

**ORGANISATION, MANAGEMENT  
AND CONTROL MODEL  
PURSUANT TO LEGISLATIVE  
DECREE 231/2001**

Approved by the Sole Director of Mapei S.p.A. on 18 February 2013 and updated on 16 November 2018, 22 June 2020 and 12 May 2022 by the Board of Directors of Mapei S.p.A.

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**Attached documents:**

Annex 1: Criminal offences and administrative offences pursuant to Legislative Decree  
231/2001 [OMISSIS]

Annex 2: List of company procedures governing sensitive activities [OMISSIS]

**ORGANISATION, MANAGEMENT AND CONTROL MODEL  
PURSUANT TO LEGISLATIVE DECREE 231/2001**

**GENERAL PART**

# **CHAPTER 1**

## **DESCRIPTION OF THE REGULATORY FRAMEWORK**

## **1.1 Introduction**

Legislative Decree No. 231 of 8 June 2001 (hereinafter, "Legislative Decree 231/2001", or the "Decree"), pursuant to the delegated power conferred on the Government by Art. 11 of Law No. 300 of 29 September 2000<sup>1</sup>, introduced into the Italian legal order a new regime of administrative liability of companies for criminal offences, to co-exist alongside the criminal liability of the perpetrator of the criminal offence in question. Companies may, under this regime of administrative liability, be held accountable and thus incur financial penalties as well as disqualification penalties for certain criminal offences committed or attempted by its directors or employees in the interest or for the benefit of the company.

Administrative liability is excluded, however, if the Entity in question has adopted and properly implemented - prior to the commission of a criminal offence - an appropriate Organisation, Management and Control Model (hereinafter "Model") that is likely to prevent such offences.

Even though the principle of the personal character of criminal liability has not been formally altered, the provisions of Legislative Decree 231/2001 co-exist with the possible award of compensatory damages and the civil obligation imposed on natural persons to pay fines or penalties, in the event that the material author of the offence becomes insolvent (Articles 196 and 197 of the Italian Criminal Code). Legislative Decree 231/2001 introduces a change into the Italian legal framework in that companies are no longer regarded as being immune from legal liability flowing from criminal proceedings, where offences are committed for their benefit or in their interest.

## **1.2 Nature of "administrative" liability**

The explanatory report to Legislative Decree 231/2001 draws attention to the "*birth of a tertium genus that combines the essential features of the criminal and administrative systems in an attempt to reconcile considerations of preventive effectiveness with the even more indispensable considerations of maximum guarantee*".

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<sup>1</sup> Legislative Decree 231/2001 is published in the Official Gazette of 19 June 2001, No. 140, Law 300/2000 in the Official Gazette of 25 October 2000, No. 250.

Legislative Decree 231/2001 has, in fact, introduced into the Italian legal system a form of “administrative” liability of companies - in deference to the dictates of Art. 27 of the Constitution - but with numerous points of affinity with “criminal” liability.

This is confirmed by the identifying features of the new form of corporate administrative liability: the criminal nature of the penalties that can be imposed on the company, and the fact that the question of whether such liability arises from the commission of a criminal offence is ascertained in criminal proceedings and is, therefore, assisted by safeguards that are peculiar to the criminal process.

### **1.3 Offence categories**

The offence categories under which the Company could potentially be held administratively liable are those specifically listed by the Decree<sup>2</sup>, and are as follows:

1. criminal offences against the public administration, provided for in Articles 24 and 25 of the Decree, subsequently amended by Law 190/2012, Law 161/2017, Law 3/2019 and by Legislative Decree 75/2020. The offences against the public administration that entail the administrative liability of legal entities include, among others: embezzlement of public funds (Art. 316-bis of the Criminal Code), unlawful receipt of public funds (Art. 316-ter of the Criminal Code), fraud to the detriment of the State or other public body or of the European Union (Art. 640(2)(1) of the Criminal Code), aggravated fraud in order to obtain public funds (Art. 640-bis of the Criminal Code), computer fraud to the detriment of the State or other public body (Art. 650-ter of the Criminal Code), fraud in public supplies (Art. 356 of the Criminal Code), the various types of bribery/corruption (Articles 318, 319, 319-bis, 319-ter, 320, 321 and 322 of the Criminal Code), unlawful inducement by an official to give or promise a benefit (Art. 319-quater of the Criminal Code), trading in

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<sup>2</sup> Note that the analyses that led this document to be updated did not take into account the offences that have become relevant under Legislative Decree 195/2021 "Implementation of Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering through the criminal law", Legislative Decree 184/2021 "Implementation of Directive (EU) 2019/713 of the European Parliament and of the Council of 17 April 2019 on combating fraud and counterfeiting of non-cash payment instruments and replacing Council Framework Decision 2001/413/JHA", Legislative Decree 13/2022 "Urgent measures to combat fraud and for workplace safety in the construction field, and on electricity produced by plants from renewable sources", and the draft law "Provisions on criminal offences against cultural heritage", which will be the subject of further study.

- influence (Art. 346-bis of the Criminal Code) and fraudulent conversion (Art. 314(1) and Art. 316 of the Criminal Code);
2. offences against public trust (such as counterfeiting of currency, public credit notes, official stamps; counterfeiting, alteration or use of trademarks or distinguishing marks or patents, models and designs; introducing into the State and selling products bearing counterfeit marks), introduced into the Decree by Art. 6 of Legislative Decree 350/2001, converted into law with amendments by Art. 1 of Law 409/2001 "*Urgent provisions in view of the introduction of the Euro*" and set out under Art. 25-bis, subsequently amended by Law 99/2009 and by Legislative Decree 125/2016);
  3. corporate offences (such as false corporate reporting, obstruction of auditors in the course of their duties, unlawful influence on the shareholders' meeting and obstruction of the exercise of public supervisory functions), introduced into the Decree by Legislative Decree 61/2002 and set out in Art. 25-ter, subsequently amended by Law 262/2005 (which added the offence of failure to disclose conflicts of interest), by Law 190/2012 (which added the offence of bribery/corruption among private individuals) and by Law 69/2015 and by Legislative Decree 38/2017 (which added the offence of incitement to bribery/corruption among private individuals);
  4. criminal offences of terrorism and subversion of the democratic order (including the provision of funding for such purposes), introduced into the Decree by Law 7/2003 and indicated in Art. 25-quater;
  5. offences against personal dignity (such as the exploitation of prostitution, child pornography, trafficking in human beings and enslavement, and unlawful intermediation and exploitation of labour), introduced into the Decree by Law 228/2003 and indicated in Art. 25-quinquies, subsequently amended by Law 38/2006, by Law 199/2016 and by Legislative Decree 21/2018;
  6. offences of market abuse (insider trading and market manipulation), introduced into the Decree by Law 62/2005 and indicated by Art. 25-sexies, subsequently amended by Legislative Decree 107/2018, as well as other market abuse offences provided for in Art. 187-quinquies of Legislative Decree 58/1998 (the Italian Consolidated Law on Finance - "TUF"), subsequently amended by Legislative Decree 107/2018;



7. offences of female genital mutilation, introduced into the Decree by Law 7/2006 and referenced in Art. 25-quater.1;
8. cross-border offences (such as - if committed transnationally - association for the purpose of illegal trafficking of narcotics or psychotropic substances, criminal association and mafia-style association) indicated by Art. 10 of the Law 146/2006, “ratifying and implementing the United Nations International Convention and Protocols against Transnational Organised Crime, adopted by the General Assembly on 15 November 2000 and 31 May 2001”;
9. offences of manslaughter and culpable serious or grievous bodily harm committed in violation of workplace health and safety and accident prevention rules (referenced in Articles 589 and 590(3) of the Criminal Code), added to the Decree by Law 123/2007 and indicated in Art. 25-septies, subsequently amended by the Law 3/2018;
10. offences of receiving stolen goods, money laundering and use of money, goods or assets of illicit origin, introduced into the Decree by Legislative Decree 231/2007 and indicated in Art. 25-octies, subsequently amended by Law 186/2014 (which added the offence of self-laundering);
11. offences relating to non-cash payment instruments, introduced into the Decree by Legislative Decree 184/2021 and indicated in Art. 25-octies.1. The administrative liability of companies is provided for in relation to the offences referenced in Articles 493-ter, 493-quater and 640-ter, in the aggravated case of transfer of money, monetary value or virtual currency pursuant to the Criminal Code, and for any other criminal offence against public trust or against property pursuant to the Criminal Code, when non-cash payment instruments are concerned;
12. computer crimes and data processing crimes (such as unauthorised access to a computer or electronic communications system, unauthorised possession and distribution of access codes to computer or electronic communications systems, dissemination of programmes aimed at damaging or disrupting a computer system, illegal interception, blocking or disruption of computer or electronic communications, damaging computer information, data and programs or computer or electronic telecommunications systems, including those of public utility) introduced into the Decree by Law 48/2008 (ratifying and implementing the Council of Europe Convention on Cybercrime signed

- in Budapest on 23 November 2001 and domestic law incorporating rules) and indicated in Art. 24-bis, subsequently amended by Legislative Decree 7 and 8/2016 and by Decree-Law 105/2019 (which introduced rules on the infringement of the national cyber security perimeter);
13. organised crime offences, introduced into the Decree by Law 94/2009 and indicated in Art. 24-ter, subsequently amended by Law 69/2015 and by Legislative Decree 202/2016. The administrative liability of companies is provided for in relation to the offences referenced in Articles 416, 416-bis, 416-ter and 630 of the Criminal Code, Art. 74 of Presidential Decree 309/1990 and Art. 407(2)(a)(5) of the Code of Criminal Procedure);
  14. criminal offences against industry and commerce (referenced in Articles 513, 513-bis, 514, 515, 516, 517, 517-ter and 517-quater of the Criminal Code), introduced into the Decree by Law 99/2009 and indicated in Art. 25-bis.1;
  15. copyright infringement offences introduced into the Decree by Law 99/2009 and indicated in Art. 25-novies;
  16. offences of inducement not to make statements or to make false statements to the judicial authorities, introduced into the Decree by Law 116/2009 and provided for by Art. 25-decies;
  17. environmental offences, introduced into the Decree by Legislative Decree 121/2011 and referenced in Art. 25-undecies, subsequently amended by Law 68/2015 and by Legislative Decree 21/2018. The administrative liability of companies is provided for in relation to the offences referenced in Articles 452-bis, 452-quater, 452-sexies, 452-quinquies, 452-octies, 452-quaterdecies, 727-bis and 733-bis of the Criminal Code, in relation to certain articles of Legislative Decree 152/2006 (Environment Consolidation Act), in relation to certain articles of the Law 150/1992 on the protection of animal and plant species in danger of extinction and of dangerous animals, in relation to Art. 3(6) of Law 549/1993 on the protection of the ozone layer and the environment, and in relation to certain articles of Legislative Decree 202/2007 on ship-source pollution;
  18. offence of employment of illegal aliens, introduced into the Decree by Legislative Decree 109/2012 and set out in Art. 25-duodecies, subsequently amended by Law 161/2017);

19. offences of racism and xenophobia, introduced into the Decree by Law 167/2017 and referenced in Art. 25-terdecies, subsequently amended by Legislative Decree 21/2018;
20. offences of fraud in sports competitions, illegal gaming, betting and gambling using prohibited devices, introduced into the Decree by Law 39/2019 and set out in Art. 25-quaterdecies;
21. tax offences, introduced into the Decree by Law 157/2019 and set out in Art. 25-quinquiesdecies, subsequently amended by Legislative Decree 75/2020 (which introduced additional tax offences related to serious VAT fraud);
22. smuggling offences, introduced into the Decree by Legislative Decree 75/2020 and set out in Art. 25-sexiesdecies;
23. criminal offences against cultural heritage, introduced into the Decree<sup>3</sup> and set out in Art. 25-septiesdecies. The administrative liability of companies is provided for in relation to the offences referenced in Articles 518-bis, 518-ter, 518-quater, 518-octies, 518-novies, 518-decies, 518-undecies, 518-duodecies and 518-quaterdecies of the Criminal Code;
24. offences of laundering of cultural assets and depredation and looting of cultural and landscape assets, introduced into the Decree<sup>4</sup> and set out in Art. 25-duodecies. The administrative liability of companies is provided for in relation to the offences referenced in Articles 518-sexies and 518-terdecies of the Criminal Code.

#### **1.4 The disciplinary and sanctions system**

The following sanctions are imposed on companies pursuant to Legislative Decree 231/2001 following the commission or attempted commission of the aforementioned offences:

- monetary penalty up to a maximum of Euro 1,549,370 (and preventive precautionary attachment);

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<sup>3</sup> On 3 March, the Chamber of Deputies gave its final approval to the bill A.C. 893-B, entitled “*Provisions on criminal offences against cultural heritage*”.

<sup>4</sup> On 3 March, the Chamber of Deputies gave its final approval to the bill A.C. 893-B, entitled “*Provisions on criminal offences against cultural heritage*”.

- disqualification penalties (also as a precautionary measure) for no less than three months and no more than two years (without prejudice to the provisions of Art. 25(5)<sup>5</sup>), which may consist of:
  - disqualification from carrying out activities;
  - suspension/revocation of authorisations, licenses or concessions that facilitate the commission of the offence;
  - prohibition on contracts with the public administration;
  - exclusion from funding, grants or subsidies and the possible revocation of those granted;
  - prohibition on advertising of goods or services;
- confiscation (and pre-emptive seizure at interim stage);
- publication of the criminal sentence (where a disqualification penalty is applied).

The monetary penalty is determined by the criminal court. Monetary penalties are established through a system based on "quotas" ranging from a minimum of one hundred to a maximum of one thousand. The amount of the monetary penalty for each quota varies, in accordance with Art. 10 of Legislative Decree 231/2001, from a minimum of Euro 258 to a maximum of Euro 1,549. The Judge determines:

- the number of quotas, taking into account the seriousness of the offence, the degree of the company's liability and also any actions taken to eliminate or mitigate the consequences of the offence and to prevent the commission of further offences;
- the amount of the individual quota, based on the company's economic and financial circumstances.

Disqualification penalties apply only in relation to offences for which they are expressly provided, such as the criminal offences against the public administration referenced in Articles 24 and 25 of Legislative Decree 231/2001, certain offences against public trust

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<sup>5</sup> If convicted for one of the criminal offences indicated in paragraphs 2 and 3, the disqualification penalties provided for in Art. 9(2) will apply, to last for no less than four years and no more than seven years, if the offence was committed by one of the persons referred to in Art. 5(1)(a), and for a term of no less than two years and no more than four years, if the offence was committed by one of the persons referred to in Art. 5(1)(b).

such as e.g. counterfeiting money pursuant to Art. 25-bis of Legislative Decree 231/2001, certain criminal offences against industry and commerce pursuant to Art. 25-bis.1, the criminal offences of bribery/corruption among private individuals and incitement to bribery among private individuals referenced in Art. 25-ter of Legislative Decree 231/2001, the organised crime offences pursuant to Art. 24-ter of Legislative Decree 231/2001, the crimes involving terrorism and subversion of the democratic order pursuant to Art. 25-quater of Legislative Decree 231/2001, the criminal offences against personal dignity pursuant to Art. 25-quinquies of Legislative Decree 231/2001, the female genital mutilation offences pursuant to Art. 25-quater.1 of Legislative Decree 231/2001, the cross-border offences pursuant to Art. 10 of Law No. 146 of 16 March 2006, the criminal offences of manslaughter and culpable serious or grievous bodily harm, committed in violation of accident prevention and workplace health and safety rules pursuant to Art. 25-septies of Legislative Decree 231/2001, the offences of receiving stolen goods, money laundering, use of money, goods or assets of illicit origin and self-laundering referenced in Art. 25-octies of Legislative Decree 231/2001, the copyright infringement offences referenced in Art. 25-novies of Legislative Decree 231/2001, the environmental offences referenced in Art. 25-undecies of Legislative Decree 231/2001, the unlawful employment of illegal aliens referenced in Art. 25-duodecies of Legislative Decree 231/2001, the criminal offences of racism and xenophobia referenced in Art. 25-terdecies of Legislative Decree 231/2001, the computer and data processing crimes pursuant to Art. 24-bis of Legislative Decree 231/2001, the sports frauds referenced in Art. 25-quaterdecies of Legislative Decree 231/2001, the tax offences referenced in Art. 25-quinquiesdecies of Legislative Decree 231/2001, and the smuggling offences referenced in Art. 25-sexiesdecies of Legislative Decree 231/2001 - provided that at least one of the following conditions is met:

- a) the company benefited significantly from the commission of the offence, and the offence was committed by persons in senior management positions or by persons subject to the direction of superiors in circumstances where, in this last case, the commission of the offence was caused or facilitated by serious organisational failures;
- b) in the event of repeated offences.

The sanctions of disqualification from conducting business activities, prohibition on contracts with the public administration and prohibition on advertising goods or services may be applied permanently in the most serious cases.

The company's activities may, as an alternative to a sanction being imposed, be continued by a special court-appointed commissioner, pursuant and subject to the conditions of Art. 15 of Legislative Decree 231/2001.

### **1.5 *Attempted offences***

In the event of attempted commission of the offences specified in Section I of Legislative Decree 231/2001, the financial penalties (the amount) and the disqualification penalties (the period of disqualification) are reduced by between one third and one half, while penalties are excluded if the company of its own initiative prevents the action or event from occurring (Art. 26).

The exclusion of penalties is justified in this case by the suspension of any assimilation or identity between the company and the individuals who presumed to act in its name and on its behalf. This represents a special case of "active disclaimer" (*recesso attivo*) provided for by Art. 56(4) of the Criminal Code.

### **1.6 *Transformational company events***

Legislative Decree 231/2001 regulates the rules on the financial liability of companies, also in connection with events that result in the company's transformation (restructuring, merger, demerger and transfer).

According to Art. 27(1) of Legislative Decree 231/2001, Entities are liable to pay fines using their assets or their common funds, the former in the case of companies and entities with legal personality and the latter in the case of associations without legal personality.

Articles 28-33 of Legislative Decree 231/2001 regulate the extent to which a company's liability is affected by transformative events associated with company restructuring,

mergers, demergers and transfers. The legislation has taken into account two opposing needs:

- on the one hand, to ensure that such transactions are not used by companies as a means to evade administrative liability;
- on the other hand, not to penalise company transformations that lack such intent.

According to the explanatory report to Legislative Decree 231/2001, *“The general criterion followed was to regulate monetary penalties in conformity with Italian Civil Code principles concerning the original company's other general debts, while ensuring that the link was maintained between the disqualification penalties and the sector of activities within which the offence was committed”*.

### ***1.7 Perpetrators: individuals in senior management positions and subordinates subject to the direction of superiors***

According to Legislative Decree 231/2001, the company is liable for offences committed in its interest or to its advantage:

- by persons performing representative, administrative or managerial functions on behalf of the company or an organisational unit thereof that has financial and operational independence, or by persons exercising the management and control thereof, also de facto ("persons in senior management positions"; see Art. 5(1)(a) of Legislative Decree 231/2001);
- by persons subject to the management or supervision of a person in a senior management position ("subordinates subject to the direction of superiors"; see Art. 5(1)(b) of Legislative Decree 231/2001).

By express legislative provision (Art. 5(2) of Legislative Decree 231/2001), the Entity is not liable if the persons indicated have acted solely in their own interest or in the interest of third parties.

### ***1.8 Offences committed abroad***

According to Art. 4 of Legislative Decree 231/2001, the company may be held liable in Italy for offences - covered by the same Legislative Decree 231/2001 - which are committed abroad. The explanatory report to Legislative Decree 231/2001 emphasises the requirement not to leave commonly occurring illegal conduct without sanction, also in order to ensure that the regulatory framework in question cannot be easily circumvented.

The prerequisites (provided for in the legislation or inferable from the whole of Legislative Decree 231/2001) for an Entity's liability for offences committed abroad are indicated in Articles 7-10 of the Criminal Code.

### ***1.9 Proceedings to establish liability***

A company's administrative liability for offences committed by its employees or directors is, furthermore, ascertained in criminal proceedings. In this regard, Art. 36 of Legislative Decree 231/2001 provides that "*The jurisdiction over administrative offences committed by the company lies with the criminal court that has jurisdiction over the offences from which the administrative liability derives*".

Another rule, which arose for reasons of effectiveness, uniformity and streamlining of court procedures, is that of the mandatory joinder of proceedings: proceedings against the company will, insofar as possible, be joined to the criminal proceedings instituted against the natural person who committed the offence underlying the company's liability (Art. 38). This rule is counterbalanced by the text of Art. 38(2) which, on the other hand, regulates cases in which separate proceedings are instituted for the administrative offence.

The Entity participates in the criminal proceedings with its legal representative, unless the latter is accused of the offence on which the administrative offence is based; if the legal representative does not appear, the appearing Entity is represented by its defence counsel (Art. 39(1) and (4) of Legislative Decree 231/2001).

### ***1.10 Organisation, Management and Control Model***

A fundamental aspect of Legislative Decree 231/2001 is the express provision for the creation of a Model for Entities, including companies.



If an offence is committed by a person in a senior management position, the company will not be liable if can prove the following (Art. 6, subsection 1 of Legislative Decree 231/2001):

- a) that the governing body adopted and effectively implemented - prior to the commission of the offence - a Model suitable for preventing offences of the type that occurred;
- b) that an internal supervisory body, with independent powers of initiative and control ("Supervisory Body"), was appointed to oversee the operation of the Model, compliance with the Model and updating of the Model;
- c) that the persons committing the offence did so while fraudulently circumventing the provisions of the Model;
- d) that there was no failure or lack of supervision by the Supervisory Body.

The explanatory report to Legislative Decree 231/2001 emphasises that: *"one begins from the (empirical) presumption that if an offence is committed by an individual in a senior management position, the "subjective" criterion of company liability [i.e. the company's so-called "organisational negligence"] is satisfied, since it is the company management which manifests and represents company policy; otherwise, the company will have to show that it was extraneous to the events in question, and it can do this only by proving the existence of a series of competing requirements."*

If, on the other hand, an offence is committed by subordinates subject to the direction of superiors, the company will be liable (Art. 7, subsection 1 of Legislative Decree 231/2001) if the offence was facilitated ("made possible") by the company's infringement of its direction/supervision obligations.

However, the company's liability for infringing its obligations of direction or supervision is excluded if the company adopted and effectively implemented (prior to the offence) a Model suitable for preventing offences of the type which occurred.

Legislative Decree 231/2001 defines the content of the Organisation and Management Model by providing - in relation to the extension of delegated powers and the risk of commission of offences - that the Model must:

- identify the activities that are vulnerable to the commission of offences;
- establish special standards or “protocols” to guide the process of formulating and implementing company decisions related to the offences to be prevented;
- identify methods for managing financial resources suitable to prevent the commission of such offences;
- provide for reporting obligations to the Supervisory Body tasked with overseeing the operation of and compliance with the Model;
- introduce a disciplinary system with penalties for failure to implement the measures indicated in the Model.

Legislation has, furthermore, defined the requirements for effectively implementing the Model, through Art. 7 of Legislative Decree 231/2001:

- (i) scheduled checks of and (as necessary) changes to the Model, if significant infringements of the Model's provisions are discovered or where there are changes in the company's organisation or activities;
- (ii) a disciplinary system for imposing sanctions for non-compliance with the measures stipulated in the Model.

### ***1.11 Code of Conduct (Guidelines)***

Art. 6(3) of Legislative Decree 231/2001 provides that *“Organisation and management models may be adopted, guaranteeing the requirements pursuant to paragraph 2, based on codes of conduct that are drafted by associations of entities and communicated to the Ministry of Justice which, in agreement with the competent Ministries, may - within thirty days - formulate observations on the suitability of the models in terms of the prevention of offences”*.

Confindustria, from which Mapei S.p.A.'s Model takes its inspiration, has drawn up guidelines for the drafting of organisation, management and control Models (hereinafter, "Confindustria Guidelines") approved on 7 March 2002, which (among other things) provided methodological indications for identifying risk areas and for the structuring of Organisation, Management and Control Models.

Confindustria subsequently amended the original text on several occasions (in particular, in 2004, in 2008, in 2014 and, most recently, in June 2021) in order to adapt it to legislative and case law changes and to changes of application occurring in the meantime.

The Confindustria Guidelines suggest that associated companies should deploy risk assessment and risk management processes and they recommend the following phases in forming a Model:

- identification of risks areas (i.e. analysis of the company context in order to highlight in which area/sector of activity and in what manner events detrimental to the objectives pursued by Legislative Decree 231/2001 may occur);
- design of a system of preventive controls (control standards or “protocols” for planning the process in and through which company decisions are formed and implemented);
- adoption of a number of general tools, the main ones being a Code of Ethics, which is an integral part of the Company’s Model, and an in-house regulatory or disciplinary system;
- identification of criteria for the selection of the Supervisory Body.

Note, however, that failure to observe specific points of the Confindustria Guidelines does not in itself invalidate a company’s Model, which, since it should be drafted by reference to the concrete reality of the company, therefore may diverge from the Guidelines on individual points without infringing on fundamental principles.

The Confindustria Guidelines were sent to the Ministry of Justice before being disseminated, pursuant to Art. 6(3) of Legislative Decree 231/2001, to enable the Ministry to formulate observations within thirty days, as provided for by the aforementioned Art. 6(3).

### ***1.12 Examination of suitability***

The liability of Entities is ascertained, in a criminal court, by the following actions (in addition to the opening of an ad hoc trial in which the company is placed on an equal footing with the accused natural person; see below):

- by ascertaining the existence of a predicate offence for which the company may be liable;
- by examining the suitability of the Model adopted.

The court's examination of the Model's theoretical suitability to prevent the commission of offences referenced in Legislative Decree 231/2001 (regardless of the possible review of codes of conduct drawn up by the representative trade associations) is conducted retrospectively.

In other words, the judge formulates his/her theoretical judgement of the Model's suitability by placing him or herself in the company's shoes at the time of the offence, in order to test and determine the suitability of the Model adopted.

## CHAPTER 2

# FEATURES OF THE GOVERNANCE MODEL AND OF THE GENERAL ORGANISATIONAL STRUCTURE OF THE COMPANY

*[OMISSIS]*

## CHAPTER 3

# STRUCTURE OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL

### ***3.1 Method of implementing the Model***

#### ***3.1.1 Introduction***

The adoption by the Company of an Organisational, Management and Control Model in compliance with Legislative Decree 231/2001, and its effective and ongoing implementation, has the effect of exempting the Company from liability for certain types of offences and is also an act of social responsibility on Mapei's part, from which benefits accrue to all stakeholders such as shareholders, employees, creditors and all other persons/entities whose interests are linked to the Company's fortunes.

When first adopting its Model, Mapei thus launched an extensive design project to ensure that its own Model 231 was compliant with the requirements of Legislative Decree 231/2001 and consistent with the policies, procedures and controls already embedded in the Company's governance culture.

The project had four stages which may be summarised as follows:

- Stage 1 - *Commencement of the Project*: (i) gathering of preliminary information and analysis of documentation required in order to gain a clear view of the structure of the Company's processes and activities, (ii) meetings with the Company's management in order to describe and set out the project.
- Stage 2 - *Identification of risk areas*: identification and detailed analysis, also by interviewing Key Officers, of the control system in place to safeguard the sensitive activities identified and to ascertain the system's ability to respond to the provisions of Legislative Decree 231/2001 (As-Is analysis).
- Stage 3 - *Gap Analysis and Action Plan*: identification of gaps with reference to requirements and definition of a specific action plan to remedy the gaps.
- Stage 4 - *Organisational Model*: drafting of the Company's draft Organisational, Management and Control Model.

After the Model 231 was first adopted, it was periodically updated, also in compliance with the provisions of Chapter 7 below, in view of regulatory, organisational and operational changes and corporate events occurring from time to time. Updates were made by



reference to the same design project stages described above, and with specific reference to the new events or elements in question.

We outline below the procedures followed and criteria adopted in the various phases of the project to design an Organisation Model.

### ***3.1.2 Identification of processes and risk areas (Stages 1 and 2).***

Art. 6(2)(a) of Legislative Decree 231/2001 identifies, among the requirements that a Model must satisfy, processes and activities within whose context the offences referred to in that Decree could potentially be committed, commonly called “sensitive” (hereinafter, “sensitive activities” and “sensitive processes”, also referred to below as “at-risk” or “vulnerable” activities”).

The purpose of Stages 1 and 2 was to identify the company areas requiring intervention and to initially identify the sensitive processes and activities involved.

An in-depth analysis of Mapei's corporate and organisational structure was carried out prior to the identification of sensitive activities, in order to better understand the areas of the Company being analysed.

Following an analysis of the organisation, of the operating model and of the Company's system of powers of attorney/delegated powers, it was possible to identify, in a preliminary way, sensitive processes/activities as well as the functions with responsibility for them.

This essential information was gleaned from an analysis of company documentation and also by conducting interviews with key persons who could provide detailed information on individual company processes and on the activities of individual company functions.

A preliminary mapping exercise was carried out, in order to highlight sensitive activities and relevant stakeholders.

In order to implement this stage and subsequent stages, in particular, senior managers and their direct subordinates were identified as Key Officers.

### ***3.1.3 Survey of the "As- Is" situation and Evaluation of the existing control model, Gap Analysis and Action Plan (Stage 3)***

The following basic reference principles were taken into account when surveying the existing control system:

- existence of formalised procedures/guidelines;
- traceability of activities through suitable documentary/information supports;
- segregation of duties;
- existence of formalised delegated powers consistent with the organisational responsibilities conferred.

Starting from an analysis of the Company's internal control system, it was possible to highlight relevant processes and areas for improvement and, based on what emerged, an implementation plan was drawn up to identify the organisational requirements that would characterise an Organisation, Management and Control Model compliant with the provisions of the Decree, and the related actions to improve the internal control system.

### ***3.1.4 Design of the Organisation, Management and Control Model (Stage 4)***

The purpose of Stage 4 was to define the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, and to define special standards or “protocols” for each sensitive area identified.

Stage 4 was assisted in its completion based on the results of the previous phases and on the policy choices of the Company's decision-making bodies.

## ***3.2 Purpose and structure of Model 231 adopted by Mapei***

Mapei sought to draft an Organisation Model by reference to its own particular corporate and business situation and characteristics, consistent with its own governance system and capable of leveraging and optimising its existing controls and functions.

The Model 231, therefore, represents a set of principles, rules and provisions that:

- impact on the Company's internal functioning and the way it relates to the outside world;
- regulate a properly managed control system for sensitive activities, whose purpose is to avert or prevent the commission or attempted commission of offences referenced in Legislative Decree 231/2001.

Model 231 is an organic system of rules and control activities whose purpose is:

- to ensure transparency and fairness in the conduct of company business, thereby safeguarding the Company's reputation and image as well as its shareholders and employees;
- to prevent the commission of offences by senior managers and their subordinates, and to ensure the Company's exoneration from liability in the event that an offence identified in Legislative Decree 231/2001 is committed.

This document consists of a "General Part" and individual "Special Parts".

- The General Part describes the provisions of the Decree and outlines the function and general operating principles of the Company's Model.
- The Special Parts identify - for each family of offences contemplated by Legislative Decree 231/2001 and potentially applicable to Mapei in view of the nature of its operations - sensitive processes and activities inside the Company as well as the related conduct standards that must be complied with in conjunction with the control standards that need to be adopted in order to prevent and avert risks.

### ***3.3 Recipients of the Model***

The Model's recipients are all persons who work to achieve the corporate purpose and aims of Mapei S.p.A., and in particular:

- persons who hold functions of representation, administration or management of Mapei S.p.A. or who are charged, including de facto, with the management and control of Mapei S.p.A.;
- employees of Mapei S.p.A. subject to the direction or supervision of one or more persons in a senior management position;
- consultants, non-company collaborators, agents and, in general, third parties operating on behalf or in the interest of Mapei S.p.A.

referred to together as “Recipients”.

The Model's Recipients are obliged to diligently and carefully observe all of the provisions and standards of the Model and all of its implementing procedures.

### ***3.4 The Model within the Group***

The Italian affiliates of Mapei S.p.A., also in view of their organisational and operational complexity, adopt their own Model 231 in line with the provisions of the Decree.

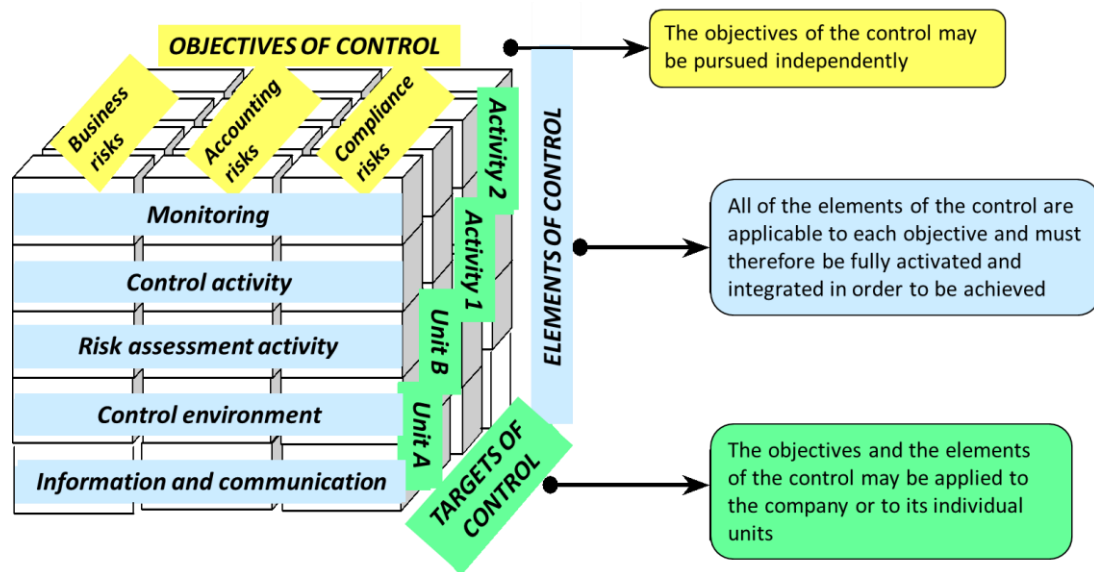
When drawing up their Model, the Mapei Group companies take inspiration and guidance from the principles and provisions of the Parent Company's Model, except where special situations exist related to the nature, size or type of activity pursued or to the internal arrangement of the company's delegated powers, which make it necessary or advisable to adopt different measures so as to pursue the Model's objectives in a more rational and effective way.

To this end, each Group company adopts its own Model under its own responsibility, after having identified the sensitive activities vulnerable to the commission of offences and the suitable measures to prevent their commission.

### ***3.5 Control Standards and the Internal Control System***

The internal control system is the set of “tools” designed to provide reasonable assurance that the objectives of efficiency, reliability of financial information, compliance with applicable legislative and regulatory provisions and safeguarding of corporate assets are achieved (Stock Exchange Self-Regulatory Code aligned with the definition contained in the Coso Report).

The following are the components of the internal control system based on the Coso Report, Internal Control - Integrated Framework:



(Fonte: Treadway Commission)

#### Control environment:

Reflects the top management's attitudes and actions with regard to the organisation's internal control system. The control framework includes the following elements:

- integrity and ethical values;
- management philosophy and style;
- organisational structure;
- attribution of authority and responsibility;
- personnel policies and practices;
- skill-set of personnel.

#### Risk assessment:

Definition of processes for identifying and managing relevant risks that could compromise the achievement of corporate objectives.

#### Control activities:

Definition of company rules that ensure a structured management of risks and of corporate processes and facilitate the achievement of pre-determined objectives.

Information and communication:

Definition of an information system (IT system, reporting flow, system of indicators per process/activity) enabling both senior management and operational personnel to perform their assigned tasks.

Monitoring:

The process that ascertains the quality and results of internal controls over time.

The process should be monitored and changes made where necessary.

The aforementioned components of the internal control system are taken as a reference basis for drawing up the Model's reference control standards.

## CHAPTER 4

### SUPERVISORY BODY

## **4.1 *Supervisory Body of Mapei***

### **4.1.1 *Characteristics of the Supervisory Body***

Based on the provisions of Legislative Decree 231/2001 (Art. 6(1) b), the entity to which the Company's governing body must assign the task of supervising the operation of and compliance with the Model, as well as its updating and revision, should be “a body within the company that has independent powers of initiative and control” (hereinafter, the "Supervisory Body").

Supervisory Body members must meet subjective requirements that guarantee its autonomy, independence, professionalism, continuity of action and integrity in the performance of its activities.

The Supervisory Body's necessary independence is guaranteed by the hierarchy of its functions in the company organisation chart and the reporting lines associated with those functions.

The Supervisory Body has access to specialist resources within the company, as well as external resources, that can assist in defining and implementing the activities within its competence, and to ensure the utmost compliance with requirements and duties laid down by law.

### **4.1.2 *Appointment***

Mapei's Supervisory Body is established by a Board of Directors resolution approving the Model referred to in this document. Upon the Supervisory Body's appointment, the Board of Directors must determine and acknowledge that the criteria of independence, integrity and professionalism of its members have been fully met.

The composition of and changes and additions made to the Supervisory Body are approved by resolution of the Board of Directors.



In particular, Mapei's Board of Directors appointed as the Company's Supervisory Body a collective entity consisting of 3 (three) members.

Supervisory Body members cease from office on the date of the Board of Directors meeting convened to approve the financial statements for their final year of office, while continuing to perform their functions on an interim basis until the Supervisory Board members have been appointed.

Supervisory Body members may be replaced or its composition supplemented on the following grounds (however, the Supervisory Body's role may be reassessed based on the experience acquired):

- duties, functions and/or responsibilities are assigned within the company's organisational structure which are incompatible with the requirements of “autonomy and independence” and/or “continuity of action” of the Supervisory Body;
- a Supervisory Body member resigns from or relinquishes his/her corporate function and/or office;
- a Supervisory Body member resigns from or relinquishes his/her corporate function and/or office for personal reasons;
- the occurrence of any of the grounds for disqualification referenced in the following paragraph.

The following are grounds for the ineligibility or disqualification from office of individual Supervisory Body members:

- (i) family, marriage or kinship ties (within the fourth grade) with directors, with persons performing representative, administrative or managerial functions on behalf of the Company or an organisational unit thereof that has financial and operational independence, or with persons involved in the management and control of the Company, also de facto, with auditors of the Company and the external audit firm, and with any other persons indicated by law;
- (ii) conflicts of interest, potential or otherwise, with the Company or its affiliates which compromise its independence;
- (iii) direct or indirect ownership of equity interests large enough to enable that Supervisory Body member to exercise significant influence over the Company or its subsidiaries;

- (iv) executive director functions held - during the three financial years prior to being appointed a Supervisory Body member - in companies subject to bankruptcy, compulsory administrative liquidation or equivalent insolvency proceedings;
- (v) civil service functions held in central or local government administrations during the three years prior to being appointed a Supervisory Body member;
- (vi) criminal conviction (non-appealable or otherwise), or a conviction applying punishment at the request of the parties ("plea bargaining"), in Italy or abroad, for breaches involving the administrative liability of Entities pursuant to Legislative Decree 231/2001;
- (vii) criminal conviction (non-appealable or otherwise), or a "plea bargained" conviction involving the temporary or permanent disqualification from holding public office or the temporary disqualification from performing management roles in legal entities or companies.

If a Supervisory Body member should become subject to any of the aforementioned grounds for replacement and/or altered composition and/or ineligibility and/or disqualification, that member shall immediately notify the other members thereof and shall cease automatically from office. The Supervisory Body shall inform the Board of Directors of such notification and of the replacement proposal.

Supervening incapacity and death are grounds for automatic disqualification; subject to cases of automatic disqualification, Supervisory Body members' office may be revoked exclusively by the Board of Directors and only for just cause.

In particularly serious cases, the Board of Directors may suspend the Supervisory Body's functions and/or powers and appoint an interim body, or revoke its powers. The following shall constitute just cause for suspension or revocation:

- inadequate or omitted supervision by the Supervisory Body following a conviction (non-appealable or otherwise) against the Company pursuant to Legislative Decree 231/2001, or following a conviction applying punishment at the request of the parties (plea-bargaining);
- serious breach of duties as well as serious failure to exercise the powers of the Supervisory Body.

#### ***4.1.3 Supervisory Body's functions, powers and budget***

The following are the duties and responsibilities of the Supervisory Body:

- supervising the effectiveness of the Model; monitoring of the implementation and updating of the Model;
- examining the adequacy of the Model, i.e. its effectiveness in preventing the illegal conduct in question;
- analysing the extent to which the soundness and functionality requirements of the Model are maintained over time; the requisite “dynamic” updating of the Model;
- approving the annual program of supervisory activities within the context of the Company's structures and functions (hereinafter "Supervisory Program"), in accordance with the principles and provisions of the Model 231; coordinating the implementation of the Supervisory Program and of scheduled and unscheduled control interventions; examining the results of activities carried out and the associated reporting; drafting of directives for the corporate functions;
- handling information flows with the corporate functions;
- any other task assigned by law or by the Model 231.

The Supervisory Body has unrestricted access to corporate information in order to carry out its tasks, for its investigative, analysis and control activities. All company departments, employees and/or members of corporate bodies and officers are obliged to provide information when so requested by the Supervisory Body or upon the occurrence of material events or circumstances, in order to assist the Supervisory Body in performing the activities within its remit.

The Supervisory Body has authority to allocate, amend and/or terminate professional assignments vis-a-vis third parties who have the specific qualifications and skills required for the optimal performance of the assignment.

## ***4.2 Information flows to and from the Supervisory Body***

### ***4.2.1 Supervisory Body's reporting to the corporate bodies***

The Supervisory Body reports on the implementation of the Model, the emergence of any critical issues and on the need to make changes. Separate reporting lines are provided for: the Supervisory Body:

- i) reports to the CEOs (also separately), when it considers necessary, on any material circumstances and facts associated with its office. The Supervisory Body will immediately report the occurrence of extraordinary situations (e.g. material infringements of the Model's principles, legislative changes related to the administrative liability of entities, etc.) and any urgent reports it has received;
- ii) submits a written report to the Board of Directors at least every six months, which should contain the following information as a minimum:
  - a) a summary of activities conducted during the period and a plan of activities for the following period;
  - b) an indication of any problems or critical issues that have arisen in the course of the supervisory activity;
  - c) if not already duly reported:
    1. the recommended corrective actions to be taken to ensure the effectiveness and/or efficacy of the Model, including those necessary to remedy any organisational or procedural shortcomings identified which could expose the Company to the risk that offences relevant for the purposes of the Decree could be committed, including a description of the new "sensitive" activities identified;
    2. always in accordance with deadlines and procedures indicated in the Company's disciplinary and sanctions system adopted under the Decree, an indication of the conduct found to be in contravention of the Model together with a concurrent proposal for sanctions - in conformity with the disciplinary and sanctions system - against the person responsible for the infringement or against the department and/or process and/or area involved;
  - d) an account of reports received from internal and external parties, including direct findings pointing to infringements of the provisions of this Model, of the

- prevention policies and related implementation procedures, and of the provisions of the Code of Ethics, and the outcome of attendant checks conducted;
- e) information on the possible commission of offences relevant to the Decree;
  - f) an indication of the disciplinary measures and sanctions applied by the competent company bodies, for infringement of the provisions of this Model and of the prevention standards and related implementation procedures, and for infringement of the provisions of the Code of Ethics;
  - g) an indication of any changes in the regulatory environment and/or of significant changes in the Company's internal organisation and/or of the way it conducts its business activities, which require the Model to be updated;
  - h) an indication that the independence, autonomy, integrity and professionalism requirements of Supervisory Body members are still being met;
  - i) any proposals for updating the Model.

In addition to these information flows, the Supervisory Body shall report the following to the Board of Directors in good time, when necessary, or as a minimum in the half-yearly report:- any facts, circumstances or organisational weaknesses identified in the supervisory activities which highlight the need or advisability to modify or supplement the Model.

The Board of Directors and the Board of Statutory Auditors are authorised to convene the Supervisory Body at any time, in order to inform it of activities within their competence.

Meetings with the corporate bodies and officers to which the Supervisory Body reports must be documented. The Supervisory Body is responsible for filing all associated documentation.

#### ***4.2.2 Reporting obligations to the Supervisory Body***

In addition to these flows, the Supervisory Body must be promptly informed of any acts, conduct, circumstances or events that could involve an infringement of the Model or which, more generally, are relevant in terms of improving the Model's effectiveness and efficacy.

All Recipients of the Model shall communicate to the Supervisory Body any relevant information that can facilitate the process of ascertaining that the Model is being properly implemented. In particular, department managers who oversee sensitive activities shall transmit the following to the Supervisory Body: i) in compliance with the procedures and deadlines laid down by the relevant corporate procedure adopted, relevant "information flows" i.e. the list of operations/transactions that fall into the "sensitive" activities category envisaged by the Company's Model; ii) any abnormal or unusual or untypical features discerned in the information available. Furthermore, if they should find areas for improvement in the definition and/or application of the control standards defined in this Model, they shall promptly report such circumstances to the Supervisory Body.

The following general requirements also apply:

- the Supervisory Body is responsible for assessing, on a discretionary basis, the reports received and the cases in which action needs to be taken<sup>6</sup>;
- decisions taken in relation to the outcome of checks must be justified in writing.

The duty to report any conduct that is contrary to the Model's provisions, forms part of the employee's broader duty of diligence and trust. Disciplinary sanctions will not be applied if the employee in question properly fulfils his/her duty to notify any breach of the Model's provisions<sup>7</sup>.

The Company adopts suitable and effective measures to ensure the permanent anonymity and confidentiality of persons who transmit information to the Supervisory Body that is useful in identifying non-compliant conduct that diverges from the Model's provisions, from the procedures laid down for its implementation and from the internal control system's procedures, subject to applicable legal obligations and to the need to safeguard the rights of the Company or of individuals who are accused wrongly and/or in bad faith.

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<sup>6</sup> "Note that information provided to the Supervisory Body has the purpose of enabling it to improve the process of planning of controls, rather than requiring it to carefully and systematically check every single matter represented. In other words the Supervisory Body is not obliged to take action whenever a report is made, since it has discretion in deciding when it should act." *Confindustria Guidelines*, p. 45.

<sup>7</sup> "By regulating procedures for fulfilling applicable disclosure obligations, it is not intended to encourage the reporting of internal "rumours", but rather to create a system for the reporting of concrete facts and/or conduct that is not based on hierarchical reporting lines and that enables staff members to report infringements of rules by other persons within the organisation, without fear of retaliation. In this sense, the Supervisory Body acts similarly to the Ethics Officer, but without the conferment of disciplinary powers which should be conferred upon a special committee or, in the most sensitive cases, on the Board of Directors". *Confindustria Guidelines*, cit., 47.

Any form of retaliation, discrimination or penalisation against persons who report or provide information in good faith to the Supervisory Body is forbidden. The Company reserves the right to take any action against persons who make untrue reports in bad faith.

#### **4.2.3 Whistleblowing**

Pursuant to Art. 6(2-bis) of Legislative Decree 231/2001, a reporting system is made available to Recipients of this Model as a means of highlighting unlawful conduct.

Reports shall be substantiated in detail and based on precise and consistent facts.

Such reports may relate to violations of the provisions contained in:

- the Legislative Decree 231/2001;
- this Model;
- the Company's Code of Ethics;
- internal documentation adopted by the Company to implement them (such as procedures and policies).

Reports will be received through the following channels:

- by e-mail, through the dedicated Supervisory Body e-mail box ([odv@mapei.it](mailto:odv@mapei.it)), a channel that guarantees the confidentiality of the reporter's identity using electronic means;
- in paper form, confidentially, by ordinary post addressed to: Mapei S.p.A. – Cortese Attenzione dell'Organismo di Vigilanza – Via Cafiero, 22 - 20158 Milano (MI);
- through the on-line Whistleblowing Portal, which guides the whistleblower along a process culminating in the reports being sent to the Chairperson of the Supervisory Body and the Head of the Corporate Internal Audit Department; the Whistleblowing Portal can be reached at the following web address: <https://segnalazioni.mapei.eu>

Reports will be managed in line with the Company's new internal organisational provisions on whistleblowing, and, in particular, with the Whistleblowing Policy issued by the Company and published on the corporate website in the Whistleblowing Section.

The Company protects whistleblowers, whichever channel is used, against any type of direct or indirect retaliation, discrimination or penalisation associated (directly or indirectly) with the whistleblowing, and ensures in all cases the utmost confidentiality of their identity pursuant to Law 179/2017, except where such disclosure is required by law.

Note that, pursuant to Art. 6(2-bis)(d) of Legislative Decree 231/2001, in addition to the provisions of Chapter 5 "Structural elements of the disciplinary system", further sanctions are provided for "against persons who contravene measures for the protection of the reporting party, and also against persons who wilfully or negligently make reports that turn out to be unfounded" (for further details, see Chapter 5).

#### ***4.2.4 Relations between Supervisory Bodies within the Group***

The Supervisory Body of the Parent Company Mapei S.p.A., observing the functional autonomy of the Group Company Supervisory Bodies which carry out their functions independently, may:

- provide them with support in organising and planning the various activities, checks and audits to be carried out and training programmes to be implemented;
- request information from them in relation to the adoption, implementation and updating of Organisation Models under the Decree 231, the performance of supervisory and training activities, and any other information deemed useful or necessary in order to properly apply the Model as well as the Decree's provisions.

Provision may also be made for the organisation of periodic joint meetings at which:

- the Supervisory Bodies of the various Group Companies report to the Supervisory Body of Mapei S.p.A. on the activities carried out during the period;
- common guidelines are formulated on supervisory activities and on any amendments and additions that need to be made to the Models.



## CHAPTER 5

# STRUCTURAL ELEMENTS OF THE DISCIPLINARY SYSTEM

### **5.1 *Function of the disciplinary system***

Art. 6(2)(e) and Art. 7(4)(b) of Legislative Decree 231/2001 lay down (with reference to persons in senior management positions, Key Officers and subordinate individuals subject to the direction of superiors) the requirement to put in place an “*effective disciplinary system to punish non-compliance with the Model's provisions and measures*”.

Sanctions that are commensurate with infringements of the Model and have deterrent effect are drawn up and defined in order to promote: (i) the effectiveness of the Model itself, and (ii) the effectiveness of the Supervisory Body's control powers.

The application of the sanctions system is independent of and extraneous to the course and outcome of any criminal proceedings instituted in the courts.

### **5.2 *Measures against employees***

The infringement by Mapei employees of individual provisions and rules of conduct of the Model always constitutes a disciplinary offence.

The Company requests its employees to report any infringements, and it shall always look with favour on such reports, even in cases where the reporting person has contributed to the infringement in question.

The powers already conferred on Mapei executives shall remain valid, within the limits of the respective delegated functions and responsibilities, when ascertaining infringements of the Model, implementing disciplinary procedures and imposing sanctions.

In relation to the type of sanctions that may be applied, note that in the case of employment, sanctions must comply with the procedures envisaged by Art. 7 of the Workers' Statute, which enshrines the principles of the direct correlation of infringements and of the direct correlation of sanctions.

In addition to the specific provisions of the following paragraphs, Art. 6(2-bis) of Legislative Decree 231/2001, as amended by Law 179/2017, states that sanctions shall issue against any employee who, in breach of the Model's internal procedures on

whistleblowing or by acting non-compliantly with the Model's requirements, directly or indirectly retaliates or discriminates against the whistleblower for reasons related directly or indirectly to the latter's report, or who with deliberate intent or gross negligence makes reports that prove to be unfounded.

### ***5.3 Measures against non-managerial personnel***

Conduct by employees which infringes the rules of conduct contained in the Model and in the Code of Ethics constitutes non-compliance with a primary obligation attributable to the employment relationship and, consequently, constitutes a disciplinary offence.

In relation to the measures applicable to non-executive employees, the Company's disciplinary and sanctions system has its primary source in the following applied National Collective Labour Agreements:

- National Collective Labour Agreement (CCNL) for the Chemical sector<sup>8</sup>;

The sanction imposed must be proportionate to the seriousness of the infringement and, in particular, the following must be taken into account:

- the subjective element i.e. the intentionality of the conduct or the degree of fault (negligence, lack of care or inexperience);
- the employee's overall conduct, with particular reference to whether or not previous disciplinary measures have been imposed;
- the level of responsibility and independence of the employee who committed the disciplinary offence;
- the involvement of other persons;
- the repercussions of the disciplinary offence i.e. the level of risk to which the company may reasonably be exposed following the alleged infringement;
- other special circumstances accompanying the offence.

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<sup>8</sup> See the most recent version of the "Agreement to renew the national collective labour agreement for workers in the chemical, chemical-pharmaceutical, fibres and abrasives, lubricants and LPG sector", where we read: "On 15 October 2015 Federchimica, Farindustria and FILCTEM-CGIL, FEMCA, UILTEC-UIL agreed herein to renew the national collective labour agreement, which runs from 1 January 2016 to 31 December 2018".

The following are the disciplinary sanctions applicable to employees in the event of infringement of the Model:

- ✓ Non-dismissal sanctions:
  - 1) verbal caution;
  - 2) written caution;
  - 3) a fine not exceeding 4 hours pay;
  - 4) suspension from duty without pay for up to 8 days;
  
- ✓ Dismissal sanctions:
  - 1) Dismissal with payment in lieu of notice (or dismissal for justified subjective reason);
  - 2) dismissal without notice (or dismissal for just cause).

The following conduct, in overview, can trigger the application of non-dismissal sanctions for contravention of the provisions of Legislative Decree 231/2001:

1. An employee who fails to carry out, with the required diligence, tasks and responsibilities required by internal procedures, or who infringes the provisions of the Model and of the documents referred to therein which reference information flows to the Supervisory Body or controls to be carried out or who, in the context of "sensitive" activities within the meaning of the Model, commits a minor infringement of the Model, provided that this does not produce negative repercussions outside the Company.
  
2. An employee who fails to carry out, with the required diligence, tasks and responsibilities required by internal procedures, or who infringes the provisions of the Model and of the documents referred to therein which reference information flows to the Supervisory Body or controls to be carried out or who, in the context of "sensitive" activities within the meaning of the Model, conducts him/herself in a manner inconsistent with the provisions of the Model, committing acts contrary to the Company's interests thereby exposing the integrity of its assets to risk.

3. An employee who infringes the internal procedures provided for by the Model by acting inconsistently with its provisions while performing activities classified as "sensitive" pursuant to the Model, thereby harming the Company by engaging in conduct detrimental to its interests.

The following conduct, in overview, can trigger the application of dismissal sanctions for contravention of the provisions of Legislative Decree 231/2001:

4. An employee who, while performing activities classified as "sensitive" pursuant to the Model, acts in a manner inconsistent with the provisions of the Model with a view unambiguously to committing an offence punishable by Legislative Decree 231/2001.
5. An employee who, while engaged in "sensitive" activities within the meaning of the Model, acts inconsistently with the provisions of the Model and thus triggers the application against the Company of the measures envisaged by Legislative Decree 231/2001.
6. Repeated offences under paras. 2 and 3.

#### ***5.4 Disciplinary measures against managers***

Company managers are obliged, while engaged in their professional activities, to observe the Model's provisions, and to ensure that the staff members within their remit do so too.

The National Collective Labour Agreement (CCNL) for Industry Managers is applicable to the Company's executive employees and, for any matters not specifically covered by that Agreement, the collective bargaining rules in force for the highest category of executive employees shall apply, insofar as compatible with the manager's status.

The following are instances of the types of unlawful conduct by managers that is punishable for contravention of the Model:

- failure by the manager to supervise his/her subordinates' compliance with the Model's provisions where activities are carried out that are vulnerable to the commission of

- offences (“at-risk activities”) and for activities that are instrumental to operational processes that are subject to offence risk;
- failure to report non-compliance and/or problems associated with the implementation of the Model's obligations, when the manager has knowledge of this, thus neutralising the Model's effect and consequently exposing the Company to the possibility of sanctions under Legislative Decree 231/2001;
  - failure to notify the Supervisory Body of critical issues relating to the performance of activities in at-risk areas, which are encountered during inspections conducted by the relevant authorities;
  - the manager seriously infringes the provisions of the Model thus committing an offence that exposes the Company to sanctions pursuant to Legislative Decree 231/2001.

If the Model's provisions and rules of conduct are contravened by a manager, Mapei shall - in conformity with the principles of severity, recidivism, direct contravention and non-supervision - take the most appropriate action against him/her, in conformity with applicable regulatory and contractual provisions.

If the infringement of the Model negates the relationship of trust between the Company and the Manager, the appropriate sanction shall be dismissal.

### ***5.5 Disciplinary measures against directors***

The Supervisory Body shall inform the Board of Directors and the Board of Statutory Auditors of any infringement of the Model committed by a Director. The Board of Directors and the Board of Statutory Auditors shall conduct the necessary checks and investigations and take the appropriate measures.

### ***5.6 Disciplinary measures against auditors***

If the Supervisory Body should receive reports of infringements of the Model's provisions and rules of conduct by one or more auditors, it shall promptly notify the other members of the Board of Statutory Auditors and the Board of Directors of this.

### ***5.7 Disciplinary measures against the Supervisory Body***

In the event that the Supervisory Body is negligent and/or incompetent in overseeing and ensuring the proper application of the Model and compliance with the Model, identifying infringements thereof and/or taking the necessary corrective measures, the Board of Directors will take the necessary steps in accordance with procedures envisaged by applicable rules, including the dismissal of the Supervisory Body, without prejudice to any legal claims for compensation.

### ***5.8 Disciplinary measures against business partners, consultants or other parties contractually bound to the Company***

The infringement by business partners, consultants, or other persons who are contractually bound to the Company to carry out activities in “sensitive” areas, of the Model’s provisions and rules of conduct applicable to them, or the commission by those parties of the criminal offences contemplated by Legislative Decree 231/2001, shall be punishable based on the provisions of specific contractual clauses included in the contracts concerned.

These clauses, which highlight the importance of complying with the Model’s provisions and rules of conduct, may for example explicitly require the aforementioned third parties to avoid conduct or actions that could expose the Company to liability for infringements of the Model and/or of the Code of Ethics.

The Company shall be entitled to terminate the contract in the event that this obligation is contravened, with possible application of penalties.

The foregoing is clearly without prejudice to the Company’s entitlement to seek compensation for loss arising from the infringement by said third parties of the provisions and rules of conduct of specified in the Model.

## CHAPTER 6

# GENERAL PRINCIPLES OF TRAINING AND COMMUNICATION



## **6.1 Introduction**

The provisions of the Organisation Model are widely disseminated inside and outside the Company.

According to Confindustria Guidelines, communication and personnel training are important prerequisites of the Model's implementation, as specifically required by Legislative Decree 231/2001. Mapei is committed to facilitating and promoting knowledge and understanding of the Model and compliance with the Model by all its Recipients (although the level of knowledge required is dependent upon one's role and status within the Company), and also requests them to be proactively involved, in turn, in ensuring that their own reports and collaborators are kept informed about the Model.

Communication and training activities are supervised by the Supervisory Body, which is responsible (amongst other activities) for the "promotion of initiatives to disseminate knowledge and understanding of the Model, train personnel and inform them of the Model's principles" and for the "promotion of training and communication initiatives on the content of Legislative Decree 231/2001, on the impact of the regulatory regime on the company's activities and on applicable rules of conduct".

## **6.2 Employees**

Each employee is obliged to: i) acquire a knowledge of the Model's provisions; ii) know the operational procedures for carrying out his/her activities; iii) actively contribute - based on their own role and responsibilities - to the effective implementation of the Model, reporting any shortcomings found therein.

In order to ensure that the Model's provisions are communicated and disseminated on an effective and rational basis, Mapei promotes knowledge of the content and principles of the Model and its implementing procedures throughout the internal organisation, but the level of knowledge required is dependent upon one's role and status within the Company.

Employees and new recruits are provided with a copy of the Company's Organisation Model and Code of Ethics, or will at least be given access to these e.g. in a dedicated area of the company Intranet.

Employees who do not have access to the company Intranet will be provided with such documentation using alternative means e.g. as attachment to their payslip or by being posted up on company noticeboards.

Managers in charge of individual Organisational Units support the Supervisory Body in identifying optimal ways to access training on the content and principles of the Model, particularly for employees operating in areas that are categorised as “sensitive” within the meaning of Legislative Decree 231/2001 (e.g. staff meetings, online courses, etc.).

After training courses or sessions, participants will complete a form declaring their attendance at the course.

The act of completing and submitting this form shall serve as a declaration of knowledge of the Model’s provisions.

The Company adopts suitable communications tools to ensure that Recipients of this paragraph are kept updated about any changes to the Model, and about any relevant procedural, regulatory or organisational changes occurring.

The Supervisory Body monitors the extent to which the Model is implemented, by conducting special checks on a regular basis.

### ***6.3 Members of corporate bodies and officers responsible for representing the Company***

A hardcopy of the full version of the Model and of the Code of Ethics will be provided to the members of the governing bodies, to Key Officers and to persons authorised to represent the company (authorised representatives), when they accept their appointment, and they will be required to sign a declaration of observance of the principles contained therein.

Suitable communication tools will be adopted to ensure that they are kept updated about any changes to the Model, and about any relevant procedural, regulatory or organisational changes occurring.

#### **6.4 Other Recipients**

The communications activities concerning the Model shall also be addressed to third parties whose dealings with the Company are contractually regulated (e.g. consultants, business procurement agents and other independent consultants), particularly those operating in the context of “sensitive” activities within the meaning of Legislative Decree 231/2001.

To this end, the Company determines:

- the types of legal dealings with non-company collaborators, to whom it is considered that the Model’s provisions should be applied in view of the nature of the specific activity carried out;
- the methods of communicating the principles of the Model and the Code of Ethics to non-company collaborators, and the procedures required in order to ensure compliance with the provisions contained therein, so as to ensure their full familiarity and knowledge thereof.

## CHAPTER 7

# GENERAL CRITERIA FOR INITIAL IMPLEMENTATION AND UPDATING OR ADAPTATION OF THE MODEL

## **7.1 Introduction**

Due to the complexity of the Company's organisational structure, which the Model has taken due account of, the initial application and updating or adaptation of the Model involves the drafting of a programme for the adoption of innovations (the "Programme", below).

A Programme is drafted whenever it proves necessary to update and adapt the Model (see Art. 6(1)(b) of Legislative Decree 231/2001). It identifies the activities required in order to effectively implement the Model's provisions, defining responsibilities, timelines and methods of execution.

## **7.2 Cases and criteria for defining a Programme**

The aforementioned actions need to be taken and, accordingly, a Programme adopted in the following circumstances:

- legislative innovations are introduced into Legislative Decree 231/2001 applicable to Mapei (in this case, the interventions are defined as "first implementations");
- significant contraventions of the Model occur and/or audits of the Model's effectiveness disclose significant shortcomings, or significant changes are made to the organisational structure or business sectors within which Mapei operates (these are referred to as "adaptation" interventions);
- the Model needs to be periodically revised in order to ensure its continued effectiveness, also in view of the Company's development (these are referred to as "updating" interventions); the updating process is cyclical, and the cycle should be completed every three to five years, depending on regulatory developments and changes.

The aim of these processes is to ensure the Model's effectiveness in view of regulatory or company changes and to remedy any shortcomings of the Model.

More specifically:

1. the Supervisory Body is obliged to send the Board of Directors any information it has received which could make it appropriate to alter the Model based on a "first" intervention or on an "adaptation" or "updating" intervention;
2. the Supervisory Body must draft and implement the Programme with the contribution of the competent corporate functions;

3. the results of the Programme, and the progress made, are submitted to the Board of Directors, which orders the implementation of the updating or adaptation actions, as appropriate.

The Supervisory Body monitors the implementation of the actions ordered, and informs the Board of Directors of the outcome of the activities.

**ORGANISATION, MANAGEMENT AND CONTROL MODEL  
PURSUANT TO LEGISLATIVE DECREE 231/2001**

**SPECIAL PART**

**SPECIAL PART**

*[OMISSIS]*