



Anti-Corruption Policy



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1. Introduction

Corruption is dishonest or fraudulent conduct by those in power, typically involving bribery. Bribery is the activity of offering, promising, giving, accepting, or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person's duties.

Avvale is fully committed to prevent and detect any behaviour or action that could represent or lead to a corruption activity.

To that end, the Anti-Corruption Policy supports our commitment to maintaining the highest standards of professional and ethical conduct.

This document was approved by the Board of Directors of Avvale S.p.A. by resolution of October 4th, 2023.

2. Legal references and legislation

The commitment of the Company and the Anti-Corruption Policy are supported by anti-corruption laws and legislations.

Notably, the Parent Company Avvale S.p.A. and the companies belonging to the Avvale Group are subject to Italian law and, in particular, to Legislative Decree 231/2001, which provides for a company's administrative liability for acts of corruption committed by its members.

This Policy applies to all employees, including directors, officers, independent contractors, and other persons subject to an employment-type relationship with Avvale as well as business partners acting on Avvale's behalf.

3. Ethics and transparency

In our commitment to fostering a culture of integrity and transparency, this Anti-Corruption Policy underscores the fundamental role that ethics and transparency play within our organization, highlighting



our unwavering dedication to upholding principles that guide our actions and decisions, ensuring that ethical values and transparency remain fundamental to our corporate identity.

In this context, our Ethical Code and this Policy serve the objective of providing guidance and governing the behaviour that directors and employees of Avvale as well as any third party engaged by the company – whether directly or indirectly, on a permanent or temporary basis – are obligated to adhere to while conducting its business.

Notably, the Ethical Code has the following purposes:

- Ensure that the economic activities will be conducted in accordance with the law;
- Spread the rule of law, within the company, including through the holding of information courses and/or training;
- Ensure that the implementation of all the company activities takes place in the name of transparency, fairness, integrity, professionalism, and rigour.

The conduct to be established and adopted within Avvale must be guided by the following principles and ethical values:

- Honesty and loyalty: to establish relations of trust and loyalty;
- Honesty and fairness: to establish relations without incurring despicable practices, such as, corruption, illegal favours, collusion;
- Impartiality and conflict of interest: the decision made on behalf of Avvale are taken in order to pursue the sole interest of the company and avoid that other interests could affect the ability to take decisions in the interest of Avvale;
- Transparency of account: every economic and financial transaction and operation must be recorded and be proven by proper documentation.

For further information refer to the Ethical Code: <https://www.avvale.com/ethics-and-transparency>



4. Roles and responsibilities

Each member of the Board of Directors, the executives and all employees are responsible to the extent of their competence for the establishment of adequate control systems and their proper effectiveness.

This Policy has been reviewed and approved by the Board of Directors of Avvale S.p.A.

The Board of Directors verifies the status of the Anti-Corruption System and achievement of the objectives of this Policy at least once a year.

The Head of Internal Audit and Compliance is in charge of supervising and guaranteeing the implementation and functioning of the Anti-Corruption System; it has been assigned authorities and sufficient powers to effectively perform those duties.

In this regard, the main duties of the Head of Internal Audit and Compliance are:

- Conducting the risk assessment, defining risk prevention control activities with respect to corruption offences;
- Updating activities of the Anti-Corruption System;
- Preparing on an a bi-annual basis a specific reporting to the Corporate Bodies;
- Facilitating the spread of the culture of prevention against corruption offences, in collaboration with the People Management and the Legal Dept. - as well as, in coordination with the Supervisory Body, in relation to legislative decree n. 231/01.
- Within its responsibility of third control level evaluation over the Internal Control System, conducts the internal audit activities foreseen by the Audit Plan.

5. Anti-Corruption risk assessment

The Policy arises from a complex set of internal controls procedures defined by Avvale in order to ensure the effectiveness of the Anti-Corruption System.

This paragraph in particular, outlines our measures to mitigate corruption risks associated with sensitive operations and transactions through the Anti-Corruption Risk Assessment activity.



In this sense, Avvale conducts a continuous risk assessment on the internal control system aimed at identifying the nature and extent of the bribery risk, in relation to the specific transactions or relationships and includes the collection of sufficient information to assess the bribery risk.

The main steps are as follows:

- **Map:** business operations and processes Mapping;
- **Red Flag:** assessment, identification, and prioritisation of key risk areas, with the support of relative key risk indicators where applicable;
- **Preventive controls:** identification of preventive control activities, policies and procedures;
- **Remediation plans:** analysis and identification of remediation plans, where required.

Internal Control System vs Anti-Corruption System

From the assessment of Avvale internal control system, here are the most pervasive prerogatives of our Anti-Corruption System:

- Adequate and consistent **division of responsibility**;
- **Clear** and precise definition of roles and responsibilities;
- **Efficient** as well as **traceable** registration of all actions and operations;
- Preparation of **specific information flows** where necessary.

Still in this regard, the sensitive business areas mostly interested due to the nature of our business are mainly as follows:

- Customers and Public Administration, especially with reference to bidding process and partnership initiatives;
- External partners and consultants, notably in terms of procurement process;

The relevant and sensitive initiatives are accordingly:

- Gift and Entertainment expenses;
- Donations and Sponsorship;



- Marketing development funds;
- Hospitality and Corporate events;
- Bidding procurement process;
- Recruitment and personnel management.

6. Informative Flow

Whistleblowing

Individuals, both within and outside of the company, who suspects or becomes aware of any action related to bribery, unlawful conduct or, in any case, conduct aimed at circumventing the provisions of the Model, the Code of Ethics and the Company's internal procedures, are required to submit an information note to be outlined in accordance with the Whistleblowing Policy.

For further information refer to the Whistleblowing Policy:

<https://www.avvale.com/ethics-and-transparency>

Continuous updating

Information flows are reported to the Head of Internal Audit and Compliance on the main sensitive processes.

In this sense, Avvale has also implemented a comprehensive information flow system, employing a Risk based methodology, with a particular emphasis on corruption-related offences whose main Red Flags are assessed and measured through specific Key Risk Indicators.

An information flow is defined accordingly, aiming at updating the Supervisory Body on a semestral basis, in adherence to the provisions arising by the Italian Legislative Decree No. 231/2001.

Specific Reporting (including both the mentioned information flow and what arising by the Whistleblowing information process), is prepared by the Head of Internal Audit and Compliance for the corporate bodies on a periodic basis (at least on a bi-annual basis).



7. Liability and sanctions

Violations of this Policy by any Avvale Personnel may result in disciplinary sanctions, encompassing but not limited to: written condemnation, termination of employment, monetary penalties, suspension of remuneration and/or services.

Any Third-Party Representatives who violate any principle of this document may face termination of contracts and business relations with Avvale.

8. Training and Disclosure

All existing employees receive regular, relevant training on how to implement and adhere to this Policy.

Training on this Policy forms part of the induction process for all new employees - with relation to the legislative decree n. 231/01.

All managers shall be responsible for the enforcement of and compliance with this Policy, including the necessary distribution to insure employee knowledge and compliance.

This Policy must be communicated to all suppliers, contractors, and business partners at the outset of our business relationship with them.

