Integrated System Manager who involves all of Management. In conformity to Legislative Decree 152/2006, the Company adopted the Initial Environmental Survey Document. Moreover, the Company, annually drafts an environmental Programme setting out the projects and investments for the year of reference.

The Company has provided for, performed and carried out all the requisite employee information and training activities, with a special focus on the training/information activities relating to environmental safety and risks, also for the staff members seconded at the external construction sites and/or industrial plants, where the objective risks are much greater and varied, also in relation to the diverse operations carried out there.

Principles rules of conduct

It is forbidden to adopt or collaborate in or give rise to a conduct or behaviour such as to, individually or collectively, directly or indirectly integrate the above mentioned offences referred to in Article 25-eleventh subsection of Decree 231. It is also forbidden to adopt a behaviour in violation of the corporate principles and procedures referred to in this Special Section.

In particular, the following are forbidden:

- abandonment or uncontrolled depositing of waste, in violation of legal obligations;
- engaging in conduct to obstruct the functions of the public supervisory authorities, including during the inspection;
- entrusting waste management activities to persons without specific waste disposal and recovery authorisations;
- use systems and equipment in violation of the environmental laws and regulations, even referring to the use of hazardous substances.

Suppliers in any capacity whatsoever and other Third Parties must ensure compliance with environmental legislation concerning the nature of the goods supplied or the service rendered.

With regard to the environmental management matters, besides the requirements set out in the Model, and in this Special Section in particular, the Recipients of the Model, in the performance of their duties and activities, must be knowledgeable of and comply with, or in any case, with regard to the corporate governance bodies, circulate and require the observance of:

- the applicable regulations and instructions issued by the competent environmental authorities;
- the rules of conduct set out in the Code of Ethics;
- the corporate guidelines and internal procedures relating to environmental matters.

The members of the corporate governance bodies of PEG and its employees, the Integrated System Manager, Quality and Environmental Coordination Manager and staff member responsible for Maintenance, Safety and Waste Disposal, in connection with the performance - either directly or through external suppliers and consultants – of the tasks and duties assigned to them, are obliged to:

- acquire an in-depth knowledge of the applicable environmental rules, regulations and standards, also by attending the training courses organised by the Company, taking into account their specific jobs and duties;
- observe and abide by the instructions received and the corporate procedures adopted, with regard to waste management, with a focus on separate waste collection and waste disposal;
- adopt all the necessary environmental protection measures;
- abide by the emergency management procedures put into place by the Company;
- correctly use the machines and machinery, equipment, tools and instruments, hazardous substances and preparations, means of transport and all other equipment and apparatuses, as well as the safety equipment and the personal and collective protective equipment and to immediately report to the so-called “employer” any shortcomings with respect thereto, and in connection therewith, or other hazardous or dangerous or risky conditions that emerge, taking and implementing direct measures and actions, in the event of an emergency, and within the field of one’s competences, skills, abilities and qualifications, to remove or, indeed, minimise the said shortcomings or hazards, dangers and risks;
- promptly perform and carry out the necessary legal requirements, as applicable, or to directly contribute to the performance and fulfilment of all the necessary and, indeed, requisite obligations for protecting the environment.

The suppliers and any third parties must guarantee, in relation to the goods supplied and services provided, full compliance with all applicable environmental regulations.

Special procedures

For the purpose of respecting, complying with and abiding by the principles and the prohibitions mentioned above, the Recipients of the Model must - within the framework of the said environmental management system - strictly abide by and comply with, as well as conform to, the provisions set out hereinbelow, and the general rules and principles contained and set out in the General Section of the Model and in the preceding paragraph, both in Italy and elsewhere.

1. The Employer shall comply with all the obligations provided for in the applicable accident prevention laws and regulations, and shall make sure, also with the aid and support of qualified external consultants, that the environmental management system is consistent with PEG’s organisation.
2. The environmental management documents must be drafted consistently with the applicable laws and regulations.
The management of environmental obligations is entrusted to the HSEQ Integrated System Supervisor, who is supported at the operational level by the Building Manager of Orior Srl (as the owner of the building).
3. The HSEQ Integrated System supervisor has drafted and updated, where necessary, the “Initial Environmental Analysis Document”, which takes into account the type of activities carried out by the Company, company logistics, the type of waste produced by both operational and management activities, the natural resources exploited, any environmental risks in emergency situations, and any indirect environmental aspects due to activities entrusted to suppliers. Each year, the Company also prepares the environmental program containing the projects and initiatives intended for the year.
4. The performance of the tasks assigned to the Quality and Environmental Coordination Manager and the staff member responsible for Maintenance, Safety and Waste Disposal shall all be recorded and documented.



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- The training of the employees must be aimed at ensuring that all the staff members become aware of all the environmental aspects, the importance of making sure that their actions and activities conform to the instruments adopted and implemented by PEG and the possible consequences of any violations or non-conforming behaviour.
- In the event of corporate changes, it is mandatory to update the relevant risk level, with a view to ensuring the continued effectiveness of the controls and of the risk management system adopted by PEG.

All the PEG areas of operation and processes shall be controlled and monitored by the functions concerned.

It is mandatory for all to strictly observe and comply with the environmental management system and to carry out and perform all the verification and control activities set out in the corporate documents. The verification and control activities must also - inter alia - ensure the suitability and effectiveness of the prevention and protection measures.

Corporate Bodies and Departments involved

- Integrated System Supervisor
- EPC Work order and Construction Site Supervisors:

Reference documents

- Code of Ethics
- Compliance Program for Foreign Subsidiaries
- Initial Environmental Analysis Document
- Procedure for the Management of Environmental Aspects
- Waste Disposal Management Procedure
- Emergency Management Procedure
- Information Flows to the SB
- Whistleblowing Procedure

Principal activities by the SB

The SB, regarding the performance of its duties, shall continue to avail itself of the support of all the resources activated for managing the relevant environmental formalities (i.e. the Quality and Environmental Coordination Manager and the staff member responsible for Maintenance, Safety and Waste Disposal).

The SB oversees and verifies the suitability and adequacy of the Model and of the procedures put into place to prevent the commission of offences and any criminal behaviour, and to assess the risks, the adopted risk prevention and protection measures and the formalities introduced in connection with the applicable laws and regulations.

Therefore, the SB shall continue to have unrestricted access to all the significant corporate documents and records and shall receive a copy of the periodical environmental protection reports. The SB may also decide to intervene, with respect to any reports received from any sources, including anonymous sources and sources from outside the Company.

If and where the SB finds any violations of the Model it shall promptly inform the Board of Directors and the Board of Statutory Auditors.

IX PROCEDURE RELATING TO OFFENCES RELATED TO EMPLOYING ILLEGAL ALIENS

Types of offences and how they are committed

The types of offences (Article 25-twelfth subsection of the Decree) potentially associated with the areas of activity at risk and how they are committed are as follows:

Employment of illegal aliens (Art. 22 paragraph 12-second subsection of Legislative Decree 286/1998)

This offence could be committed if the Company employs foreign workers who do not have a residence permit or whose permit has been revoked or annulled or has expired, and the renewal was not requested within the legal deadlines.

Areas of activity at risk and instrumental processes

The areas of activity potentially at risk of the aforementioned offences are all the areas of the Company involving human resources management and granting external assignments and consultancies.

In relation to the above-mentioned area of activity at risk for the commission of the offences, the following sensitive processes instrumental to the commission of such offences have been identified:

- Selection, hiring, and management of staff;
- Consultancy and agent management.

General principles of conduct

When performing the duties for which they are responsible, the Recipients must comply with the applicable laws and regulations, the principles and values contained in the Code of Ethics, the PEG internal guidelines and operating procedures, and the rules of conduct contained in the Model and, in particular, this procedure.

In particular, in line with the principles and values explained in the Code of Ethics, the following are forbidden:

- engaging in, promoting, collaborating in, or causing, either directly or indirectly, conduct that leads to or permits the employment by PEG of third-country nationals without a regular residence permit in violation of the provisions of Article 25-twelfth subsection of the Decree;
- engage in conduct that can even only potentially constitute the offences listed above.

In relation to the nature of the goods supplied or the service rendered, suppliers in any capacity whatsoever and other third parties must guarantee compliance with labour regulations regarding the employment of staff legally resident in Italy or possession of a regular residence permit.

Special procedures

To comply with the principles and observe the prescriptions set out above, the Recipients of the Model must, to the best of their ability and within the limits of their role and activities, scrupulously observe and ensure observance of the provisions described below, as well as the rules and general principles of conduct contained in the General Section of the Model and the Code of Ethics.

When carrying out activities relating to the prevention of employing illegal aliens, the following procedures must be followed.

1. Contracts signed by PEG with third parties (e.g., contract workers, consultants, external companies, suppliers, temporary agencies, etc.) must be defined in writing and contain a standard clause (see Clause 231) that requires compliance with the Model and Decree 231. The test of this clause must be defined in cooperation with the SB, as already shown in the “Procedure for offences against the Public Administration”. Where possible, such contracts must also contain a specific declaration by the third parties stating that they are aware of the regulations contained in Decree 231 and, in particular, with the provisions of the applicable legislation concerning the employment of citizens without a regular residence permit. Finally, they must include the possibility of withdrawing from the contract in the event of violations of the Model and/or the standards set forth in Decree 231.
2. Contract workers, consultants, and suppliers must be chosen using transparent methods to ensure the traceability of the choices made when assigning tasks.
3. Staff selection and recruitment must be carried out in compliance with the principles of transparency and equality, guaranteeing equal opportunities in compliance with the principles set out in the Code of Ethics and respecting company procedures (see PR-8202_Procedure for staff selection and recruitment).
4. It is also necessary to:
 - always give priority to the protection of workers over any economic considerations, in order to prevent any employment of workers without a regular residence permit;
 - in the case of temporary or contracted work, ensure that employers or employment agencies use workers who have complied with the law regarding residence permits;
 - ensure compliance with the measures set forth in the company’s procedures aimed at preventing the use of irregular labour and protecting workers;
 - not use child labour in any way or collaborate with subjects who do so;
 - Implementing a system for monitoring events relating to residence permits (expiration dates, renewals, etc.).

All Recipients must ensure compliance with the aforementioned legislation and the principles contained in the Code of Ethics.

Corporate Bodies and Departments involved

- Human Resources Manager

Reference documents

- Code of Ethics
- Compliance Program for Foreign Subsidiaries
- Staff Selection and Hiring Procedure
- Procedure for Training and Qualifying Staff
- Information Flows to the SB
- Whistleblowing Procedure

Principal activities of the SB

The SB monitors and verifies the suitability and sufficiency of the Model and the procedures set forth to prevent offences connected to the use of workers without a regular residency permit.

To that end, the SB is ensured full access to all relevant corporate documentation.

When the SB encounters violations of the Model, it promptly informs the Board of Directors and the Board of Statutory Auditors.

X. PROCEDURE REGARDING CRIMES RELATED TO RACISM AND XENOPHOBIA (Art. 25-thirteenth subsection of Legislative Decree 231/2001)

Types of offences and how they are committed

The types of offences (Article 25-thirteenth subsection) potentially associated with the areas of activity at risk and how they are committed are as follows:

Propaganda and incitement to commit racial, ethnic, and religious discrimination (Article 604-second subsection of the Criminal Code)

This offence could be committed if the Company, even through its employees or contract workers:

- spreads propaganda with ideas based on racial or ethnic superiority or hatred;
- incites the commission of crimes on the grounds of racial, ethnic, national, or religious discrimination;
- participates in, promotes, or provides assistance to organisations, associations, movements, or groups whose purposes include incitement to discrimination or violence on racial, ethnic, national, or religious grounds;
- propagates, i.e., instigates or incites, and such conduct leads to a substantial danger of propagation of ideas which are wholly or partially based on the denial, gross trivialisation, or apologia of the Holocaust or crimes of genocide, crimes against humanity, and war crimes recognised by the Statute of the International Criminal Court.

Areas of activity at risk and instrumental processes

The offences of propaganda and incitement to commit racial, ethnic, national, and religious discrimination may be committed in all areas of the company, for example, by discriminating against employees or collaborators on racial grounds, or by denying a specific worker leave, holidays, or recognition of overtime for racial, ethnic, national, or religious reasons, through the company's communication activities directed outwards through any means of information, funding of organisations/associations/movements, or groups promoting racial superiority or inciting hatred based on ethnic or religious grounds).

In relation to the above-mentioned area of activity at risk for the commission of the offences, the following sensitive processes instrumental to the commission of such offences have been identified:

- Selection, hiring, and management of staff;
- Management of reimbursement of expenses, representation, gifts, sponsorships, and donations;
- Consultancy and agent management;
- Management of money and financial flows;



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- Selection of suppliers and procurement management.

General principles of conduct

Regarding the principles of conduct to be observed by the Recipients of the Model in order to prevent the commission of the offences in question, as well as the specific procedures to be adopted in carrying out the activities for which they are responsible, they shall comply with the applicable laws and regulations, the values contained in the Code of Ethics, the guidelines, and PEG's internal operating procedures, as well as the rules of conduct contained in the Model and, in particular, in this procedure.

In particular, in line with the principles and values contained in the Code of Ethics, the following are forbidden:

- spread propaganda, inside or outside the workplace, regarding ideas based on racial, ethnic, national, or religious superiority or hatred;
- incite or commit acts of discrimination on racial, ethnic, national, or religious grounds;
- refuse to hire an employee or contract worker, excluding or not granting them production bonuses, salary increases, overtime, holidays, and leave on racial, ethnic, national, or religious grounds;
- actively participate in organisations, associations, movements, or groups whose purposes include inciting discrimination or violence on racial, ethnic, national, or religious grounds;
- finance, contribute to, or provide any type of assistance to the activities of such organisations, associations, movements, or groups;
- directly or indirectly provide financial resources, through sponsorships, donations, or other gifts to organisations, associations, movements, or groups which, among their aims, incite discrimination or violence on racial, ethnic, national, or religious grounds;
- disseminate, by any means of information or communication, propaganda, inciting, or provocative ideas based on the denial, gross trivialisation, or apologia of the Holocaust or crimes of genocide, crimes against humanity, and war crimes recognised by the International Criminal Court;
- hire or assign work orders or carry out any commercial and/or financial operation, whether directly or through an intermediary, whose purpose is to contribute to the commission of acts of racism and xenophobia.

All Recipients must ensure compliance with the aforementioned legislation and the principles and values contained in the Code of Ethics.

Special procedures

To comply with the principles and observe the prescriptions set out above, the Recipients of the Model must, to the best of their ability and within the limits of their role and activities, scrupulously observe and ensure observance of the provisions described below, as well as the rules and general principles of conduct contained in the General Section of the Model and the Code of Ethics.

PEG implements a training and information policy for recipients to prevent any act of discrimination or violence, particularly those based on racial, ethnic, national, or religious grounds. To that end, worker training must ensure that all PEG personnel acquire full awareness of the importance of diversity and the values that inspire the Company in managing these issues and the consequences of any discriminatory behaviour.

The Company promotes a culture of diversity and integration, ensuring a safe work environment, free of any discrimination.



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PEG constantly monitors the inward and outward information flows, with particular attention to preventing any discriminatory phenomena. To that end, any external communication must be defined in compliance with the corporate guidelines and policies, the Code of Ethics, and any communication policy adopted by the Company.

Specifically designated individuals must manage any relationships with information and communication means (including social networks).

Any bonus, benefit, or other type of recognition may not be negated on racial, ethnic, national, or religious grounds. All work and partnership relationships, beginning with the selection phase and all the way through, must always be based on mutual respect and the denial of any form of discrimination.

All PEG activity areas must undergo audits and monitoring by the structures involved. Each area manager or supervisor must constantly monitor that no discriminatory behaviour occurs in the workplace or the performance of the work under his/her supervision.

Corporate Bodies and Departments involved

- Finance Administration Director
- Human Resources Manager

Reference documents

- Code of Ethics
- Cash Fund Management Procedure
- General rules of conduct
- Staff Selection and Hiring Procedure
- Information Flows to the SB
- Whistleblowing Procedure

Principal activities of the SB

The SB monitors and verifies the suitability and sufficiency of the Model and the procedures implemented to prevent offences and the risk assessments carried out and measures aimed at preventing any discriminatory phenomenon, in light of the principles and values contained in the Code of Ethics.

To that end, the SB is ensured full access to all relevant corporate documentation. When the SB encounters violations of the Model, it will promptly inform the Board of Directors and the Board of Statutory Auditors.

XI. PROCEDURE RELATING TO TAX OFFENCES

Types of offences and how they are committed

The types of offences (Article 25-fifteenth subsection of Legislative Decree 231/2001) potentially associated with the areas of activity at risk and how they are committed are as follows:

Fraudulent declaration through the use of invoices or other documents for non-existent transactions (Article 2, paragraphs 1, and 2-*second subsection* of Legislative Decree 74/2000).

This offence could occur in cases in which the Company seeks to evade income or value-added tax by, e.g., indicating fictitious elements in its declarations using payable invoices recorded in the compulsory accounting records by suppliers of goods or providers of services, for example, including consultants or agents, for transactions that were not fully or partially carried out. In addition, the company could also report fictitious liabilities by recording invoices from third parties in its accounts for transactions in amounts higher than actual receipts.

Fraudulent declaration through other devices (Article 3 of Legislative Decree 74/2000).

This offence could occur in cases in which the Company seeks to evade income or value-added tax by, e.g., indicating fictitious payable elements in its declarations using, for example, false invoices issued by third parties or recorded in the accounting records relating to travel expenses that were not actually incurred.

Inaccurate tax declaration (Article 4 of Legislative Decree 74/2000) - limited to cases in which it is committed “... *as part of fraudulent cross-border schemes and to evade value-added tax for a total amount of not less than € 10 million...*”.

This offence could occur in cases in which the Company, in order to avoid paying value-added tax for a total amount of not less than ten million euro indicates an amount lower than the actual amount in one of the declarations relating to that tax, even after issuing and subsequently recording invoices for amounts lower than the actual ones.

Failure to file tax declaration (Article 5 of Legislative Decree 74/2000) - limited to cases in which it is committed “... *as part of fraudulent cross-border schemes and to evade value-added tax for a total amount of not less than € 10 million...*”.

This offence could occur in cases where, to avoid paying value-added tax for a total amount of not less than € 10 million, the Company fails to submit one of the declarations relating to that tax.

Issuing invoices or other documents for non-existent transactions (Article 8, paragraphs 1, and 2-*second subsection* of Legislative Decree 74/2000)

This offence could occur when the Company, to avoid paying income or value-added taxes or to allow third parties to evade such taxes, for example, issues false receivable invoices relating to transactions that were not completely or partially carried out.

Concealing or destroying tax documents (Art. 10 of Legislative Decree 74/2000);

This offence could occur when the Company seeks to avoid paying income or value-added taxes or to allow third parties to evade such taxes by carrying actions including but not limited to the following:

- conceal documents that must be kept from the tax authorities during the audit to hinder the exact reconstruction of the turnover;
- destroys or conceals the mandatory accounting records to not allow a proper reconstruction of the turnover and consequently not allow the proper calculation of the taxes due to the tax authorities;
- generates a malfunction in the computer system that causes irreversible corruption in some stored data.

Undue compensation (Article 10-fourth subsection of Legislative Decree 74/2000) - limited to cases in which it is committed “... *as part of fraudulent cross-border schemes and to evade value-added tax for a total amount of not less than € 10 million...*”.

This offence could occur in cases in which, to avoid paying value-added tax for a total amount of not less than € 10 million, the company uses credits due to another person as compensation in F24 forms or uses them beyond the limit allowed by law.

Fraudulent non-payment of taxes (Article 11 of Legislative Decree 74/2000).

This offence could occur in cases in which, in order to avoid paying income or value-added tax, the company carries out, for example, but not limited to simulated operations for the disposal of assets to third parties, as part of a plan aimed at removing assets from an enforceable proceeding activated or that can be activated by the financial administration. The Company could also manipulate accounting data to show assets that are lower than they really are in relation to asset disposals in favour of third parties, as part of a plan to remove asset guarantees from any enforceable proceeding activated or that could be activated by the tax authorities.

Finally, the Company may enter into agreements with private parties to transfer part of the Company's assets - even if only in appearance - in the execution of a plan to remove assets from an enforceable proceeding activated or that may be activated by the tax authorities.

Areas of activity at risk and instrumental processes

Regarding the offences set out in this Special Section, as a result of the risk assessment activities, the following areas of activity at risk have been identified:

- Management of work orders with subjects belonging to the Public Administration and private individuals
- General accounting management, preparation of financial statements, and tax and customs obligations
- Management of gifts, expenses, and related reimbursements
- Supplier selection and procurement management
- Consultancy management
- Management of money and financial flows
- Management of company computer systems and IT documents

General principles of conduct

It is expressly prohibited for the Recipients of the Model to engage in conduct that:

- includes the types of offences considered above, even in complicity or attempt, or that facilitates their commission;
- while not in itself constituting one of the offences considered above, may potentially become one;
- is not compliant with the laws, applicable regulations, or company procedures, or not in line with the principles expressed by the Model and the Code of Ethics.

Recipients operating in the areas of activity at risk of offence must carry out certain actions, for example, but not limited to:



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- prepare, supply, or transmit documents and/or data to the tax authorities that are correct, complete, accurate, and in line with reality, in order to provide a clear description of the Company's tax and financial situation for the exact fulfilment of fiscal and tax obligations;
- engage in conduct based on the principles of fairness, transparency, and cooperation with the tax authorities, ensuring full compliance with legal and regulatory provisions when performing all activities aimed at acquiring, processing, managing, and communicating data and information intended to allow a well-founded and truthful assessment of the Company's assets and liabilities, economic, financial, tax and fiscal situation for tax purposes. In this regard, the Recipients are prohibited, in particular, from:
 - record (or hold as proof for the tax authorities) and use in declarations (relating to income tax and/or value-added tax) fictitious passive elements deriving from invoices or other documents for objectively/subjectively non-existent transactions in order to evade income tax or value-added tax;
 - indicating assets in the declarations that are lower than the actual ones or fictitious liabilities or fictitious credits and withholdings, carrying out objectively or subjectively simulated transactions, or making use of false documents or other fraudulent means that could hinder the assessment and mislead the tax authorities, in order to avoid paying income or value-added taxes;
 - emit or issuing invoices or other documents for objectively/subjectively non-existent transactions in order to allow third parties to avoid paying income or value-added taxes;
 - alter or inaccurately report data and information intended for the preparation and drafting of documents of an asset, economic, financial, and fiscal nature;
 - wholly or partially conceal or destroy accounting records or documents that are mandatory to keep to not allow the tax authorities to reconstruct the income or turnover to avoid paying income or value-added taxes or to allow third parties to evade them;
- not to openly dispose of or carry out other fraudulent acts on the Company's goods/assets or on the assets of others, that could wholly or partially render the compulsory collection procedure ineffective, in order to avoid paying income or value-added taxes or interest or administrative sanctions relating to such taxes;
- illustrate data and information in such a way as to give an accurate and fair view of the Company's assets and liabilities, profit and loss, financial position, and tax situation;
- present declarations related to income and/or value-added taxes within the time set forward in the reference standard;
- pay the amounts due to the tax authorities, using only credits due as compensation, in compliance with Article 17 of Legislative Decree 241 of 9 July 1997;
- make all the documentation concerning the management of the Company and preparatory to the performance of any and all verification and control activities legally and statutorily attributed to them available to the Shareholders and other Corporate Bodies. In this regard, the Recipients are particularly forbidden to engage in conduct that materially impedes or in any case hinders the performance of control activities by Shareholders and other Corporate Bodies through the concealment or destruction of documents or the use of other fraudulent means.

Special procedures

In order to comply with the previously mentioned principles and prohibitions, the following specific procedures must be observed.

Management of contracts for the purchase of goods, services, and performance of intellectual works

- Verification of the conformity of the characteristics of the goods, labour, and services purchased compared to the contract;
- Verification of complete and accurate recording of the delivered goods/services based on supporting documentation;
- Verification of the completeness and accuracy of the data in the invoice compared to the content of the contract/order and against the goods/services and works received;
- Definition of criteria for recording debit or credit notes received from suppliers.

Registration/Changes to registers

- Identification of the minimum documents needed to open or modify customer registers;
- Definition of the authorisation process for opening registers;
- Periodic check and maintenance of the registers;
- Periodic check and updating of the list of counterparties subject to the split payment scheme and the correct filling in of the split payment requirement in the customer register;
- Verification of the proper registration of communications regarding joining or leaving the VAT grouping scheme.

Issuing invoices

- Verification of the existence and adequacy of the Customer Register;
- Performance verification (Goods: match with warehouse and transport documents. Services: check “gold sheet” or other; Work Orders: milestones) and any issue authorisation.

Collections management

- Definition of the rules for modifying the bank section of the registries;
- Periodic verification and timely update of incorrect and/or incomplete bank coordinates;
- Verification of proper charging of the consignment to the Customer;
- Analysis of suspended items and closure of suspense accounts;
- Periodic analysis of anomalies (e.g., same bank coordinates for several Customers, high frequency of changes to the registry/bank coordinates).

Recording invoices received

- Checking that all elements required by tax laws are correctly stated on the invoice;
- Checking the completeness and correctness of the data on the invoice (supplier’s tax data, invoice number and date, taxable amount, VAT amount, invoice total, order number);
- Verification of the proper accounting allocation (Account);
- Verification of the proper accounting registration;
- Periodic analysis of anomalies (e.g., absence of order; inadequate authorisation process in terms of time and roles).

Management of payments to suppliers and bank data of payment recipients

- Definition of the rules for modifying the bank section of the registries;
- Verification of invoice payability based on the comparison between the contract, good/service receipt, and invoice;
- Verification that the payment recipient is consistent with what is reported on the invoice;

- Verification of the correspondence between the financial transaction and the related available support documentation;
- Prohibition against making payments to suppliers and external collaborators other than those provided for in the contract;
- Periodic analysis of anomalies (e.g., same bank coordinates for several Suppliers, high frequency of changes to the registry/bank coordinates).

Management of tax payments

- Verification of the timely and correct settlement of taxes with respect to the legal deadlines and the declarations submitted, taking into account both the payments already made on account and the payments due for the current year;
- Verification of the timely payment of the files within the set deadlines.

Intra-group transactions

- Verification that the transfer pricing calculation method for intra-group transactions complies with regulatory requirements and is such that the prices are comparable with those of market transactions;
- Verification of the conformity of the transfer prices applied to the individual operations with the approved calculation method;
- In the event of a transfer of funds between bank accounts of companies in the same group or between accounts of the same company, definition of suitably motivated and documented cases subject to suitable control and authorisation systems.

Benefits and expense notes

- Verification of the correct accounting and tax treatment for employee benefits;
- Check that the value of the benefit is shown on the payslip;
- Verifies that the documentation of expenses incurred by employees and Directors is adequate and issued in compliance with applicable legislation.

Monitoring agency expenses

- Verification of the proper management, authorisation and reporting of agency expenses: (i) compliance with the requirements for qualification as “agency expenses”, (ii) compliance with the limits provided for in the applicable standards.

Determination of the taxes

- Analysis of increasing and decreasing tax variations;
- Verification of the proper recognition of deferred and prepaid taxes;
- Adoption of controls to ensure that the method used to calculate the corporate income tax payments on account and balance is based on established drivers (provisional, historical) and in line with activities carried out in previous years;
- Analysis regarding the change in the effective tax rate compared to the values relating to the corresponding period of the previous fiscal year;
- Adoption of controls aimed at ensuring that the elements of the tax for the period are documented, and subsequent traceability is facilitated.

VAT liquidation and compensation



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- Verification that the sum of VAT purchases and sales coincides with the balance of the general accounts summarising VAT purchases and sales;
- Verification that VAT compensations were carried out in compliance with the related standards and applicable regulations (e.g., presentation of the declaration with an endorsement of conformity, signature by the supervisory body).

Tax accounting

- Verification of the correct tax accounting;
- Verification that the VAT accounting (payable/receivable) is done following the proper checks;
- Preventive analysis of the primary VAT codes, even sampling, to identify and investigate significant deviations that may have been detected for previous periods.

Compiling the Tax Statements

- Verification of the correctness and completeness of the compilation of the Tax Statements, including those compiled in the capacity of withholding;
- Analysis, through the use of so-called “diagnostic” tools, of the completed Declarations in order to identify anomalies and take prompt action for their analysis and resolution;
- Adoption of operating methods to verify the proper preparation of the Tax Statements, including with the support of autonomous and independent subjects;
- Analysis of the Tax Statements compared to previous fiscal years;
- Make sure the Tax Statements are signed, following verification, by the Company’s Legal Representative or by an individual with the proper proxy.

Disputes

- Adoption of operating procedures aimed at ensuring that, upon receipt of a dispute, the competent Departments/Functions take action, including through external specialists, to manage any litigation and cooperate in the preparation of any opinions.

Non-routine transactions

- Verification that the accounting and tax treatment of non-routine transactions is based on the complexity of the transaction, taking into account the likelihood of possible disputes and their tax and reputational impact.

Corporate Bodies and Departments involved

- Finance Administration Director

Reference documents

- Code of Ethics
- Compliance Program for Foreign Subsidiaries
- Cash Fund Management Procedure
- Information Flows to the SB
- Whistleblowing Procedure

Principal activities of the SB

The principal activities of the SB to evaluate the effectiveness of the procedures and compliance with the provisions of the Model for the prevention of tax offences are specified below.

- verification of compliance with the principles of conduct and procedures for monitoring tax obligations relating to the calculation, settlement, and periodic declaration of taxes;
- verification of the proper formalisation of contractual relationships with external tax professionals;
- examination of any reports of violations of the Model and investigations deemed necessary or appropriate in relation to the reports received;
- monitoring the effectiveness of the controls and proposals of any necessary changes/integrations;
- verification of compliance with the principle of traceability;
- periodic checks of the applicable system of delegated powers.

To that end, the SB is ensured full access to all relevant corporate documentation. When the SB encounters violations of the Model, it promptly informs the Board of Directors and the Board of Statutory Auditors

XII. PROCEDURE RELATING TO SMUGGLING OFFENCES

Types of offences and how they are committed

The types of offences (Article 25-sixteenth subsection of Legislative Decree 231/2001) potentially associated with the areas of activity at risk and how they are committed are as follows:

- Smuggling in the movement of goods across land borders and customs areas (Article 282 Presidential Decree No 43/1973)
- Smuggling in the movement of goods in border lakes (Art. 283 of Presidential Decree no 43/1973)
- Smuggling in the movement of goods by sea (Art. 284 of Presidential Decree no 43/1973)
- Smuggling in the movement of goods by air (Art. 285 of Presidential Decree no 43/1973)
- Smuggling in customs-free zones (Art. 286 of Presidential Decree no 43/1973)
- Smuggling due to undue use of goods imported with customs facilities (Article 287 of Presidential Decree No 43/1973)
- Smuggling in customs warehouses (Article 288 of Presidential Decree No 43/1973)
- Smuggling in cabotage and traffic (Article 289 of Presidential Decree No 43/1973)
- Smuggling in exporting goods eligible for duty drawback (Article 290 of Presidential Decree No 43/1973)
- Smuggling in temporary importation or exportation (Article 291 of Presidential Decree No 43/1973)
- Other cases of smuggling (Article 292 of Presidential Decree No 43/1973)
- Aggravating circumstances of smuggling (Article 295 of Presidential Decree No 43/1973)

These offences could occur in cases where, for example, by producing untruthful customs documentation, removing goods from customs inspections or through other conduct, the Company, with malicious intent, removes (or in any case attempts to remove, according to the provisions of Art. 293 T.U.D. which admits punishability also in the form of attempt) goods outside the control system established for the assessment and collection of customs duties and, in particular, of border duties due to the European Union, as defined by Art. 34 T.U.D. and what is equated for sanctioning purposes.

Areas of activity at risk and instrumental processes

Regarding the offences set out in this Special Section, as a result of the risk assessment activities, the following area of activity at risk has been identified:

- General accounting management, preparation of financial statements, and tax and customs obligations

Within this area, the following activities were considered to be particularly exposed to risk:

- Sale and marketing (including via triangulation) of goods subject to customs or border duties and of import and export products
- Managing relationships with carriers, transporters, and forwarding agents working on behalf of the Company
- Management of supplier and freight forwarder qualification
- Management of the purchase process of goods subject to border customs duties
- Management of relationships with the Customs Agency for import/export activities, including through third parties
- Management of customs activities (classification of goods based on customs codes, identification of binding fees, the origin of the goods, e.g., preferential origin)
- Management of checks and inspections
- Management of logistics (loading and unloading goods)

General principles of conduct

The following prohibitions apply to the Recipients of the Model:

- Prohibition of submitting untruthful statements to national and foreign public bodies, or statements lacking the required information, and in any case of performing any act that may mislead the public body;
- Prohibition of obtaining, importing, storing, or holding goods in violation of customs legislation;
- Prohibition of paying or promising money or other benefits to a third party or related person to ensure undue advantages of any kind to the Company through intermediary work carried out with members of the Public Administration;
- Prohibition of conceding to undue recommendations or pressure from public officials or persons in charge of a public service.

Documentation relating to the management of customs formalities is archived to ensure process traceability.

Finally, there must be constant monitoring of the evolution of the relevant legislation and the timeframe for communications, complaints, and fulfilments with the Customs Agency.

Special procedures

In order to comply with the previously mentioned principles and prohibitions, the following specific procedures must be observed.

- The individuals appointed to maintain relations with and represent the Company with the Customs Agency, including during inspections and audits, must be formally identified through a system of delegated and proxy powers;
- The individuals outside of the organisation that are appointed to maintain relations with and represent the Company with the Customs Agency, including during inspections and audits, must be formally identified and the related delegated powers formalised contractually;
- Shippers or transporters are selected based on professionalism and soundness, and the selection is carried out through systems that ensure transparency, traceability, and fairness of the process;
- The department dedicated to managing import and export activities ensures the shipper's compliance with customs regulations;
- The Finance Administration Department reconciles the customs documentation provided by the shipper with the reference documentation, also in order to review the duties due and paid. The shipper's invoice is not paid until this review has been carried out;
- The internal individual in charge of implementing import and export operations (i) identifies the most appropriate tools to ensure that the relations maintained by the department with the PA are always transparent, documented, and verifiable, (ii) checks that the documents, declarations, and information transmitted to the PA by the Company are complete and truthful and adequately authorised;
- It must be ensured that the customs representation contract with the shippers and any powers of attorney granted are properly formalised;
- Finance Administration and Procurement periodically verify the correspondence of the classification of the goods based on the identification of the tariff treatment to be applied.

Corporate Bodies and Departments involved

- Finance Administration Director

Reference documents

- Code of Ethics
- Compliance Program for Foreign Subsidiaries
- Shipping and Transportation Management Procedure
- Information Flows to the SB
- Whistleblowing Procedure

Principal activities of the SB

The principal activities of the SB to evaluate the effectiveness of the procedures and compliance with the provisions of the Model for the prevention of smuggling offences are specified below.

- verification of compliance with the principles of conduct and procedures governing the management of customs compliance activities;
- verification of the correct qualification, selection. and contracting of customs agents and shippers;
- examination of any reports of violations of the Model and investigations deemed necessary or appropriate in relation to the reports received;
- monitoring the effectiveness of the controls and proposals of any necessary changes/integrations;
- verification of compliance with the principle of traceability;

- periodic checks of the applicable system of delegated powers.

To that end, the SB is ensured full access to all relevant corporate documentation. When the SB encounters violations of the Model, it promptly informs the Board of Directors and the Board of Statutory Auditors

XIII. OTHER OFFENCES

Following the mapping and assessment of the risk of commission of the predicate offences, in the scope of PEG's specific activities, additional offences have emerged which may in abstract terms be committed in various areas of activity at risk:

- Offences against industry and commerce under Article 25-second subsection 1, Legislative Decree 231/01;
- Offences for the purposes of terrorism and subversion of the democratic order, Art. 25-fourth subsection of Legislative Decree 231/01;
- Offences related to copyright infringement (Art. 25-ninth subsection of Legislative Decree 231/01);
- Offences against cultural heritage (Article 25-seventeenth of Legislative Decree 231/01) and Laundering of cultural assets and devastation and looting of cultural and scenic heritage (Article 25-eighteenth of Legislative Decree 231/01).

The general and specific principles defined in the following procedures are considered suitable for preventing the offences in question:

- I - Procedure Relating to Offences Against the Public Administration
- III - Procedure Relating to Corruption Among Private Individuals:
- V - Procedure Relating to Receiving Stolen Goods and Money Laundering;
- VI - Procedure Relating to Cybercrimes and Unlawful Data Processing;
- VII - Procedure Relating to National and Transnational Organised Crime.
- VIII – Procedure Relating to Environmental Crimes.

The following principles of conduct also apply:

1. Principles of conduct applicable to offences against industry and commerce (Art. 25-second subsection 1 of the Decree)

All those working on behalf of the Company are prohibited from engaging in, collaborating in, or causing conduct that:

- directly or indirectly integrates the types of offences outlined in Art. 25-second subsection 1 of the Decree, or to facilitate its commission;
- while not in itself constituting one of the offences considered above, may potentially become one;
- is not compliant with the laws, applicable regulations, or company procedures, or not in line with the principles expressed by the PEG Model and the Code of Ethics and Conduct.

In the context of the above conduct, the following is particularly prohibited:

- engaging in violent or intimidating conduct in order to inhibit/eliminate competition;
- entering into collusive agreements with other companies aimed at winning tenders to the detriment of other competitors, or discouraging competitors from submitting competitive bids;
- carrying out acts of violence against the property of third parties;



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- carrying out fraudulent acts likely to result in the diversion of other people's customers and damage to competing businesses;
- engaging in unfair competition and in particular:
 - spreading news about a competitor's products and business that is likely to discredit them, or appropriating the merits of a competitor's products or business;
 - directly or indirectly using any other means that does not comply with the principles of professional fairness and is likely to damage the company of others.

2. Principles of conduct that apply to offences for the purpose of terrorism or subversion of the democratic order (Art. 25 fourth subsection of the Decree)

All those working on behalf of the Company are prohibited from engaging in, collaborating in, or causing conduct that:

- directly or indirectly integrates the types of offences set forth in Art. 25-fourth subsection of the Decree, or to facilitate its commission;
- while not in itself constituting one of the offences considered above, may potentially become one;
- is not compliant with the laws, applicable regulations, or company procedures, or not in line with the principles expressed by the PEG Model and the Code of Ethics and Conduct.

In the context of the above conduct, the following is particularly prohibited:

- establishing relationships (work orders, tenders, consultancies, or any commercial and/or financial operation) with persons, entities, companies, or associations in any form whatsoever established in Italy or abroad - whether directly or through an intermediary - that are known or suspected to be part of, or are in any case connected to or have relations of any nature with criminal associations or groups (e.g., included in the Reference Lists defined by the Bank of Italy, UN, EU, OFAC, etc.), or of which the identity, integrity, and fairness, as well as, in the case of companies, the actual ownership or relations of any nature whatsoever with criminal associations or groups have not been ascertained with accuracy;
- establishing relationships with individuals who refuse or are reticent to provide relevant information to their correct, effective, and complete knowledge;
- directly or indirectly providing funds in favour of subjects who intend to commit one or more crimes for the purpose of terrorism or subversion of the democratic order, or in favour of subjects who directly or indirectly pursue purposes of terrorism or subversion of the democratic order. Funds and economic resources disbursed in favour of a person or a group in the knowledge - or at least with the reasonable suspicion - are recognised, to that end that:
 - pursue purposes of terrorism or the subversion of the democratic order;
 - are allocated to such individuals or groups by the beneficiary of the fund;
 - the financial resources will be used to commit the offences in question;
- make payments to numbered or coded accounts or in cash (except for modest amounts and in compliance with the company's cash management procedure) and in any case to persons other than the contractual counterparty;
- make payments, as well as provide donations or other benefits, to individuals or legal entities that are included in lists drawn up by international organisations (e.g., UN, EU, OFAC, etc.) in order to prevent the financing of terrorism and money laundering;

- recognise fees or commissions in favour of third parties that are not adequately justified or that are not adequately proportionate to the activity carried out, also in consideration of market conditions, the type of assignment to be carried out, and local practices;
- recruit persons from the Reference Lists or organisations on the Reference Lists;
- harbouring or providing hospitality, means of transport, means of communication, or any other support to individuals participating in subversive associations or associations for the purposes of terrorism.

3. Principles of conduct that apply to offences in relation to copyright violations (Art. 25 ninth subsection of the Decree)

All those working on behalf of the Company are prohibited from engaging in, collaborating in, or causing conduct that:

- directly or indirectly integrates the types of offences set forth in Art. 25-ninth subsection of the Decree, or to facilitate its commission;
- while not in itself constituting one of the offences considered above, may potentially become one;
- is not compliant with the laws, applicable regulations, or company procedures, or not in line with the principles expressed by the PEG Model and the Code of Ethics and Conduct.

In the context of the above conduct, the following is particularly prohibited:

- illegally *download* or transmit to third parties any content protected by copyright;
- introduce and/or store at the company (on paper, computer, or through the use of company tools), for any reason whatsoever, documents and/or computer material of a confidential nature and the property of third parties, unless acquired with their express consent;
- unduly use, exploit, distribute, or reproduce intellectual works of any kind covered by copyright, for any reason, in any form whatsoever, for profit or personal purposes.

In addition, there is an obligation to:

- use assets protected by copyright law in accordance with the rules laid down therein;
- only use authorised advertising material (e.g., photographic material);
- comply with internal rules and procedures as well as the clauses and tools set forth in the contracts to protect copyright-protected material;
- ensure that promotional/advertising material presented externally is checked for compliance with regulations;
- adopt specific protection measures to guarantee the integrity of information made available to the public via the Internet and of programmes and other intellectual works covered by copyright;
- adopt specific measures to guarantee the correct use of copyright-protected materials, including through procedures to control the installation of *software* on operating systems;
- adopt protection tools (such as access rights) relating to preserving and archiving copyright-protected content.

4. Principles of conduct applicable to crimes against cultural heritage (Article 25-seventeenth of the Decree) and Laundering of cultural assets and devastation and looting of cultural and scenic heritage (Article 25-eighteenth)

All those who work on behalf of the Company are prohibited from implementing, collaborating with or giving cause to the implementation of conduct:

- such as to integrate, in a direct or indirect manner, the types of offenses provided for in Articles 25-seventeenth 25-eighteenth of the Decree, or such as to facilitate their commission;
- which, although they are such that they do not in themselves constitute cases of crime falling under those considered above, may potentially become so;
- that do not comply with applicable laws, regulations, and company procedures or, in any case, are not in line with the principles expressed in PEG's Model and Code of Ethics.

In the context of the above behaviors, it is prohibited, in particular, to:

- establishing relationships (orders, contracts, consultancies or any commercial and/or financial transaction) with subjects, entities, companies or associations in any form established, in Italy or abroad - whether directly or through intermediaries - whose identity, integrity and correctness, as well as, in the case of companies, actual ownership or control links, have not been ascertained with accuracy, diligence and in a traceable and documented manner;
- establish relationships with persons who refuse or show reticence in providing information relevant to their correct, effective and complete knowledge;
- acquiring, procuring, converting or transferring assets whose criminal origin is known or, more generally, carrying out any operation aimed at concealing or disguising the illicit origin or helping anyone involved in this activity to escape the legal consequences of their actions;
- providing, directly or indirectly, funds in favor of or collaborating with persons who intend to carry out one or more crimes of the kind.

Vice versa, it is always necessary, by way of example but not limited to:

- consider already at the design stage archaeological or landscape constraints as well as the risks of discovery of relics in the intervention sites, with the possible involvement of specialized external public or private resources;
- carry out the necessary topographical surveys of the areas affected by the project;
- during the construction phase, monitor the discovery of any deposits of material of archaeological interest and apply maximum diligence in order not to cause damage to the cultural and landscape heritage;
- in the event of the discovery of archaeological finds at the production sites where the company operates, avoid taking any action that could cause the deterioration or destruction of the assets by promptly liaising with the Works Management or the relevant local authorities.

On the other hand, the following types of offences were excluded from the risk analysis because they do not relate to or characterise the activities carried out by the Company:

- Counterfeiting money, public credit cards, revenue stamps, and identification tools and signs pursuant to Article 25-second subsection of Legislative Decree 231/01 (except Articles 473 and 474 of the Criminal Code, for which reference should be made to the principles adopted in relation to offences against industry and commerce);
- Female genital mutilation Art. 25-fourth subsection 1 of Legislative Decree 231/01;
- Offences against the individual pursuant to Article 25-fifth subsection of Legislative Decree no. 231/01, except for the offence referred to in Article 603-second subsection of the Criminal Code (unlawful intermediation and exploitation of labour), for which reference should be made to the Protocols adopted as part of the staff selection, hiring and management process;
- Market abuse pursuant to Article 25-sixth subsection of Legislative Decree 231/01;



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- Transnational offences relating to drug trafficking and obstruction of justice, introduced by Article 10 of Law 146/2006 (with regard to the offences of association, please refer to what is stated above in the procedure relating to organised crime offences, while for the offence referred to in Article 25-tenth subsection of the Decree, which assumes the establishment of relations with the judicial authorities, including those of foreign States, please refer to the procedure relating to offences against the Public Administration);
- Fraud in sports competitions Art. 25 - fourteenth subsection of the Decree;
- Fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (Article 2 of Law 898/1986).

In any case, the Company's Code of Ethics defines values and principles of conduct based on integrity, fairness, and loyalty that are also suitable for preventing the commission of the offences described above.

APPENDIXES

- PEG Code of Ethics.