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1. Background

Legislators passed the legislative decree also referred to as "Whistleblowing Act", which lays down the following:

- aspects regarding the protection of employees who submit hints or reports;
- the obligations of companies and corporate entities that ensure the non-discrimination of whistleblowers and the protection of their confidentiality;
- the need to offer one or more (IT-based) channels that allow whistleblowers to submit reports whilst ensuring the whistleblowers' confidentiality;
- the prohibition of retaliatory or discriminatory measures against whistleblowers for reasons related to their reports;
- the need to provide for sanctions in the disciplinary system against those who violate the measures taken to protect whistleblowers, as well as against those who submit reports that prove to be unfounded out of malicious intent or gross negligence.

The Whistleblowing Act also reiterates that any reports of unlawful conduct which whistleblowers have become aware of within the framework of performing their duties must be based on precise and conclusive facts.

If it sees fit, the company may also expand this process within the limits of its applicability to include third parties that do not belong to the company's staff.

2. Introduction to whistleblowing

"Whistleblowing" refers to hints or reports submitted by persons who, in the performance of their duties,

become aware of an offence, risk or dangerous situation that may cause harm to the company/entity for which they work, as well as to customers, colleagues, citizens, and any other category of subjects.

The company, which is sensitive to ethical issues and the proper conduct of its business, has implemented internal systems for reporting violations to enable its staff to report any acts or facts that may constitute unlawful conduct, or a violation of the Code of Conduct.

The Whistleblowing Act identifies:

- the individuals who can submit a report;
- the acts or facts that can be reported, as well as the requirements that reports must meet for them to be taken into consideration;
- the methods that can be used for submitting reports on alleged violations, and the parties responsible for receiving any such reports;
- the process of analyzing any report submitted and potential investigations initiated thereby;
- the confidentiality and protection of any personal data provided by whistleblowers;
- the prohibition of retaliatory and discriminatory measures against whistleblowers.

3. Content

The purpose of this document is to describe the processes for the processing of incoming reports and the investigations resulting therefrom. The reports refer to unlawful conduct, which are based on precise and conclusive facts of which they have become aware by virtue of the functions performed.

In contrast, the scope of the process does not include:

- any reports on situations of a personal nature that concern claims or complaints with regard to the relationship with superiors or colleagues, and to their own job performance;
- reports based on mere suspicions or rumors concerning personal facts that do not constitute any wrongdoing: it is necessary both to take into account the interest of third parties who are the subject of the information reported, and to avoid that the company performs internal inspection activities that carry the risk of being hardly useful at all and that may be costly.

4. Objectives

The purpose of this document is to disclose unlawful incidents or irregularities within the company, to clarify and facilitate reporting by whistleblowers, and to remove any circumstances that may prevent or discourage the use of the reporting channels.

The objective of the process is therefore, on the one hand, to provide whistleblowers with clear operational information about the subject, contents, recipients and method of transmission of reports and, on the other hand, to inform them about the protection and confidentiality that are acknowledged and guaranteed.

To ensure that the company's values are shared, respected and applied in the working life of its staff.

5. Head of the reporting process

All company functions are involved in the activities within the framework of this process. The process will be managed by an external consultant nominated by the company.

6. Description of the process

6.1 Subject and reporting requirements

The following channel has been defined for reporting:

please use the **Integrity Line platform, which you can access under <https://hgears.integrityline.com>**, as an alternative digital reporting channel that is suitable for guaranteeing the confidentiality of the whistleblower's identity.

The company may also consider anonymous reports, if they are adequately substantiated, and submitted with a wealth of details, i. e. they are such as to disclose facts and situations in relation to a specific context (for instance, evidence in the form of documents, indication of particular names or qualifications, mention of specific offices, proceedings or particular events, etc.).

At the whistleblower's request via the platform, a report can also be made in a confidential personal face-to-face meeting within a reasonable period of time.

Furthermore, within Germany, you may report a violation to the Federal Office of Justice (BfJ), the Federal Financial Supervisory Authority (BaFin), the Federal Cartel Office (BKartA), and at EU level to the European Commission (COM), the European Anti-Fraud Office (OLAF), the European Maritime Safety Agency (EMSA), the European Union Aviation Safety Agency (EASA), the European Securities and Markets Authority (ESMA) and the European Medicines Agency (EMA).

Both anonymous and non-anonymous reports must be as complete and comprehensive as possible.

Whistleblowers are required to provide all available and useful information so as to enable those responsible for processing the reports to properly and adequately check, verify and confirm the validity of the facts being reported, such as:

- a. a clear and complete description of the facts that are the subject of the report;

- b. information about when and where the reported incident occurred;
- c. personal details or other information that allow for the identification of the person(s) who has/have committed the incident reported (for instance, title, place of employment where he/she work;
- d. any documents that corroborate the report;
- e. an indication of any other individuals who may provide information on the report;
- f. any other information that might be useful for the report.

These requirements do not necessarily have to be met all at the same time in order to substantiate the report, in view of the fact that the whistleblower may not have all the information requested.

The IT channel and software will guide whistleblowers through each stage of the report and will ask them to fill in specific details in order to meet the requirements.

It is essential that the information indicated be known directly to whistleblowers and not reported or referred to by other parties.

7. Management of reports

Once the report is received through the channels provided in this process, it is processed in four stages:

- a. recording and storage;
- b. preliminary investigation;
- c. investigation and communication of the outcome;
- d. submission.

a. Recording and storage

The software provides for the complete and confidential recording of reports in accordance with the relevant regulations.

b. Preliminary investigation

The purpose of the preliminary investigation is to verify the validity of the report received. To this end, the external report management office analyses and assesses the content of reports.

- Should the office ascertain directly that the report is obviously unfounded, the report is dismissed immediately.
- Wherever the report is not sufficiently corroborated, additional information will be requested from whistleblowers if possible. When it is not possible to gather sufficient information to corroborate the

report and initiate the investigation, the report will be dismissed.

- In case the report appears to be substantiated by precise and conclusive information, the investigation will be continued.

c. Communication of the outcome

The preliminary investigation serves to verify the content of the reports received and to obtain information that is useful for the subsequent evaluation phase, ensuring maximum confidentiality with regard to the identity of whistleblowers and the subject-matter of the reports.

The main purpose of the investigation is to verify whether or not the information submitted for investigation is correct, and to provide a clear picture of the facts ascertained through audit processes and non-biased investigative techniques. The person in charge of the investigation will be an external consultant nominated locally by the company's legal entities.

It is everyone's duty to cooperate with the person in charge of the investigation.

For every investigation, the person in charge of the investigation shall prepare a final report containing at least:

- the facts established;
- the evidence gathered;
- the causes and deficiencies that led to the incident reported.

If the external service provider finds upon completion of the investigation that the report received is without merit, they will dismiss the report and, where possible, notify the whistleblower.

If the report is well-founded, those in charge of report management will inform the company's managers (Group HR and Group Risk Management) that appropriate mitigating and/or corrective action needs to be taken in good time.

The local HR department is notified of the outcome of the investigation for them to be able to initiate any disciplinary proceedings aimed at imposing, where appropriate, disciplinary sanctions in line with the provisions of the applicable regulations and the relevant collective bargaining agreements.

d. Submission

In order to ensure the traceability, confidentiality, storage and retrievability of data throughout the process, documents are stored and archived in a digital format on the basis of software that is only

accessible to specifically authorized and instructed persons.

Subject to further legal deadlines in the cases expressly provided for, all documents will be retained for three years from the date at which the case is closed.

Pursuant to current legislation and the company's privacy policy, the processing of personal data of any persons involved and/or mentioned in the reports is protected.

8. Whistleblower protection

The entire process must ensure the confidentiality of the whistleblower's identity from the time the report is received and at every stage thereafter.

To this end, in accordance with current regulations, the company has established a series of mechanisms aimed at protecting non-anonymous whistleblowers, providing for:

- a. the protection of the confidentiality of whistleblowers;
- b. the prohibition of discrimination against whistleblowers.

a. *The protection of the confidentiality of whistleblowers*

The use of the software guarantees the complete confidentiality of whistleblowers, as only the external service provider in charge of report management can access reports.

The following principles shall apply if disciplinary proceedings are instituted against whistleblowers:

- if the facts pertaining to the case are based on separate and additional investigations, the whistleblower's identity must not be disclosed even if they stem from the report;
- if all or some of the facts pertaining to the case are based on the report, the whistleblower's identity may be disclosed to the person(s) involved in the report if two requirements are met simultaneously:
 - the whistleblower has given his or her consent;
 - the person reported on demonstrates the need to know the whistleblower's name in order to be able to exercise his or her right of defense fully.

b. *The prohibition of discrimination against whistleblowers*

Whistleblowers must not be sanctioned, dismissed or subjected to any discriminatory measures that affect working conditions for reasons directly or indirectly related to the reports they submitted.

Discriminatory measures are defined as unjustified disciplinary actions, harassment in the workplace, any changes in job duties or workplace, as well as any other impairment in working conditions that constitutes a form of retaliation against whistleblowers.

Whistleblowers who believe that they have been discriminated against may take legal action against the person causing the discrimination and also against the company if the company actively participated in the discrimination. Please bear in mind that in such a case, the law provides for a reversal of the burden of proof, which means that the company will have to prove that the change in the whistleblower's working conditions was not related to the report.

		
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