

Electrolux Italy SpA

ORGANISATION, MANAGEMENT AND CONTROL MODEL

pursuant to Legislative Decree 8 June 2001, n. 231

« Discipline of the administrative liability of legal persons, companies and associations even without legal personality »



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DOCUMENT REVIEW

The adoption of the Organizational Model and its subsequent updates are left to the competence of the Company's Board of Directors.

The revision, integration and updating of the Model are summarized below, in relation to the adaptation needs that have arisen for it over time, implemented by the Company .

The Company will promptly disseminate the latest version of the Model approved by the Board of Directors.

REVISION TABLE

Edition	BoD approval date	Activities
1	02 July 2004	Adoption of the management and control organization model.
2	October 16, 2007	Updating of the Organizational, Management and Control Model in the light of the legislative changes issued.
3	03 November 2008	Updating of the Model of organization, management and control in the general and special part in the light of the new legislation issued and control and integration of the prevention protocols.
4	March 29, 2010	Review and update of the Model of organization, management and control with particular reference to the special part in the light of the new legislation issued.
5	October 20, 2011	Revision and updating of the general and special part of the Model of organisation, management and control for the inclusion of a new risk area relating to environmental crimes.
6	October 29, 2012	Revision and updating of the general and special part of the Model of organization, management and control for the inclusion of a new risk area relating to the crime concerning foreign workers without a residence permit.
7	December 11, 2013	Revision and updating of the general and special part of the Organisational, Management and Control Model for the inclusion of the crimes of Law 190/2012 relating to undue inducement to give or promise benefits and to corruption between private individuals

8	April 07, 2017	Complete review of the Model following the update of the risk analysis.
9	04 December 2018	Revision of the Model for the introduction of the so-called whistleblowing discipline (ref. L.179/2017)
10	05 July 2019	Review of the Model following the merger with Best SpA
11	October 20, 2021	Review and update of the general and special part of the Organisational, Management and Control Model for the introduction of new predicate offenses and in particular of tax offenses and the offenses introduced by Legislative Decree 75/2020.
12	November 29, 2022	Review and update of the general part and the special part of the Management and Control Organizational Model in terms of structure and logic, too following the update of the risk analysis.

DEFINITIONS

Sensitive activity or area at risk : activities and/or areas of the company in which the conditions and/or potential for the commission of a crime may arise

CCNL: National Collective Bargaining Agreement.

Code of Conduct : the Code of Conduct adopted by the Electrolux Group and its updates available on the website www.electrolux.com and on the company *intranet* <https://electrolux.sharepoint.com/Pages/StartPage.aspx> in the *Policies & Guidelines section*

Decree or Legislative Decree 231/2001 : Legislative Decree 8 June 2001, n. 231 ("*Discipline of the administrative liability of legal persons, companies and associations even without legal personality*") and subsequent amendments and additions

Recipients: the subjects indicated in Paragraph 2.3 of this Model

Electrolux Control System (hereinafter also "**ECS** "): is the system developed by the Electrolux Group to ensure an accurate and reliable reporting system as well as to ensure that the preparation of the Financial Statements takes place in compliance with the laws, regulations and generally adopted accounting principles.

Entities : legal persons, companies and other associative structures, including those without legal personality

Group (hereinafter also "**Electrolux Group**"): the Parent Company and the companies belonging to the Electrolux Group

Confindustria Guidelines (hereinafter also "**Guidelines** "): the Guidelines for the construction of organisational, management and control models *pursuant* to Legislative Decree 231/2001 approved by Confindustria on 7 March 2002 and updated in March 2014 and subsequently in June 2021 , available on the website www.confindustria.it

Organisational, management and control model or Model/s (hereinafter also "**Organizational model** " or "**Model** "): the Organisational, management and control model envisaged by art. 6 of Legislative Decree 231/2001, which can be consulted on the company intranet *egate* <https://electrolux.sharepoint.com/sites/italia/SitePages/Modelli-di-Organisation,-Gestione-e-Controllo.aspx>

Body: Board of Directors of Electrolux Italia SpA

Supervisory body (hereinafter also "**OdV** " or "**Body** "): the body provided for by art. 6 of Legislative Decree 231/2001 in charge of supervising the functioning and observance of the Model and its updating

Partners : counterparties with whom the Company enters into some form of contractually regulated collaboration (e.g. temporary business association, *joint venture* , consortia, license, agency, concession, collaboration in general)

Personnel : all employees of the Company including those with management, administration, management and control functions of the Company itself, as well as all non-employee subjects identified by the *Guidelines for the use of the entity's resources* as 'work users', such as, by way of example only, temporary workers, interns, etc.

Suppliers: suppliers of goods and services (excluding consultancy), which the Company uses in the context of Sensitive Activities.

Protocols : documents that make up the Special Part and contain the regulation of Sensitive Activities, the control tools, aimed or in any case suitable for reducing the risk of committing the offenses envisaged by the Decree;

Attorney: unilateral deed with which the company assigns powers of representation vis-à-vis third parties.

Procedures: procedures, policies, organizational provisions, service orders and all other provisions, measures and deeds of the Company.

Reports: detailed reports of significant illegal conduct pursuant to Legislative Decree 231/2001 or violations of the Model, as better defined in par. 3.6 of the General Section.

Company (hereinafter also “ **Electrolux** ” or “ **Body** ”): Electrolux Italia SpA;

Parent company : Electrolux AB.

ABBREVIATIONS

cp : Penal Code

cc : Civil Code

cpp : Criminal Procedure Code

BoD : Board of Directors

PA: Public administration

smi : subsequent amendments and additions

DOCUMENT STRUCTURE

Legislative Decree 8 June 2001 n. 231 introduced, for the first time in our legal system, the administrative liability of legal persons, companies and other associative structures, even without legal personality (the so-called "Entities"), as a consequence of the commission of certain crimes by "Top Management" or "Subordinates", provided that such acts are committed in the *interest or to the benefit of the Entity* itself.

Failure to comply with this discipline may result in the Entity applying serious pecuniary and disqualifying sanctions, such as the suspension or revocation of licenses and concessions, the prohibition to contract with the Public Administration, etc. However, if the managing body of the Entity proves that it has adopted and effectively implemented, prior to the commission of the offence, an organisational, management and control model suitable for preventing crimes of the type that occurred, the Entity is not liable for the liability administrative, regardless of the recognition of the criminal and/or administrative responsibility of the person who committed the crime.

The Company, also making reference to the Confindustria Guidelines as well as international *best practices* of internal control ¹, proceeded to elaborate this Model .

The Model consists of the following Parts:

General Section : describes the main contents of the Decree and the essential components of the Model adopted by the Company, with particular reference to the Supervisory Body , personnel training and dissemination of the Model, the disciplinary system and the measures to be taken in the event of non-compliance of the provisions of the Decree.

Special Part [for internal use] : it consists of Protocols that contain the regulation of Sensitive Activities and report the control measures, aimed or in any case suitable for reducing the risk of committing the crimes envisaged by the Decree. These controls are implemented in the Company's Operating Procedures and Instructions.

Each Recipient of the Model (see paragraph 2.3) is required to know and comply with the principles and rules of the Model.

The Company will disclose the purposes and contents of the Model through the means and forms it deems most appropriate.

The Model is published on the company *intranet* egate at the address: <https://electrolux.sharepoint.com/sites/italia/SitePages/Modelli-di-organisation,-Gestione-e-Controllo.aspx> and on the website www.electrolux.it.

In addition to what is established below, the following documents, attached to this document, form an integral part of this Model:

- 1. Sensitive activities/protocols/crimes matrix**
- 2. Code of Conduct**
- 3. Electrolux Group Policies & Guidelines**
- 4. Internal regulations for employees**
- 5. Rules, procedures and disciplinary sanctions for company personnel (the so-called 'Disciplinary Code')**

¹ An essential contribution derives from the US " *Federal Sentencing Guidelines* ", from which the experience of the " *Compliance Programs* " was born. The " *Compliance Programs* ", in turn, have implemented and reworked the concept and structure of the internal control system present in the " *COSO Report* ". The latter is considered, in the *position paper* on the Decree issued by the AIIA (Italian Association of *Internal Auditors*), together with *Sarbanes Oxley* , as the most authoritative international reference on internal control issues.

- 6. All other provisions, internal provisions, deeds and operating procedures adopted by the Company which constitute the implementation of the contents of the Model and of the documents indicated in the previous points.**

MODEL OF ORGANISATION, MANAGEMENT AND CONTROL

GENERAL PART

1. LEGISLATIVE DECREE 8 JUNE 2001, N. 231

1.1 INTRODUCTION

Legislative Decree 8 June 2001 n. 231, containing the "*Discipline of the administrative liability of legal persons, companies and other associative structures, even without legal personality (the "Entities")*", (henceforth 'Decree 231'), introduced into the law system of administrative liability for 'Bodies' for crimes committed - in their interest or to their advantage - by individuals in top positions and/or individuals subject to the management or supervision of the latter (so-called "Qualified Persons")

The liability introduced by the Decree is independent and distinct from that which regulates the criminal and administrative liability of natural persons.

The Decree identifies, in an exhaustive way, the types of crime (so-called "predicate crimes") which, if committed by the 'Qualified Subjects', can give rise to the administrative liability of the Entity within which the aforementioned subjects operate.

Any ascertainment of the Entity's liability envisaged by the Decree involves the application of pecuniary sanctions together with the confiscation of the price and/or profit of the crime and, possibly, disqualification sanctions (suspension or revocation of authorisations, licenses or concessions; exclusion from concessions, loans, contributions or subsidies).

The addressees of the Decree are:

- companies with legal personality (including those that perform a public service and those controlled by public administrations);
- Entities with legal personality;
- companies and associations with or without legal status.

However, the following are excluded from the application of the Decree: the State; local public bodies, other economic public bodies and other bodies that perform important functions.

1.2 THE CONSTITUTIVE ELEMENTS OF THE ADMINISTRATIVE LIABILITY OF THE BODY

The Decree provides that the Entity is liable only if two conditions are met:

i. subjective assumption

The offense must be committed by '**Qualified Subjects**':

- a) subjects in senior positions** who hold functions of representation, administration or management of the Entity or of one of its organizational units with financial and functional autonomy (e.g. directors, general managers, plant managers, etc.) or natural persons who exercise, even de facto, the management and control of the Entity;
- b) individuals subject** to the management or supervision of individuals "in top management".

ii. objective assumption

The offense must be committed by the 'Qualified Persons' in the **interest or to the advantage of the Entity**.

The **interest** coincides with the willful element of the subject who carries out the relevant conduct for the purposes of the Decree, who must have acted with the intention (for intentional crimes)

or the awareness (for negligent crimes) to carry out a utility/benefit not only for oneself (or for third parties) but also for the Entity.

The **advantage** consists overall utility/benefits, above all of a financial nature, deriving from the commission of the crime by the 'qualified subject'.

In the event that the aforementioned Subject has acted to pursue an exclusively personal interest (or that of third parties), the Entity is not liable.

Otherwise, the Entity's liability exists – but the pecuniary sanctions are reduced by half – where the fact has achieved an interest of the Entity but the Entity itself **has not obtained an advantage or has obtained a minimal advantage**.

In cases in which, on the other hand, acts 'suitable and directed' to commit the crime are carried out, but the event, in any case, does not occur (so-called 'attempted crime' scheme ¹⁾ the pecuniary and disqualification sanctions are reduced by a third to half.

Again in the context of the 'attempt' mentioned above, the Entity is not liable to sanctions where it « **voluntarily prevents the completion of the action or the realization of the event** » .

Finally, the Decree establishes that the Entity's liability is of the 'independent' type and, therefore, exists even where the perpetrator of the crime has not been identified or is not attributable or even in the case of extinction of the crime for reasons other than the amnesty (e.g. death of the offender before conviction *pursuant to* art. 150 of the criminal code, limitation *pursuant to* art. 157 of the criminal code, etc.).

1.3 RELEVANT CRIMES (SO -CALLED " PREDICATE CRIMES ")

The Entity's liability exists where one or more of the crimes (Predicate Crimes') strictly listed by the Decree and subsequent amendments and additions belonging to the following categories are committed:

- 1. Crimes against the Public Administration** (articles 24 and 25 of the Decree)
- 2. IT crimes and unlawful data processing** (art. 24 *bis* of the Decree)
- 3. Organized crime offenses** (article 24 *ter* of the Decree)
- 4. Forgery of coins, public credit cards, revenue stamps and instruments or identification marks** (art. 25 *bis* of the Decree);
- 5. Crimes against industry and commerce** (art. 25 *bis* -1 , Decree 231)
- 6. Corporate crimes** (art. 25 *ter* , Decree 231);
- 7. Crimes for the purposes of terrorism or subversion of the democratic order** (art. 25 *quater* of the Decree);
- 8. Female genital mutilation practices** (art. 25 *quater* -1 of the Decree);
- 9. Crimes against the individual** (art. 25 *quinquies* of the Decree);
- 10. Market abuse** (art. 25 *sexies* of the Decree);
- 11. Manslaughter or serious or very serious bodily harm committed in violation of occupational health and safety regulations** (art. 25 *septies* of the Decree);
- 12. Receipt, laundering and use of money, goods or utilities of illicit origin, as well as self-laundering** (article 25 - *octies* of the Decree);

¹The art. 56 of the criminal code entitled 'Attempted crime', reads as follows: « *Anyone who performs suitable acts aimed in an unequivocal way at committing a crime, is liable for an attempted crime, if the action is not carried out or the event does not occur [...]* ».

13. **Crimes relating to payment instruments other than cash** (article 25 - *octies* 1 of the Decree).
14. **Copyright infringement crimes** (art. 25 *novies* of the Decree)
15. **Inducement not to make statements or to make false statements to the Judicial Authority** (art. 25 *decies* of the Decree)
16. **Environmental crimes** (art 25 *undecies* of the Decree)
17. **Employment of illegally staying third-country nationals** (art . 25 *duodecies* of the Decree)
18. **Racism and xenophobia** (art . 25 *terdecies* of the Decree)
19. **Fraud in sporting competitions, abusive betting and games of chance played with prohibited devices** (art . 25 *quaterdecies* of the Decree)
20. **Tax offenses** (article 25 *quinqüesdecies* , of the Decree)
21. **Smuggling** (art . 25 *sexiesdecies*, of the Decree)
22. **Crimes against cultural heritage** (art. 25 *septiesdecies* , of the Decree)
23. **Recycling of cultural assets and devastation and looting of cultural and landscape assets** (art. 25 *duodevicies* , of the Decree)
24. **Transnational crimes pursuant to art. 19, Law 16 March 2006, n. 146**
25. **Responsibility of entities for administrative offenses dependent on a crime pursuant to art. 12, Law 9/2013** (constitute a prerequisite for entities operating in the virgin olive oil supply chain).

The Entity is also liable if the Predicate Offense(s) are **committed abroad** , provided that: a) the Entity has its 'headquarters' (ie registered office) in Italy; b) a proceeding against the Entity is not already in progress in the State in which the offense was committed; c) there is a request from the Minister of Justice if required by law.

1.4. THE SANCTIONS

The following are the sanctions foreseen for the Entity, in the event of an ascertainment of administrative liability referred to in the Decree:

▪ **Financial penalty**

It is applicable to all types of Predicate Offenses and is determined on the basis of 'quotas', from a minimum of one hundred to a maximum of one thousand, each with a value between a minimum of Euro 258.23 and a maximum of Euro 1,549.37 ².

The criteria on which the Judge bases the determination of the *number of applicable quotas* are: the seriousness of the fact; the degree of liability of the Entity and the activity carried out by it to eliminate or mitigate the consequences of the fact and to prevent the commission of further crimes. *The amount* of the quota, on the other hand, is fixed on the basis of the Entity's economic and patrimonial conditions and this in order to ensure the effectiveness of the sanction.

The **pecuniary sanction is reduced by one third to one half** if, before the opening declaration of the hearing of the first instance judgment:

- the Entity has fully compensated the damage and has eliminated the harmful or dangerous consequences of the crime or has, in any case, effectively worked in this direction;

²This does not apply to the corporate crimes referred to in art. 25^{ter} , whose fines are doubled on the basis of the provisions of art. 39, co. 5 Law 28 December 2005, n. 262.

- a Model suitable for preventing crimes of the type that occurred has been adopted or made operational.

▪ **Disqualification sanctions**

These are particularly afflictive sanctions as they affect the specific activity carried out by the Entity.

They are applied in addition to the pecuniary sanction, only for some types of crime and *only if* the Entity has obtained a 'significant profit' from the crime and 'the commission of the crime was determined or facilitated by serious organizational shortcomings' or in the presence of repetition of the offences ³.

The disqualification sanctions have a duration of between three months and two years, are applicable jointly and can consist of:

1. disqualification from exercising the activity;
2. suspension or revocation of authorisations, licenses or concessions functional to the commission of the offence;
3. ban on contracting with the Public Administration;
4. exclusion from concessions, loans, contributions, subsidies and possible revocation of those already granted;
5. ban on advertising goods or services.

As with pecuniary sanctions, the Judge - when applying them - takes into account the seriousness of the fact, the degree of responsibility of the Entity and the activity possibly implemented by the Entity itself to eliminate the consequences of the fact and to prevent the commission of further offences.

Furthermore, in the event that the interruption of the activity could lead to " *significant repercussions on employment* ", due to the " *dimensions and economic conditions of the territory* " within which the Entity is located, the Judge may order - instead of the disqualification measure, provided that the same is not definitively ordered - the continuation of the activity by a **Judicial Commissioner** for a period equal to the duration of the disqualification penalty that would have been applied.

▪ **Publication of the conviction sentence**

In cases of application of a disqualification measure, the Judge can establish that the conviction sentence is published, with costs borne by the convicted Entity, in the municipality where the Entity has its main office, as well as in the other places referred to in art. . 36 criminal code ⁴.

▪ **Confiscation**

Confiscation of the price or profit of the crime is always ordered against the Entity convicted pursuant to the Decree, with the exception of the part that can be returned to the injured party and without prejudice to any rights acquired by third parties in good faith.

³There is a repetition of the crime " *when the Entity, already definitively convicted at least once for an offense [...], commits another in the five years following the definitive conviction* " (art. 20, Decree 231).

⁴The art. 36 of the Criminal Code, establishes that: " *the sentence [...] is published by posting in the municipality where it was pronounced, in the one where the crime was committed, and in the one where the convict had his last residence [as well as] in the site internet of the Ministry of Justice* » . The duration of publication on the site is established by the Judge as not exceeding thirty days. Otherwise, the duration is fifteen days.

Where it is not possible to proceed directly with the confiscation of the price or profit deriving from the crime, the same can concern « *sums of money, goods or other utilities of equivalent value to the price or profit of the crime* ».

1.5. The EXEMPTION FROM ADMINISTRATIVE RESPONSIBILITY: THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

The Decree envisages, in favor of the Entity, a mechanism of exemption from liability if the Judge ascertains that the Entity has adopted an " **Organizational and Management Model suitable for preventing crimes of the type that occurred** " and that the Qualified Persons have committed the facts ascertained by fraudulently circumventing the aforementioned Model.

This exemption applies if the Entity demonstrates that it has adopted and effectively implemented **measures and organizational systems that are** actually suitable for preventing the commission of the offenses identified by the Decree. The Entity is not liable for the crime, if it proves:

- a) to have adopted and effectively implemented, through the executive body (ie the Board of Directors), before the commission of the crime, an " **organisational and management model** " suitable for preventing crimes of the type that occurred;
- b) to have entrusted to an " **internal body** " (appointed by the Board of Directors), with independent powers of initiative and control, the task of supervising the functioning and observance of the Model, as well as taking care of their updating;
- c) that the persons who committed the crime acted by fraudulently evading the aforementioned Model;
- d) that there has been no omission or insufficient supervision by the internal body referred to in the previous letter b).

The Decree also establishes the minimum contents of the Organisation, Management and Control Model, which must ⁵:

1. identify the activities/ **areas at risk** of committing the offenses envisaged by the Decree;
2. prepare specific **protocols** in order to " *program the formation and implementation of the Entity's decisions in relation to the crimes to be prevented* ";
3. envisage ways of managing the **financial resources** suitable for preventing the commission of such offences;
4. prescribe **information obligations vis-à-vis** the internal body responsible for supervising the functioning of and compliance with the Model;
5. define a **disciplinary system** suitable for sanctioning failure to comply with the measures indicated in the Model.

2. THE ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL OF THE COMPANY

Premise

⁵Article 6, co. 2 of the Decree.

The Company has updated its Model also making use of the indications contained in the 'Guidelines' drawn up by Confindustria (last revision June 2021) ⁶.

However, action was taken in the awareness that the aforementioned 'Guidelines', while constituting a *best practice*, are of a general and abstract nature and do not exempt the Company from creating a Model adhering to the specific corporate and organizational situation.

2.1 DESCRIPTION OF THE COMPANY

The Electrolux Italia SpA company was established on 16 April 1952, with a deed drawn up by the Tuscan notary (rep. n. 26836).

The Company, with tax code and registration number in the Pordenone register of companies no. 00065130932 has its registered office in Porcia (PN), Corso Lino Zanussi, n. 24.

The Company carries out the production and sale of household electrical, electromechanical and electronic equipment in general and is an industrial *holding* company. It owns n. 5 units/plants, located in: Porcia (PN), Susegana (TV), Forlì (FC), Solaro (MI) and Cerreto D'Esi (AN).

The Company is part of the Electrolux Group, listed on the Stockholm market.

2.2 THE AIMS AND PRINCIPLES OF THE MODEL

The purpose of this Model is to identify a system of rules, procedures and controls aimed at preventing and/or reducing the commission of 'predicate offences'. The Model aims to:

- Spread a corporate culture based on the principles of legality and control.
- Ensure that all Recipients are fully aware of the fact that the violation of the provisions contained in the Model and in the control systems connected to it can give rise to liability and sanctions also for the Company, as well as personal.
- Identify the measures aimed at preventing and/or combating the commission of the 'predicate crimes' in a timely and effective manner, by defining specific Protocols aimed at planning the formation and implementation of the Entity's decisions in relation to the crimes to be prevented.
- Identify effective control procedures, based on the principle of prevention.

2.3 THE RECIPIENTS OF THE MODEL

The following are recipients and, therefore, required to comply with the Model:

- A. The members of the Board of Directors and of the Board of Statutory Auditors.
- B. Employees of the Company even when posted to other Italian and foreign offices within the Electrolux Group.
- C. All other subjects - as well as their employees or collaborators - who carry out activities and/or supply goods or services to the Company (auditors, consultants, agents, distributors, suppliers, *partners*, etc.).

⁶The Electrolux Group in Italy (of which Electrolux Italia SpA is a part) operates in the industrial-engineering sector and is a member of the General Confederation of Italian Industry (Confindustria).

2.4 THE CONTENTS OF THE MODEL

2.4.1 THE EXISTING PREVENTIVE CONTROL SYSTEM

In drafting the Model, the Company has taken into account the existing *policies*, procedures and other control systems, where deemed suitable to be valid also as measures to prevent the predicate crimes, including:

- the Code of Conduct
- the Group *Policies & Guidelines*
- the internal control system (so-called *Electrolux Control System - ECS*)
- the cash flow management system
- the system of written proxies consistent with the corporate organization charts and the functions performed by the employees
- the procedures in force relating to each process at risk
- communications to staff and training of the same
- the Internal Regulations for employees
- the Disciplinary Code, consistent with the sanctioning/disciplinary system envisaged by the National Collective Labor Agreement for the Metalworking Industry
- employee education and training.

2.4.2 THE CONSTRUCTION OF THE MODEL

For the purposes of preparing this document, in line with the provisions of the Decree, with the Confindustria guidelines for the construction of organisational, management and control models pursuant to Legislative Decree 231/2001 and with the indications inferable from the jurisprudence, the Company proceeded to carry out a preventive activity of integral updating of the previous *control and risk self-assessment*.

The *control and risk self-assessment activities* were conducted and coordinated by a Project Team made up of external consultants and saw the direct involvement of the Company's Management.

In particular, these activities were divided into the following phases:

- acquisition and analysis of relevant documentation for corporate governance and internal control system purposes (e.g. organizational charts, codes of conduct, structure of delegations and powers of attorney, internal procedures, reports and minutes);
- preliminary identification of the Sensitive Activities pertaining to the various organizational structures involved, with particular reference to those most affected by the scope of Legislative Decree 231/2001, also considering the identification of potential new crime risks;
- identification of *key officers* to be involved in the interviews;
- conducting targeted interviews:
 - the identification/confirmation of the Sensitive Activities, the operating procedures for conducting them and the subjects involved;
 - the identification of the potential (inherent) risks of committing the predicate offenses attributable to the individual Sensitive Activities;
 - the analysis and assessment of the controls/control systems in place to mitigate the above risks and identification of possible areas for improvement;

- sharing the evidence that emerged with Management and formalizing it in a summary report (" *Control & risk self-assessment pursuant to Legislative Decree 231/2001* ") which forms an integral part of this document.

This activity led to the identification of suitable safeguards to be implemented in the control system in order to make it suitable for reducing the risk of committing crimes, as well as the effective implementation of the above safeguards in the control system by the individual *key officers* involved from time to time.

The Model must always be promptly modified or supplemented, exclusively by resolution of the Board of Directors, in the event that:

- significant changes have occurred in the reference legislation (e.g.: introduction of new predicate offenses into the Decree), as well as in the organization or activity of the Company;
- violations or circumventions of the provisions contained therein have been found, which have demonstrated their ineffectiveness for the purposes of crime prevention.

The amendments to the Procedures are made by the Heads of the Functions concerned.

2.5 THE EXISTING PREVENTIVE CONTROL SYSTEM

This System, the implementation of which is essential in order to guarantee the effectiveness of the Model, being an integral part of it, is made up as follows:

2.5.1 THE CODE OF CONDUCT

It contains the values and principles of conduct which the Company, together with all the Recipients of the Model intends to conform to in their business both internally and externally.

The Code expresses the orientation of the Company, as well as of the entire Electrolux Group, in terms of principles and behaviors to be adopted within specific areas or processes .

The text of the Code of Conduct can be easily consulted both on the internal portal called ' *E-Gate* ' (see <https://electrolux.sharepoint.com/Pages/StartPage.aspx> in the Policies & Guidelines section), and on the Group's *website* .

As far as Company employees are concerned, precise references to compliance with the principles contained in the Code of Conduct are contained in the Company Regulations posted on all company bulletin boards. The violation of the principles contained in the Code of Conduct entails the application of the sanctions indicated in the Disciplinary Code (also posted on company notice boards).

However, as regards those who are not employees of the Company, the so-called 'Clause 231' is inserted in each contract which, after calling the contracting party to comply with the Model and the Code of Conduct, reiterates that the violation of one or both constitutes a serious breach and a reason for termination of the contract (*pursuant to art. 1456 of the civil code*).

2.5.2. GROUP POLICIES & GUIDELINES

The Electrolux Group has adopted a series of *Policies & Guidelines* to which the Company is also subject, relating to various areas and processes.

At the date of publication of this update of the Model, the *Policies & Guidelines* adopted are the following: Group Anti-Corruption Policy; Guidelines for Gifts and Events; Group Antitrust Policy; General antitrust guidelines; Guidelines on Information Exchanges with Competitors; Down Raid Manual; Antitrust D2C Guidelines; Group Brand Policy; Group Conflicts of Interest Policy; Group Data Protection Policy; Group Data Security Incident Process; Group Directive on Information Classification; Group Environmental Policy; Group Indirect Tax Directive; Group Credit Directive;

Group Delegation of Authority Directive; Group Finance Policy; Group Tax Directive; Group Tax Appendix A on Tax Audit Procedures; Group Transfer Pricing Directive; Group Transfer Pricing Directive Appendix A on Tax Audit Procedures; Group Treasury Directive; Group Directive on Human Rights; Group Information Policy; Group Insider Policy; Instructions issued under the Group Insider Policy; Group Intellectual Property Policy; Group Directive on Cloud Computing; Group Directive on Cybersecurity for connected products; Group Directive on Handheld Personal Devices; Group Information Security and IT OT Risk and Security Directive; Group Compensation Directive; Group Directive on Company cars; Group Directive on International Assignments; Group Global Recruitment Directive; Group Grandparent Principle Directive; Group Pension and Other Benefits Directive; Group People Policy; Group Purchasing Policy; Group Purchasing Directive; Supplier Workplace Standard; Group Quality Policy; Group Directive on Risk Management; Group Global Travel Directive; Group Workplace Policy; Group Workplace Directive; Remote Working Guidelines.

The *Policies & Guidelines* are available on the company intranet at the following address: https://electrolux.omniacloud.net/_/app/_/about-electrolux/policies-directive-guidelines.

The application of the *Policies & Guidelines* by the Company is guaranteed by the presence, at a central level, of an internal *audit function*, the *Electrolux Group Internal Audit* (GIA) and the ECS internal control system (see § 2.5.4).

2.5.3. PROXY SYSTEM

The Company uses an *organizational system* structured in such a way as to provide formal evidence of the hierarchical lines of dependence and of the division of the areas/functions of responsibility assigned to its employees.

The organizational scheme finds its typical expression in the system of *attribution and management of powers* which is aimed at formally authorizing determined subjects to act in the name and on behalf of the Company, also with the provision of maximum spending limits.

Both the organizational system and, consequently, the authorization system are based on the general principle of 'segregation of functions' which is aimed at avoiding the mixing of potentially incompatible roles and/or excessive concentrations of responsibilities and powers in the hands of one single (or few) subjects.

To this should be added that the Company, in order to favor verification/control mechanisms and avoid concentrations of power, has structured the system of attribution of the same powers by providing - for all documents that bind the Company towards third parties - the obligation of the so-called 'double signature' (ie signature by two subjects equally empowered for the same deed/document).

Furthermore, if considered in the context of decision-making processes, these systems ensure that:

- the exercise of powers takes place by individuals with organizational and management responsibilities consistent with the importance and/or criticality of certain operations;
- the powers and responsibilities are clearly defined, consistent with each other and known within the corporate organization;
- the Company is validly engaged towards third parties (customers, suppliers, banks, public administrations, etc. ...) by a determined and limited number of subjects equipped with internal proxies/authorisations.

The system of attribution of powers is constituted as follows.

1. POWERS OF DIRECTORS

The Board of Directors can delegate its powers to some of its members, determining their content, limits and methods of exercise.

The minutes of the Board of Directors which grant these powers are filed with the Chamber of Commerce to make their contents known to third parties.

2. NOTARIAL POWERS OF ATTORNEY AND INTERNAL AUTHORISATIONS

The powers conferred on the members of the Board of Directors can be sub-delegated by them to a subject (their own employee, employee of another Group company or third party) by means of a notary power of attorney and/or internal authorisation.

The granting of notarial powers of attorney and internal authorisations, as well as their updating, takes place according to a consolidated practice which has been formalized in a specific **Procedure for the "Management of Proxies and Powers of Attorney"**.

The *HR Service Italy office* promptly notifies the *Corporate Affairs Office* of any organizational changes (resignations, dismissals, change of duties) in such a way that there is a coincidence between the activity actually carried out by the subjects who work on behalf of the Company, their company functions/qualifications and the powers conferred by the Company.

Lastly, powers of attorney and Internal Authorizations are archived electronically in a constantly updated company *database*.

The paper archive is, on the other hand, kept and edited by the *Corporate Affairs Office*.

2.5.4. INTERNAL CONTROL SYSTEM (ECS)

The Company has implemented the Internal Control System '*Electrolux Control System*' (ECS) required by the Electrolux Group.

This system was developed to ensure an accurate and reliable *reporting system* as well as to ensure that the preparation of the financial statements takes place in compliance with the laws, regulations and generally adopted accounting principles.

However, internal controls include broader rules of conduct which define the general principles on which the company is founded.

ECS is structured according to the internal control scheme dictated by the '*Committee of Sponsoring Organizations of the Treadway Commission*' (COSO), whose pillars are:

- a) Control Environment;
- b) Risk Assessments;
- c) Control activity;
- d) Testing activities;
- e) Communication.

a) Control Environment

It consists of the set of *Policies*, Procedures, Regulations and Codes adopted applied within the organizational structure of the Electrolux Group which, as seen, assigns clear responsibilities and powers that are suitably segregated from each other.

The limits of responsibilities and powers are defined in the instructions for the '*Delegation of Authority*', in the Manuals, *Policies*, Procedures and Codes (including the Code of Conduct, the Anti-Corruption and Money Laundering *Policy*, the *Policies* for Information, Finance and the credit).

Together with external laws and regulations, these internal guidelines form the so-called *Control Environment* ; all Electrolux employees are held accountable for complying with it and all Group units must maintain adequate internal controls according to a defined methodology.

b) Risk Assessments

It is the activity that identifies the main risks potentially associated with financial reporting carried out in an incomplete and accurate manner (including, for example, the risk of loss or misappropriation).

c) Control activity

The Control Activity has the purpose of mitigating the identified risks and ensuring reliable *reporting* as well as efficient processes. The control activity includes both general and detailed controls with the aim of preventing, identifying and correcting errors and/or irregularities.

The ECS Program provides for the following checks to be carried out:

1. ' *Entity Wide Controls* '

They ensure and strengthen the "*Control Environment* "; in particular, every year Electrolux *Management is asked to* confirm and support the checks on compliance with the main Group Policies, Accounting rules, proxies and powers with a questionnaire from Electrolux Management.

2. ' *Manual and Application Controls* '

It is intended to ensure that critical reporting risks in business processes are adequately monitored and verified.

Examples of important controls are those relating to the verification of accounting records, verification of access to systems and verification of the segregation of activities, etc.

3. *IT General Controls* '

It is aimed at ensuring the security of the IT environment for the applications used.

Examples of important controls are those related to the administration of ' *User* ' , production environment and *back-up* procedures.

d) Testing activity

Testing of controls is carried out in order to ensure that risks are effectively and correctly mitigated.

The coordination and planning of the ECS activity is carried out by the *Electrolux Group Internal Audit* (GIA) which represents the Internal Audit function of the Electrolux Group .

The control documentation is updated annually in order to guarantee the adequacy and completeness of the controls themselves in the light of operational/organisational changes.

This documentation includes: the description of the control activity (detailing who carries out the control); the activity performed to finalize the control and the frequency of the same.

The responsibility for carrying out the controls lies with each *Reporting Unit* .

test plans , the GIA autonomously carries out some selected tests.

Controls that fail must be rerun after corrective actions have been taken to process.

Test results are archived in a Lotus notes database.

e) Communication

The results of the EWC questionnaire and the results of the tests are communicated to the Management, are presented to the external auditors and to the internal auditors. The external auditors acquire the documentation and determine to what extent they can rely on the activity carried out within the Group through ECS and the GIA for the purpose of the Group Audit and the Audit of the financial statements.

In case of failed tests , external auditors request corrective actions. External auditors can autonomously carry out some checks and/or request documentation to support the tests already carried out to verify the activity carried out .

2.5.5 INFORMATION SYSTEMS

The Company makes use of procedures, both 'manual' and IT, which establish a series of 'control points' to verify, within the individual processes: the aims of the actions; the authorisation, registration and verification cycles of individual operations/activities; the methods of approval and signature (ie compliance with the assigned powers); the separation of the various functions involved and the tasks assigned to them.

These systems are periodically updated in relation to changes in company procedures, operating practices and also in the organizational system, as well as managed in such a way as to allow the maintenance of the integrity of operations, the availability and, at the same time, the confidentiality of company information, thus as also required by Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, concerning the protection of natural persons with regard to the processing of personal data, as well as the free movement of such data (also "GDPR") and by Legislative Decree no. 196/2003 and subsequent amendments (so-called 'Code regarding the protection of personal data').

Administrative and management information systems are interrelated and sequential. They provide for the presence of security mechanisms that guarantee protection-access to the Company's data and assets.

The Company has also adopted a Policy and a Regulation on the use of IT and electronic tools containing prescriptions on the methods of use of the electronic and telematic tools that are used to perform work as well as on the methods of carrying out any checks on their use . These documents, whose recipients are all the Recipients of the Model (referred to in § 2.3.), integrate and coordinate with the legal regulations, internal regulations and the specific guarantee provisions established by the individual structures/offices/operating units .

2.5.6 MANAGEMENT OF FINANCIAL FLOWS

The management of financial flows represents a particularly delicate area in the context of processes identified as more critical as they involve sensitive activities or those of an atypical or non-recurring nature.

The general principles to which the actions of all subjects in this area must refer are:

- subjective separation between those who: i) assume or implement the decisions, ii) must provide accounting evidence of the operations carried out and iii) are required to carry out the controls established by law and company procedures on them.
- choice of contractual counterparts (e.g. suppliers, consultants, agents, etc.) to be made on the basis of principles of reliability, quality, transparency and cost-effectiveness;

- monitoring of the services performed by the contractual counterparties in favor of the Company; in the event of conduct that does not comply with the company's ethical principles and/or in violation of the principles contained in this Model, the Company must request termination of the relationship;
- setting limits to the independent commitment and use of financial resources, consistent with the roles, responsibilities and powers assigned to the subjects;
- operations involving the use or employment of economic or financial resources must have an express reason and be documented and recorded in compliance with the principles of accounting correctness ; the approval decision-making process must always be verifiable;
- no payment can be made in cash or in kind;
- in the use of its financial resources, the Company exclusively avails itself of financial and banking intermediaries subject to rules of transparency and correctness in compliance with European Union regulations.

The Company provides for the external audit and certification of its financial statements.

2.5.7 DOCUMENTATION MANAGEMENT

All documentation, whatever the medium used (paper and/or computer) is managed in a manner capable of guaranteeing, in safety, its registration, archiving and eventual updating.

2.6 DIFFUSION OF THE MODEL

This Model was initially adopted by the Board of Directors with a resolution of 2 July 2004 and is periodically updated following significant organizational changes as well as legislative amendments which have introduced new types of crime over the years.

In order to guarantee the effectiveness of the Model, the Company takes care of its dissemination through information and training activities both for its own personnel and for third parties.

2.6.1 STAFF TRAINING

The adequate and constant information and training of employees on the contents of the Model is an essential element for its effective and effective implementation

Therefore, the Company promotes knowledge and dissemination of the Model upon first employment (by delivering a 'booklet' containing references to the *Policies & Guidelines* and Company Regulations) as well as throughout the employment relationship, even in the event of revisions of the Model.

Therefore, employees are put in a position to have full knowledge of the principles and objectives contained in the Model and of the ways in which the Company intends to pursue them.

The 'Personnel Management' function, in cooperation with the Supervisory Body, takes care of and manages the dissemination of the Model as well as personnel training.

The Personnel Department shares with the Supervisory Body a training plan consistent with the training needs of the recipients, through the formulation of ad hoc training courses.

In particular, the dissemination activity e formation of the Model includes:

a) for all staff

- b) notices, sent via e-mail and/or posted on the bulletin board relating to any revisions to the Model;
 - c) the publication of the Model on the company intranet page egate, Organization, Management and Control Models (sharepoint.com) and its posting on the company bulletin boards;
 - d) delivery to new recruits of an information note relating to the adoption of the Model and the obligation of personnel to comply with it;
 - e) the reference to the principles of the Model within the Company Regulations and the Disciplinary Code;
 - f) training courses carried out using *e-learning methods* aimed at illustrating the key operating principles of the Model.
- b) for personnel in charge of specific management functions/processes within the Company and/or with representation of the Entity**, in addition to the training activities described in point a:
- a 'special part', dedicated to the in-depth study of the types of crime relevant to the recipients of the training (e.g. module dedicated to the analysis of the crimes of 'manslaughter and serious or very serious bodily harm' for those who hold the function of Employer of Work, supervisors, RSPP and ASPP).

The recipients of this training, as managers of the various company units involved, are called to transmit the knowledge acquired within their area of responsibility.

2.6.2 CONTRACTUAL CLAUSES FOR 'OTHER SUBJECTS'

The Company promotes - also through the preparation of specific contractual clauses - the observance of the Model by the Recipients of the Model such as suppliers, consultants, etc.

Therefore, each of the aforementioned subjects is contractually obliged to comply with the principles of the Model.

2.7 THE DISCIPLINARY/SANCTIONING SYSTEM

One of the essential elements to give the Model exemption effectiveness is that it is accompanied by a '*disciplinary system suitable for sanctioning failure to comply with the measures indicated in the Model*' [art. 6, co. 2 lett. e) of the Decree and art. 7, co. 4, lit. b) of the Decree].

The existence of an adequate and effective disciplinary system is, therefore, an essential condition for ensuring the effectiveness and efficiency of the Model.

The disciplinary system has a purely internal function and operates regardless of the possible establishment of a criminal proceeding for the 'relevant crime' possibly committed. The application of the sanctions established in the Disciplinary System does not replace any further sanctions of another nature (criminal, administrative, civil) that may be applied in individual cases.

The ascertainment of the infringements can also be initiated on the impulse of the SB which, in the course of its control and surveillance activity, has detected a possible violation of the Model or of the Code of Conduct.

The holders of the sanctioning power are specified in the following paragraphs.

The disciplinary/sanctioning system is based on the principles of typicality, immediacy and proportionality.

The disciplinary/penalty system, while based on the same preventive function and on the same principles of gradualness and publicity of the sanctions, differs - depending on the addressees - in terms of the applicable discipline and structure.

The Company's disciplinary system may also be applied in the event of violations of the provisions of the Model relating to reports of violations (so-called whistleblowing) as regulated in par. 3.6.

2.7.1. MEASURES AGAINST *EMPLOYEES AND EMPLOYEES WITH REPRESENTATION/TOP MANAGEMENT FUNCTIONS*

Subordinate workers, including managers, who violate the principles of the Model are subject to the typical disciplinary power pursuant to art. 2106 of the civil code and art. 7 of Law no. 300/1970 (the so-called Workers' Statute).

The Company has approved a document called ' *Regulations, procedures and disciplinary sanctions for company personnel* ' (the so-called 'Disciplinary Code') which, in application of art. 7 of the Workers' Statute, contains the full text of the rules, procedures and disciplinary sanctions envisaged by the national collective labor agreement and recalls the main duties of the employee.

This document - which in accordance with the legal principle of publicity is posted on all company bulletin boards reminds the employee that he/she is required to show diligence and obedience, to comply with the Company Regulation posted on the bulletin board as well as all other rules, practices of conduct, guidelines in force in the company and in any way brought to the attention of the same.

Finally, the Disciplinary Code reiterates that the worker is required to comply with the Code of Conduct and the Model issued pursuant to Legislative Decree 231/2001 which express the Company's orientation in terms of correct behavior at work and in the scope of specific areas or processes.

Finally, the Disciplinary Code establishes that the violation of the Company Regulations, of the rules and practices of conduct as well as of the Code of Conduct and the Model above, determines the application of the 'typical' disciplinary measures: the verbal warning; the written admonition; a fine not exceeding three hours' pay; suspension from work and from pay up to a maximum of three hours; dismissal with or without notice.

The sanctions are applied according to the legal principle of proportionality, in order to guarantee their validity and recurring behavior is taken into account within the limit of two years from the commission of the crimes.

The holder of the disciplinary power is the Human Resources Department which can initiate the disciplinary procedure pursuant to art. 7 of the Workers' Statute and referred to in the CCNLM - on the initiative of anyone who becomes aware of the disciplinarily relevant facts.

2.7.2 MEASURES AGAINST ' *THIRD PARTY RECIPIENTS* '

The Company has established that the specific clauses inserted in the letters of appointment and/or in the contractual agreements apply to persons who are not linked to the Company by an employment relationship, according to which the non-compliance with the principles of the Model and/or the postponement to trial and/or conviction for one of the crimes envisaged by Legislative

Decree no. 231/01, constitutes a serious breach of contract and is cause for termination of the contract *pursuant to* art. 1456 of the Civil Code and compensation for any damage caused to the Company.

Furthermore, the Company, through the SB, warns those who deviate from the principles of the Model.

In the event that the Violations of the Model are committed by outsourced workers or by workers in the context of works or service procurement contracts, or by a posted worker, the Company will promptly inform the outsourcer or contractor or the seconding agent for the eventual adoption, by the latter, of sanctions against their own employees and/or collaborators.

Any consequences (of a resolution and/or compensation type) deriving from the violations committed by employees and/or collaborators of the 'Third Party Recipients' will be charged to the latter by the Company.

2.7.3 MEASURES AGAINST MEMBERS OF THE CORPORATE BODIES

A. MEASURES AGAINST MEMBERS OF THE BOARD OF DIRECTORS (DIRECTORS)

If one or more Directors of the BoD violate the provisions contained in the Model, the BoD will proceed with all the preliminary activities necessary to ascertain the alleged violation.

Subsequently, it will send the interested party and the Board of Statutory Auditors a report indicating:

- a. the disputed conduct and the related evidence, as well as the provisions of the Model violated;
- b. the alleged perpetrator of the Violation;
- c. the penalty to be applied.

Subsequently, the BoD will convene the interested party in order to hear any justifications.

The BoD - if it does not deem it able to accept the defenses presented - will proceed according to a criterion of proportionality to apply one of the following sanctions:

- warning against continuing to engage in conduct contrary to the provisions of the Model;
- temporary suspension from office;
- revocation from office;

If the sanction of revocation of the office of a member of the Board of Statutory Auditors is applied, art. 2400, co. 2 cc

In the event of a Violation committed by a director who is also an employee of the Company, the same will also be punishable pursuant to the provisions of the previous § 2.7.1. (ie disciplinary system for employees), where the conditions are met.

In cases deemed serious, the Board of Directors, having consulted the Board of Statutory Auditors, will convene the Shareholders' Meeting for the consequent resolution.

B. MEASURES AGAINST THE BOARD OF STATUTORY AUDITORS

If one or more members of the Board of Statutory Auditors violate the provisions contained in the Model, the BoD will proceed with all the preliminary activities necessary to ascertain the alleged violation.

Subsequently, it will send the interested party and the other members of the Board of Statutory Auditors a report indicating:

- a. the disputed conduct and the related evidence, as well as the provisions of the Model violated;
- b. the alleged perpetrator of the Violation;
- c. the penalty to be applied.

Subsequently, the BoD will convene the interested party in order to hear any justifications.

The BoD - if it does not deem it able to accept the defenses presented - will proceed according to a criterion of proportionality to apply one of the following sanctions:

- warning against continuing to engage in conduct contrary to the provisions of the Model;
- temporary suspension from office;
- revocation from office.

In cases deemed serious, the BoD convenes the Shareholders' Meeting to provide appropriate information.

2.7.4 MEASURES AGAINST THE SB

If one or more members of the SB violate the provisions contained in the Model, the Board of Directors will immediately revoke the appointment.

The Company has the right to apply the disciplinary sanctions connected to the type of contract existing with the interested party (subordinate work or assignment) as well as to propose any compensation actions.

3. THE SUPERVISORY BODY

The art. 6, co. 1, lit. *b*) envisages, in order to be able to benefit from the mechanism of exemption from liability, the assignment of the supervisory activity regarding the functioning and observance of the Model as well as its updating to a " *body of the entity endowed with autonomous powers of initiative and control* » : the so-called Supervisory Body.

In the absence of a specific description by the Decree, the characteristics of the SB and its members were assessed in the light of the Confindustria guidelines.

3.1 COMPOSITION AND OPERATION OF THE SB

The Company's SB is a collective body made up of two to three internal members determined by the Board of Directors and an external Chairman.

The members of the Supervisory Body are appointed by the Board of Directors and remain in office until the first meeting of the new BoD, which will provide for the renewal or modification of the same offices.

To regulate its functioning, the SB adopts its own internal regulation which in no case may be in conflict with the provisions contained in this Model adopted by the Company.

3.2 OdV REQUIREMENTS

The main requisites that the SB must possess in order to correctly direct its activity and pursue the exemption purpose referred to in the Decree are listed below.

In the first place, the action of the SB (which must be considered as a whole and not with reference to individual members) must be characterized by **functional autonomy and independence**, i.e. free from any form of interference and/or conditioning by any other function of the Company and, in particular, by the so-called 'executive body'.

The Company - also accepting the prevailing orientations on the point - has placed the SB in a 'hierarchical' position such as to allow it to 'report' directly to the Board of Directors and, therefore, to reduce the risk of interference.

The second element that must characterize the SB is **professionalism**. Its members, therefore, must be equipped with technical-professional skills suitable for carrying out the verification activities on the functioning and observance of the Model that have been entrusted to them.

Internally, the SB has adequate technical-professional skills to effectively carry out the functions assigned to it and has the right to avail itself, for the purposes of carrying out its duties and with budget autonomy, of consultants and personnel, including internal ones, equipped with the specific skills required.

The last element is constituted by the **continuity of action**, for which the SB must carry out its typical activity with constancy and capillarity.

Continuity of action is guaranteed by the fact that the SB works permanently within the Company to carry out the task assigned to it and that its members have effective and in-depth knowledge of company processes, being able to have immediate knowledge of any critical issues.

3.3 FUNCTIONS AND POWERS OF THE SB

As stated, the Decree attributes to the SB the '*task of supervising the functioning and observance of the models [and] of taking care of their updating*'.

In detail, therefore, the SB must:

- constantly monitor the exemption effectiveness of the Model, both in terms of adequacy of the principles, rules and procedures contained therein, and in terms of compliance with the same by its Recipients;
- promptly identify the need to update the Model, following changes in the corporate structure and organisation, the reference regulatory framework or other significant events;
- update the Board of Directors every six months on the outcome of the verification and control activities carried out
- promptly inform the Board of Directors where critical issues or problems that require intervention emerge (see more in detail § 3.4.).

In order to achieve the objectives described above, the SB:

1. plans and periodically carries out 'field' **checks aimed at ascertaining the concrete efficiency and effectiveness of the Model (so-called *Audit*)** and its Protocols, with reference to the various corporate functions and processes;

2. where it deems necessary, it proposes to the reference company units to **supplement and amend the aforementioned Protocols** so that they adequately regulate the performance of 'sensitive' activities;
3. in the event of discrepancies detected, identifies and prescribes the **corrective actions** to be undertaken by verifying - subsequently - that the Company Units involved have complied and reports to the Board of Directors any remaining critical issues and discrepancies;
4. identifies and initiates , with the support of the competent corporate functions, periodic information obligations (so-called information flows) for the corporate functions that operate in the context of Sensitive Activities ;
5. periodically verifies **the completeness and correctness of the mapping of Sensitive Activities** and, if necessary, adjust them.
6. checks, even randomly, **the existence and regular maintenance of the documentation** (ie contracts, accounting records, written procedures, agreements, etc.) required in accordance with the provisions of the individual special parts of the Model;
7. identifies and monitors the implementation of the periodic initiatives necessary for the **diffusion and knowledge of the Model** and identifies the contents of the **training of personnel** and all those who work on behalf of the Company;
8. verifies that the **system of existing authorization and signature powers is consistent** with the de facto existing organizational and management responsibilities and proposes, where necessary, their updating and/or modification;

In order to be able to carry out its activity effectively and without conditioning, the SB has the power to:

- a. access the Company's premises at any time and without notice;
- b. make use of all the Company's structures under one's own supervision and responsibility;
- c. access any corporate document and/or information relevant to the performance of its functions (ie minutes of the Board of Directors and of the Board of Statutory Auditors, results of inspections by third parties or Group Internal Audit; contracts, etc.);
- d. make use of the help and support of the Company's employees as well as resort to external consultants of proven professionalism in cases where this becomes necessary;
- e. delegate particularly complex tasks of a technical nature to the subjects referred to in the previous point, with the obligation to report them;
- f. request from the Parent Company evidence of the *audit activities carried out* at the Company;
- g. ensure that the managers of the corporate structures promptly provide the information, data and/or news requested from them;
- h. directly interview the personnel, directors and members of the Board of Statutory Auditors of the Company who can provide information, as well as request information from the Independent Auditors and third parties who provide consultancy or services to the Company (ie consultants, commercial *partners* , etc. .);
- i. give impetus to disciplinary/sanctioning proceedings or to liability actions by reporting the violations found to the Offices or company representatives;
- j. follow the progress of the procedures initiated, verifying the results in order to plan the next activity.

All the activities carried out by the SB (ie *audits* , exploratory interviews, etc.), with the exception of those having purely internal relevance, are subject to timely minutes.

The SB archives for a period of 10 (ten) years the minutes of each meeting held, of the reports received, of the information *reports* sent and of the results of the investigation and verification activity carried out in a special archive (computer and paper).

This archive is confidential and can only be accessed by members of the SB itself, the BoD and the Board of Statutory Auditors and any other subjects only if previously and formally delegated and authorized in writing by the SB itself. The same confidentiality treatment applies to the OdV's data contained on IT media.

Lastly, to guarantee the principle of autonomy and independence, the SB must have *budget* and expenditure autonomy in order to be able to carry out the activities functional to the pursuit of its objectives.

Consequently, the BoD is called upon to approve every year – on the proposal of the SB itself – an adequate endowment of financial resources.

In exceptional and urgent cases, however, the SB can commit resources that exceed its spending powers, with the authorization of the *Country Holding Officer*. This exceptional use of resources will subsequently be reported to the BoD in a written report.

3.4 REPORTING BY THE SB TO THE BoD

With regard to the *reporting activity* towards the corporate bodies, the SB is required to report, **on an ongoing basis** , to the Board of Directors regarding the implementation of the Model within the Company.

The SB sends the BoD a written report on the implementation of the Model in the Company every **six** months, containing, for the reference period:

1. the activity performed, especially that of verification;
2. the criticalities and problems that have emerged both in terms of relevant internal/behaviours and in terms of the effectiveness of the Model and the related proposals for action;
3. the reporting of any changes to the regulatory framework and/or corporate structure, which require an update of the Model;
4. the activities which could not be carried out and the reasons for the non-execution;
5. the sanctions applied by the Company, following the violation of the Model;

The SB also annually submits to the Board of Directors a 'Supervisory Plan' (hereinafter the 'Plan'), in which the areas of intervention are identified and specified as well as the verification activities to be carried out and the related expenditure forecast.

This Plan may be subject to modification during the year, but the SB is required to notify the BoD of the reasons which led to the modification.

On the basis of the Plan, the SB will prepare a calendar of activities, identifying the time intervals for carrying out the 'audit' activities and the time interval for sending and receiving information flows.

Outside of the activities planned in the Plan, the SB has the right to carry out additional and specific verification initiatives without notice (so-called unscheduled audits, especially following reports received).

Finally, the SB communicates **promptly** to the BoD any problems detected in the context of the supervisory activity carried out also in order to obtain from the BoD, where necessary, the adoption of urgent deeds.

In particular, the SB reports on:

1. any violation of the Model which has brought about urgent critical issues to be analysed;
2. organizational and/or procedural shortcomings which, if not remedied, lead to an increase to unacceptable levels of risk as assessed by the SB on the basis of the pre-existing structure;
3. regulatory changes that are particularly relevant for the implementation and effectiveness of the Model;
4. of collaboration by the corporate structures (in particular, refusal to provide the SB with the requested documentation or data, or obstacle to its activity);
5. the measures and/or news of crimes coming from judicial police bodies or from any other authority, from which it can be deduced that investigations are being carried out against the Recipients referred to in point 2.3 or also against unknown persons for the crimes referred to to the Decree;
6. the conduct and outcome of the aforementioned proceedings.

The SB, in turn, can be convened at any time by the Board of Directors and/or the Board of Statutory Auditors.

3.5 INFORMATION OBLIGATIONS OF THE OdV

The art. 6, co. 2 letter.b) of the Decree, establishes that there must be '*obligations to inform the SB*'.

This obligation is to be considered, in general, functional for periodically verifying the results of control procedures implemented by the individual corporate functions concerned or for detecting anomalies or atypical features.

The Company's SB is the recipient of the following two types of 'information flows' (hereinafter jointly also only "Information Flows"):

A) Periodic information flows

They are specifically considered in the special part of the Model (to which reference is made for specific contents) and are as follows:

- Sending of half-yearly reports on the environment, health and safety, by the Employers.
- Sending of Audit Reports put in place by other Control Bodies (ie DNV, CSC, CSQ) relevant for prevention purposes.
- Monthly submission, by the competent Human Resources Department (*HRBPs* and *HR Site Specialist*), disciplinary disputes and any measures taken against employees.
- Six-monthly sending of information relating to the request, obtaining and use of contributions, subsidies, loans or guarantees granted by public entities in the reference period.
- Sending of reports on participation in tenders/tender notices referring to training activities financed by external bodies and related reporting.
- Six-monthly sending of the final reports relating to information, training and verification of learning about the Model addressed to the Recipients of the same.
- Six-monthly sending of the list of sponsorships and donations made.
- Six-monthly submission of the situation of tax and customs disputes, including proceedings before tax commissions.

This information must be provided to the SB by the Managers of the corporate functions according to their area of competence,

B) Event-based information flows

The SB must receive any (possible) other news pertaining to the implementation of the Model, especially where it is believed that certain events may give rise to the Company's liability pursuant to the Decree. By way of example, the following can be identified:

- the provisions and/or news coming from the judicial authority or from any other authority (ie administrative, accounting, financial, etc.), from which the initiation and/or carrying out of investigations can be deduced - even against unknown persons - for the crimes or administrative offenses referred to in the Decree;
- requests for legal assistance forwarded by employees in the event of the initiation, against them, of a judicial proceeding for the crimes envisaged by the Decree;
- any deficiencies in the procedures in force and/or justified indications of the need to modify the Model or the Protocols;
- the news of the start of operations of particular importance or with risk profiles such as to lead to recognize the reasonable danger of committing crimes.
- the results of control activities carried out within the sphere of other corporate functions from which facts, acts, events or omissions with critical profiles have emerged with respect to compliance with the provisions of the Decree;
- notifications of requests for disbursements and/or use of public funding

The transmission of the information is requested within 5 working days from the date on which the event/fact occurred.

The regulation of the Information Flows to the SB in terms of frequency, transmission methods and responsibility for the transmission of the same are regulated in detail in a specific Procedure ("Management of the system of information flows to the Supervisory Body") approved by the Corporate Director , effectively disseminated according to the procedures set out in the Procedure itself.

The SB, within the scope of its autonomous powers of initiative and control, in application of the provisions of Model 231, can identify further information flows in order to acquire other information of its own interest, identifying the content, level of detail and frequency of the information and then requesting its activation from the competent corporate functions and suggesting the integration of the Procedure in question.

The Information Flows must be sent to *the em address* at odv231.electrolux-italia@electrolux.com or addressed to: 'Supervisory Body', c/o Electrolux Italia SpA, Corso Lino Zanussi n. 24 – 33080 Porcia PN.

3.6 REPORTING OF CRIMES OR VIOLATIONS OF THE MODEL

The Company guarantees that all recipients have access to one or more channels which allow them to submit, to protect the integrity of the entity, detailed reports of irregularities or offenses (hereinafter the "Reports of violations") and, among these, from:

- illicit conduct, presumed or actual, relevant pursuant to Legislative Decree 231/2001 and based on precise and consistent factual elements;

- alleged or actual violations of the Model or the Code of Conduct adopted by the Company.

All recipients of the Model can submit Reports of violations, if in good faith they believe there is unlawful conduct or violations of the Model or of the Code of Conduct of which they have become aware due to the functions performed.

Reporting a violation is understood to be made in good faith when it is detailed and made on the basis of reasonable conviction, based on precise and detailed factual elements.

To make and manage Reports of violations, the Company has set up two different alternative channels that the recipients are required to activate:

- **CHANNEL 1: dedicated PEC certified e-mail box Garanzia.Italia@electroluxpec.it** (preferential channel), to the address of the Supervisory Body of Electrolux Italia SpA Only the OdV can access this PEC box, which will take care to treat the Reports received with the utmost confidentiality to protect the identity of the whistleblower.
- **CHANNEL n.2: confidential letter**, sent to the Supervisory Body of Electrolux Italia SpA c/o the central post office in "Corso Lino Zanussi, 24 – 33080 Porcia (PN)"

To make and manage Reports of violations, the Company has established specific rules and a *whistleblowing process* in a specific procedure called "**Management of the reporting system (Whistleblowing)**".

The subject identified by the Company as responsible for managing the Reports of violations is the **SB**, which will have the task of receiving the Reports and investigating the issues that have arisen through the reporting channels, also by listening to the author of the Report and/or the manager of the alleged violation and also making use of the support of other corporate functions or external consultants.

The SB will evaluate the Reports of violations received with discretion and responsibility, also investigating by listening to the author of the report and/or the person responsible for the alleged violation. The SB will also promptly inform the Board of Directors regarding reports deemed founded and/or ascertained (please refer to the subject in paragraph 3.4 above).

The confidentiality of the identity of the whistleblower and of the information is ensured in any context following receipt of the Report of violation if made in good faith, without prejudice to legal obligations and the protection of the rights of the Company or of persons accused in bad faith.

Reports of violations can also be anonymous but must describe in detail the facts and people who are the subject of the report itself. Anonymous Infringement Reports that demonstrate the seriousness and credibility of the matter raised, as well as the likelihood that the fact is confirmed by reliable sources, will be considered. However, the Company recommends that they be nominative, in order to allow the subjects in charge of a more efficient investigation activity, applying the envisaged protections.

Any form of retaliation, discrimination or penalization for reasons connected, directly or indirectly, to the Report of violation is absolutely prohibited, without prejudice to the right of the assignees to protect themselves if the reporting party is ascertained to be liable of a criminal or civil nature related to the falsity of the declaration and without prejudice to legal obligations.

Even if the facts reported should turn out to be unfounded and/or inconsistent, on the basis of the assessments and investigations carried out, the reporting party who made the Report in good faith cannot be sanctioned.

In any case, reports of violations lacking any substantial element to support them (for example, because they report mere suspicions or rumours), excessively vague or poorly detailed or with evident defamatory or slanderous content will not be taken into consideration.

The following constitute disciplinary offenses which may be sanctioned in accordance with the provisions of paragraph 2.7 of the Model and the Disciplinary Code:

- The violation of the confidentiality obligations on the identity of the whistleblower ;
- The violation of the protection measures of the whistleblower and in particular the violation of the prohibition of retaliatory, discriminatory or penalizing acts for reasons connected, directly or indirectly, to the Report of violation;
- The making with willful misconduct or gross negligence of Reports that prove to be unfounded (in this case the evidence of the same procedure will be made available to the accused person, so that he can protect himself in the appropriate offices).

4. INTRODUCTION TO THE SPECIAL PART

As already highlighted in paragraph 2.4.2, pursuant to the provisions of art. 6, paragraph 1, lett. a) of the Decree, the Company proceeded to identify the Sensitive Activities (*Control and Risk Self Assessment*).

The Company has consequently identified and effectively implemented adequate safeguards in the control system in order to make it suitable for reducing the risk of committing crimes.

In particular, the Protocols constituting the Special Section of the Model include:

- the Sensitive Activities with reference to each of the categories of crime identified as relevant for the Company;
- for each Sensitive Activity, the control measures in place, aimed at or in any case suitable for reducing the risk of committing the predicate crimes. These controls are contained and implemented in the Procedures and other components of the internal control system.

A "Matrix of sensitive activities/protocols/crimes" was also developed to facilitate the association between each of the sensitive activities, the protocols governing them and the crimes abstractly relevant to these activities.

The Protocols are as follows:

- Protocol 01 *"Relations with the Public Administration, including inspection visits"*
- Protocol 02 *"Dispute management"*
- Protocol 03 *"Human resource management, including expense reports and related reimbursements"*
- Protocol 04 *"Procurement of goods and services, including the management of consultancy and professional services and procurement"*
- Protocol 05 *"Management of relations with certifying bodies"*
- Protocol 06 *"Management of gifts, donations, donations and sponsorships"*
- Protocol 07 *"Management of financial resources"*
- Protocol 08 *"Management of intragroup relations"*
- Protocol 09 *"Management of the financial statements (accounting of operations on share capital), relations with shareholders, the board of statutory auditors and auditors and taxation"*
- Protocol 10 *"Management of the research and development process"*
- Protocol 11 *"Management of IT systems"*
- Protocol 12 *"Management of health and safety in the workplace "*
- Protocol 13 *"Management of environmental obligations"*

5. ASSUMED OFFENSES RELEVANT TO THE COMPANY

In consideration of the structure and activities carried out by the Company, through the *Control and Risk Self Assessment activity*, the Company itself has identified the following categories of predicate offenses as relevant:

- 1. Crimes against the Public Administration** (articles 24 and 25 of the Decree)
- 2. IT crimes and unlawful data processing** (art. 24 *bis* of the Decree)
- 3. Organized crime offenses** (article 24 *ter* of the Decree)
- 4. Forgery of coins, public credit cards, revenue stamps and instruments or identification marks** (art. 25 *bis* of the Decree)
- 5. Crimes against industry and commerce** (art. 25 *bis* -1 , Decree 231)
- 6. Corporate crimes** (art. 25 *ter* , Decree 231);
- 7. Crimes against the individual** (art. 25 *quinquies* of the Decree);
- 8. Manslaughter or serious or very serious bodily harm committed in violation of occupational health and safety regulations** (art. 25 *septies* of the Decree);
- 9. Receipt, laundering and use of money, goods or utilities of illicit origin, as well as self-laundering** (article 25 - *octies* of the Decree);
- 10. Inducement not to make statements or to make false statements to the Judicial Authorities** (art. 25 *decies* of the Decree)
- 11. Environmental crimes** (art 25 *undecies* of the Decree)
- 12. Employment of illegally staying third-country nationals** (art . 25 *duodecies* of the Decree)
- 13. Tax crimes** (art . 25 *quinquesdecies* of the Decree)
- 14. Smuggling** (art. 25 *sexiesdecies*, of the Decree)

6. GENERAL CONTROL DEVICES

In the management of all Sensitive Activities, in addition to the provisions of the Code of Conduct, the following controls are applied:

- it is forbidden to engage in behaviour:
 - such as to integrate the types of crime considered above;
 - that, although they are such that they do not in themselves constitute types of crime included among those considered above, they could potentially become so;
 - however, not in line or not compliant with the principles and provisions contained in the Model, in the Code of Conduct;
- the management of Sensitive Activities must take place exclusively by the competent corporate Functions;
- Company employees must scrupulously comply with, and respect, any limits set forth in the organizational delegations or powers of attorney conferred by the Company itself;
- Company employees are required to comply with the corporate procedures applicable to Sensitive Activities, appropriately updated and disseminated within the organisation.