

Organisational, Management and Control Model (Legislative Decree 231/01)

of



REVISION	APPROVAL	TYPE OF CHANGE
Rev 1.	Board Resolution of 05/03/2008	Adopted
Rev 2.	Board Resolution of 28/06/2010	First update
Rev 3.	Board Resolution of 26/06/2012	Second update
Rev 4.	Board Resolution of 24/09/2013	Third update
Rev 5.	Board Resolution of 30/09/2016	Fourth update
Rev 6.	Board Resolution of 28/10/2020	Fifth update



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1. DEFINITIONS

- Sasol Italy S.p.A., Sasol or the Company: refers to Sasol Italy S.p.A.;
- “CCNL”: the current National Collective Agreement applied by SASOL Italy S.p.A.;
- “BoD” or Board of Directors: means the Board of Directors of Sasol Italy S.p.A. in accordance with Articles 18 et seq of the Company’s Bylaws;
- Board of Statutory Auditors: refers to the Board of Statutory Auditors of Sasol Italy S.p.A. in accordance with Article 28 of the Bylaws of Sasol Italy S.p.A.;
- “Code of Conduct”: combined provisions of the Corporate Code of Conduct with the Code of Ethics pursuant to Legislative Decree 231/2001 adopted by Sasol Italy S.p.A.;
- Collaborator(s): refers to the consultants, external collaborators, commercial/financial partners, agents, legal representatives and in general any third party operating on behalf of or in the interests of Sasol Italy S.p.A. On the basis of a mandate or other collaboration agreement;
- “Legislative Decree 231/2001” or the “Decree”: Legislative Decree 231 of 8 June 2001 as amended;
- Key Personnel: persons in roles of representation, administration or management of the Company or one of its organisational units with financial and functional autonomy, as well as persons who exercise management and control of the Company, also on an interim basis.
- Subordinate Persons: persons subject to directional supervision by one of the Key Personnel and therefore in essence all persons with a contract of employment with the Company.
- “Employee” or “Employees”: all the employees of SASOL Italy S.p.A.; (including the directors);
- “Guidelines”: the Guidelines for the construction of organisational, management and control models ex Legislative Decree 231/2001 approved by Confindustria on 7 March 2002, as amended;



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- “Models” or “Model”: the organisational, management and control model(s) required in accordance with Legislative Decree 231/2001 i.e. this Organisational, Management and Control Model prepared in order to prevent offences under Articles 6 and 7 of the Decree, supplementing the organisational and control measures in force within the Company (Code of Ethics, work instructions, work orders, organisational charts, authorities, manual operational authorities, and mapping of the risk of offences);
- “Sensitive Operation”: An operation or action that forms part of a Sensitive Process and may be of a commercial, financial, technical/political or corporate nature (corporate operations include, by way of example, reductions of capital, mergers, demergers, transactions involving the parent company’s shares, conferrals is, reimbursements to shareholders etc);
- “Executive Bodies”: the members of the Board of Directors and the Board of Statutory Auditors of SASOL Italy S.p.A.;
- “Supervisory Body” or “SB”: an internal committee responsible for supervising the functioning of, and compliance with the Model, and its updating;
- “P.A.” or “PA”: an Italian and/or foreign Public Administration including its officials and persons employed in public service;
- “Partners”: the contractual counterparties of SASOL Italy S.p.A., such as suppliers, commercial partners, occasional and regular retailers, either individuals or legal entities, with whom the Company has any form of contractually-regulated collaboration (the purchase and sale of goods and services, temporary business association, joint venture, a consortium etc) or who cooperates with the Company as part of a Sensitive Process;
- “Sensitive Processes” or “sensitive processes”: the activities of SASOL Italy S.p.A. that may entail the risk of the Offences being committed;
- “Offence” or “Offences”: the individual offence or offences that are governed by the provisions of Legislative Decree 231/2001 as amended;
- “General Rules and Principles”: the general rules and principles contained in this Model;
- “Service Company”: Third party companies providing services to SASOL Italy S.p.A..



ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL EX LEGISLATIVE DECREE 231/01

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- TUF (Finance Consolidation Act): means Legislative Decree No. 58 of 24 February 1998.
- “Environmental Management System” or “EMS”: the environmental management system adopted by SASOL Italy S.p.A. and certified in accordance with the standard UNI EN ISO 14001;



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2. LEGISLATIVE DECREE 231/2001 AND RELEVANT LEGISLATION

Legislative Decree 231/2001 was issued on 8 June 2001 in execution of the delegation in Article 11 of Law 300 of 29 September 2000 . Legislative Decree 231/2001 came into force the following 4 July, and was intended to bring the national provisions regarding corporate liability, into line with certain international conventions previously adopted by Italy¹.

Legislative Decree 231/2001, containing "*Provisions on the corporate liability of legal entities, companies and associations including those without legal status*", introduced into Italy, for the first time, criminal liability² of corporations for offences committed in their interests or for their own benefit, by individuals holding positions of representation, administration or direction of the entity or one of its business units with financial and functional autonomy, or by individuals exercising management and control of the entity even on an interim basis and finally by individuals who are subject to the management or supervision of one of the above individuals.

This liability is added to the liability of the individual who actually committed the offence.

The new form of liability introduced by Legislative Decree 231/2001 is intended to involve, in the punishment of certain criminal offences, the assets of the corporate entity that derived a benefit from the offence being committed.

¹ The delegated Law 300 of 29 September 2000 ratified and enacted a number of international conventions based on the EU Treaty, including:

- The Convention on the protection of financial interests of the European Community (Brussels, 26 July 1995);
- The Convention on the fight against corruption, involving officials of the European communities or member states of the European Union (Brussels, 26 May 1997);
- The OECD Convention on the fight against corruption of foreign public officials in International economic operations (Paris, 17 December 1997).

² The nature of the new type of liability introduced into Italian law by Legislative Decree 231/2001 has been widely debated: the penalising nature of the penalties that can be imposed on the entity, the fact that the liability descends from the committing of an offence and is verified during criminal proceedings against the actual perpetrator of the offence have supported the opinion of those who maintain that this is "semi-penal" liability or "a third type that combines the essential traits of the penal system and that of the administrative system, in an attempt to balance the need for effective prevention with the even more necessary requirement for total guarantee" (Explanatory report).

Court of Cassation no. 3615 of 20 December 2005 "Under the "new law", the new liability, which is nominally administrative, conceals its essentially penal nature; perhaps this was done in order to avoid delicate conflict with the established individualistic precepts on a constitutional level (Article 27 Constitution); they can be interpreted in the reductive sense as a prohibition of responsibility for the act of another, or in a more varied sense, as a prohibition of responsibility for an non-culpable act".



The key points of the Decree relate to:

- a) The type of offences currently envisaged;
- b) The penalties;
- c) The individuals involved;
- d) The organisational and management models.

As to the **offences** to which this decree applies, they currently concern the following cases:

- a) Unauthorised receipt of funds, fraud against the State or a public entity, or receipt of public funds or computer fraud against the State or a public entity (Article 24 of Legislative Decree 231/01);
- b) Computer crimes and unlawful data processing Article 24-bis Legislative Decree 231/01 - amended by Legislative Decree 7/2016
- c) Organised crime offences (Article 24-ter Legislative Decree 231/01) updated following the entry into force of Law 62/2014 which amended Article 416-ter of the Criminal Code "Mafia-political election exchange" and Law 236/2016;
- d) Corruption, unlawful inducement to give or promise benefits and bribery (Article 25 Legislative Decree 231/01, updated following the entry into force of Law 190/2012, which amended the heading and paragraph 3 of Article 25 of Legislative Decree 231/01, so-called "corruption by induction" and by Law 09.01.2019 no. 3 that introduces the offence of "trafficking in unlawful influences" pursuant to Art. 346-bis of the Criminal Code.
- e) Forgery of money, public credit cards, revenue stamps and identification papers (Article 25-bis Legislative Decree 231/01) amended by Law 99/2009 and Legislative Decree 125/2016 of 21/06/2016, which amended Articles 453 and 461 of the Criminal Code.
- f) Crimes against industry and commerce (Article 25-bis1 Legislative Decree 231/01);
- g) Corporate Offences and Corruption between private individuals (Article 25-ter Legislative Decree 231/01) updated following the entry into force of Law 190/2012, which introduced letter s-bis in paragraph 1 of Article 25-ter of Legislative Decree 231/01 "corruption between private individuals", by the entry into force of Law 69/2015 "Provisions on offences against the public administration, mafia-type associations and false accounting", by Legislative Decree 38/2017 of 15/03/2017,

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which amended the offences of corruption between private individuals (repealing the concept of *harm*) and indirectly by Law no. 3 of 09.01.2019, which further amended the offences of Corruption between private individuals repealing the possibility of prosecution on complaint by the injured party, providing for prosecution *ex officio*;

- h) Crimes linked to terrorism or the subversion of democracy (Article 25-quater of Legislative Decree 231/01);
- i) Female genital mutilation (Article 25-quater¹ of Legislative Decree 231/01);
- j) Crimes against the individual (Article 25-quinquies Legislative Decree 231/01) updated by Law 38/2006 and following the entry into force of Legislative Decree 39/2014 “Implementation of Directive 2011/93/EU on combating the sexual abuse and sexual exploitation of children and child pornography” by Law 199/2016, which amended Article 603-bis Criminal Code;
- k) Market abuse offences (Article 25-sexies Legislative Decree 231/01);
- l) Crimes of manslaughter and serious or very serious personal injury, committed in breach of the rules on health and safety at work (Article 25-septies Legislative Decree 231/01);
- m) Handling of stolen goods, laundering and using of money, goods or benefits of illicit origin, as well as self-laundering (Article 25-octies Legislative Decree 231/01) updated following the entry into force of Law 186/2014 “Provisions on the disclosure and return of capital held abroad and on strengthening the fight against tax evasion. Provisions on self-laundering”, as amended by Legislative Decree 90 of 25 May 2017
- n) Offences involving infringement of copyright (Article 25-novies);
- o) Inducing an individual not to make statements or to make false statements to the judicial authorities (Article 25-decies Legislative Decree 231/01);
- p) Environmental offences (Article 25-undecies Legislative Decree 231/01) updated following the entry into force of Law 68/2015 "Provisions on offences against the environment, by Legislative Decree 21/2018, which repealed Article 260 of Legislative Decree no. 152 of 3 April 2006, and which was implemented in Article 452-quaterdecies of the Criminal Code and by Law no. 12 of 11/02/2019 (conversion into law of Decree Law no. 135 of 14.12.2018) which, as from 1 January 2019, repeals the waste traceability control system (SISTR) pursuant to Article 188-ter of Legislative Decree no. 152 of 3 April 2006 and, consequently, Article 260-bis of Legislative Decree no. 152/2006, which contained various detailed issues of the SISTR regulation);

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- q) Employment of third-country nationals without a valid permit of stay (Article 25-duodecies Legislative Decree 231/01) introduced by Legislative Decree 109 of 16/07/2012 and amended by Law no. 161 of 17.10.2017);
- r) Racism and Xenophobia (Article 25 terdecies) introduced by Law no. 167 of 20.11.2017, amended by Legislative Decree 21/2018 of 01.03.2018 – “Provisions implementing the principle of delegation of the Code's reservation in criminal matters”, which amended the Criminal Code and Article 25-terdecies (Racism and Xenophobia).
- s) Fraud in sports competitions, illegal gambling or betting and gambling using prohibited equipment (Article 25-quaterdecies) introduced by Law no. 39 of 3 May 2019;
- t) Tax Offences (art. 25-quinquiesdecies) introduced by Law no. 157 of 19 December 2019 - Conversion into law of Decree Law no. 124 of 26 October 2019 “Urgent tax provisions”.
- u) Transnational crimes³

A **fine** is always levied for all offences, calculated on the basis of shares basis (never fewer than 100 nor more than 1000 unless there are attenuating or aggravating circumstances as specified individually in Legislative Decree 231/2001). The finely can range from a minimum of €258 up to a maximum of €1549 (in reality the fine is calculated on the basis of the financial conditions of the entity and the impact of the fine).

Disqualifying measures also apply to some of the predicate offences, such as a prohibition from exercising the business activity, the suspension or revocation of authorisations, licences or concessions required for the committing of the offence, the prohibition of contracting with the Public Administration, the exclusion or revocation of finance, contributions or subsidies and the possible revocation of any already granted, and the prohibition on publicising goods and services.

Another of the principal mandatory penalties is the **confiscation** of the proceeds or profits of the offence. This is always ordered against an entity that is convicted, except for the part that can be returned to the injured party, and save for rights acquired by third parties in good faith.

³ This type was introduced by Law no. 146 of 16 March 2006.



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The penalty can also be enforced “by equivalent”, in other words through the removal of sums of cash, goods or other assets of a value corresponding to the proceeds or profits of the offence.

Finally, if a penalty is applied, the court may order the judgement to be published, with the costs to be paid by the convicted entity.

With regard to the **prohibitive** measures, if there are serious indications of the entity’s responsibility and if there it is good cause to believe that the offence will be repeated, a **precautionary measure** may be applied.

A precautionary measure may include a **precautionary seizure order** on all seizable assets.

Prohibitive measures apply only to those offences for which such measures are expressly provided for, when at least one of the following conditions have been met (Article 13 (1) of the Decree): (i) the entity has obtained a significant profit from the offence and the offence was committed by key personnel or by persons subject to management by others when, in the last case, the offence was caused by or facilitated by a serious organisational failures; (ii) in the event that the offences are repeated.

The penalties of prohibiting the exercise of the activity, prohibiting contracts with the Public Administration and the prohibition on publicising goods or services may in the most serious cases be applied definitively (Article 16 of the Decree).

With reference to the **individuals involved**, according to the provisions of Legislative Decree 231/2001, the entity is liable for offences committed in its interests or for its benefit:

- i. by “persons in roles of representation, administration or management of the Entity or one of its business units with financial and functional autonomy, or by persons exercising the management and control of the entity even temporarily” (“Key Personnel”; Art. 5(1)(a) of the Decree);
- ii. by persons subject to the management or supervision of Key Personnel (“Persons subject to management by others”; Art. 5(1)(b) of the Decree).

By express provision of law (Article 5(2) of the Decree), the Entity is not liable if the persons named acted solely in their own interests, or in the interests of a third party.



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In the case of an offence committed by a member of key personnel the entity is not liable if it can prove that (Article 6 (1) of Legislative Decree):

- a) the governing body has adopted and effectively implemented, prior to the commission of the unlawful act, an organisational and management model suitable for preventing the kind of offence in question;
- b) the task of supervising the function, effectiveness and compliance with the Models, and the updating, was entrusted to an internal body with independent powers of initiative and control;
- c) the persons who committed the crime acted by fraudulently evading the organisation and management models;
- d) there has been no omitted or insufficient supervision by the body mentioned in point b).⁴

The Decree outlines the content of the **organisational and management models** (Article 6(2) of the Decree), by providing that the Models themselves must meet the following requirements, in relation to the extension of the delegated powers and the risk of offences being committed:

- a) Identify the activities within which the offences can be committed;
- b) define specific decision-making protocols intended to plan the formation and implementation of decisions made by the entity in relation to the Offences to be prevented;
- c) identify methods for managing financial resources suitable for preventing the committing of Offences;
- d) implement procedures for the purposes of reporting to the body responsible for supervising the functioning of and compliance with the Model;
- e) introduce an internal disciplinary system to appropriately punish the failure to respect the measures indicated in the Model.

⁴ The Explanatory Report mentions, in this regard: *“This is based on the presumption (empirically based) that in the case of an offence committed by a member of key personnel, the “subjective” requirement of the entity’s responsibility [the “organisational fault” of the entity] has been satisfied, since the manager expresses and represents the entity’s policy; if this is not the case, the Company must demonstrate that it is extraneous to the situation and this can only be done by proving the existence of a series of concurrent conditions”.*



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In the case of an offence committed by persons subject to management by others (Article 7 of the Decree), the entity is not liable if it can demonstrate that failure to comply with the obligations of management or supervision did not contribute to the Offence being committed. In any case, the entity's responsibility is excluded if, before the offence was committed, it had adopted and effectively implemented an organisational, management and control model able to prevent the offences of the type that occurred.

Organisational and management models can be adopted on the basis of codes of conduct prepared by the associations representing the entities, communicated to the Ministry of Justice which, jointly with the other competent Ministries, may raise observations (within 30 days) about the suitability of the Models to prevent the Offences (Article 6 (3) of the Decree).

SASOL Italy S.p.A. Intends to comply with the provisions of the Decree with the aim of preventing Offences, and by adopting an Organisational, management and control model inspired by the Guidelines of *Confindustria*.



3. REFERENCE GUIDELINES

In connection with the adaptation of organisational and corporate structures to the provisions of Legislative Decree 231/2001, or in the preparation of this Model, SASOL Italy S.p.A. has based itself on the Guidelines prepared by *Confindustria*.

This choice was made in consideration of the latest update to the Guidelines, by *Confindustria*⁵.

In order to provide an instrument that is useful and appropriate for the evolving regulations, the Guidelines are continually updated.

The decision not to adapt the Model to certain indications in the Guidelines does not affect its validity.

As the Model has to be prepared with reference to the real situation of the Company, it may differ from the Guidelines which are, by their nature, generic.

The essential characteristics in constructing a Model are identified by the Guidelines, as follows:

1. Identification of the risks, or an analysis of the corporate structures in order to highlight any areas or sectors of activity, or any procedures, that could pose a risk of the Offences being committed;
2. The design of the control system ("protocols") in other words an evaluation of the current control system and any adaptations that may be required to effectively counter the previously identified risks.

Confindustria has thus identified the components of a system to prevent offences of fraud, which need to be implemented at company level to guarantee the efficiency of the Model, as follows:

- a) Adoption of a Code of Ethics with reference to the Offences;
- b) Adoption of a formalised, clear organisational system with particular regard to the allocation of responsibility;
- c) Adoption of manual and computerised procedures;
- d) Adoption of a system of authorities and powers of signature;

⁵ The update of the reference Guidelines in force as of March 2014 for the updating of this Model, were considered by the Ministry to be "overall adequate and suitable for the purpose stipulated in Article 6(3) of Legislative Decree No. 231/2001"



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- e) Adoption of a management control system;
- f) Adoption of a system of communication and staff training.

The above components must be based on the following principles:

- a) Each operation, transaction or action must be verifiable, documented, coherent and congruent;
- b) No one can manage an entire process independently;
- c) The control system must document the fact that the controls have been carried out.

The discussion of these principles will be explored further in the subsequent chapters.

- 3. The appointment of the Supervisory Body, which is the body responsible for supervising the functioning of and compliance with the Model, and its updating;
- 4. The provision of an independent disciplinary system or disciplinary measures, for violations of the Code of Ethics and of the procedures provided for in the Model.



4. MODEL AND CODE OF ETHICS

The rules of conduct contained in this model are consistent with those of the Code of Ethics as adopted by the Company, although this Model has specific objectives, in accordance with Legislative Decree 231/2001.

In relation to this aspect:

- The Code of Ethics is an instrument adopted autonomously, which can be applied at a general level by the Company in order to express the principles of “corporate conduct” which the Company has adopted, and which all employees, executive bodies, consultants and partners must comply with;
- However the Model does comply with specific requirements contained in Legislative Decree 231/2001, intended to prevent certain types of offence from being committed (for events that were apparently committed for the benefit of the Company and which could entail criminal corporate liability based on the provisions of the Decree itself). The Model stipulates the rules and procedures that must be respected in order to exempt the Company from liability under Legislative Decree 231/2001.



5. THE MODEL

5.1 CONSTRUCTION AND UPDATING OF THE MODEL

The Company has launched an internal project intended to guarantee that the Model is updated as referred to in Article 6 of the Decree.

The updates to the Model were preceded by a series of preparatory activities divided into various phases, all of which were intended to construct a system of prevention and risk management in line with the provisions of Legislative Decree 231/2001 and based not only on its provisions but also on the Guidelines.

Although the adoption of this Model is an “optional” for the Company and not an obligation, the Company has decided to prepare and adopt a model, as it is aware that this system is an opportunity to improve the organisational structure while taking the opportunity presented by these activities (mapping of sensitive processes, analysis of potential risks, evaluation and adaptation of the existing system of controls on sensitive processes) in order to raise employees’ awareness of the control issues related to company processes aimed at an active prevention of the Offences.

Therefore following the issue of Legislative Decree 231/01, a working group was formed in 2007. The group consists of qualified members of staff who are assisted by external consultants from consulting firms with proven experience in this sector. After the risk assessment had been completed, on 5 March 2008 the Company’s Board of Directors appointed its own SB and adopted the Company’s first Model, thus complying with the provisions of the Decree.

In 2010, following several changes in the law, which expanded the range of predicate offences with relevance to the Decree, the Company found that a first update of the Model was required, and scheduled the implementation of a plan of action aimed at analysing its own organisation and activities with specific reference to the following offences:

- Article 24b: Organised crime offences
- Article 25a: Forgery of money, public credit cards, revenue stamps and identification papers

Also in this case, an interdisciplinary working group was set up forms of internal members of staff assisted by external consultants whose task was to carry out a new risk assessment mainly focused on the new offences with relevance to the



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Decree. The result of this procedure was the Model, updated on 28 June 2010. The essential characteristics are represented in the summary document in the list of predicate offences of Legislative Decree 231/01 recorded on the respective dates.

Subsequently, following the inclusion within the range of predicate offences of the offences listed in Articles:

- Article 25a1: Crimes against industry and commerce
- Article 25i: Offences involving infringement of copyright
- Article 25j: Inducing an individual not to make statements or to make false statements to the judicial authorities
- Article 2k: Environmental offences
- Article 25l: Employment of foreign nationals without a valid permit of stay

A second update was carried out; the Model was thus updated to reflect the new predicate offences and was approved by a decision of the Board of Directors on 26 June 2012.

Following the introduction of Law no. 190 of 13.11.20 12, containing provisions of the prevention and repression of corruption and illegality in the Public Administration, published in the Official Gazette no. 265 of 13.11.20 12, which made the following amendments to Legislative Decree no.231 of 8 June 2001:

a) in Article 25:

1) In the heading, after the word: "Corruption": the following words have been added: "Inducement to give or promise benefits";

2) In subparagraph 3, after the words: "319b, subparagraph 2", the following words have been added: "319c";

b) in Article 25b, subparagraph 1, after para. s) the following words have been added:

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“s(a) for the offence of corruption between private individuals in the cases provided for in the third subparagraph of Article 2635 civil code, a fine of between 200 and 400 shares”.

a third update was carried out; the Model was thus updated to reflect the new predicate offences and was approved by a decision of the Board of Directors on 24 September 2013.

Due to the introduction of additional new offences that entail corporate liability under Legislative Decree 231/01, at the request of its supervisory body, the Company has made a **fourth** update of the Model.

This additional update was made necessary as a result of the approval of law 186 of 15 December 2014, which introduced, into the penal code, the offence of self-laundering (Article 648b.1 penal code) and the following amendments were made to Legislative Decree 231/01:

The following changes have been made to Article 25h of Legislative Decree 231/2001:

- a) in subparagraph 1, the words: “648-ter” have been replaced by: “648-ter and 648-ter.1”;*
- b) the following words have been added to the end of the heading: “and self-laundering”.*

This update was made necessary in view of the following amendments paid by Law 68 of 22 May 2015, to Article 25j of Legislative Decree 231/01:

The following changes have been made to Article 25j of Legislative Decree 231/2001:

- a) in comma 1, paragraphs a) and b) have been replaced by the following:
 - “a) for the violation of Article 452-bis, a fine from two hundred and fifty to six hundred shares;*
 - b) for the violation of Article 452-quater, a fine from four hundred to eight hundred shares;*
 - c) for the violation of Article 452-quinquies, a fine from two hundred to five hundred shares;*
 - d) for the associated aggravated offences under Article 452-octies, a fine from three hundred to one thousand shares;*
 - e) for the offence of trafficking and abandoning highly radioactive material under Article 452-sexies, a fine from two hundred and fifty to six hundred shares;**

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f) for the violation of Article 727-bis, a fine of up to two hundred and fifty shares;

g) for the violation of Article 733(a), a fine from one hundred and fifty to two hundred and fifty shares;

b) after paragraph 1 the following has been added:

“1(a). In the case of convictions for the offences indicated in paragraph 1, points a) and b) of this Article, in addition to the fines provided for therein, the prohibitive measures provided for in Article 9 shall be applied for no more than one year for the offence referred to in the above-mentioned point a)”.

Law 69 of 27 May 2015 also introduced the following additional amendments to Legislative Decree 231/2001, which meant that an update to the Model was also required in this sense:

The following changes have been made to Article 25b, subparagraph 1 of Legislative Decree 231/2001:

a) the paragraph was replaced by the following: “In relation to the corporate offences provided for in the civil code, the following fines will be levied on the entity”;

b) subparagraph a) was replaced by the following:

“a) for the offence of false corporate communications provided for in Article 2621 civil code, a fine of between 200 and 400 shares”;

c) the following has been added after subparagraph a):

“a(i) for the offence of false corporate communications provided for Article 2621(a) civil code, a fine of between 100 and 200 shares”;

d) subparagraph b) was replaced by the following:

“b) for the offence of false corporate communications provided for in Article 2622 civil code, a fine of between 400 and 600 shares”;

e) subparagraph c) was repealed.

A further update of the Model took into consideration Legislative Decree No. 7 of 15 January 2016, containing provisions on the abrogation of offences and the introduction of crimes with civil-law sanctions, under Article 2 (3) of Law 67 of 28.4.20 14 and Legislative Decree No. 8 of 15 January 2016 containing provisions on decriminalisation under Article 2 (2) of Law 67 of 28.4.20 14, which are relevant for the purposes of Legislative Decree 231/01 for the following predicate offences relating to

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- Falsifying private agreements (Art. 485)

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- Falsifying signed blank documents. Private deed (Art. 486).
- Falsifying signed blank documents other than in the cases provided for in Article 486.
- Using a falsified document. Private deed (Art. 489, subparagraph 2)
- Withholding, destruction and concealment of genuine private agreements (Art. 490).

The Model was thus updated to reflect the new predicate offences and was approved by a decision of the Board of Directors on **30 September 2016**.

After this resolution, in the first half of 2020, in the light of the introduction of further new types of offences giving rise to the company's administrative liability under Legislative Decree no. 231/01, introduced after the date on which the analyses for the fifth update of the Model had been completed, a further examination of the following laws was carried out, as prompted by the Supervisory Body:

- **Legislative Decree no. 125/2016 of 21/06/2016** which amended Article 25-bis of the Decree (*Forgery of money, public credit cards, revenue stamps and identification papers – Amendments to Articles 453 and 461 of the Criminal Code*).
- **Law no. 199 of 29 October 2016**, which amended art. 25-*quinquies* of the Decree (*Crimes against the individual – Amendment to Article 603-bis of the Criminal Code Unlawful intermediation and labour exploitation*).
- **Law no. 236 of 11 December 2016**, which amended Article 24-ter of the Decree which introduced Article 601-bis of the Criminal Code (*Trafficking in organs removed from a living person*), among the offences under Article 416 of the Criminal Code, relevant pursuant to Legislative Decree no. 231/01
- **Legislative Decree no. 38 of 15 March 2017**, which transposes into the domestic system the provisions of Council Framework Decision 2003/568/JHA of 22 July 2003 on combating corruption in the private sector:
 - amending Article 2635 Civil Code;
 - introducing Article 2635-*bis* Civil Code.

- **New anti-money laundering legislation pursuant to Legislative Decree no. 90 of 25 May 2017**, which implements Directive 2015/849/EU, (published in the General Series of the Official Journal no. 140 of 19 June 2017 - Ordinary Supplement no. 28 and in force since 4 July 2017), with which the anti-money laundering obligations referable to the members of the Supervisory Body appointed pursuant to Legislative Decree no. 231/2001 are cancelled (without affecting the general supervision of the prevention of money laundering and self-money laundering pursuant to Article 25-octies of Legislative Decree no. 231/2001);
- **Law no. 161 of 17.10.2017** (Amendments to the Code of Anti-Mafia Laws and Prevention Measures, referred to in Legislative Decree no. 159 of 6 September 2011, to the Criminal Code and the implementing, coordinating and transitional provisions of the Criminal Procedure Code and other provisions. Delegation to the Government for the protection of employment in seized and confiscated companies) which amends:
 - Article 25-duodecies of Legislative Decree no. 231 of 8 June 2001,*
(Employment of third-country nationals without a valid permit of stay)
- **New ANAC Guidelines**, adopted by Resolution no. 1134/2017 of 8 November 2017, for the implementation of legislation on the prevention of corruption and transparency by companies and private law organisations controlled and participated in by public administrations and public economic bodies, which give the Organisational, Management and Control Model pursuant to Legislative Decree no. 231/2001 a central role in the prevention of corruption.
- **Law no. 167 of 20.11.2017** (Provisions for compliance with obligations arising from Italy's membership of the European Union - European Law 2017). The measure expands the catalogue of predicate offences for the liability of collective entities. Specifically, Article 5, paragraph 2, introduces Article 25-terdecies of Legislative Decree 231/2001 entitled "racism and xenophobia".
- **Law no. 179 of 30.11.2017**, which introduces **Whistleblowing** and amends Article 6 of Legislative Decree no. 231 of 8 June 2001, providing for changes to the **disciplinary system of sanctions** and to the procedures for the flow of information to the Supervisory Body:
 - «2-bis. The models referred to in letter a) of paragraph 1 establish:
 - a) *one or more channels that allow the persons indicated in Article 5, paragraph 1, letters a) and b) to submit, in order to protect the integrity*

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*of the body, detailed reports of unlawful conduct, relevant under this decree and based on precise and consistent facts, or of violations of the body's organisational and management model, of which they have become aware by reason of their duties; these channels ensure the **confidentiality of the whistleblower's identity** in the management of the reported information;*

- b) *at least one alternative reporting channel that can ensure, **by computerised means, the confidentiality of the whistleblower's identity**;*
- c) *the **prohibition to engage in retaliatory or discriminatory acts**, whether direct or indirect, against the whistleblower for reasons related, directly or indirectly, to his/her report;*
- d) *in the disciplinary system adopted pursuant to paragraph 2, letter e), sanctions against those who violate the measures for the protection of the whistleblower, as well as those who make **intentional or grossly negligent reports that prove to be unfounded**.*

- **Legislative Decree 21/2018 of 01.03.2018**

Provisions implementing the principle of delegation of the Code's reservation in criminal matters, which amended the Criminal Code and consequently Legislative Decree no. 231/01 (Article 25-undecies - Environmental Offences), repealing Article 260 of Legislative Decree no. 152 of 3 April 2006 and transposing its contents into Article 452-quaterdecies of the Criminal Code. The same decree intervened in Article 25-terdecies (Racism and xenophobia) - where the repeal of Article 3, paragraph 3-bis, of Law no. 654 of 13 October 1975 is to be understood as referring to Article 604-bis.

- **Law no. 3 of 09.01.2019**

("Measures to combat offences against the public administration, as well as the statute of limitations and transparency of political parties and movements"). Article 1, paragraph 9 of the Law introduces the new predicate offence relating to "trafficking in unlawful influences", pursuant to Article 346-bis of the Criminal Code, into Article 25 of Legislative Decree 231/01; it also tightens sentences, albeit accompanied by a new provision aimed at encouraging the organisation's "procedural cooperation" by introducing a specific reduction in the duration of disqualification sanctions. There are also important new provisions relating to "corruption between private individuals", since for both Article 2635 Civil Code (Corruption between private individuals) and Article 2635-bis (Instigation of

corruption between private individuals). prosecution only on complaint by the injured party is repealed, providing for prosecution *ex officio*.

- **Law no. 12 of 11.02.2019**

(Conversion into Decree Law no. 135 of 14.12.2018) (“Urgent provisions on support and simplification for companies and public administration”). Article 6 "Provisions on the traceability of environmental data relating to waste" repeals, as from 1 January 2019, the waste traceability control system (SISTRI) referred to in Article 188-ter of Legislative Decree no. 152 of 3 April 2006 and, consequently, Article 260-bis of Legislative Decree no. 152/2006, which contained various detailed issues of the SISTRI regulation (some of which are relevant for 231 purposes).

- **LAW no. 39 of 3 May 2019**

Ratification and implementation of the Council of Europe Convention on the manipulation of sports competitions, signed in Magglingen on 18 September 2014. (19G00046) (OJ General Series no. 113 of 16-05-2019) Entry into force of the measure: 17/05/2019

Art. 5

Fraud in sports competitions, illegal gambling

or betting and gambling using prohibited equipment

- **LAW no. 43 of 21 May 2019**

published in the Official Journal, LAW no. 43 of 21 May 2019 “Amendment to Article 416-ter of the Criminal Code on Mafia-political election exchange”, which amended Article 416 ter of the Criminal Code, already included in Article 24 ter of Legislative Decree 231/01.

- **LAW no. 69 of 19 July 2019 - Amendments to the Criminal Code, the Criminal Procedure Code and other provisions on the protection of victims of domestic and gender-based violence**

Updates to Article 609-bis of the Criminal Code, Article 609-quater of the Criminal Code, Article 609-octies of the Code reported directly or indirectly in Article 24-ter (Organised crime offences) and Article 25-quinquies (Crimes against the individual)

- **Law no. 133 of 18 November 2019 - Conversion into law, with amendments, of Decree Law no. 105 of 21 September 2019, “Urgent provisions regarding the**

perimeter of national cybernetic security”. (Official Journal no. 222 of 21.09.2019)

It amends Article 24-bis (Computer crimes and unlawful data processing)

Article 1, paragraph 11 of the decree, establishes that:

11. Anyone who, for the purpose of hindering or affecting the performance of the proceedings referred to in paragraph 2, letter b) or paragraph 6, letter a), or of the inspection and surveillance activities referred to in paragraph 6, letter c), provides untrue information, data or facts relevant to the preparation or updating of the lists referred to in paragraph 2, letter b), or for the purposes of the communications referred to in paragraph 6, letter a), or for the performance of the inspection and surveillance activities referred to in paragraph 6), letter c), or fails to communicate the aforesaid data, information or facts within the prescribed time limits, shall be punished by imprisonment from one to five years and the organisation, which is liable pursuant to Legislative Decree no. 231 of 8 June 2001, is subject to a pecuniary sanction of up to four hundred shares.

- **Law no. 157 of 19 December 2019 Conversion into law of Decree Law no. 124 of 26 October 2019 “Urgent tax provisions”** - Article 39 establishes

After article 25-quaterdecies of Legislative Decree no. 231 of 8 June 2001, the following Article is added:

“Art. 25-quinquiesdecies (Tax offences)

1. In relation to perpetration of the offences provided for in Legislative Decree no. 74 of 10 March 2000, the following fines are applied to the organisation:

- a) for the offence of fraudulent declaration through the use of invoices or other documents for non-existent operations as provided for in Article 2, paragraph 1, the monetary sanction of up to five hundred shares;
- b) for the offence of fraudulent declaration through the use of invoices or other documents for non-existent operations, provided for in Article 2, paragraph 2-bis, the pecuniary sanction of up to four hundred shares;
- c) for the offence of fraudulent declaration using other devices, as provided for in Article 3, the pecuniary sanction of up to five hundred shares;
- d) for the offence of issuing invoices or other documents for non-existent operations, as provided for in Article 8, paragraph 1, the pecuniary sanction of up to five hundred shares;



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e) for the offence of issuing invoices or other documents for non-existent operations, as provided for in Article 8, paragraph 2-bis, the pecuniary sanction of up to four hundred shares;

f) for the offence of concealing or destroying accounting documents, as provided for in Article 10, the pecuniary sanction of up to four hundred shares;

g) for the offence of fraudulent deduction of sums from the payment of taxes, as provided for in Article 11, the pecuniary sanction of up to four hundred shares;

2. If, following the perpetration of the offences referred to in paragraph 1, the organisation has made a significant profit, the pecuniary sanction is increased by a third.

3. In the cases referred to in paragraphs 1 and 2, the disqualification sanctions referred to in Article 9, paragraph 2, letters c), d) and e) are applied.

In addition to the new types of offence introduced in the catalogue of predicate offences pursuant to Legislative Decree 231/01, due account was also taken, for the purpose of updating the model, of the new privacy legislation in connection with the entry into force on 25 May 2018 of the new Regulation 679/2016 GDPR (General Data Protection Regulation) on the processing of personal data.

In addition, due to some organisational changes in the environmental functions, a new mapping of environmental risks was carried out and the relevant Special Section of the Model (section M) was updated accordingly. A fifth update of the model was therefore made, which was approved by a resolution of the Board of Directors on 28 October 2020. The phases and methods of these updates are not the same as those used in the preparation of the Model, aimed at mapping the processes by carrying out an evaluation of the risk factors associated with the Company activities/processes/functions and in relation to the existing system of controls. These can be linked to the 5 controls provided for in the CONFINDUSTRIA guidelines:

1. The existence of procedures designed to regulate sensitive activities;
2. The correct allocation of powers for carrying out sensitive activities;
3. The segregation (separation) of controls from operational activities;
4. Traceability, in the sense of the possibility of verifying, at any time, the type of measures and solutions taken in dealing with risks;



5. Monitoring, namely the existence of audits by the Supervisory Body, and by another body.

The phases of updating the Model are briefly described below.

1) As-is analysis of Sensitive Processes

The as-is analysis was carried out by examining the Company documentation (organisational charts, activities performed, main processes, Board minutes, authorities, organisational provisions, service agreements, risk assessment report etc.) and by carrying out interviews with the key personnel within the Company's organisation,

aimed at investigating the sensitive processes and the audits of those processes (the business structure in the sense of the prevailing financial/commercial activity, the members of the Company who are involved, and the existing procedures regulating that activity, the extent to which those activities can be verified and documented, the congruence and cohesion of the operations, segregation of responsibilities, the extent to which the audits can be documented etc.).

The objective of this phase was to analyse the Company's situation in order to identify in which area/sector and according to which methods the Offences can be committed. The result was an updated representation of the sensitive processes, the existing audits and related issues, with a particular focus on the compliance and specific audits required in order to fulfil the requirements of the Model. The sensitive processes are those described in Chapter 6.

With regard to the specific aspect of measures required in relation to the prevention of money laundering, terrorism and subversion, as well as money-laundering and market abuse, a specific mapping was conducted in order to recognise the operations and procedures in order to understand whether any interventions are necessary in order to guarantee compliance with the regulations, at all times.

In this regard, consideration was given to the various requirements for application, and the characteristics of the two legislative texts in question (Legislative Decree 231/2001 and the principles of Legislative Decree 231/2007).



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This was done with a view to amending or introducing, as necessary, operational procedures or organisational measures that would meet the requirements of both these laws, once the mapping was complete.

2) Gap analysis

Based on the existing situation (the existing audits and procedures regarding sensitive processes) and the provisions and objectives of Legislative Decree 231/2001, actions were identified that supplement the internal control system (processes and procedures) and improve the organisational requirements that are necessary to define a specific organisational, management and control model in compliance with Legislative Decree 231/2001.

The outcome of the as-is analysis and gap analysis were contained in a “gap summary”, which contains:

- General findings in relation to Legislative Decree 231/01
- Findings relating to the principles and criteria underlying the Model
- A list of interviewees
- Company structure
- Process mapping
- Table correlating functions with sensitive activities
- List of attachments (documents evaluated during the risk assessment)
- Risk analysis for each offence
- Table correlating sensitive processes with company protocols
- Audit -related activities

The adaptations of the organisational structure and procedures resulting from the gap analysis are documented in the summary, with details of the following, for each main activity:

- Areas and activities at risk
- Significant offences
- Departments/functions involved
- Control tools

All the documents that were examined or prepared during the as-is analysis and the gap analysis were also attached to the Model.



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5.2 FUNCTION OF THE MODEL

The adoption and effective implementation of the Model not only allow the Company to benefit from the exemption available under Legislative Decree 231/2001 but, within the limits of the Decree, also improve its organisational structure, by limiting the risk of Offences being committed.

The purpose of the Model is to prepare a structured, cohesive system of procedures and audits (both ex-ante and ex-post), the aim of which is to reduce the risk of Offences being committed by identifying sensitive processes and formalising the relative procedures.

The principles contained in this Model should on the one hand result in anyone acting on the Company's behalf deciding to refrain from committing offences (which is strongly condemned and contrary to the Company's interests even when it could apparently generate a benefit) partly by guiding their actions, and on the other hand, thanks to constant monitoring activities, to enable the Company to prevent or impede the committing of Offences by allowing prompt action to be taken, also in a disciplinary sense, in the case of offences that constitute a violation of the Model.

The objectives of the Model therefore include the aim of raising awareness among employees, executive bodies, service companies, consultants and partners operating on behalf of the Company or in its interests, in relation to sensitive processes, that in the event that they do not comply with the requirements of the code of conduct and the other company standards and procedures (apart from the law), they may commit offences that have criminal consequences not only for themselves but also for the Company.

It is also intended to actively combat any illegal conduct through the regular supervision, by the Supervisory Body, of employees' actions regarding sensitive processes, and the imposition of disciplinary or contractual measures.

5.3 PRINCIPLES AND CRITERIA UNDERLYING THE MODEL

In preparing this model, consideration was given to the existing procedures and control systems (identified during the as-is phase), which are already extensively used within the Company, if they are considered suitable as measures to prevent Offences, and control the sensitive processes.



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Without affecting its specific purpose in relation to Legislative Decree 231/2001, this Model is part of the wider system of controls, which consists mainly of the rules of the organisational structure and the internal control system.

In particular, the Company has identified the following tools aimed at planning the formation and implementation of its decisions regarding Offences to be prevented:

- 1) The system of internal controls and therefore all of the Company's regulations (standards, manual and computerised procedures, work instructions, guidelines, policies and regulations) regarding all the Company's systems (quality assurance, management control and reporting system, administration, accounting and financial system, industrial and environmental safety management system, the principles and procedures of the US legislation contained in the Sarbanes-Oxley Act (SOX) etc), the documentation and provisions concerning the Company's hierarchy and organisational structure, and the organised system of authorities and powers of attorney.

With specific reference to the US legislation contained in the Sarbanes-Oxley Act (SOX), Sasol Italy S.p.A. undergoes strict controls as required in that regard, even though it is not listed on any stock exchange nor is it the parent company at the top of the chain of control of the Group it forms part of, although there is a listed company in the United States.

The specific objective of SOX is to protect against potential fraud by:

- a) Strengthening the principles of corporate responsibility;
- b) Introducing new company reporting obligations;
- c) Improving the quality and transparency of the financial reports and auditing activities;
- d) Tightening the penalties that apply to certain violations of the law and fraudulent actions by the Company's management.

These principles also apply with regard to the 231/01 Model, in the same way as the methodology used in preparing the Model, which forms an integral part of it. SOX requires:

- a) A mapping of the Company processes with the introduction of new procedures and checklists;

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- b) The adoption of an internal control system integrated with that of the Company listed on the US markets;
 - c) An assessment of the risks associated with the Company's processes;
 - d) The adoption and acceptance of a Code of Ethics and group code of conduct based on the following principles:
 - Compliance with national law;
 - Merit-based promotions;
 - Transparency, segregation and separation in accounting management;
 - The prohibition of a gifts policy;
 - The checking of customers' references;
 - The prohibition on disclosing information about Group financial data;
 - Respect for the individual.
 - e) The production and filing of a number of declarations confirming the truthfulness of the accounting data and the accuracy of the work done by the directors and administration managers of the Italian companies;
 - f) The carrying out of cyclical audits by the Group on the proper application of the procedures implemented in accordance with the SOX requirements.
- 2) The Code of Ethics, both with regard to Legislative Decree 231/01 and SOX, which therefore also refers to the principles set out in point 1) above;
 - 3) The corporate management system adopted by the Company in accordance with ISO 9001:2015, certified by RINA;
 - 4) The environmental management system adopted by the Company in accordance with ISO 14001:2015, certified by RINA;
 - 5) The health and safety management system adopted by the Company and certified in accordance ISO 45001:2018, certified by RINA;
 - 6) Staff communications and training;
 - 7) The disciplinary system referred to in the CCNL;
 - 8) In general, all the applicable Italian and international laws.

Due to the chemical substances and quantities present on the three Italian production sites of Sasol Italy S.p.A. (Augusta (SR), Terranova dei Passerini (LO) and Sarroch (CA)), all of them are covered by the "Seveso III" Directive – Legislative Decree 105 of 26 June 2015 as amended, which relates to sites with

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a significant risk of incident. For this reason all of the sites must prepare a periodic safety report, highlighting the criteria that characterise the management of safety and significant risks of incident.

For the same reasons, an internal emergency plan has had to be prepared, which must be coordinated with a more detailed External Emergency Plan for each site. From an environmental viewpoint, all of the sites are subject to Integrated Environmental Authorisation (A/A), specifically:

- The Augusta site received the Authorisation with Decree no. 2010-0001003 of 28/12/2010 as amended and is awaiting conclusion of the general review procedure with renewal value linked to the publication of the relevant BATc in the OJEU;
- The Terranova site was authorised by AIA Decree no. 9663 of 06/09/2007, updated by Executive Decision No. REGDE/320/2015 of 01/04/2015;
- The Sarroch site obtained authorisation with Decree GAB-DEC-2011-0000208 of 08/11/2011 as amended and is awaiting conclusion of the general review procedure with renewal value linked to the publication of the relevant BATc in the OJEU;

The principles, rules and procedures referred to in the above instruments are not described in detail in this Model, but form an integral part of the organisational and control system, which it intends to supplement, and were analysed when the Model was being constructed.

The key principles of the Model, in addition to the above, are:

- a) The Guidelines of *Confindustria*, which were used as a basis for the mapping of the sensitive processes;
- b) The requirements indicated in Legislative Decree 231/2001 and in particular:
 - The allocation to an internal Supervisory Body of the task of ensuring the effective, proper implementation of the Model, also by monitoring the Company's actions, and the right to regular information about activities relevant for the purposes of Legislative Decree 231/2001;
 - The allocation and provision to the SB of adequate resources to support it in its duties, and to achieve reasonable results;
 - The auditing of the function of the Model, with periodic updates (ex post audit);

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- The raising of awareness and the dissemination to all recipients of this model of the rules of conduct, procedures, guidelines and company policies;
- c) The general principles of an adequate system of internal controls, in particular:
- The existence of a body of protocols and manual/computerised procedures in order to regulate and standardise all the sensitive activities (Procedures);
 - The verifiability and traceability of all operations relevant for the purposes of Legislative Decree 231/2001 (*Monitoring and traceability*);
 - Compliance with the principle of separation of functions (Segregation);
 - The definition of powers of authority, in line with the allocated responsibilities (Authorities);
 - The reporting to the SB of significant information;
- d) Finally, with regard to the implementation of the control system, although there is a need to verify the Company's activity in general, priority must be given to those areas in which there is significant likelihood of Offences being committed and/or where the Sensitive Operations have a high value or significance.

5.4 STRUCTURE OF THE MODEL

In the light of the above, the Company has adopted a model that, based on its own experience and indications deriving from court rulings in this area, can provide adequate controls against the possibility of offences being committed, in line with the system of governance and ethical values that the Company has always based itself on.

The Model, as prepared following the activities described above, consists of:

- a) a **General Section**, whose function is to define the general principles that the Company uses as a reference for the management of its activities, and which are therefore valid for the Company in the broad sense and not only for the



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carrying out of risky activities. The following sections are contained in or attached to the General Section and form an integral part of it:

- 1) Organisational chart;
 - 2) Code of Ethics;
 - 3) Supervisory Body and its functioning;
 - 4) Disciplinary system.
- b) multiple **Special Sections** which described, with reference to the specific type of offence, the mapping of the sensitive activities, the assessment/construction/adaptation of the system of ex-ante audits and the specific protocols. They are intended to:
- Establish the regulatory sources to be observed by the Recipients;
 - Identify the behavioural principles to be adopted;
 - Identify individual offences that can be committed, or could potentially be committed within the Company, and the related preventive measures.

The Special Sections are:

1. **SPECIAL SECTION A: OFFENCES IN RELATIONS WITH THE PUBLIC ADMINISTRATION;**
2. **SPECIAL SECTION B: CORPORATE OFFENCES AND CORRUPTION BETWEEN PRIVATE INDIVIDUALS**
3. **SPECIAL SECTION C and SPECIAL SECTION C-BIS: HANDLING OF STOLEN GOODS, LAUNDERING AND USING OF MONEY, GOODS OR BENEFITS OF ILLICIT ORIGIN, SELF LAUNDERING, CRIMES LINKED TO TERRORISM OR THE SUBVERSION OF DEMOCRACY**
4. **SPECIAL SECTION E: CRIMES OF MANSLAUGHTER AND SERIOUS OR VERY SERIOUS PERSONAL INJURY, COMMITTED IN BREACH OF THE RULES ON HEALTH AND SAFETY AT WORK**



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5. **SPECIAL SECTION E:** OFFENCES CONCERNING INDUSTRIAL PROPERTY AND COPYRIGHT OFFENCES CONCERNING THE DISTORTION OF COMPETITION
6. **SPECIAL SECTION F:** TRANSNATIONAL OFFENCES
7. **SPECIAL SECTION G:** MARKET ABUSE OFFENCES
8. **SPECIAL SECTION H:** COMPUTER CRIME AND ILLEGAL USE OF DATA
9. **SPECIAL SECTION I:** ORGANISED CRIME OFFENCES
10. **SPECIAL SECTION L:** INDUCING AN INDIVIDUAL NOT TO MAKE STATEMENTS OR TO MAKE FALSE STATEMENTS TO THE JUDICIAL AUTHORITIES
11. **SPECIAL SECTION M:** ENVIRONMENTAL OFFENCES
12. **SPECIAL SECTION N:** EMPLOYMENT OF FOREIGN NATIONALS WITHOUT A VALID PERMIT OF STAY
13. **SPECIAL SECTION O:** TAX OFFENCES
14. **SPECIAL SECTION P:** FORGERY OF MONEY AND IDENTIFICATION PAPERS

The Model has been structured in order to make its updating process more effective and streamlined. While the General Section contains the formulation of principles of law that can be considered essentially invariable, the Special Sections – considering their specific content – are likely to be updated periodically.

Corporate dynamics and the evolution of legislation – such as a possible extension of the type of offences that may be covered by or connected to the scope of Legislative Decree 231/01– may require an integration of the Model.



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In consideration of this, the Supervisory Body is responsible for taking measures to ensure that the Company's executive body, or another body with the necessary powers, carries out the updates and amendments considered necessary.

5.4.1 ORGANISATIONAL SYSTEM AND SYSTEM OF AUTHORITIES

Organisational system

The organisational system is sufficiently formalised and clear, particularly with regard to the allocation of responsibilities, the hierarchical lines and the description of duties, with specific provision for the principles of control. The Company's organisational structure is formalised and represented graphically in an organisational chart, which clearly defines the hierarchical lines and functional links between the various positions in the organisation. The HR manager audits the organisational structure and formally records it in an internal document, which is regularly updated and promptly published on the intranet.

System of authorities

According to the recommendations in the Guidelines, the powers of authorisation and of signature are allocated on the basis of the organisational and managerial responsibilities, by making provision, where required, for a specific indication of the expenditure approval thresholds with particular regard to activities considered to be at risk of Offences. The Company uses specific approval tables named DELEGATIONS OF AUTHORITY.

5.4.2 THE PRINCIPLES OF CONTROL

In this Model the Company has aimed to implement the system of controls, focusing on the principles listed below, as required by the *Confindustria* Guidelines.

Within the scope of each sensitive activity at risk of an Offence, the Company therefore needs to verify that specific controls are in place.



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The principles of control on which the management of all sensitive activities contained in the risk mapping and company processes must be based, are the following:

- To guarantee integrity and ethics in performing activities, by putting in place appropriate rules of conduct aimed at regulating all the activities considered at risk of Offences;
- Formally defining the duties and responsibilities of each department involved in the risky activity;
- Allocating decision-making responsibilities in line with the level of responsibility and authority conferred;
- Defining, allocating and properly communicating the powers of authorisation and of signature, providing where required a specific indication of the expenditure approval thresholds so that nobody is allocated unlimited powers of discretion;
- Guaranteeing the principle of separation of duties when managing processes or activities by allocating the key phases of each processor activity to different people, in particular, the following phases:
 - authorisation;
 - execution;
 - control;
- regulating the risky activity using specific procedures and by putting in place the appropriate control points (audits, reconciliations etc);
- Ensuring that all operations or transactions are verifiable, documented, coherent and congruent. For this purpose, the traceability of an activity must be guaranteed by means of appropriate documents which can be used to carry out audits at any time. For each operation, it must be easy to identify:
 - who authorised the operation;

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- who actually performed it;
- who recorded it;
- who audited it.

The traceability of all operations is given a higher degree of certainty thanks to the use of computer systems;

- Ensure that the audits are documented; for this purpose the procedures used to implement the audits must allow the audit activities to be retraced so that it is possible to evaluate the cohesion between chosen methodologies and the accuracy of the results. These principles of control were used as a reference in the preparation of the Company's procedures.

5.4.3 CASH FLOW MANAGEMENT

Art. 6(2)(c) of the Decree provides that Organisational, Management and Control Models must provide for "procedures for the management that can prevent Offences from being committed". The rationale behind this provision is that many of the predicate offences can be carried out through the Company's financial flows (e.g. the setting up of unofficial funds to carry out acts of corruption). The *Confindustria* Guidelines recommend that systems be used to proceduralize decisions which would prevent the unauthorised management of cash flows by making each phase of the decision-making process verifiable, and documented. On the basis of the principles indicated in the Guidelines, the control system for administrative processes and specifically, the cash flow management process, is based on the separation of duties during key phases of the process. This separation needs to be adequately formalised, and there must be a good level of traceability in the actions and levels of authority allocated to each operation. The specific elements of control are represented below:

- the presence of different people operating in the different phases or activities involved in the process;

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- the preparation and authorisation of the payment proposal, in order to meet the duly-formalised obligation;
- checking the payment has been made;
- final reconciliations;
- the existence of levels of authority for the payment request, structured according to the type of operation (ordinary or extraordinary) and its amount;
- the systematic reconciliation of internal accounts and relations with banks, against the accounting records;
- The traceability of the acts and phases of the process, to which specific attention must be paid with regard to the removal from circulation of documents that have already originated a payment.

5.4.4 GENERAL PREVENTIVE PRINCIPLES AND PROTOCOLS

General Principles of Prevention

The system of protocols to prevent offences – which has been developed by the Company on the basis of the Guidelines and best practices – has been put in place by applying the following General Principles of Prevention to each sensitive activity. These general principles were used as a basis for the General Prevention Protocols in the following paragraph, and the Specific Prevention Protocols in the Special Sections;

- **Regulation:** the existence of company provisions and procedures that set out the principles of conduct and methods by which sensitive activities can be carried out, as well as procedures for archiving important documentation.
- **Traceability:** all operations related to a sensitive activity must, as far as possible, be adequately documented. The decision-making process, the authorisation and the performance of the sensitive activity must be verifiable ex-post, and documented.

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- **Separation of duties:** application of the principle of separation of duties between those authorising, executing and auditing. This separation is guaranteed by the intervention of several people within the same neighing process, in order to guarantee independence and objectivity.
- **Powers of attorney and delegations of authority:** the powers of authorisation and powers of signature must be consistent with the allocated organisational and managerial responsibilities, by making provision for expenditure approval thresholds where required; they must be clearly defined and known within the Company. It is necessary to define which business roles have the power to commit the Company to certain expenditure, and specify their limits and nature. The document that allocates the powers must meet the specific requirements of the law (e.g. Delegation regarding workers' health and safety).

General Preventive Protocols

With regard to the sensitive activities identified for each type of offence (see the Special Sections of the Model, below), the General Preventive Protocols provide that:

- a) all operations and the formation and implementation of the Company's decision must correspond to the principles and requirements contained in the law, in the memorandum of incorporation and the Bylaws, the Code of Ethics and in company procedures, if already in place;
- b) the provisions and procedures that set out the principles of conduct and methods by which sensitive activities can be carried out, as well as procedures for archiving important documentation, must be defined and communicated appropriately;
- c) for all operations:
 - the operational responsibilities, coordination and control within the Company must be formalised together with the



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- levels of hierarchy and a description of the related responsibilities;
- the phases of the formation of documents and the related levels of authority must always be documented and traceable;
 - the Company must use tools to communicate the powers of signature that guarantee that these powers are known within the Company;
 - The allocation and exercise of powers within the decision-making process must be consistent with the positions of responsibility and with the significance and/or criticality of the underlying financial operations;
 - the access to the Company' data must be compliant with Legislative Decree 196/2003 as amended and Regulation EU 2016/679 (GDPR);
 - Only authorised personnel can access and operate on Company data;
 - Confidentiality in the transmission of information is guaranteed;
 - documents relating to the formation of decisions and their implementation must be archived and kept by the competent department in a way that ensures they cannot be amended except with the specific evidence;
 - access to archived documents is only permitted to authorised personnel according to internal regulations;
- d) A Process Manager is appointed for each of the processes connected to the sensitive activities listed in this Model (in the Special Sections). The Process Manager:
- Is formally recognised in the organisational system (e.g. Internal delegations of authority, job descriptions, procedures) in accordance with any efficiency requirements stipulated by



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law with regard to the document allocating the functions (e.g. Delegation of authority for workers' health and safety);

- has all the powers necessary to pursue the internal objectives of the process in accordance with the times and guidelines that regulate it;
- Has full visibility of the process, and direct or indirect access to all the information in that regard.

The Process Manager has specific responsibility for:

- ensuring that the process is conducted in accordance with internal provisions (such as company procedures) and with the current regulations;
- ensuring that the whole process is conducted in accordance with the principles of transparency and traceability, on the basis of which all operations must have adequate documented support;
- informing the Supervisory Body if any irregularities are found, or if particularly critical situations arise (e.g. violations or suspected violations of the Model and of the Code of Ethics, inefficiencies, inadequacies or problems implementing the audit protocols);

5.5 ADOPTION OF THE MODEL AND SUBSEQUENT AMENDMENTS

With reference to the regulatory provisions in the Decree, although the adoption of the Model is optional and not compulsory, in order to improve its organisational structure and protect its image, the expectations of its shareholders and the work of its employees and partners, the Company has decided, in line with its own policies, to adopt and implement the "Organisational, management and control model" as provided for in the Decree, in consideration of any activities that may harbour a risk of Offences being committed (the "Sensitive processes").



ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL EX LEGISLATIVE DECREE 231/01

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This action was taken in the belief that adopting the Model is a valid tool to raise the awareness of everyone operating on the Company's behalf and in its interests, so that they can act fairly and transparently when performing their duties in order to prevent the risk of the Offences being committed.

The Company's Board of Directors, when approving this update to the Model, has also obtained a formal compliance undertaking from each member of the Board, and confirmed that the Supervisory Body is responsible for supervising the functioning and observance of the Model and making sure that it is updated.

As the Model is "a document issued by the executive body" and (in accordance with Article 6(l)(a) of Legislative Decree 231/2001), any major amendments are the responsibility of the Board of Directors.



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6. ASPECTS OF THE ORGANISATIONAL, ADMINISTRATIVE AND ACCOUNTING STRUCTURES, ACTIVITIES AND THE OPERATING ENVIRONMENTS

6.1 PREAMBLE

THE INTERNAL ORGANISATION OF SASOL ITALY S.p.A.

COMPANY OBJECT

The Company has as its object the following activities:

The production, transformation, commerce and transport of any petroleum, petrochemical, chemical or natural products and their derivatives, and utilities such as electricity, vapour, industrial water and similar.

The acceptance of agency and representation mandates for Italian and international firms and enterprises operating in the production and trading of the products referred to in paragraph a).

The sale and purchase of patents; the exercise of rights of industrial and commercial property.

The Company may carry out any commercial, industrial or financial transaction and any transaction in movable or immovable assets that is considered by the Board of Directors to be necessary or appropriate in the furtherance of the Company object. It may provide sureties and any form of secured or unsecured guarantee either for its own obligations or for those of Group companies, but only on a residual basis and always in the furtherance of the Company object; it may enter into lease agreements (except for financial leasing agreements), as lessor or lessee; hold equity interests and investments in companies and enterprises with a similar, related or connected object, also by way of contributions, in accordance with Article 2361 civil code, but not on a permanent basis and not towards the public, with the exclusion of activities reserved for members of professional rolls.

CORPORATE GOVERNANCE

BOARD OF DIRECTORS



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The Company is administered by a Board of Directors formed of between 3 and 15 members, depending on the resolution made by the ordinary meeting of shareholders.

The directors can be non-shareholders, may be re-elected and remain in office for up to 3 financial years.

If, due to resignation or for other reasons, the majority of the directors appointed by the Meeting are no longer in office, the entire Board of Directors must resign and a Meeting must immediately be called to appoint all the directors.

Until decided otherwise by the Meeting, the members of the Board of Directors are not bound by the prohibition in Article 2390 civil code.

The Board of Directors will elect a Chair from among its members unless the Meeting has already done so. It may also elect a vice chair who will replace the Chair if he or she is absent or unable to act, as well as a secretary who may be a non-board member.

The Board of Directors will meet at the Company's headquarters or elsewhere in Italy or in the territory of an EU member state, whenever considered necessary by the Chairman or at the written request of at least two of the Board's members. The meeting will be called by means of a notice sent by post at least five clear days before the date set for the meeting. In urgent cases, the meeting can be called by telegram or fax, with the notice to be sent at least 24 hours prior to the meeting.

The meeting of the Board can be held if the participants are in several different locations, either adjacent or distant, linked by audio or video conference on condition that the Meeting observes the collective method and the principles of good faith. The meeting will be considered to be held in the place in which the Chair and minutes-taker are present.

The Board of Directors may also pass valid resolutions even without the formal notice of meeting if all the members, and the standing members of the Board of Statutory Auditors, are present. The meetings of the Board of Directors are valid in the presence of the majority of the directors in office. Resolutions are passed with the absolute majority of votes.

If the Board of Directors is formed of three members and only two of them are present at the meeting, the resolutions must be passed unanimously.



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The decisions of the Board of Directors will be recorded in minutes signed by the chair and secretary of the meeting.

The Board of Directors has full powers for the ordinary and extraordinary management of the Company with no exceptions, and may do anything considered appropriate in the furtherance and implementation of the Company object, excluding only those acts reserved by law for the meeting of shareholders.

The Board of Directors may therefore, among other things, purchase, sell and exchange real estate, transfer real estate to other existing or newly formed companies, hold investments or equity interests in accordance with Article 2 of its Bylaws; allow entries, deletions and endorsements of legal charges, waive legal charges and exempt the keepers of the property registers from all liability in that regard, reach settlements and compromises in arbitration, also as amicable compositeurs where not prohibited by law, authorise and complete any operation with the offices of the Public Debt, the Deposits & Loans Fund, and with any public or private office where permitted by law.

The chair of the Board of Directors or his or her deputy shall have the power to represent the Company with sole signature, in order to execute all the decisions of the Board of Directors, unless it has been decided otherwise.

The chair of the Board of Directors or his or her deputy shall represent the Company in legal proceedings with the right to file legal and administrative proceedings and actions at all levels of jurisdiction, including revocation and Cassation proceedings, and may appoint lawyers and legal representatives for that purpose.

The Board of Directors may appoint, from among its members, one or more managing directors or an executive committee, or may grant special mandates to individual directors, stipulating their powers and remuneration in accordance with the law.

The Board of Directors may appoint one or more directors-general, who may also be non-directors, and determine their powers at the time of their appointment.



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The Board of Directors may appoint agents, legal representatives and other persons with specific mandates to carry out certain acts or categories of act.

BOARD OF STATUTORY AUDITORS

The meeting of shareholders will appoint a Board of Statutory Auditors, formed of three standing auditors and two substitutes, who will appoint the Chair and will determine their annual remuneration for their entire term of office.

The Board of Statutory Auditors will supervise compliance with the law and the bylaws, compliance with the principles of sound administration and in particular the adequacy of the organisational, administrative and accounting structure chosen by the Company, and that the structure functions correctly.

In addition, unless decided otherwise by the ordinary meeting of shareholders that appointed an account auditor or auditing firm, and providing that the legal conditions have been met, the Board of Statutory Auditors will audit the accounts.

If the Board of Statutory Auditors is also tasked with auditing the accounts, all of the auditors must be listed on the register of accounts auditors kept by the Ministry of Justice.

The statutory auditors will remain in office for three financial years, with their term expiring on the date of the meeting of shareholders called to approve the financial statements for the third year of their term. The resignation of the statutory auditors due to expiry of their term of office will take effect from the time when the Board is re-elected.

The Board of Statutory Auditors will meet at least once every 90 days at the initiative of any of the auditors. The Board of Statutory Auditors' meetings are valid in the presence of the majority of the auditors. It shall pass its decisions with the vote in favour of the absolute majority. Any dissenting auditors have the right to have the reasons for their dissent recorded in the minutes.

Meetings may be held via electronic means provided that the attending auditors can have instant recognition of the events, and are free to express



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their opinions and follow the discussion, intervene and have their opinions and votes recorded in the minutes.

6.2 ORGANISATIONAL STRUCTURE

The Company's organisational chart highlights a structure consisting of staff entities and departments operating at the main office in Milan (where the administration and logistics activities are carried out) and at the production sites in Augusta (SR), Terranova dei Passerini (LO) and Sarroch (CA).

Some of the organisational positions, including those of top management, are held by personnel outside the Company and employed by the Group.

Some of the functions report to the managing director, and sometimes hierarchically they report to their functions at Corporate level.

The Company's organisational structure is designed to guarantee the separation of tasks, roles and responsibilities among the operational and audit functions, and to guarantee maximum efficiency.

The HR manager audits the organisational structure and formally records it in an internal document, which is regularly updated and promptly published on the intranet.

The internal Legal department regularly verifies the delegations of authority and powers of attorney to ensure that they are always coherent and up-to-date.

6.2.1 THE ORGANISATIONAL STRUCTURE REGARDING HEALTH AND SAFETY AT WORK

With regard to health and safety at work, the Company has an organisational structure that conforms to the current preventive regulations with a view to eliminating or, where not possible, reducing – and therefore managing – work-related risks for its workers and for third parties.

For this purpose, each site has adopted an integrated Company Management System, compliant with ISO 9001, ISO 14001 and ISO 45001 standards and certified by RINA. In addition, all the sites are covered by the application of "Seveso III" Directive – Legislative Decree 105 of 26 June 2015, and are therefore subject to the obligation to prepare a periodic safety report, which highlights the criteria characterising the



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management of safety and the risks of major incident, and the preparation of an Internal Emergency Plan, which corresponds to a more detailed external emergency plan for each site; each site also has a safety management system relating to the risk of major incidents.

The following personnel work on each site: the employer, the directors, the managers, the supervisors and the health and safety officers (respectively the HSE manager and HSE officers – the HSE function is not found at the Sarroch site), the first aid officers (APS), who are allocated to an external service at the Augusta and Sarroch sites, the fire prevention officers (except at the Sarroch site), the workers environment and safety representatives (as provided for in the CCNL for the chemical industry), the Company physician, the employees, external personnel providing key safety services, namely: a) contractors; b) manufacturers and suppliers; c) designers of worksites, workstations and installations; d) fitters and installers of machinery, tools and other technical equipment.

The duties and responsibilities of the personnel indicated above are formalised in accordance with the Company's organisational and functional plan, with particular reference to specific roles operating within it.

When defining the organisational and operational duties of Management, and of the directors, managers and employees, the Company also specifies the safety-related duties of each role, and the responsibilities connected with the exercise of those activities, with particular regard to the duties of the HSE managers, officers, safety and environment officers and the Company physician.

6.2.2 THE ORGANISATIONAL STRUCTURE REGARDING ENVIRONMENTAL MATTERS

With regard to environmental matters, the Company has an organisational structure that conforms to the current preventive regulations, with the aim of eliminating or, if this is not possible, reducing – and therefore managing – environmental risks.

For this purpose, each site has adopted an integrated Company Management System, compliant with ISO 9001, ISO 14001 and ISO 45001 standards and certified by RINA.

The following personnel operate in the Environment area:



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- A site manager for each of the three sites,
- The **SHE** site manager has powers of attorney and delegations of authority. His or her duties are the following:
 - To assure ISO 14001 and **ISO 45001** certification;
 - To assure compliance with SHE regulations in all activities in order to reduce environmental impact, industrial illnesses and accidents;
 - To ensure that a risk assessment is carried out on all SASOL sites, in accordance with legal requirements;
 - To carry out a risk assessment relating to chemical substances and to implement the related preventive measures designed to ensure safe working conditions for all employees, and to reduce risks to the neighbours of SASOL;
 - To ensure that SHE training is provided to all SASOL employees, for all risks;
 - To implement preventive and corrective actions in accordance with the SHE plan of action, within the limits of the annual SHE budget;
 - To ensure adequate relations with the representatives of the trade unions and, as required by Italian law, to guarantee the meetings with the workers' safety and environment representatives;
- An environmental specialist for each of the three sites, each of whom is responsible for waste management and control on the site;
- A person in charge of decontamination procedures.

From an environmental viewpoint, all of the sites are subject to Integrated Environmental Authorisation (AIA), specifically:

- The Augusta site received the Authorisation with Decree no. 2010-0001003 of 28/12/2010 as amended and is awaiting conclusion of the general review procedure with renewal value linked to the publication of the relevant BATc in the OJEU;
- The Terranova site was authorised by AIA Decree no. 9663 of 06/09/2007, updated by Executive Decision No. REGDE/320/2015 of 01/04/2015;



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- The Sarroch site obtained authorisation with Decree GAB-DEC-2011-0000208 of 08/11/2011 as amended and is awaiting conclusion of the general review procedure with renewal value linked to the publication of the relevant BATc in the OJEU;

The duties and responsibilities of the personnel indicated above are formalised:

- in line with the Company's organisational and functional diagram (Site Manager, SHE department and its staff, Environmental Management System Officer);
- in accordance with the contractual provisions (consultants, external staff, service companies and certification body).

When defining the organisational and operational duties of Management, the directors and workers, the Company also sets out the environmental duties for each position.

6.3 MANUAL AND COMPUTERISED PROCEDURES

Within its organisational system, Sasol Italy S.p.A. has developed a system of protocols and procedures, both manual and computerised, which are intended to regulate the Company's activities in accordance with the principles set out in the *Confindustria* Guidelines.

The protocols and procedures are the rules to be followed within the context of the relevant company processes. They also include the audits that need to be carried out in order to ensure that the activities are performed accurately, effectively and efficiently.

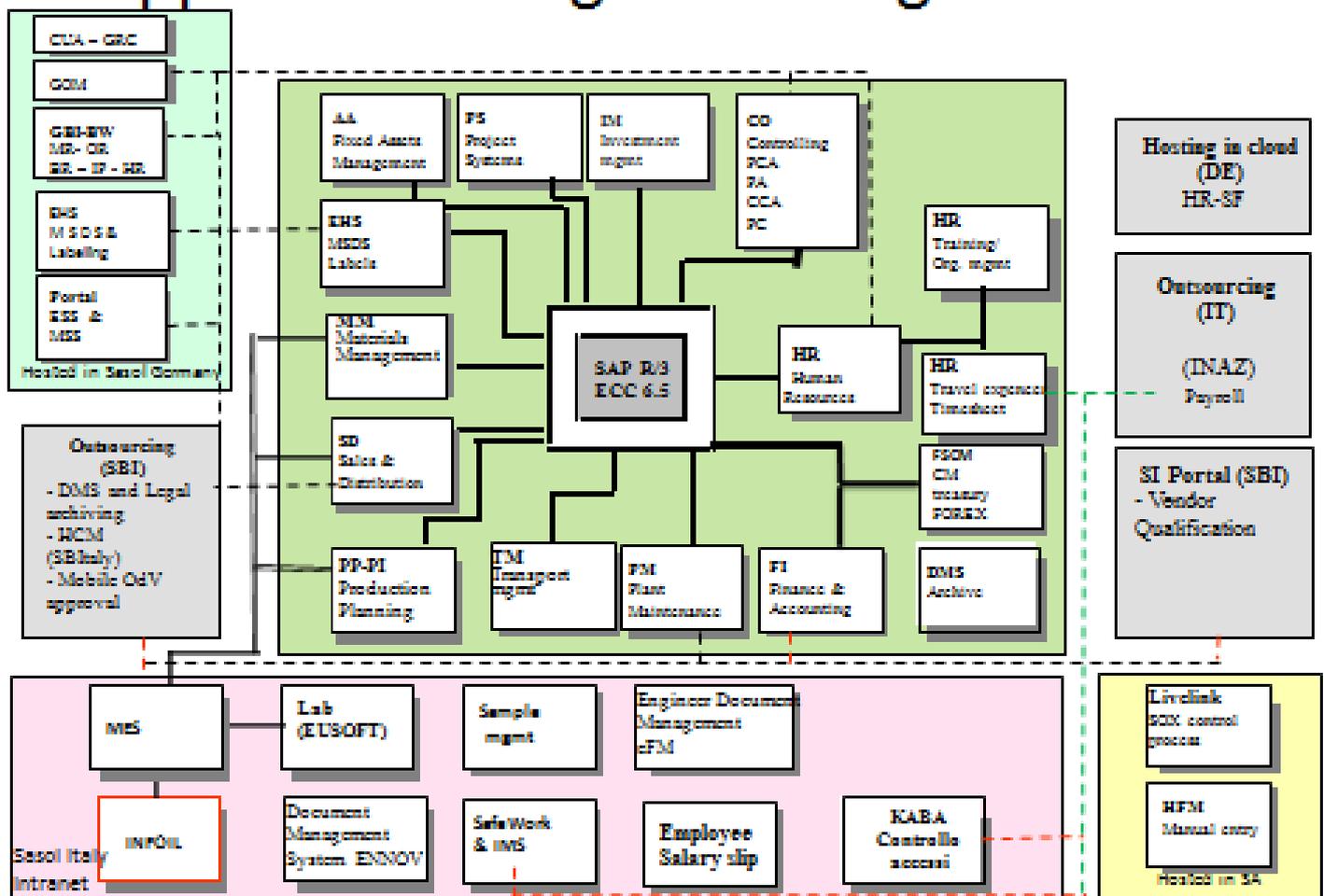
The manual protocols and procedures have been divided by sensitive activity, in the annex to the Gap Analysis.

With specific regard to the Systems, procedures and IT applications, the Company has set up a complex architecture of Information Systems, some of which are interconnected. These systems are regulated and standardised to ensure traceability, proper access to each profile (in other words the power to access the permitted functions) and segregation where applicable, thus

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guaranteeing the process. The "Application Integration Diagram" summarises all of the information systems, the way they are interconnected, and the classification by department/site. It is available on the Company's intranet.

Application integration diagram



Departmental and administrative applications

These solutions support company processes outside of the operating systems. Typically they are commercial packages available on Windows or Web platforms. They boost individual and company-level productivity and facilitate Group compliance by managing documents and approval (workflow) or by supplementing the laboratory, production and warehouse systems.

7. SENSITIVE PROCESSES

The risk analysis carried out for the purposes of 231/2001⁶ highlighted sensitive processes, with reference to the cases covered by the Decree, in relation to:

- a) Unauthorised receipt of funds, fraud against the State or a public entity, or receipt of public funds or computer fraud against the State or a public entity (Article 24 of Legislative Decree 231/01);
- b) Computer crimes and unlawful data processing (Article 24(a) Legislative Decree 231/01);
- c) Organised crime offences (Article 24(b) Legislative Decree 231/01); ***(it is not the perpetration itself of a specific offence that is relevant, rather the subjective element underlying the conduct which implies an association, with at least two other persons, for the commission of the offence)***
- d) Corruption and unlawful inducement to give or promise benefits (Article 25 Legislative Decree 231/01)
- e) Forgery of money, public credit cards, revenue stamps and identification papers (NO WATERMARK) and of identification marks or papers (Article 25a Legislative Decree 231/01);
- f) Crimes against industry and commerce (Article 25(a)(i) Legislative Decree 231/01);
- g) Corporate offences and corruption between private individuals (Article 25b of Legislative Decree 231/01);
- h) Crimes linked to terrorism or the subversion of democracy, (Article 25(c) Legislative Decree 231/01);

⁶ See also the table analysing risks for each offence.



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- i) Market abuse offences (Article 25e Legislative Decree 231/01) are applicable, as although SASOL S.p.A. is not listed on the stock exchange, nor is the parent company publicly listed, there is a publicly-listed company in the United States at the head of the chain of control of the Group of which SASOL S.p.A. forms part;
- j) Crimes of manslaughter and serious or very serious personal injury, committed in breach of the rules on health and safety at work (Article 25(f) Legislative Decree 231/01);
- k) Handling of stolen goods, laundering and using of money, goods or benefits of illicit origin, as well as self-laundering (Article 25(g) Legislative Decree 231/01);
- l) Crimes involving infringement of copyright (Article 25(h));
- m) Inducing an individual not to make statements or to make false statements to the judicial authorities (Article 25(i) Legislative Decree 231/01);
- n) Environmental crimes (Article 25(j) Legislative Decree 231/01);
- o) Employment of foreign nationals without a valid permit of stay (Article 25(k) Legislative Decree 231/01);
- p) Tax offences (Article 25-quinquiesdecies Legislative Decree 231/01);
- q) Transnational offences.

Details of the sensitive processes within each of the cases mentioned below, and the way they are regulated, can be found in specific sections of this Model, named "Special Sections.

The risks related to Organised crime offences (Article 24(b) Legislative Decree 231/01) and the offence of Inducing an individual not to make statements or to make false statements to the judicial authorities (Article 25(i) Legislative Decree 231/01), although they can only be envisaged in theory, are regulated not only by the principles of the Company's Code of Ethics but also in specific Special Sections.

The risks concerning female genital mutilation (Article 25-quater¹ Legislative Decree 231/01), crimes against the individual (Article 25 quinquies Legislative Decree 231/01) and Racism and Xenophobia (Article 25-terdecies Legislative Decree 231/01), are abstractly conceivable; however, a residual risk opinion has been expressed in terms of their concrete perpetration within the Company.



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For this reason, in relation to these types of offence, no subsequent detailed analysis has been carried out to determine the area of the Company in which the risks might arise and the corresponding levels of control.

However, it should be noted that in relation to the following offences and for the offence related to the employment of third-country nationals without a valid permit of stay (Art. 25-duodecies Legislative Decree 231/01), specific principles of conduct have been included in the Code of Ethics adopted by the Company and certain general conditions for the purchase of services, in case of subcontracting.

With regard to offences relating to “Fraud in sports competitions, illegal gambling or betting and gambling using prohibited equipment (Article 25-quaterdecies)”, their perpetration cannot be assumed in the light of the business carried out by the Company.

It is underlined that each type of offence covered by Legislative Decree 231/01 is taken into account in the Code of Ethics adopted by the Company, which establishes the values and rules of conduct which each person working on its behalf must comply with. Therefore, these values and rules of conduct are also designed to prevent and stigmatise any conduct which, theoretically, amounts to the types of predicate offences which give rise to the administrative liability of organisations.

8. THE SUPERVISORY BODY (SB)

8.1 IDENTIFICATION, APPOINTMENT AND REVOCATION OF THE SUPERVISORY BODY

The body tasked with supervising the functioning of, and compliance with the Model, and for dealing with its updating, must be internal, and must have independent powers of initiative and control (Article 6(1)(b) Decree).

The Explanatory Report specifies that: *“The Entity (...) must also supervise the effective operation of the Models and therefore compliance with them: for this purpose, in order to ensure that the system is as effective as possible, the Company must have a structure, set up internally (in order to avoid superficial measures intended to give an appearance of legitimacy to the Company’s actions by using accommodating bodies, and in particular to establish a real fault on the part of the entity), with independent powers and specific authority for these duties (...) it is of particular importance to make provision for an obligation to provide information to the internal control body in order to ensure its operational capacity (...)”*.

The Guidelines suggest that this would be an internal body other than the Board of Directors or the body of non-executive directors and the Board of Statutory Auditors. It should meet the following requirements:

- i. integrity;
- ii. autonomy;
- iii. independence;
- iv. professionalism;
- v. continuity of action.

The autonomy and independence requirements necessitate:

- a) the SB being ranked as high as possible within the hierarchy, reporting to the top level of the Company (i.e. the Chairman and/or Chief Executive) but also to the Board of Directors as a whole, and to the Board of Statutory Auditors;



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- b) the absence of operational duties within the SB as a whole, as this would influence its impartiality of judgement by involving it in decisions and activities that relate to operations.

The Board of Directors also allocates an annual budget to the SB, taking into account its requests. The allocation of a budget allows the SB to operate autonomously, and using the appropriate tools in order to efficiently fulfil the duties allocated under this Model, in accordance with the provisions of Decree 231/2001.

The professionalism requirement should be interpreted as the body of theoretical and practical technical and specialised knowledge necessary for the effective performance of the SB functions, in other words the techniques of those who perform audits and provide advisory services. These techniques can be used:

- a. On a preventive basis, in order to suggest potential amendments to the Model, if necessary or appropriate, to bring it more into line with the need to prevent Offences;
- b. On an ongoing basis, in order to verify that the entity's actions effectively respond to those laid down in the regulations;
- c. On an ex-post basis, in order to verify how it was possible for an offence of that type to occur, and who committed it.

In order to further guarantee the autonomy and independence that are essential for its duties, the Supervisory Body must, from the time of its appointment:

- (a) possess the subjective requirement of integrity as defined in the regulations of the supervisory body;
- (b) not be in the conditions described in Article 2382 civil code. (*Disqualification, prohibition, personal effects of bankruptcy, disqualification – either permanent or temporary – from public office or the incapacity to hold positions of responsibility*);
- (c) not be in a situation of conflict of interest, triggered by personal relations with the top management of the Company.

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Grounds for incompatibility with the position of member of the Supervisory Body are:

- Holding a position as executive and/or non-independent member of the Board of Directors of Sasol Italy S.p.A.;
- Holding a position as accounts auditor of Sasol Italy S.p.A.;
- Having worked as an employee or on a freelance basis, in the past three years, with entities with whom, or against whom, Offences governed by the Decree may be committed.

The conditions of eligibility, incompatibility and remaining in office are supplemented by the specific provisions concerning the personal and professional requirements stipulated by law, for members of executive corporate bodies, if those individuals are also members of the Supervisory Body⁷.

The Guidelines indicate that the department that supervises the system of internal controls and risk management (of which the Model is part), in other words the Internal Auditing function – if well-positioned and structured – is the most appropriate Department to perform the duties of the SB, especially if that department already exists and is operational.⁸

⁷ In particular, Article 2399 civil code, concerning causes of ineligibility and forfeiture of office of auditors, provides that: *“It is not possible for the following persons to be elected as auditor and if elected they shall forfeit their position: a) anyone in the conditions provided for in Article 2382; b) the spouse, relatives and next-of-kin up to the 4th degree of directors of the Company, the directors, spouse, relatives and next-of-kin up to the 4th degree of directors of the companies controlled by the Company, of its parent companies and of companies subject to joint control; c) Persons who are linked to the Company or its subsidiaries and parent companies or companies subject to joint control by a contract of employment or an ongoing consultancy relationship or services agreement, or by other relations of a financial nature, which compromise their independence. The deletion or suspension from the register of accounts auditors, and the loss of the requirements provided for in the final subparagraph of Article 2397 are grounds for the forfeiture of the position of auditor. The bylaws may also make provision for other grounds of ineligibility or forfeiture and grounds of ineligibility, limits and criteria for the holding of cumulative auditorships”*. As to the requirements of independent directors, Article 2409g and j refers to Article 2399 civil code, to the bylaws, or to the Codes prepared by industry associations or companies that manage regulated markets (i.e. the Preda Code).

⁸ That department is allocated not only the task of carrying out inspections but also of verifying the existence and proper functioning of audits on the proper application of laws in general (including, for example, those on safety, environmental protection and data protection).

According to the latest corporate theories, within the organisational chart, the Internal Auditing department should directly report to the top management, as it is required to support Management in monitoring the internal control system in order to ensure that the audits, and the Company’s operations, are both efficient and effective.



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In the light of the latest indications in the Guidelines (and based on the experience of various companies), the structure of the SB is collective, as it increases the impartiality of decisions and the work of the auditing body, as well as the efficiency and effectiveness of its activity.

A cross-disciplinary membership of the SB brings in expertise from various areas, and helps to fuel the dialogue and reciprocal internal control between members from different areas.

By applying these principles to SASOL Italy S.p.A., and considering the specific nature of SB's duties of, the Company has decided to form a collective body formed of one or more external parties with recognised professionalism and specific expertise in accounting, legal and corporate matters, and of one or more internal members, who are employees of the Company.

This structure should ensure that the Board meets the necessary independence and autonomy requirements (strengthened by the presence of an external member who will act as Chair), and the requirement of professionalism both in terms of the capacity for investigation and inspection, and also legal and technical expertise, continuity of action (as this body is responsible for monitoring and checking application of the Model based on an annual plan agreed within the Board itself and shared with the Company) to be documented in the Board meeting that authorises the appointment, so that it is adequate for the purposes of the regulatory provisions and the interpretation given to those provisions as set out in the Guidelines and in case law.

Within Sasol Italy S.p.A., the Supervisory Body must consist of a minimum of 3 members appointed by the Board of Directors. They must have specific expertise and qualifications in the areas relevant for the purposes of the Decree, to ensure that the SB has adequate expertise in the areas it is auditing.

At least one of the members of the Supervisory Body must be external to the Company and must be independent of it (in other words they must have no commercial relations with the Company nor family relations with the shareholders or directors that would impair their autonomy of judgement and



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they must have no employment relations, of any kind, with the Company itself). The other members of the SB, if not external, must not be chosen from the members of the Board of Directors, but must be appointed from among the managers of the Company departments (such as Internal Audit, Quality Assurance) that relate to the areas of control. In any case, they must not belong to the corporate Business areas.

In order to guarantee better knowledge and the proper control of the Company's situation, the Supervisory Body may ask members of the Board of Statutory Auditors or managers of departments related to the areas of control, to attend its meetings on a temporary or permanent basis. They will only attend the meetings as guests.

In order to guarantee the effective and constant implementation of the Model, and continuity of action, the term of office is fixed at three (3) years, which may be renewed if authorised by the Board of Directors.

The continuity of action of the Supervisory Body is also guaranteed by the fact that it operates on the Company's premises.

The Supervisory Body must have its own Regulations, which must be sent to the Board of Directors and the Board of Statutory Auditors.

The SB's Regulations must make provision for powers that can be exercised by the SB, and must be based on the following general principles:

- Based on the results of the activities performed by the office, and in accordance with the executive body, the SB is tasked with defining the objectives and periodic plans for auditing and aligning/updating the Model, and with amending various aspects of the Model, proposing disciplinary proceedings and/or disciplinary measures;
- The SB, which can also rely on the Risk Management function for this purpose, is also tasked with the ex-ante analysis of risks and audits, with checking that the Model is implemented correctly, and with the related updates and auditing activities.

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In order to control the autonomy and independence of the Supervisory Body's audit activities, the regulations must cover at least the following aspects:

- a. Procedure for appointment and revocation. In any case, the revocation of the Supervisory Body will be legitimate if there is good cause, in other words if, for example:
 - i. The person was guilty of, or has participated in one of the Offences;
 - ii. One of the essential conditions for maintaining the position no longer exists;
 - iii. Any other event has occurred that makes it impossible for the activity to continue;
- b. Duration of the term of office;
- c. The procedure for planning and carrying out audits;
- d. The obligation to formally record the activities of the body;
- e. A definition of the procedures for reporting to top management.

Taking into account the specific nature of responsibilities attributed to the SB, and the specific professional content they require, it may be that the routine fulfilment of supervisory and control duties is referred to a single member, who can rely both on his or her own department, and on all the other internal departments, as necessary in each case.

In accordance with the principles of the Decree, the function of the SB cannot be outsourced. However it is possible to outsource technical duties (to a third party with the specific expertise considered useful or necessary), while the overall responsibility for supervision of the Model remains with the SB.

The appointment of the SB and its revocation are exclusively the responsibility of the Board of Directors, after consulting the Board of Statutory Auditors.

The members of the Supervisory Body can only have their positions revoked for good cause. Each member of the SB can resign at any time by giving notice of at least 1 (one) month, without having to give any reason.

The remuneration of the members of the Supervisory Body is decided by the Board of Directors.



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8.2 FUNCTIONING OF THE SUPERVISORY BODY

The Supervisory Body meetings are valid in the presence of the majority of members in office and can pass resolutions with the vote in favour of the majority of the members in attendance. In the event of a tie, the vote of the SB's chairman will prevail. If there is a non-unanimous decision, it must immediately be brought to the attention of the Board of Directors.

The Supervisory Body meets every quarter, or whenever considered necessary by at least one (1) of its members.

Directors, administrators, executives, heads of Department and external consultants can be asked to attend the meetings of the Supervisory Body – without the right to vote – if their presence is necessary for the activity.

The Supervisory Body will report on its activities to the Board of Directors, by preparing:

- A six-monthly written report on its activities during the period, on the audits, and on their results;
- An annual descriptive report containing a summary of all the activities performed during the year, the audits and their results, and any update to the mapping of sensitive activities; the report must also include an annual plan of action for the subsequent year.

The meetings of the Supervisory Body with the Board of Directors and with the Chair will be formally recorded in minutes, and the minutes will be kept by the Supervisory Body.

In carrying out its activities the Supervisory Body may rely on internal or external collaborators, while remaining directly responsible for the accurate fulfilment of the supervisory and control obligations deriving from the category, at all times. All collaborators are required to comply with the obligation of diligence and confidentiality, which members of the Supervisory Body must observe.



8.3 FUNCTIONS AND POWERS OF THE SUPERVISORY BODY

The Supervisory Body, in general, has the task of supervising:

- Compliance with the Model by employees, service companies, consultants and partners;
- The efficiency and adequacy of the Model compared to the Company's structure, and its ability to prevent Offences from being committed;
- The need to update the Model if it has to be adapted in relation to changes in corporate and special regulatory conditions.

For that purpose the SB also has the task of:

- 1) asking Management, and other departments, for information and documentation about the operations and actions carried out in the areas at risk of Offences;
- 2) adopting and/or putting in place audit procedures in order to verify compliance with this Model;
- 3) carrying out random checks on certain operations and/or specific acts taken in the areas at risk of Offences;
- 4) carrying out investigations in order to identify and/or update the areas at risk of Offences;
- 5) taking and/or preparing, jointly with the relevant company departments, appropriate actions to disseminate the knowledge and understanding of this Model;
- 6) providing clarification and instructions on compliance with this Model;
- 7) consulting the other company departments and/or external consultants in order to guarantee the effectiveness of the Model;
- 8) gathering, preparing and storing information about this Model;
- 9) periodic reporting to the Board of Directors about the implementation and operativity of the Model;

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- 10) assessing and proposing to the Board, the amendments and/or updates to be made to the Model;
- 11) obtaining the necessary resources for the development, monitoring and assessment of the effectiveness of the Model.

The autonomy and independence that must characterise the activities of the SB have necessitated the introduction of various forms of protection in its favour to guarantee the effectiveness of the Model and to prevent its supervisory activity from leading to forms of retaliation against it (for example, cases in which investigations carried out by the SB can reveal circumstances that link the offence or attempted offence or violation to the top management of the Company).

For that purpose, the managing director of the Board of Directors will receive adequate information about the evaluation of the overall professional performance and of any remuneration and/or organisational measures relating to the members of the SB, and will check that these are consistent with the Company's internal policies.

For all financial requirements, in performing its duties the SB can request all the resources it requires for that purpose.

8.4 REPORTING BY THE SB TO TOP MANAGEMENT

The SB will report on the implementation of the Model, and on any critical issues that arise.

The SB has two reporting lines:

1. The first, on a continuous basis, is towards the managing director, who will be contacted promptly by the SB whenever a problem or critical issue arises in relation to a sensitive area within the scope of Legislative Decree 231/2001;
2. The second report is made annually to the Board of Directors. The SB will send a written report on its activity (indicating the audits carried out, the results of the audits, any subsequent specific audits and their results, and any updates to the mapping of sensitive processes);



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In addition, each year the SB will present the executive bodies with its plan of activity for the following year.

8.5 INFORMATION PROVIDED TO THE SB: GENERAL INFORMATION, AND OBLIGATORY SPECIFIC INFORMATION

The SB must be informed, by means of reports from employees, the executive bodies, service companies, consultants and partners, about events that could trigger the Company's liability under Legislative Decree 231/2001.

In particular, any recipient who knows of any violations of the Code of conduct or is a witness to any other conduct that is not in line with the provisions of the Model, must immediately report it to the SB or alternatively, if the person making the report is an employee, to his or her line manager who will send it to the SB.

In this regard, the following general provisions will apply:

- Any reports concerning conduct that is not in line with the rules of conduct in this Model, must be obtained;
- If an employee intends to report a violation (or presumed violation) of the Model, he or she must contact his or her line manager. If the report is unsuccessful or if the employee feels uneasy about contacting his or her line manager to make the report, he or she can report it to the SB. The members of the executive bodies – and the service companies, consultants and partners, with regard to their activities with the Company – can make reports directly to the SB;
- The SB will evaluate the reports. Any subsequent measures will be applied in accordance with the provisions of chapter 12 (Disciplinary System);
- The reporting parties in good faith are protected against any form of retaliation, discrimination or penalization and in any case their anonymity will be ensured, without prejudice to the legal obligations and the protection of the rights of the Company or of the individuals wrongly accused or accused in bad faith;
- Reports may be made anonymously, and they may be sent through various channels such as email, to the dedicated email address on the Company's Internet;

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- Any substantiated anonymous reports (containing all the objective details required to move to the next verification phase) will be taken into consideration by the Supervisory Body for further investigation.

In addition to reports about general violations as described above, the SB must immediately be provided with information about:

- Measures and / or information from the judicial police or any other authority indicating that investigations concerning Offences are being carried out, even against persons unknown;
- Requests for legal assistance submitted by employees, in the event that legal proceedings are commenced in relation to Offences;
- The reports prepared by the managers of other company departments in connection with their control activities, which could reveal acts, events, circumstances or omissions that are critical with regard to compliance with Legislative Decree 231/2001;
- Information about disciplinary proceedings and any penalties imposed (including measures taken against employees), or the archiving of these proceedings, with reason;
- Evidence of any critical issues or conflicts of interest that may arise in relations with the PA;
- Any irregularities or anomalies encountered by anyone responsible for controlling or supervising obligations connected to sensitive activities (the payment of invoices, the allocation of finance obtained from the State or EC bodies etc.);
- Legal, fiscal and administrative inspections (e.g. relating to health and safety regulations, tax assessments, national insurance etc), if the conclusive report highlights critical issues (to be submitted by the manager of the department involved);
- Significant events relating to the protection of health and safety in the workplace as provided for in the relevant “Special Section” (list of accident, incident report, new appointments, special inspections, budget, progress report etc);
- Reports or information, also received through reports made in accordance with Chapter 7, concerning violations of this Model;
- all proposals to amend this Model;



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- all initiatives concerning the prevention of Offences and the effective functioning of this model;
 - the system of directors' delegations of authority and any amendments to that system;
 - the system of powers of signature and any amendments to that system;
 - any reports or information relating to Offences that may involve the Company or any of its employees or collaborators.
-
- Major events concerning environmental protection, as provided for in the relevant "Special Section", by way of example:
 - Inspections by the authorities responsible for environmental control, and their findings;
 - Violations of statutory limits;
 - The issue of authorisations;
 - Emergency situations including the measures taken to deal with them;
 - Non-conformities, compared to procedure;
 - Major modifications to the production system;
 - The reports of the periodic audits performed by third-party certification bodies, on the management system,
 - Etc.

There is a specific protocol that deals with additional obligatory flows of information, which may be defined by the SB jointly with the Company departments responsible for submitting them.

The SB will ensure that individuals making the reports are protected, in good faith, against any form of recrimination, discrimination or penalisation, and will also ensure their anonymity, subject to legal obligations, and the obligation to



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protect the rights of the Company or the individuals involved, and the reputation of the person(s) making the report.

Anyone who acquires information about the committing of Offences, or about conduct that is not in line with the contents of this Model must immediately inform the Supervisory Body.

8.5.1 REQUESTS FOR INFORMATION AND REPORTS OF VIOLATIONS OF THE MODEL

Anyone has the right to access an established, formal channel of communication with the Supervisory Body. As the SB's work is independent, it is not contactable, and must not be contacted, through the normal hierarchy.

A distinction must be made between information and reports.

Requests for information relate to operational aspects of the understanding and use of the Model. These requests can be sent to the Supervisory Body, in a non-anonymous email via the intranet system.

The request must be sent to:

- The Chair of the Supervisory Body, at the email address: presidente.odv@it.sasol.com
- with a copy to the Supervisory Body, via the intranet.

Alternatively, by the same method, it is possible to request a meeting in order to communicate with the Supervisory Body in person.

The reports relate to complaints about the committing of Offences or conduct that is not in line with the Model, or violations or suspected violations of its general principles.

In such a case, a face-to-face meeting with the Chair of the Supervisory Body can be requested in non-anonymous form, via email.



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These reports must be sent via the intranet, to guarantee confidentiality, but only to the Chair of the Supervisory Body at the following email address: presidente.odv@it.sasol.com.

8.5.2 WHISTLEBLOWING

“Whistleblowing” means a report to the Supervisory Body by a Company worker who, during his or her work, detects a possible fraud, danger or another serious risk that might damage colleagues, member companies, accredited training bodies or the Company's reputation, which thus entails a violation of the Model. This tool allows for the creation of a reporting system of facts and/or actual behaviour that does not follow the hierarchical line and that allows staff to report breaches by others within the organisation, without fear of retaliation. The obligations to report any conduct contrary to the provisions set out in the Model are part of the broader duty of diligence and loyalty of the employee pursuant to Articles 2104 and 2105 of the Civil Code.

The Company, in the light of recent regulatory developments⁹, has taken steps to comply with the whistleblowing regulations provided for by law, as an effective tool to prevent corruption and illegality in general, which is available to the entire internal organisational structure of the Company, making staff responsible for taking action to combat illegality, reporting any potentially illegal or irregular facts and/or events of which they become aware.

A specific procedure has been drawn up to regulate the issues governed by Italian law.

⁹ Law “Provisions for the protection of people reporting offences or irregularities of which they become aware in a public or private employment relationship”, approved in the Chamber of Deputies on 15 November 2017. Article 2 of the Law, “Protection of the employee or collaborator who reports offences in the private sector”, supplements Article 6 of Decree 231 with paragraph 2-bis aimed at specifying the characteristics of the Model with regard to the collection of reports of unlawful conduct (i.e.: a) detailed reports of unlawful conduct, relevant under the Decree, and based on precise and consistent facts, or of violations of the body's organisational and management model, of which they have become aware by reason of their duties; these channels ensure the confidentiality of the whistleblower's identity in the management of the report; b) at least one alternative reporting channel must be set up that can ensure, by computerised means, the confidentiality of the whistleblower's identity; c) acts of retaliation or discrimination must be prohibited, whether direct or indirect, against the whistleblower for reasons related, directly or indirectly, to the report; d) in the disciplinary system, sanctions must be provided against those who violate the measures for the protection of the whistleblower, as well as those who make intentional or grossly negligent reports that prove unfounded.



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The Supervisory Body shall act in such a way as to protect whistleblowers against any form of retaliation, discrimination or penalisation, also ensuring the confidentiality of the whistleblower's identity, without prejudice to its legal obligations and the protection of the rights of the Company or of the persons involved, as well as the reputation of the whistleblower/s.

In addition to the reporting channels, one of which is computerised, which is absolutely essential, anyone who acquires information relating to the perpetration of offences or conduct deemed not to be in line with the provisions of this model is in any case required to inform the Supervisory Body immediately.

8.6 COLLECTING AND KEEPING INFORMATION

All information, reports and complaints provided for under this Model will be kept by the SB on a digital or printed database, for a period of 10 years.

Access to the database is permitted to members of the SB, and otherwise only to the Chair of the Board of Directors, the managing director and the chair of the Board of Statutory Auditors, as well as the members of those Boards who have been specifically authorised by their fellow directors or auditors.

Below is a list of some of the specific information that may be kept in the database:

- Useful information about decisions concerning the application, provision and use of public funds;
- Summaries of the national and international contracts won by the Company following tenders or private negotiations;
- News and documents concerning contracts awarded by public bodies, or entities providing public services;

- Requests for legal assistance submitted by directors, employees or other persons with the right to do so, in respect of which legal proceedings have been commenced for the offences governed by Legislative Decree 231/2001;
- Measures and / or information from the judicial police or any other authority indicating that investigations concerning Offences are being carried out, even against persons unknown, for the offences covered by Legislative Decree 231/2001;



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- Information relating to compliance, at all levels of the Company, with the Model or with the Code of Ethics, highlighting any existing disciplinary procedures and penalties imposed, or the justified orders for the archiving of such procedures;
- The reports prepared by the managers of other company departments in connection with their control activities, which could reveal acts, events, circumstances or omissions that are critical with regard to compliance with Legislative Decree 231/2001;
- The up-to-date system of delegations of authority and powers of attorney;
- Regarding health and safety at work, the key documents and significant events such as: risk assessment reports, budgets, progress reports, the appointments of health and safety officers and company physicians, new appointments, accident list, incident reports, specific inspections, emergency procedures etc.
- The Environmental Management System documents.



9. STAFF TRAINING AND DISTRIBUTION OF THE MODEL

9.1 TRAINING AND GUIDANCE FOR EMPLOYEES AND THE EXECUTIVE BODIES

For the purposes of improving the efficiency of this model, the Company aims to ensure that all staff, both present and future, have proper knowledge of the rules of conduct, according to the level to which each employee is involved in the Sensitive Processes.

The training and guidance system is supervised and supplemented by the activities performed in this area by the SB, in collaboration with the HR manager and with the managers of the other departments involved in application of the Model from time to time.

- **Initial communication**

This Model will be communicated to all staff in the Company at the time it is adopted.

All new hirings, and individuals holding the position of officer of the Company for the first time, will be provided with an information pack (e.g. Code of conduct, CCNL, Legislative Decree 231/2001 etc.). This is intended to ensure that all of them have the knowledge considered to be of primary importance.

- **Training**

The training to diffuse knowledge of Legislative Decree 231/2001 differs as to its content and mode of provision, depending on the qualifications the recipients, the level of risk of their areas, and whether or not they have the power to represent the Company.

In particular, the Company provides for various levels of information and training, using appropriate tools, for:

1. Top management, members of the SB and of the executive bodies;
2. Employees working in sensitive areas;
3. Employees not working in sensitive areas.

All training programmes have a minimum standard content, consisting of an illustration of the principles of Legislative Decree 231/2001, the components of the organisational, management and control model, and of the individual offences governed by Legislative Decree 231/2001 as well as actions considered to be sensitive, in relation to the committing of these offences.



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In addition, all training programmes are modulated in order to provide the recipients with the tools they need to comply fully with the provisions of the Decree with regard to their area of operation and duties.

The participation in these training programmes is obligatory and the SB is responsible for checking their frequency.

The SB is also responsible for checking the quality of the content of the training programmes, as described above.

The training provider is required to record and archive the evidence of the training provided, in a specific file.

9.2 INFORMATION PROVIDED TO CONSULTANTS AND PARTNERS

Consultants and partners are informed of the contents of the Model and of the Company's requirement that their conduct conforms to the provisions of Legislative Decree 231/2001 on the basis of procedural rules.



10. DISCIPLINARY SYSTEM

10.1 PREAMBLE.

The definition of a system of applicable sanctions (proportionate to the violation and with a deterrent effect) in case of a breach of the rules set out in this Model and the Code of Conduct, makes the Supervisory Body's supervisory action efficient and is intended to ensure the effectiveness of the Model itself.

In fact, the definition of this disciplinary system is an essential requirement of the Model for the purposes of exempting the Company from liability pursuant to Article 6, paragraph 2 letter e), Article 6, paragraph 2-bis, letter c) and d) and Article 7, paragraph 4 letter b) of Legislative Decree 231/01.

Therefore, the Company has adopted a disciplinary system (hereinafter also "Disciplinary System") aimed at sanctioning the violation of the principles, rules and measures laid down in the Model and in the corresponding Protocols, in compliance with national collective bargaining rules as well as the laws and regulations in force.

Any violations of the Model and the corresponding Protocols committed by persons in top management positions and by persons subject to the management of others or operating in the name and/or on behalf of the Company, are punishable.

In addition, any violation of the provisions of Article 6, paragraph 2-bis, letter d) of Legislative Decree 231/01 on reports of unlawful conduct, relevant under Legislative Decree 231/01, or of violations of the Model, i.e. violations of the company's provisions and policy as to how to submit reports pursuant to Law 179/2017 (Whistleblowing Law), is open to application of the sanctioning measures laid down in this disciplinary system.

In particular, the following is subject to disciplinary sanctions:

- failure to prepare and/or maintain the reporting channels pursuant to Article 6, paragraph 2-bis, letter a) and letter b) of Legislative Decree 231/2001 or their inadequacy for the prescribed purposes;
- the conduct of those who make intentional or grossly negligent reports that prove to be unfounded pursuant to Article 6, paragraph 2-bis letter d);
- failure to comply with the prohibition of acts of retaliation or discrimination, whether direct or indirect, against the whistleblower for reasons related

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,directly or indirectly, to the report and/or failure to provide suitable means to avoid such acts pursuant to Article 6, paragraph 2-bis letter c);

- violations of the measures for the protection of the whistleblower with reference to the right of confidentiality pursuant to Article 6, paragraph 2-bis letter a) and letter b); the disclosure of the whistleblower's identity pursuant to Law 179/2017, unless this is an act required by law and/or bargaining rules or for the fulfilment of a duty and/or pursuant to a legitimate order of a public authority, must be liable to disciplinary sanctions;
- the persons reported who are held responsible as a result of the investigation carried out by the Supervisory Body, which is the recipient of the report.

The violation of the provisions on the processing and protection of personal data pursuant to Legislative Decree no. 196/2003, the GDPR (EU Regulation 2016/679) and the provisions contained in the Company Regulation for the use of company electronic tools, also constitutes grounds for the application of the sanctioning measures.

The application of the disciplinary system and corresponding sanctions is independent of the conduct and outcome of any criminal proceedings brought by the judicial authorities in the event that the conduct in question also amounts to a relevant offence within the meaning of Legislative Decree no. 231/2001.

This is without prejudice to the Company's right to apply the sanctions provided for by the relevant laws and company practices with reference to conduct that is not relevant for the application of Legislative Decree 231/2001.

The requirements of this disciplinary system can be taken from existing corporate theory and case law, and can be listed as follows:

- **Specific relevance and autonomy:** specific relevance relates to the preparation of a system of disciplinary measures within the Company aimed at sanctioning any violation of the Model, regardless of whether the violation constitutes an Offence or not; the autonomy requirement relates to self-sufficiency of the disciplinary system compared to external systems (e.g. criminal proceedings) – in other words the Company is required to sanction the violation regardless of the outcome of the legal proceedings, in consideration of the type of a violation of the protocols and procedures set out in the Model;



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- **Compatibility:** the process of verifying and imposing the penalty, and the penalty itself, cannot conflict with the provisions of law or with the provisions of the existing contract of employment with the Company;
- **Appropriateness:** the system must be efficient, and effective, in preventing Offences;
- **Proportionality:** the applicable or applied penalty must be proportionate to the violation;
- **Written form and appropriate notification:** the disciplinary system must be prepared in writing, and the recipients must be promptly informed and trained.

An essential condition of the Company's disciplinary power is the attribution of the violation to the employee (whether he or she is a permanent member of staff, a member of key personnel or an external worker), regardless of whether the conduct constitutes a violation that may lead to criminal proceedings.

The basic requirement for a penalty is that it must be proportionate to the violation. This must be evaluated on the basis of two criteria:

- the gravity of the violation;
- the type of employment contract with the worker (permanent or non-permanent employee, executive, etc.), with specific regard to the legal and contractual provisions.

In any case, the employee against whom the charge has been made must be guaranteed a **right of defence**.

10.2 DEFINITION AND LIMITATIONS OF DISCIPLINARY RESPONSIBILITY.

This section identifies and describes the violations that are relevant for the purposes of Legislative Decree 231/01, the corresponding penalties that can be levied, and the disciplinary procedure.

The Company, aware of the need to comply with the law and other applicable provisions, ensures that the penalties imposed under the terms of this disciplinary system conform to the provisions of the national collective agreements for its sector; it also ensures that the disciplinary procedure conforms to Article 7 of Law 300 of 30 May 1970 (Workers' Statute).



For recipients employed under non-standard contracts (directors, and External Parties in general), the applicable measures and disciplinary procedures must comply with the law, and with the contractual conditions.

10.3 RECIPIENTS AND THEIR DUTIES: PROCEDURE.

The recipients of the disciplinary system are the recipients of the 231/01 Model.

All recipients must make sure that their conduct corresponds to the principles set out in the Code of Ethics, and to all the principles and measures for the organisation, management and control of company activities as defined in the Model.

Any violation of these principles, measures and procedures, if verified, constitutes:

- In the case of employees and managers, a breach of the obligations under the contract of employment (Article 2104 civil code), resulting in the application of Article 2106 civil code;
- In the case of directors, failure to carry out their duties as imposed by law and the Bylaws, pursuant to Article 2392 civil code;
- In the case of External Parties, a breach of contract that may give the Company the right to terminate their contract, without prejudice to compensation for losses.

The disciplinary procedure described below therefore takes into account the specific aspects deriving from the legal status of the person against whom action is being taken.

The Supervisory Body will check that specific procedures have been followed, in order to provide information to all the above persons from the time they are hired by the Company, concerning the existence and content of this disciplinary system.

Any violation of the Model or of the tools used to implement it, committed by any person, must be reported immediately in writing to the Supervisory Body without prejudice to the procedures and measures available to the person holding the disciplinary power.

All recipients of the Model are obligated to report any violations.

After receiving a report, the Supervisory Body must immediately carry out the necessary investigations, while maintaining the confidentiality of the person being investigated. Once the necessary analyses and evaluations have been made, the



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Supervisory Body will inform the person responsible for taking discipline reaction of the results. They will then start the disciplinary procedure and impose penalties if applicable, provided that any disciplinary measures are taken by the appropriate organs of the Company by virtue of the powers conferred on them by the Bylaws, or by internal regulations.

The supervisory body must be informed of all archiving orders, concerning the disciplinary procedures described below.

10.4 GENERAL PRINCIPLES ON PENALTIES.

Penalties must always be “graded” and respect the principle of proportionality, with regard to the gravity of the violation.

The determination of the type and extent of the penalty imposed after a violation has been committed, including offences relevant for the purposes of Legislative Decree 231/01, must be based on compliance with, and evaluation of the following:

- the gravity of the violation;
- the position held by the individual within the organisation particularly considering the responsibilities related to his or her duties;
- any aggravating or attenuating circumstances that may apply, in relation to the recipient’s actions; these include the committing of offences and/or the imposition of previous disciplinary measures against that individual during the two years prior to the offence or violation in question;

10.5 PENALTIES IMPOSED ON EMPLOYEES (MANUAL WORKERS, CLERICAL WORKERS AND MANAGERS)

Any actions by employees that violate rules of conduct set out in this model are defined as disciplinary offences.

The disciplinary offences deriving from the following circumstances are significant:

- a) Non-compliance with procedures and/or provisions of the Model intended to ensure that activities are carried out in accordance with the law, and to discover and promptly eliminate any risky situations, as defined in the Decree;



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- b) The violation and/or evasion of internal control systems, through the removal, destruction or alteration of procedural documentation or by preventing the relevant parties, including the Supervisory Body, from auditing or accessing the information or documentation;
- c) Failure to comply with the rules of the Code of Ethics;
- d) Failure to comply with the obligation to report to the supervisory and/or line manager;
- e) Failure to supervise, as the “hierarchical superior”, the subordinates’ compliance with the procedures and provisions of the Model, in order to verify their actions within the at-risk areas and in the carrying out of activities that are instrumental to operational processes at risk of Offences;
- f) Failure to report, as the “functional manager” to the line manager and/or the Supervisory Body, regarding the non-compliance by persons within that function, with the procedures and provisions of the Model;
- g) Failure to comply with behavioural obligations concerning health and safety at work as governed by the law (Article 20 of Legislative Decree No. 81 of 9 April 2008), regulations and/or other company provisions;
- h) Violation or omission, due to gross negligence, reckless or imprudent behaviour, of any provision intended to prevent pollution or environmental damage.

The penalties and measures that may be imposed on employees for within the scope of the Company’s disciplinary system and/or the system of penalties provided for in the CCNL, in accordance with the procedures contained in Article 7 of the workers’ charter, and any other special regulations that may apply.

The Company’s disciplinary system consists of the provisions of the civil code and the provisions of the CCNL. The disciplinary system describes the actions that may be penalised, depending on the significance of the individual case, and the penalties actually imposed if an Offence is committed, based on its seriousness.

In relation to the above, the Model refers to the penalties and measures in the system of disciplinary measures provided for in the CCNL.

The Company considers that the CCNL penalties will apply, in accordance with the procedures outlined below and in consideration of the general principles and criteria identified in the previous paragraph, to the violations listed below.



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With regard to employees, in application of the national collective agreement, the following penalties apply:

- a) **verbal warning:** for culpable violations of the procedures and provisions indicated in this Section, par. 5.5, paras. a) to f) an/or procedural errors due to employee negligence with external impact; repetition of the offence within two years, for violations of procedures and provisions indicated in the previous paragraph even if they do not have external impact;
- b) **written warning:** if the offence is repeated within two years, in the case of culpable violations of procedures or provision indicated in this Section, para. 5.5 a) to f), and/or procedural errors caused by employee negligence with external impact;
- c) **a fine** of up to 3 hours' pay, calculated according to the statutory minimum: other than in cases of repeated offences, which may lead to the application of a written warning, a fine may also be levied in cases where, due to the level of hierarchical or technical responsibility, or in the presence of aggravating circumstances, the culpable and/or negligent conduct undermines, or could undermine, the effectiveness of the Model; these cases include but are not limited to:
 - 1) Failure to comply with the obligation to report to the Supervisory Body and/or line manager or departmental manager;
 - 2) Repeated failure to comply with the provisions of the procedures and guidelines indicated in the Model, if they have related to, or currently relate to, a contract and/or procedure to which one of the parties is the Public Administration;
- d) Unpaid suspension from work, for up to 3 days: the employee will be suspended without pay for up to 3 days, other than in cases of repeated offences that may result in the application of a fine, in the event of serious violations of procedures and/or guidelines indicated in this section, para. 5.5 a) to h), which would expose the Company to the risk of penalties and liability. By way of non-limiting example, a penalty will be imposed in the case of:
 1. Failure to comply with the provisions concerning powers of signature, and the system of authorities allocated in relation to



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- papers and documents concerning relations with the Public Administration and/or the activities of the executive bodies
2. Failure by the hierarchical and/or departmental superiors to supervise compliance with the procedures and provisions of the Model, in order to verify their subordinates' actions within the at-risk areas and in carrying out of activities that are instrumental to operational processes at risk of Offences;
 3. Groundless complaints of violations of the Model and of the Code of Ethics, made fraudulently;
 4. Failure to comply with the provisions on health and safety in the workplace as imposed by the employer, managers and supervisors in relation to personal protection or the inappropriate use of personal protective equipment, or the failure to attend training and guidance programmes organised by the employer;
 5. Failure to comply with the provisions of environmental authorisations and with the provisions and procedures of the Company's environmental management system, which did not lead to any actual or potential situations of danger, damage or environmental pollution.
- e) Dismissal with notice; this penalty will be imposed in the case of repeated serious violations of the procedures and/or provisions indicated in this section, para. 5.5, a) to h) with external significance, in the carrying out of activities in the at-risk areas identified in the special section of the Model.
- f) Summary dismissal: this penalty will be imposed in the case of actions that are so serious that they prevent the employment contract from being continued, even on a provisional basis (known as "good cause"), for example in the case of:
1. Violations of rules, procedures, provisions of the Model or of the Code of Ethics that have external impact and/or fraudulent evasion by means of an act that was unequivocally intended to commit one of the Offences, regardless of whether the Offence was actually completed, such that there is no longer any relationship of trust with the employer;



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2. The violation and/or evasion of internal control systems, through the removal, destruction or alteration of procedural documentation or by preventing the relevant parties, including the Supervisory Body, from auditing or accessing the information or documentation such that the information is not transparent or verifiable;
3. Failure to comply with regulations on health and safety in the workplace, imposed by the employer, by the managers, by the health and safety officer or by supervisors responsible for collective protection, or the unauthorised removal or modification of safety, reporting or control devices, or the unauthorised carrying out of dangerous operations or manoeuvres that could compromise personal safety or that of other workers, or failure to report conditions of serious, incumbent danger to the employer, manager, health and safety officer or supervisor;
4. Conduct that does not conform to the procedures or provisions of the Model, which is unequivocally intended to commit an environmental offence governed by Article 25j of the Decree, which led to a situation of actual or potential danger, pollution or environmental disaster, and the application by the Company of the related penalties, even on a temporary basis;
5. Violation or omission of environmental emergency management procedures, also due to negligence, reckless or imprudent actions.
6. Any other violation of rules, procedures, provisions of the Model or of the Code of Ethics even if they are included in the actions punishable by precautionary penalties, the nature of which do not allow the employment contract to be continued, even on a temporary basis.

If the employees referred to above have the power to represent the Company in external relations, the imposition of a fine and/or suspension and/or dismissal with notice will also result in the automatic revocation of that power.



10.6 PENALTIES IMPOSED ON MANAGERS.

Relationships with managerial staff are characterised by trust. A manager's actions impact the Company not only internally but also externally – for example in terms of its image on the market, and in general, towards the various stakeholders.

Therefore the compliance by the Company's directors with the provisions of this Model and the obligation to respect it is an essential part of the manager's working relationship as this sets an example for all subordinate staff.

Due to the special trust-based relationship between the managers and the Company, any violations they commit will be disciplined with the measures considered most appropriate for each case. Without prejudice to the right of termination, also for good cause, penalties will be applied in accordance with the general principles previously identified in the paragraph "General Principles on Penalties", compatibly with the provisions of the law, and the conditions of the applicable CCNL.

Apart from the other cases in which a disciplinary offence may exist, due to violation of legal or contractual provisions, the penalties imposed on **managers of the Company** - as referred to above – will be applied in the case of violations of:

- Principles of the organisational model;
- Principles of the Code of Ethics.

They will also apply in the case of:

- Evasion of the audits carried out by the SB;
- Obstruction of the audits carried out by the SB;
- Non-collaboration with the SB;
- Lack of control and/or supervision of employees/external workers, regarding compliance with the procedures and principles of the Model.

As the disciplinary system applies to managers regardless of whether or not any investigations or criminal proceedings are commenced, and regardless of the outcome of those proceedings, if violations of the Model may constitute a situation



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with criminal relevance, the Company may decide to apply the following alternative, provisional measures pending the results of the legal proceedings:

- Provisional suspension of the manager, with the right to full pay;
- Allocation of the manager to other duties (Article 2103 civil code), on a provisional basis, for no more than three months.

If the Company considers that the circumstances would constitute good cause for termination of the contract of employment, the manager may be dismissed regardless of whether or not the criminal proceedings have been concluded.

In particular, the disciplinary measure imposed in the case of particularly serious violations will be dismissal for good cause or justified reasons.

The penalty of dismissal for good cause applies to violations of such gravity that the trust-based element of the employment contract would be seriously undermined so that it could not be continued even on a provisional basis, as the fundamental assumption no longer exists.

10.7 MEASURES IMPOSED ON KEY PERSONNEL WHO ARE ALSO MEMBERS OF THE EXECUTIVE BODY (ART. 5(1)(A) LEGISLATIVE DECREE 231/01).

The Company treats with extreme seriousness any violations of this model carried out by anyone within the Company's top management, who represent the image of the Company towards employees, shareholders, clients, creditors, the regulators, and the public in general. The values of fairness and transparency must be adopted and respected primarily by individuals who guide the Company's decisions, so that they can set an example and encourage all those working on behalf of the Company at all levels.

Violations of the principles and measures provided for in the Model, by members of the Board of Directors must promptly be reported by the Supervisory Body, to the whole of the Board of Directors and to the Board of Statutory Auditors.

The directors' liability towards the Company is governed to all intents and purposes by Article 2392 civil code.

The Board of Directors has the task of evaluating the violation and of taking the most appropriate measures against the director(s) responsible. In doing so the



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Board will be supported by the Supervisory Body and will pass its resolutions with the absolute majority of those present, excluding the director(s) who committed the violations, after consulting the Board of Statutory Auditors.

The penalties applicable to directors are the revocation of delegations of authority or of the directorship and, if the director has a contract of employment with the Company, dismissal.

The Board of Directors and the Board of Statutory Auditors are responsible for calling a meeting of shareholders, in accordance with the applicable provisions of law (Article 2406 civil code), where necessary. A meeting of shareholders must be called for decisions regarding the revocation of a directorship or a liability action against a director (a liability action against a director is compensatory nature and cannot therefore be considered a penalty).

10.8 MEASURES AGAINST EXTERNAL PARTIES.

Any actions by external parties (external workers, agents, representatives, consultants and anyone working independently, including suppliers and partners also in the form of temporary business association or joint venture) that conflict with the behavioural guidelines indicated in this Model, and that carry a risk of a Offence may, in accordance with the specific contractual provisions in the letters of engagement or contracts, result in termination of the contract, or the right of cancellation.

To that end, contracts made by the Company with the external parties must contain a specific declaration confirming knowledge of the existence of the Code of Ethics and of the 231 Model, and of the obligation to abide by their contents or, if the counterparty is a foreign national or operates abroad, a confirmation that they will comply with the international and local regulations on the prevention of risks that could lead to the Company being held liable for Offences.

In coordination with the managing director or a person delegated by the latter, the Supervisory Body must check that specific procedures are in place in order to transmit the principles and behavioural guidelines of this 231 Model and the Code of Ethics, to the external parties.

Contracts with external parties must contain a specific termination and/or cancellation clause connected to the violation of such obligations, without affecting the Company's right to take action for any losses that may arise as a result of such

actions including losses caused as a result of the court's application of the measures provided for under Legislative Decree 231/01.

The Company department that engaged the external parties, which in any case is the process owner for those activities, is responsible for recording all information that enables the actions of those parties to be known and evaluated. If requested by the Supervisory Body, that information must be provided to allow the body to carry out its duties.

10.9 DISCIPLINARY PROCEDURE.

The principles of the disciplinary procedure are based on the following criteria:

- a) **Legality and typicality:** the penalties are those specified in the Model, and the charge that justified them must correspond to the original charge;
- b) **Compatibility:** the disciplinary system contained in the Model supplements the measures established in the CCNL that applies to the various categories of worker operating within the Company;
- c) **Disclosure:** the Company must make full and appropriate disclosure of its disciplinary system;
- d) **Opportunity to dispute the charges:** the charges must be made in writing, and must be specific;
- e) **Promptness:** the resulting disciplinary procedure, and application of any penalties, must take place within a certain, reasonable period of time;
- f) **Gradation:** penalties must be consistent with the different levels of gravity, of the violation.

Within the limits of the provisions of law, and of the CCNL applicable to the various categories of worker within the Company, the **disciplinary procedure** is structured as follows:

- INVESTIGATION by the SB, following a report by one of the recipients of the Model, or on the initiative of the SB itself, in order to verify whether or not the violation exists;
- PRELIMINARY PHASE AND DECISION, in which notification of the violation is made, its gravity is assessed, and the decision is made on the penalty to be imposed, in accordance with Art. 7 of the Workers' Statute, and the provisions of the applicable CCNL, and in all cases, after justification from the employee.



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The Board of Directors is responsible for this last phase, both for violations committed by a director, and for violations committed by the statutory auditors.

For violations by employees, managers or third parties, the procedure is managed by the individuals with the designated powers.

The disciplinary system is not only provided online or digitally to key personnel and employees, but also published on the Internet and is posted in areas accessible to all employees, so that all recipients are fully aware of it.



11. AUDITS ON THE ADEQUACY OF THE MODEL

Apart from the supervisory activities carried out continuously by the SB, on the effectiveness of the Model (this consists of an audit of the cohesion between the recipients' conduct and the Model itself), the SB also carries out periodic audits on the true capacity of the Model to prevent Offences (this may involve the assistance of third parties, at the discretion of the SB).

This activity consists of a random audit of the Company's principal documents and major contracts relating to sensitive processes, and their compliance with the rules of this model.

A review is also carried out of all the reports received during the year, of the actions taken by the SB, of events considered to be risky, and of the employees' and executive bodies' awareness of the issue of corporate criminal liability, through random audits.

The audits are carried out by the SB, which may rely on the internal Quality department, and the support of other internal departments as required in each case. It may also involve external parties with recognised, specific professional expertise in this area.

The results of the audits form the subject of an annual report to the Board of Directors and to the Board of Statutory Auditors. If the results are negative, the SB will provide details of the improvements to be made, in its plan for the year.