CARCO NOVOTEMA PRECISION RUBBER PRODUCTS SPA

Whistleblowing Procedure

INTERNAL REGULATIONS FOR THE MANAGEMENT OF REPORTS: GUIDELINES

This document represents the procedure for managing reports received and managed by CARCO NOVOTEMA PRECISION RUBBER PRODUCTS SPA (the Company), pursuant to Whistleblowing regulations.
The procedure complies with the regulatory changes introduced by Legislative Decree no. 24 of 10 March 2023 implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 (the so-called "Whistleblowing Decree").
The whistleblowing process is an integral part of the Code of Ethics of CARCO NOVOTEMA PRECISION RUBBER PRODUCTS SPA.
For the sending and management of reports, the Company has implemented a dedicated IT platform, which is the preferred channel for sending reports.
The procedure adopted by the Company will be reviewed on the occasion of any regulatory changes, with possible updating whenever changes occur to the directives or the organisational structure.

1. Regulatory references

Whistleblowing was introduced in Italy with specific legislation at the end of 2017, with Law No. 179. This legislation comprehensively regulated the institution for public administration, while it also introduced some provisions for private sector organizations with an organizational model of management and control pursuant to Legislative Decree no. 231/2001.
Law no. 179/2017 was superseded by the law transposing the European Directive on whistleblowing (no. 1937/2019).
The new law, Legislative Decree no. 24 of 10 March 2023, is the implementation of EU Directive no. 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and laying down provisions concerning the protection of persons who report breaches of national law (so-called "Whistleblowing Decree"). The new legislation provides for burdens on public and private organizations, in particular: all public bodies must provide for internal procedures for the management of reports; the same obligation is incumbent on private sector entities that have an organizational model pursuant to Legislative Decree no. 231/2001 and on all private organizations with at least 50 employees.

2. Who can make reports

Whistleblowing procedures encourage reporting if anyone acquires, in the context of their work, information about wrongdoing committed by the organisation or on behalf of the organisation.
The purpose of the procedure is to facilitate the communication of information relating to violations found during the work activity.
To this end, the spectrum of potential whistleblowers is very broad.
The procedure is aimed at guaranteeing these subjects, when they report illegal conduct relating to the Company.
The following categories of subjects can make a report through the procedure:

- Employees
- Collaborators
- Suppliers, subcontractors and employees and collaborators of the same or Freelancers, consultants, self-employed workers
- Volunteers and trainees, paid or unpaid
- Shareholders or persons with a function of administration, management, supervision, control or representation
- Former employees, former collaborators or people who no longer hold one of the positions listed above
- Persons in the selection phase, probationary phase or whose legal relationship with the Company has not yet begun, if information on violations has been acquired during the selection process or in other pre-contractual phases.

The procedure also protects the identity of facilitators, the natural persons who assist a reporting person in the reporting process, operating within the same work context.

3. What can be reported

Within this procedure, illegal facts of which one has become aware in the context of one's work activity can be reported. Suspects, qualified suspicions of crimes or other violations of legal provisions or potential risks of committing them may also be reported.

The reporting person is not required to fully demonstrate the commission of an offence but the reports must be as detailed as possible, in order to allow an ascertainment of the facts communicated by the receiving parties. At the same time, reporting entities are not invited to carry out investigative activities that can expose them individually.

Reports may concern:

- criminal offences,
- torts,
- administrative or accounting offences,
- breaches of EU legislation,
- violations of the Code of Ethics adopted by the Company.

Reports of a personal nature, for example relating to one's employment contract, which are regulated by other procedures of the Company, do not fall within the scope of this procedure.

Reports can be made against:

- Shareholders or persons with an administrative, directing, supervising, controlling or representative function;
- employees;
- collaborators;
- consultants;
- workers and collaborators of companies supplying goods or services to the Company;
- other subjects who interact with the Company in various ways.

4. Who receives and handles reports

The Company, by internal act of the Directors, has identified the Supervisory Body as Head of Internal Reporting Systems (RSIS) in its members appointed pursuant to Legislative Decree 231/2001 and has appointed a Coadjutor at the Human Resources Function.

The Head of Internal Reporting Systems is the person responsible for receiving and managing reports of wrongdoing.

The RSIS, or the Coadjutor, receives the reports and dialogues with the reporting person to clarify and deepen what has been received. The dialogue with the reporting person continues even during the assessment phases.

The Whistleblower can choose whether to send his/her report to the RSIS, to the Coadjutor, or to both; this is to ensure an alternative to the whistleblower and also to avoid a potential coincidence between the Reported subject and the Receiving of the report.

The RSIS and/or the Coadjutor, after an initial assessment, carry out an activity of ascertaining the information reported, also requesting specific information from other offices and functions within the organization.

The Receiver provides periodic feedback to the reporting person and, at the end of the assessment activity, communicates the outcome of the assessment activities. The communication of the outcome does not include references to personal data relating to any person reported.

Among the possible outcomes that can be communicated to the reporting person are:

- Correction of internal processes
- Initiation of disciplinary proceedings
- Transfer of the results of the investigation activities to the Public Prosecutor's Office
- Dismissal due to lack of evidence.

5. Internal reporting channels

The Company provides reporting persons with different channels for reporting violations pursuant to this procedure.
In particular, it is possible to make reports in written or oral form.
The Company provides a SAAS 1x Whistleblowing system (REGTECH) for the management of reports and regulatory compliance.

The IT platform is the preferred tool for sending and managing reports, as it is most suitable for ensuring, from a technological point of view, adequate information security measures, the confidentiality of the identity of the Whistleblower and the subjects mentioned in the report and the content of the same.
Through the platform it is possible in detail:

- select the interface language~~;~~
- choose the person to whom you want to address the report (Receiver) from among those appointed by the Company;
- send a report in written or oral form;
- attach documents to the report;
- modify or update a submitted report;
- consult the status of a submitted report;
- receive feedback on the follow-up given to the report.

The platform allows you to:

- separate the identification data of the Whistleblower from the content of the report, providing for the adoption of codes replacing the identification data, so that the report can be processed anonymously;
- keep the content of the report confidential during the entire management phase of the same, allowing access only to authorized subjects;
- adopt secure protocols for the transport of data on the network as well as the use of encryption tools for the content of the report and any attached documentation;
- interact with the Whistleblower, guaranteeing anonymity.

At the end of the report, the reporting person receives an alphanumeric password, with which he or she can access the report and communicate bidirectionally with the recipient, exchange messages and send new information.
All information contained on the platform is encrypted and can only be read by those authorized to receive the report.

6. Reporting management times

At the end of the written reporting process carried out through Whistleblower Software ApS., the platform shows a receipt code confirming that the report has been delivered and taken over by the recipient.
Within 7 days, the receiving party confirms to the reporting person that the report has been taken care of and invites the reporting party to monitor his or her report on the platform to respond to possible requests for clarification or further information.
Within 2 months from the day of the report, the receiving party shall notify the reporting person of feedback with respect to the verification activities carried out to verify the information communicated in the report.
The feedback provided within 2 months may coincide with the outcome of the assessment activities. If these are not concluded, the recipient invites the reporting person to monitor the platform until the final outcome of the same is known.
The same timing in the response is guaranteed in the case of oral reporting.

7. Confidentiality and anonymity

The recipient is required to treat the reports while preserving their confidentiality. Information relating to the identity of the reporting entity, the reported entity and any other person mentioned in the report shall be treated in accordance with the principles of confidentiality. Likewise, all information contained in the report is also treated confidentially.
The identity of the reporting person cannot be revealed without his or her consent. Knowledge of the reports and the related acts of assessment are also removed from the right to administrative access by the interested parties.
The only reason for possible disclosure of the identity of the reporting person may occur if the deeds of assessment are forwarded to an ordinary or accounting prosecutor's office and knowledge of the same is necessary for the purposes of the right of defence during ordinary judicial or accounting proceedings at the Court of Auditors.
Confidentiality is guaranteed through technological tools, such as the encrypted platform for reports and a confidential protocol, and within organizational processes aimed at minimizing the circulation of information.

The sending of anonymous reports is allowed and guaranteed, which will in any case be processed by the receiving party, and deemed admissible if the content of the report is detailed and accompanied by evidence. In any case, reports are treated according to the same principles of confidentiality.
However, in the case of anonymous reports, the recipient has no knowledge of the identity of the reporting person and may unintentionally expose him or her during the verification activities.

8. Processing of personal data

Reports received, verification activities and communications between the reporting person and the receiving person are documented and stored in accordance with confidentiality and data protection requirements.
Reports contain personal data and can only be processed and kept for the time necessary for their processing: this time includes analysis, verification activities and communication of results, as well as any additional timeline for possible additional comments. Under no circumstances will the reports be kept for more than 5 years following the communication of the outcome of the assessment activities to the reporting person.
As regards access to personal data, these are known only to the recipient and, if indicated in a specific organizational act, to the members of the staff supporting the management of the report.
During the assessment activities, the recipient may share information with other functions of the Company that has been previously anonymized and minimized with respect to the specific activities for which the latter are responsible.
As part of the report management process, personal data are processed in compliance with current legislation on the subject (EU Regulation 679/2016 and Legislative Decree 196/2003, as amended by Legislative Decree 101/2018).
The information on the processing of personal data is available in the appropriate section of the Company's Whistleblowing platform.

9. Safeguards and protections

The person referred to in the report as being responsible for the suspected wrongdoing shall benefit from identity protection measures similar to those of the reporting person and the other persons named in the report.
The Person Involved is informed of the existence and content of the report and receives a copy of it, with the exception of the reference to the identity of the Whistleblower, which cannot in any case be made known to the Person Involved, except in cases expressly provided for by law.
The Person Involved has the right to be informed of the outcome of the investigation. Subject to an adequately tracked assessment, the information to the Person Involved may be delayed or not carried out in whole or in part if it appears necessary to wait for the action of public authorities, or if it is reasonable to believe that, by providing the information, the confidentiality of the identity of the Whistleblower protected by law may be at risk.
In addition to protecting the confidentiality of the identity of the reporting person and the persons mentioned in the report, as well as the content of the report, there are other forms of protection guaranteed through this procedure.
In fact, protection is guaranteed to the reporting person against any form of retaliation or discrimination that he or she may suffer later and due to a report. Retaliation means any threatened or real, direct or indirect action or omission, connected with or resulting from reports of actual or suspected wrongdoing, which causes or may cause physical, psychological damage, damage to the reputation of the person, economic losses.

Possible discrimination includes:

- dismissal, suspension or equivalent measures, or demotion in grade;
- the change of functions, the change of the place of work, the reduction of salary, the modification of working hours;
- suspension of training or any restriction of access to it; o notes of merit or negative references; or disciplinary measures or other sanctions, including pecuniary sanctions; o coercion, intimidation, harassment or ostracism; o discrimination or unfavourable treatment;
- the failure to convert a fixed-term employment contract into an open-ended one, where the worker had a legitimate expectation of such conversion;
- the non-renewal or early termination of a fixed-term contract;
- damage, including to the reputation of the person, economic or financial damage, including loss of economic opportunities and income;
- improper listing on the basis of a formal or informal sectoral or industry agreement, which may result in the person not being able to find employment in the sector in the future;
- the early conclusion or cancellation of the contract for the supply of goods or services; the cancellation of a license or permit; the request for psychiatric or medical examinations.

10. Penalties

Legislative Decree no. 24/2023 provides for administrative sanctions, which can be imposed by the National Anti-Corruption Authority in the event of violation of whistleblowing rules.
The sanctions specifically concern any retaliation against reporting parties, violations of the obligation of confidentiality, boycott of a reporting attempt, failure to take charge of a report or insufficient investigation initiated following it.
Abuses of the reporting system are also punishable, with possible sanctions for those who slander or defame another subject by means of the procedure.
The administration can take disciplinary action against those responsible for these conducts.

11. External channels for reporting

Outside the internal procedure for reporting, the law also allows external reports to be made to the National Anti-Corruption Authority.
The reporting person may report externally to the Company, but only if the conditions are met: if he or she has already made a report that has not been followed up; if it has reasonable grounds to believe that an internal report is not being acted upon, or that evidence of the internal report may be destroyed or concealed, or that it may create a risk of retaliation; if he has reasonable grounds to believe that the violation may constitute an imminent or obvious danger to the public interest.
The procedures for reporting to the National Anti-Corruption Authority are available on the dedicated page on the ANAC anticorruzione.it/-/whistleblowing website.