



WHISTLEBLOWER POLICY

The Company adopts a “zero tolerance” approach to fraud, corruption and other forms of unethical behavior or conduct. In addition to the Code of Conduct, we have put in place a whistleblower hotline for our customers, suppliers, business partners and employees to report any concern regarding fraud, corruption and other forms of unethical behavior or conduct.

This Policy and mechanism have been created with the objective of providing directors, employees and all our business partners an avenue to raise concerns about activities which seem to go against the Company's commitment to the highest possible standards of ethical, moral and legal business conduct and its commitment to open communication.

This Policy and mechanism seeks to provide the necessary safeguards for the protection of directors, employees, customers and vendors from reprisals or retaliation, for reporting concerns.

The Whistleblower Policy is intended to cover genuine and serious concerns that could have an impact on the Company such as actions (actual or suspected) that:

- Are not in line with our Code of Conduct and applicable Company policies and procedures
- Are unethical behavior
- Are unlawful
- Amount to serious improper conduct (including any kind of harassment)
- May lead to incorrect financial reporting
- Are actual or suspected fraud

WHAT IS WHISTLEBLOWING?

Whistleblowing is the term used when a person makes a report about activities that may be unethical and illegal. This person may be an employee of the Company, a business partner or a member of the public. The wrongdoing will typically (although not necessarily) be something they have witnessed.

DISCLOSURE PROCESS

a) Who to disclose to?

Disclosure must be done internally through the designated mailbox in the plant facility or the Company's official Whistleblower channel: denunce@pavonispa.it.

The Whistleblower channel is managed by your local Compliance Officer. Internal disclosure is encouraged at all times. This disclosure must be made in good faith and not for the purpose of personal gain.

If you do not want to use the Whistleblower channel for valid reasons, you can always disclose the information directly to your Compliance Officer, a Board member or your superior.

b) What information to disclose?

The more detail you can give, the easier it will be for us to consider what our response should be.

The following things are useful:

- the names of any individuals involved in the matter of concern
- any key dates you know about
- the 'how', 'what' and 'where' and any supporting documents or evidence
- the type of wrongdoing and who else knows about it.

You do not need to give us your identity or contact details, although it would make it easier if we needed to ask for further information or clarification of information provided. If you have provided contact details then we may well proactively contact you if we require any further information, unless you specifically ask us not to.

c) What does the investigation process entail?

- i. An investigation will start immediately once a disclosure has been made and received.
- ii. When necessary, the Compliance Officer will hold a meeting with the whistleblower to gather all the information needed to understand the situation. In some cases, a suitable conclusion may be reached through an initial conversation. In more serious cases, there may be a need for a formal investigation.
- iii. All conversations through any channel with the reporter will be documented and kept confidential. The documents must not be accessed by anyone except the investigating committee.

- iv. In very serious cases or cases involving senior management, the Board will take responsibility for overseeing the investigation. In other cases, it should ensure that it will be kept informed about the outcome of investigations. An external firm, such as an accounting firm with strong forensic competencies, may have to be hired. Where there is no internal legal counsel, an outside lawyer may need to be retained to advise on legal issues, including potential disciplinary actions resulting from the investigation.
- v. An individual that reports a matter that includes his own unethical or illegal activities will still be subject to disciplinary measures. The self-reporting will be taken into account when determining the disciplinary measure.
- vi. Those involved in the investigation must uphold the confidentiality requirement to protect the identity of an individual reporting a concern. Protecting the identity of reporter will encourage other to report concerns and will reduce the possibility of retaliation or workplace conflict.

d) Key Practices

When dealing with disclosures, it is good practice for the investigating committee and Company to:

- Treat all disclosures seriously and consistently.
- Provide support to the worker during what can be a difficult or anxious time with access to mentoring, advice and counselling.
- Document whether the Whistleblower has requested confidentiality.
- Produce a summary of all meetings as a company record of the proceedings.
- Allow the worker to be accompanied by a trade union representative or colleague at any meeting about the disclosure, if they wish to do so.
- Provide support services after a disclosure has been made such as mediation and dispute resolution, to help rebuild trust and relationships in the workplace.

PROTECTION OF THE WHISTLEBLOWER

The tasked investigating member(s) will not tolerate any retaliation by management or any other person or group, directly or indirectly, against anyone who, in good faith, has made a disclosure.

Confidentiality must be upheld at all times from the inception of the report until after the investigation has been completed.

RECORDS RETENTION

The Compliance Officer must:

- Record the number of whistleblowing disclosures they receive and their nature.
- Maintain records of the documentation referred to whistleblowing disclosures and related verification activities as well as any decisional measures taken by the competent functions in specific paper / computer files, with the appropriate levels of security / confidentiality.

The records of documentation and any information disclosed related to a whistleblowing are kept for a period not exceeding that necessary for the purposes for which the data were collected or subsequently processed and in any case in compliance with the current laws regarding Personal Data Protection.

However, some records may be kept beyond that period for valid purposes such as legal proceedings, appeals or the reopening of an old investigation based on new disclosures.

RESPONSIBILITIES, TESTING AND REPORTING

The Compliance Officer must provide a proper training and communication program to make new and existing employees aware of this Policy. The Compliance function is responsible to undertake or instruct a bi-annual testing process to guarantee the functionality of the whistleblower channel and implement procedures to manage allegations that are received. The channel must meet the standards set out in this policy.

The Compliance Officer will keep the board informed about reported matters and the status of investigations. Disciplinary decisions will be made by the Board in collaboration with the Compliance Officer, Human Resources and Legal Counsel.

Reports about the functionality and effectiveness tests of the available whistleblower channels will be made bi-annually to the board.

Revision No	Effective Date	Changes	Prepared by	Reviewed by
1/2018	20/12/2018			
Latest Revision Reviewed by:		Signatures:		