PROCEDURE FOR REPORTING VIOLATIONS (I.E. WHISTLEBLOWING)

Approved by the Board of Directors

on November 13, 2023

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1 INTRODUCTION

Since March 30, 2023, Legislative Decree 24/2023 (hereinafter the "Decree"), which implemented Directive (EU) 2019/1937 concerning the protection of persons who report violations of national or European Union regulatory provisions, has been in force in our legal system.

The Decree extends protections in the case of whistleblowing, extending the subjective and objective scope of application, as well as the procedures for preserving Whistleblowers from possible retaliation. In fact, entities that fall under the scope of the new rules are required to set up not only internal channels for conveying information but, more importantly, to guarantee adequate security standards to protect the identities of Whistleblowers.

2 PURPOSE OF THE PROCEDURE AND SCOPE OF APPLICATION

This procedure is applicable to the SECO Group and to the Parent Company (SECO S.p.A.) and its Italian affiliates (PSM TECH S.r.l. and CleaS.r.l.).

The purpose of the procedure is to govern the process of managing reports in compliance with privacy regulations and the protections provided by law, in particular the aforementioned Decree.

The SECO Group wants to encourage and protect those who come forward and report irregularities:

- creating a corporate culture in which Whistleblowers can express real concerns about alleged irregularities without having to fear negative consequences, in accordance with the core values of the SECO Group;
- discourage people from committing abuses and irregularities by promoting an atmosphere of openness, transparency, and integrity.

This procedure is therefore guided by the following principles:

- encourage employees and other stakeholders to report irregularities to SECO Group Companies;
- protect persons who, in good faith, report wrongdoing from suffering adverse consequences;
- treat all reports under this procedure confidentially, consistently, and confidentially;
- investigate any reports of wrongdoing in a full, fair, and timely manner, with appropriate technical and investigative expertise; investigate in a manner that is fair to all parties involved;
- use all appropriate resources to deal with irregularities that have occurred or are occurring;
- sanction anyone who attempts to guilt or retaliate against any other individual who makes a report under this procedure.

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3 WHO CAN MAKE A REPORT

The recipients (hereinafter the "Whistleblower" or collectively, the "Whistleblowers") of this procedure are:

- employees regardless of the type of contract, whether for an indefinite or fixed period, including apprenticeships or traineeships;
- collaborators, meaning professional figures who work on a self-employed basis;
- individuals with administrative, management, control, supervisory, or representative functions;
- shareholders who are individuals;
- freelancers and consultants who provide their services to Group Companies.

4 OBJECT OF REPORTING

The purpose of this procedure is to enable the reporter to signal violations of national or European Union regulatory provisions that damage the public interest or integrity of SECO Group companies and that consist of:

- administrative, accounting, civil or criminal offences;
- unlawful conduct pursuant to Legislative Decree No. 231 of 28 June 2001, or violations of the organisational and management models adopted by each company of the Seco Group;[1]
- offenses committed in violation of the EU regulations listed in Annex 1 of the Decree and all national provisions implementing them;
- acts or omissions that harm the financial interests of the Union;
- acts or omissions concerning the internal market;
- acts or conduct that frustrate the object or purpose of the provisions set forth in the Union acts.

The reported offences cannot constitute a mere irregularity and must also concern conduct, acts or omissions of which the Whistleblower has become directly aware in a work context. The report can be made:

- when the legal relationship is ongoing;
- during the probationary period;
- when the legal relationship has not yet begun, whether information on violation was acquired during the selection process or in other pre-contractual stages;
- after the dissolution of the legal relationship if the information on the violations was acquired before the dissolution of the same relationship.

Any unsubstantiated information, information that is already fully in the public domain, or data acquired on the basis of indiscretions or poorly reliable sources **are excluded** from the scope of the report.

[1] The ANAC Guidelines represent that in companies that have adopted a MOG and have fewer than 50 employees, the Whistleblower may only report relevant unlawful conduct pursuant to Legislative Decree 231/2001 or violations of the organizational model, using only the internal reporting channel.

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Similarly, as expressly specified in the Decree do not fall within the scope of the reports:

- all matters relating to disputes, claims or requests relating to a personal interest relating to the individual employment relationship of the reporting person, or relating to one's own employment relationship with the hierarchically superior figures;
- reports of infringements already compulsorily covered by EU or national acts constituting implementing rules;
- reports of breaches of national security, as well as procurement related to national security, or defence, unless derived from EU secondary legislation.

5 CONTENT OF THE REPORT

As indicated in paragraph 4 above, reports must contain detailed information based on factual elements, concern facts that can be ascertained and known directly to the Whistleblower, as well as all the information necessary in order to unequivocally identify the perpetrators of the unlawful conduct.

For This purpose, the report must clearly contain the following essential elements:

1. personal details of the Whistleblower, with indication of the Company to which he belongs, the qualification professional function performed (where the Whistleblower has not availed himself/herself of anonymity);
2. a clear and complete description of the reported facts;
3. the date and place where the reported facts occurred;
4. personal details or other elements that make it possible to identify the person(s) who have/have committed the reported facts or to whom the reported facts should be attributed;
1. the indication of any other subjects who may report on the reported facts;
5. any documents which may confirm the validity of those facts;
6. any other information which may provide useful evidence of the existence of the reported facts.

The Reports made anonymously, i.e. without any elements that allow to identify their author, will be considered only if they are adequately substantiated and capable of bringing out determined and circumstantiated facts and situations.[2]

6 REPORTING CHANNEL

The Decree provides the following reporting channels:

- internal (within the work context);
- external (ANAC);
- public disclosure (through the press, electronic media or means of dissemination capable of reaching many people).

[2] In the ANAC Guidelines approved by resolution no. 311 of 12 July 2023, it is expressly indicated that anonymous reports will be treated in the same way as ordinary reports if they are substantiated.

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As a priority, Whistleblowers are encouraged to use the internal channel and, only when certain conditions are met, as further detailed in Section 8 below, they can make an external report or public disclosure.

7 INTERNAL REPORTING CHANNEL

The internal report addressed to the Manager (as defined below) may be submitted by the Whistleblower in the following ways:

a) **in written form**: sending the report through the SECO Group platform accessible at the following link: secogroup.whistletech.online.

The Platform allows, through a guided compilation procedure, to make and send a complete report of the elements and information provided for in paragraph 5 "Content of the report".

At the time of sending the report, the platform issues an identification code to the Reporting Party. This code, known only by the Whistleblower, will be used by the same for access, always through the platform to its own report to: monitor the progress, insert additional elements to substantiate/supplement the report; to submit or answer any further questions asked by the Manager. The platform allows, in fact, to establish a virtual interview between Whistleblower and Manager guaranteeing the necessary confidentiality and, where requested by the Whistleblower, anonymity.

Specific technical-organizational measures, such as advanced encryption systems, are adopted in compliance with art. 32 GDPR, to ensure the protection of the identity of the Whistleblower as well as anonymity and complete anonymity in access to the platform (no log). The platform doesn't keep track of the Reporter's IP address, browser, computer, or operating system. In addition, the software does not incorporate any third-party content, or does it provide persistent cookies to your browser.

b) **In oral form**: recording of a voice message in the dedicated section of the platform accessible at the following link: secogroup.whistletech.online or, at the request of the Reporter, through a direct meeting.

7.1 WHISTLEBLOWING MANAGER

The management of reports has been entrusted to:

1. for the Parent Company SECO S.p.A.: to an internal committee in collegial composition composed by Legal Affairs Director, Human Resources Director and the Chairman of the Supervisory Board (hereinafter "Committee"). If the facts reported pertain to one of the members of the Committee, either directly or indirectly, or activities that fall within the organizational responsibilities assigned to him, that member will report the conflict to the other members and refrain from participating in the reporting management process and related investigative activities.

2. for the affiliated companies (PSM TECH S.r.l. and CleaS.r.l.): to the Supervisory Body. If the reported facts concern the Supervisory Body, either directly or indirectly, the Supervisory Body will report the conflict to the Board of Directors and refrain from participating in the reporting management process and related investigative activities. The management of the report will be conducted by the Chairman of the Board of Directors.

Below the Committee and the Supervisory Body will be identified as "Manager" of the reports.

7.2 THE PROCESS OF MANAGING INTERNAL REPORTS

7.2.1 Receipt of the report and initial analysis

As part of the receipt of the report, the Manager is required to:

1. issue the Whistleblower an acknowledgement of receipt of the report within seven days from the date of receipt;
2. maintain dialogue with the Whistleblower;
3. diligently follow up on reports received.

Provide feedback to the report within three months of the date of the acknowledgement of receipt or, in the absence of such acknowledgement, three months of the expiration of the seven-day period from the submission of the report.

In compliance with the timing and confidentiality of the data, the Manager shall conduct a first analysis aimed at assessing the admissibility of the report.

The report is declared inadmissible and dismissed if it is found to be manifestly unfounded due to the absence of factual elements attributable to the cases typified by the legislature. Otherwise, the Manager proceeds with the start of the preliminary investigation.

7.2.2 Preliminary phase

In the preliminary phase, the Manager verifies and analyses the reports received. Specifically, the preliminary phase involved the following activities:

1. assessment regarding the existence of the essential elements with reference to the content of the report (see paragraph 5 on "Content of the report");
2. any possible request for clarifications and/or additional documentation to the Whistleblower.

If the Manager deems that there are sufficient elements to highlight the possibility of unlawful conduct under this procedure it will initiate the investigation phase.

If, on the other hand, the elements exposed are not considered to be such as to highlight potential illegal or irregular conduct or sufficient for the start of the investigation, the Whistleblower will be informed, and the report will be archived.

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In any case, the Manager will provide feedback to the Whistleblower within the timeframe set out in paragraph 7.2.1 (d) and such feedback may consist of the communication of the filing, the start of the investigation phase, a description of the measures taken to address the reported matter, or simply interlocutory feedback aimed at describing the progress of the investigation phase.

7.2.3 Investigation

During the investigation phase, the Manager may avail itself, where necessary and considering the complexity of the report, of the support of the internal structures involved from time to time.
All documentation relating to the investigation shall be classified as "Confidential" and may not be shared except among the persons who are involved and authorized to manage the investigation.
The Manager may avail itself of the support of technical consultants (such as, for example, experts, specialists in investigative activities, external law firms or specialists within the SECO Group) for matters that do not fall within its specific competence or that involve onerous activities.
The Operator shall ensure that the investigation is thorough, that it takes a reasonable duration and that it respects the confidentiality of the Whistleblower, and the persons involved, including any person reported.

7.2.4 Decision-making phase

At the end of the investigation, the Manager shall produce a report on the course of the investigation, the evidence collected, and the conclusions reached regarding the alleged violations reported and, if it deems it appropriate, may share it with the heads of the internal structures involved, as well as with the corporate bodies.
If the reported violation is found, the Manager will issue its recommendations regarding the assessment of the reported irregularities, any actions to be taken regarding the prevention of further irregularities, the mitigation of any negative consequences and, together with the Human Resources Department, regarding the imposition of disciplinary measures.
If the report is deemed unfounded, the Manager will draw up a written note in which he will explain the reasons underlying the dismissal. The outcome of the report will be communicated to the Whistleblower in any case.

1.1.1 Sanctioning procedure

The Group company to which the report is addressed, based on the evidence acquired in the files and the recommendations of the Manager, may apply disciplinary measures.
The disciplinary measures and the related sanctions that make up the disciplinary system are

identified based on the principles of proportionality and effectiveness, the suitability to perform a deterrent and truly sanctioning function, taking into account the different qualifications of the subjects to whom they apply (top management, managers, employees or collaborators).

Disciplinary measures are adopted by the corporate bodies and functions that are competent by virtue of the powers conferred on them by the Articles of Association, internal regulations, the law and the National Collective Labour Agreements (*CCNL*). Regarding third parties (suppliers, consultants, etc.) the remedies and actions provided by law apply in addition to the contractual clauses of compliance with the Code of Ethics.

The application of the sanctions governed by this procedure is independent of the outcome of any civil, criminal or administrative proceedings initiated against the person responsible for the violation, but at the same time does not exclude any other sanctions (civil, criminal or administrative) provided for by law for the same unlawful act or conduct.

8 Retention of Documents

The report and the related documentation, whether paper and/or computerized, must be kept exclusively for the time necessary to process the report and, in any case, for a period not exceeding 5 years from the communication of the outcome of the procedure, except in cases of legal proceedings initiated and/or in progress. During this period, the confidentiality and protection of the personal data of the Whistleblower and those involved in the reporting must always be guaranteed.

9 External Reporting Channel (ANAC) and Public Disclosure

The Decree outlines the specific circumstances in which Whistleblowers has the right to set in motion an external reporting.

Specifically, Whistleblowers may use the external channel (ANAC) only when:

a. an internal reporting channel is not active in the work context or this channel, even if mandatory, is not active or, even if activated, does not comply with what is required by law;
b. they have already made an internal report and it has not been followed up;
c. they have reasonable grounds to believe that, if they were to make an internal report, it would not be effectively followed up or that the report could lead to a risk of retaliation;
d. they have reasonable grounds to believe that the infringement may constitute an imminent or obvious danger to the public interest.

Whistleblowers may also, residually, make a public disclosure directly when:

a. they have previously made an internal and external report or have directly made an external report and no response has been received within the prescribed time limit regarding the measures planned or taken to follow up on the reports;
b. they have reasonable grounds to believe that the breach may constitute an imminent or obvious

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danger to the public interest;

c. they have reasonable grounds to believe that the external alert may involve the risk of retaliation or may not have effective follow-up due to the specific circumstances of the case, such as where evidence may be concealed or destroyed or where there is a reasonable fear that the person who received the report may be colluding with the offender or involved in the infringement itself.

10 PROTECTIONS

10.1 PROTECTION OF CONFIDENTIALITY

The identity of the Whistleblower, as well as all elements of the report, including the documentation attached to it, to the extent that their disclosure may result in the identification of the Whistleblower, are protected at every stage following the report.

Therefore, the identity of the Whistleblower cannot be revealed without his express consent and all those who receive or are involved in the handling of the report are required to protect the confidentiality of such information.

It should be noted that the confidentiality of the Reporting is guaranteed even when the report is made in a manner other than those provided for in this procedure or is received by staff other than the authorized and competent one to whom, in any event, the alert shall be transmitted without delay.

The protection of confidentiality must be guaranteed both in the judicial and disciplinary spheres. Regarding disciplinary proceedings, it should be noted that the identity of the Whistleblower cannot be revealed if the objection to the charge was based on separate and additional investigations with respect to the report.

In two cases expressly provided for by the Decree, in order to reveal the identity of the Whistleblower, in addition to the express consent of the same, a prior written communication of the reasons for such disclosure is also required:

- in disciplinary proceedings in which the disclosure of the identity of the Whistleblower is indispensable for the defence of the person to which the disciplinary charge is directed;
- in proceedings initiated as a result of internal or external reports where such disclosure is also indispensable for the defence of the person involved.

The provision of the obligation of confidentiality has the important consequence that the report is exempt from the right of access provided for by art. 22 et seq. of Law 241/1990.

The Decree also guarantees confidentiality and a system of protection for subjects other than the Whistleblower (reported, facilitator, persons other than the reported mentioned in the report).

The platform adopted by the SECO Group and through which the Whistleblower can send his/her report guarantees the confidentiality of the Whistleblower, the content of the report (including any persons mentioned in the report) and the documentation transmitted through the technical-organizational

measures described in paragraph 7.

10.2 PROTECTION AGAINST RETALIATION

With respect to the Whistleblower, any form of retaliation is permitted or tolerated, to be understood as any act, measure, behaviour or omission, even if only attempted or threatened, that causes or may cause unjust damage to the person, directly or indirectly.[3]

By way of example, the following constitute retaliation:

- dismissal, suspension or equivalent measures;
- relegation or non-promotion;
- change of duties, change of place of work, reduction of salary, modification of working hours;
- suspension of training or any restriction of access to it;
- negative merit notes or negative references;
- the adoption of disciplinary measures or other sanctions, including financial sanctions;
- coercion, intimidation, harassment or ostracism;
- discrimination or otherwise unfavourable treatment;
- the failure to convert a fixed-term employment contract into an employment contract of indefinite duration, where the worker had a legitimate expectation of such conversion;
- non-renewal or early termination of a fixed-term employment contract;
- damage, including to the person's reputation, in particular on social media, or economic or financial harm, including loss of economic opportunities and loss of income;
- the early termination or cancellation of the contract for the supply of goods or services;
- the cancellation of a licence or permit;
- the request to have a psychiatric or medical examinations.

Protection is also guaranteed to the Anonymous Whistleblower, who believes that he or she has suffered retaliation and has subsequently been identified.

The protection measures are also extended to:

- The Facilitators;
- The persons in the same work environment as the Whistleblower who are related to the Whistleblower by a stable relationship of affection or kinship within the fourth degree;
- the Whistleblower's co-workers, who work in the same work context and have a regular and current relationship with him;

[3] The protection provided in the event of retaliation does not apply in the event of a determination, even if not final, against the Whistleblower of criminal liability for the crimes of slander or defamation or in any case for the same crimes committed with the complaint, or civil liability for having reported false information reported with intent or negligence. If liability is established, a disciplinary sanction is also imposed on the reporting person.

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- the entities owned by the Whistleblower or for which the Whistleblower works as well as entities working in the same work context as the Whistleblower.

Anyone who believes they have suffered retaliation by reason of the report can notify ANAC.

ANAC assesses the retaliatory intent in connection with the report and the burden of proof is on the person who carried out the alleged retaliation.4 However, the other persons protected by the Decree and listed above do not benefit from the reversal of the burden of proof.

Otherwise, it is up to the judicial authority: the jurisdiction over the declaration of invalidity of the acts taken, compensation for damages, reinstatement in the workplace, and the order to stop the conduct carried out in violation of the prohibition of retaliation.

[4] If ANAC ascertains the retaliatory nature of acts, behaviours, omissions adopted, or even just threatened or attempted, an administrative fine of between 10,000 and 50,000 euros is envisaged.

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