

/ MADE BLACK

# ORGANIZATION, MANAGEMENT AND CONTROL MODEL

MADE BLACK Srl.

Pursuant to art. 6 of Legislative Decree 231/01

## Revisions

Rev.	Nature of the review	Board resolution date
0	First issue	26.05.2022

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**1. DEFINITIONS**

Made Black (or the Company)	It indicates the company Made Black Srl
Decree	indicates the Legislative Decree 8 June 2001 n. 231;
Recipients	indicates all subjects required to comply with the provisions contained in the Model, in particular: all those who work in the name and on behalf of Made Black Srl, including directors, auditors, members of any other corporate bodies, employees, collaborators even occasional, commercial partners, suppliers, as well as members of the Supervisory Body.
Entities or Entities	pursuant to art. 1 of the Decree, indicates the entities with legal personality, companies and associations even without legal personality to which the provisions of the Decree apply and in particular the administrative liability introduced by the same;
Guidelines	indicates the Guidelines for the construction of the organization, management and control models pursuant to Legislative Decree 231/2001 published by Confindustria in the most recent revision (June 2021);
Template	indicates the organization, management and control model envisaged by the Decree;
Crimes Assumption	indicates the crimes for which the Decree introduced the administrative liability of the Entity. in particular, these are the types of offenses identified in Articles 24 and 25 et seq. of the Decree;
Consolidated Health and Safety Act	indicates the Legislative Decree 9 April 2008 n. 81. (the so-called Consolidated Law on the protection of health and safety in the workplace) and subsequent amendments and additions
TUF	indicates the Legislative Decree February 24, 1998 n. 58, Consolidated Law on financial intermediation and subsequent amendments and additions
Whistleblowing	reporting by employees of any irregularities or violations of applicable legislation and internal procedures

## 2 . INTRODUCTION

### 2.1 The administrative liability regime of the Bodies

The adaptation of Italian legislation to some international conventions has led, in execution of the delegated law of 29 September 2000 n. 300, to the promulgation of Legislative Decree 8 June 2001 n. 231, which entered into force on July 4, 2001, " *Discipline of the administrative liability of legal persons, companies and associations, including those without legal personality*".

The Decree introduced in the Italian legal system the regime of administrative liability of Entities for certain crimes (indicated by articles 24 and following of the Decree, the so-called Prerequisite Offenses) committed, or simply attempted, in the interest or to the advantage of the same Entities, or one of their organizational units with financial and functional autonomy, by:

(i) subjects who have the representation, administration or management or, even de facto, exercise the management or control of the Entity or one of its organized units (the top management pursuant to Article 5 of the Decree, paragraph 1, letter a);

(ii) subjects subject to the management or supervision of the subjects referred to in letter (i) above (subjects subject to the management of others pursuant to Article 5 of the Decree, first paragraph, letter b).

The administrative responsibility of the Entity is direct and distinct from the responsibility of the material perpetrator of the crime and is aimed at sanctioning the Entities for crimes committed for their benefit or in their interest.

By virtue of the liability introduced by the Decree, the Entity therefore undergoes an autonomous procedure and is subject to sanctions that can go so far as to block ordinary business activities.

In fact, in addition to the pecuniary sanctions, the possible confiscation and the publication of the sentence, the Decree provides that the Entity may also be subjected to disqualification sanctions (Article 9, second paragraph), such as:

- disqualification from exercising the activity;
- the suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
- the ban on contracting with the Public Administration, except to obtain the performance of a public service;
- exclusion from concessions, loans, contributions or subsidies, and the possible revocation of those already granted;
- a ban on advertising goods and services.

Based on the provisions of art. 4, Entities with their head office in Italy may also be prosecuted for crimes committed abroad, if the legislation of the foreign country does not provide for a similar form of liability.

The administrative responsibility of the Entity is based on an " *organizational fault*": the Entity is held, that is, administratively responsible for the crime committed by its representative, if it has failed to provide itself with an organization capable of effectively preventing its execution and, in particular, if it has failed to equip itself with an internal control system and adequate procedures for carrying out the activities at greater risk of committing the offenses envisaged by the Decree.

On the contrary, pursuant to art. 5 paragraph 2 of the Decree, the Entity is not liable if the aforementioned persons have acted in their own exclusive interest or that of third parties.

The processes through which to adopt a similar organization and internal control system are indicated in Articles 6 and 7 of the Decree, namely:

- the approval, adoption, and effective implementation, prior to the commission of a crime, of a Model suitable for preventing the commission of the Prerequisite Crimes envisaged by the Decree. In general, and in a nutshell, the Model is considered "suitable" when the subjects who committed the crime have acted deliberately and fraudulently in order to circumvent the relative safeguards put in place by the Model itself;
- the creation of an internal Supervisory Body, with autonomous powers of initiative and control, delegated (i) to control the effective functioning of the Model and compliance with the provisions contained therein by all recipients; (ii) the constant verification of the actual preventive effectiveness of the Model; and (iii) its updating.

The Model, based on the provisions of the Decree, with reference to the delegated powers and the possible risk of committing crimes, must also:

- identify the activities in which crimes may be committed;
- provide for specific controls aimed at planning the formation and implementation of the Entity's decisions in relation to the crimes to be prevented;

- identify methods for managing financial resources suitable for preventing the commission of offenses;
- provide for information obligations towards the Supervisory Body;
- introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model.

The adoption of the Model, even if not mandatory, but purely optional, has an exemption effect for the purposes of administrative liability only if accompanied by the effective and concrete implementation of the Model itself and its constant updating and adaptation.

The Judge of the criminal proceedings, in fact, is called upon to assess, in the context of the procedure aimed at verifying the administrative responsibility of the Entity, the suitability of the Model to prevent the commission of crimes, and its concrete application and effectiveness.

## 2.2 History, activities and governance of Made Black

Made Black is a company that provides third party processing on metal, plastic, rubber and leather parts for clothing, footwear and leather goods, for the most important international fashion houses.

The company is characterized by a very high quality standard and offers its customers not only the creation of products, but also and above all creative partnership services and after sales support, all over the world.

The company has AMFSpA as its sole shareholder and is governed by a Board of Directors currently made up of no. 5 advisers.

All the powers delegated by the Board are attributed to the Chief Executive Officer

The company has appointed a Board of Statutory Auditors, made up of no. 3 standing auditors and no. 2 alternates and the independent auditing firm Deloitte & Touche SpA is appointed

From an organizational / management point of view, the company has implemented and certified the following management systems:

ISO 9001: 2015 - Quality Management System

ISO 14001: 2015 - Environmental Management System

ISO 45001: 2018 - Management System for Health and Safety in the workplace

All systems are certified by the International Det Norske Veritas.

### 2.2.1 Summary of the main company data:

<b>Company name</b>	Made Black Srl .
<b>Company form:</b>	Limited Liability Company
<b>Share capital</b>	20,000.00 euros
<b>Legal and operative site</b>	Via della Castrina , 20/22 - 24060 Chiuduno (BG)
<b>Phone</b>	+ 39 035 449 6440
<b>Tax Code and VAT number</b>	02424010169
<b>REA</b>	BG - 288004

### 3 . ORGANIZATION AND MANAGEMENT MODEL

#### 3.1 Function of the Model

The Model aims to put in place a structured system of protocols and procedures, together with a series of control and verification activities, suitable for preventing, or at least reducing, the risk of the Predicate Offenses being committed by the Recipients. of the Model.

The Model has, among other things, the purpose of:

- reiterate that these forms of unlawful behavior are strongly condemned by Made Black as they are contrary not only to the provisions of the law but also to the ethical and social principles which Made Black inspires in carrying out its business activities;
- to allow Made Black, thanks to an action to identify the areas of activity in which the crimes may be committed, and to the implementation of the procedures, to intervene promptly to prevent or in any case combat the commission of crimes.

It follows that the qualifying aspects of the Model are, in addition to what is highlighted above:

- the awareness and training of all Recipients of the behavioral provisions and procedures aimed at guaranteeing compliance with the Model;
- the mapping of Made Black's areas of activity in relation to which the Predicate Offenses may be committed;
- the endowment and attribution to the Made Black Supervisory Body of specific autonomous powers of initiative and supervision on the effectiveness and proper functioning of the Model;
- the control and documentation of operations at risk;
- compliance with the principle of separation of functions;
- the definition of authorization powers consistent with the responsibilities assigned;
- verifying the corporate conduct of the Recipients, as well as the functioning and updating of the Model.

#### 3.2 Structure of the Model

The Model is made up of a "General Part" and several "Special Parts", drawn up in relation to the types of Crimes, a prerequisite for which Made Black has deemed that there is a risk of commission by the Recipients by virtue of the Activity of the same turning point.

Made Black has also adopted a Code of Ethics, in which the company has formalized the principles which inspire the exercise of its business activity.

As regards the prevention of the crimes referred to in Legislative Decree 231/01, the original text of the Decree limited itself to identifying, as Prerequisite Offenses, some crimes against the Public Administration and others against assets through fraud (articles 24 and 25). Subsequent legislative interventions have expanded the number of Prerequisite Offenses for which the administrative liability of the Entity can be configured, which has therefore been gradually extended to the following cases:

- IT crimes (art. 24- *bis* );
- Organized crime offenses (art. 24- *ter* );
- Counterfeiting of coins, public credit cards and revenue stamps (art. 25- *bis* );
- Crimes against industry and commerce (art. 25- *bis.1* );
- Corporate crimes and corruption between private individuals (art. 25- *ter* );
- Crimes having the purpose of terrorism or subversion of the democratic order, as well as the practices of mutilation of female genital organs (art. 25 - *quater* and 25 -*quater.1* );
- Crimes against the individual (art. 25- *quinquies* );
- Crimes of abuse of privileged information and market manipulation (Article 25- *sexies* );
- Crimes of manslaughter and serious and very serious personal injury committed in violation of the rules on the protection of health or safety in the workplace (Article 25- *septies* );
- Crimes of money laundering, receiving stolen goods and use of money, goods or utilities of illicit origin as well as self-laundering (art. 25- *octies* );
- Crimes relating to payment instruments other than cash (Article 25 -*octies.1* );
- Offenses relating to copyright infringement (Article 25- *novies* );

- Offenses against judicial activity (art. 25- *decies* );
- Environmental crimes (art. 25 -*undecies* );
- Employment of citizens of Third Countries whose stay is irregular (art. 25- *duodecies* );
- Racism and xenophobia (art. 25- *terdecies* );
- Fraud in sports competitions, illegal gambling or betting and gambling carried out by means of prohibited devices (art. 25- *quaterdecies* );
- Tax offenses (art. 25- *quinquiesdecies* );
- Smuggling (Article 25 -*sexiesdecies* ).

To define which of the aforementioned offenses could concern, even potentially, the company and for which it is therefore necessary to implement a preventive work, a preliminary Assessment and Gap Analysis mapping of processes and risks with the collaboration of a consultancy company expert in the field and specifically appointed.

If the list of offenses envisaged in Legislative Decree 231/01 should undergo modifications and / or additions, the Board of Directors of Made Black, also at the request of the Supervisory Body, must adopt specific resolutions to integrate the Model with the inclusion of new *Special Sections* relating to crimes which, as a result of further legislative interventions, should expand the scope of the administrative liability of the Entity.

### 3.3 General Part

According to the provisions of art. 6, paragraph 3, of the Decree (and according to the aforementioned Guidelines), the General Part of the Model must aim at three fundamental purposes:

#### *I) Identification of the Company Activities in which the Crimes may be committed: mapping of the risks*

The art. 6, paragraph 2, lett. a) of the Decree requires first of all that the Model provides for the so-called risk mapping: it is therefore necessary to analyze the overall activity carried out by Made Black and to identify the operational or decision-making phases that involve the risk of commission of the Predicate Offenses.

Given the legislative interventions that have led to a progressive extension of the Predicate Offenses, and also given the changes that can affect both the corporate structure of Made Black and its activities, the mapping of risks can never be said to be definitive and unchangeable, but, on the contrary, it must be subjected to continuous control and revision activity and must likewise be constantly updated.

Made Black, with the support of the Supervisory Body, will therefore review and integrate, where necessary, the risk mapping whenever this is necessary due to further legislative interventions, changes to Made Black's corporate structure, or even if only in consideration of changes in the circumstances and / or the ways in which Made Black carries out its business activity.

#### *II) Articulation of a preventive control system*

Pursuant to art. 6, paragraph 2 letter. b) of the Decree, once the risk mapping has been completed, specific protocols must be provided to plan the formation and implementation of the Entity's decisions in the identified risk areas.

To this end, the specific measures defined (also with reference to expressly specified internal procedures) capable of preventing or in any case strongly reducing the risk of committing crimes are indicated in the individual *Special Sections* of this Model.

In addition to these procedures, which have a preventive purpose, the Supervisory Body is expressly recognized the power / duty to carry out a posteriori checks on individual operations or individual corporate conduct.

Like the mapping of risks, the procedures and remedies adopted can never be said to be definitive: their effectiveness and completeness must, on the contrary, be subject to continuous re-evaluation by the company and the Supervisory Body, which also has the task primarily to propose to the Board of Directors the improvements, additions and changes that it deems necessary from time to time.

#### *III) Designation of the Supervisory Body.*

The third purpose of the General Part is the identification of a Supervisory Body which, on the basis of the Decree:

- constant monitoring of compliance with the provisions of the Model, as well as with the specific provisions and procedures set up to implement it, by all Recipients;
- the constant and continuous assessment of the adequacy of the risk mapping and of the procedures described in points I) and II);
- the proposal to the Board of Directors of all the necessary changes.

The Supervisory Body is single or collegial, internal to Made Black, but completely autonomous and independent, as better specified in point 4 of this Model.

### 3.4 Special Parts

This Model is divided, in addition to the General Part as described above, also of some Special Parts each dedicated to a specific category of Predicate Offenses, for which, on the basis of the risk mapping carried out pursuant to the Decree, Made Black it considered that there was a risk of commission within it.

Each Special Section, in addition to the description of the criminal offenses examined, contains the identification of the corporate areas considered particularly at risk, as well as a precise indication of the procedures adopted to avoid or at least reduce the commission of the offenses.

The following cases will therefore be examined in the following Special Sections:

- i) Crimes against the Public Administration (Special Section "A");
- ii) IT crimes and unlawful data processing as well as copyright crimes (Special Section "B");
- iii) Crimes against industry and trade (Special Section "C");
- iv) Corporate and private corruption crimes (Special Section "D");
- v) Manslaughter and serious or very serious negligent injuries, committed in violation of accident prevention regulations, on the protection of hygiene and health in the workplace (Special Section "E");
- vi) Environmental Crimes (Special Section "F")
- vii) Tax offenses (Special Section "G")

Following the outcome of the risk mapping carried out in this year 2021, Made Black decided not to include in this Model the additional types of offenses for which, in any case, the administrative liability of the Entity is envisaged - in consideration of the fact that, in based on the results of the analysis, there are no real and concrete / significant risks of committing these offenses, taking into account the specific business activities carried out by the Company.

### 3.5 The implementation of the Decree by Made Black

In light of the desire to operate in a transparent and correct manner, also to safeguard its corporate reputation, as well as its shareholders, directors, and employees, Made Black has deemed it appropriate, and in line with its corporate philosophy, to proceed with the adoption and the implementation of this Model, and its subsequent constant updating. The Model also has the purpose of raising the awareness of all Recipients, in order to guide their operations to principles of correctness and transparency and, at the same time, to avoid and prevent any risk of commission of crimes within the company activities.

The Model was prepared by Made Black with reference to its specific organization, size and structure, the provisions and rules of the Decree, the relevant jurisprudential rulings, as well as the Guidelines drawn up by the trade associations and, in particular, those drawn up by Confindustria (in the latest version, published in June 2021).

This Model was adopted by the Board of Directors of Made Black Srl with a specific resolution.

Furthermore, the Board of Directors has appointed the Supervisory Body, currently composed of no. 2 members and with autonomous powers, with duties of supervision, control and initiative in relation to the Model itself and in particular its concrete application, respect and updating.

### 3.6 Risk mapping

As already mentioned above, on the basis of the provisions of the Decree and the indications provided by the Guidelines, Made Black has mapped the risks, identifying, within its own company, the areas that are particularly at the risk of commission of any of the Prerequisite Offenses.

Here, the methodology used for risk mapping will be briefly illustrated.

Made Black first proceeded to analyze the constituent elements of the Predicate Offenses, in order to identify and define the concrete conduct that, within the company activities, could carry out the various criminal offenses.

Secondly, Made Black proceeded with the analysis of the company reality, in order to identify the areas and sectors most at risk. The identification of these risk areas was carried out with the support of the external consultants of the company IURE CONSULTING Srl of Modena, experts in the field of Legislative Decree 231/01 and specifically appointed for the purpose of analyzing the reality of Made Black on the basis of interviews with Directors, Process Managers and the analysis of some sample documents among those used for the management of company activities.



Made Black then proceeded to draft, within the risk areas identified during the initial evaluation analysis, the procedures and protocols deemed appropriate in order to ensure the adequacy and efficiency of the model in relation to the provisions of the Decree . The results of the aforementioned risk mapping activities will be described in detail in the individual Special Sections, where the procedures and measures prepared by Made Black will also be illustrated in order to avoid or in any case minimize the risk of committing Predicate Offenses.

### **3.7 Recipients of the Model**

Recipients of the rules and provisions contained in this Model, and therefore required to fully comply with it, are, in general, all those who work in the name and on behalf of Made Black, including directors, members of any other bodies employees, even occasional collaborators, commercial partners, suppliers, and members of the Supervisory Body.

## 4 . SUPERVISORY BODY

### 4.1 Identification of the Supervisory Body

The Made Black Supervisory Body is an internal body with autonomous powers of initiative and control with the task of supervising the functioning and observance of the Model and providing for its updating.

The Made Black Supervisory Body can be either single-person or collegial with a composition of up to 3 members, to be chosen from individuals with proven competence and professionalism, who, at the first meeting, will adopt a specific regulation for the functioning of the same.

The Supervisory Body is appointed by Made Black's Board of Directors and remains in office for the duration indicated at the time of appointment, or failing this term for three years. Subsequently, in the event that another Supervisory Body is not promptly appointed, the appointed Supervisory Body remains in office until the date of revocation or new appointment by the Board of Directors. Its members can hold the office for several mandates, with no limit of mandates.

Causes of ineligibility or revocation as members of the Supervisory Body are:

- i) the sentence, even with a non-definitive sentence or application of the penalty at the request of the parties, for crimes punished by way of willful misconduct, with the exclusion therefore of culpable crimes, except those provided for and punished by articles 589 and 590 paragraph 3 of the criminal code, committed in violation of the accident prevention regulations and the protection of hygiene and health in the workplace, as well as the fines that involve the application of an ancillary penalty pursuant to art. 19 of the Criminal Code, or provided for by specific provisions of the law;
- ii) in any case, any sentence, even if not definitive, involving the application of an ancillary penalty pursuant to art. 19 of the Italian Criminal Code or provided for by specific legal provisions;
- iii) the application of a personal or patrimonial security measure, the application of a personal or patrimonial prevention measure or the application of a personal or patrimonial anti-mafia prevention measure;
- iv) the declaration of disqualification or disability pursuant to the Civil Code , as well as the conflict of interest with Made Black.

The application of a personal precautionary measure (precautionary custody in prison or in a medical center, house arrest, prohibition and obligation to stay, obligation to report to the Judicial Police, ban on expatriation) and the application of a disqualifying measure (suspension from the exercise of a public office or service, temporary ban on exercising certain professional and entrepreneurial activities).

The provisions of the Civil Code on the subject of mandate will apply to the Supervisory Body and its members.

### 4.2 Prerogatives and resources of the Supervisory Body

The Supervisory Body may avail itself of the collaboration of persons belonging to the various company activities, if their specific knowledge and skills are necessary for particular analyzes, and for the evaluation of specific operational and decision-making steps of Made Black's activity.

In any case, the Supervisory Body will have the right, where the need arises to make use of professionals not present within it, or in any case in the Made Black organization chart, to use the advice of external professionals.

The Supervisory Body, at the beginning of its mandate, and subsequently on an annual basis, may present to the Board of Made Black's Board of Directors a request for an annual expenditure budget to be paid by Made Black itself and in particular:

- the Supervisory Body will submit to the Board of Directors the request for availability of the amount corresponding to the annual budget with sufficient detail of the expenses and costs to be incurred for the correct fulfillment of the mandate;
- The Board of Directors cannot reasonably refuse to provide for the disbursement of this amount, it being understood that the Supervisory Body may use it, independently and without the obligation of prior authorization, for the purposes set out in this Model;
- this amount must cover the expenses that, according to estimates, the Supervisory Body will have to incur in the exercise of its functions (it being understood that any costs relating to human or material resources made available by Made Black are not part of the budget) ;

If, due to extraordinary events or circumstances (i.e. outside the ordinary performance of the Supervisory Body's activity), it becomes necessary for the Supervisory Body to have additional sums available to the amount indicated above, the Chairman of the Supervisory Body must formulate a reasoned request to the Board of Directors of Made Black indicating in reasonable detail the reasons and facts underlying this request. The request for additional funds cannot be rejected by the Board of Directors without well-founded reason.

### 4.3 Functions and powers of the Supervisory Body

The Made Black Supervisory Body is entrusted with the task of:

- supervise the observance of the provisions of the Model and of the documents connected to it by the Recipients, taking all necessary initiatives;
- monitor the real effectiveness, efficiency and effective capacity of the provisions of the Model, in relation to the corporate structure, to prevent the commission of the Prerequisite Offenses;
- constitute the reference for employees, managers, directors and collaborators who, in compliance with the obligations set out in the Code of Ethics and the legislation on whistleblowing, wish to report any relevant information relating to the violation of the model pursuant to Legislative Decree 231/01 and unlawful conduct suffered or carried out by other subjects internal or external to the company;
- ensure the protection of any whistleblowers of crime situations and / or unlawful conduct in relation to their confidentiality and protection from retaliation of any kind (who can then direct their reports to the mailbox of the Supervisory Body).
- verify the opportunity to update and adapt the procedures governed by the Model, formulating the appropriate relative proposals to the Board of Directors;
- report the ascertained violations of the Model to the Board of Directors so that it can take the consequent measures.

Without prejudice to the obligation to supervise compliance with the Model and the procedures indicated therein attributed to the Supervisory Body, its work cannot be reviewed by the Board of Directors, except for reasons relating to non-fulfillment of the mandate conferred.

In particular, the Made Black Supervisory Body will achieve the aforementioned purposes through:

- the reconnaissance of company activities, for the purpose of periodic verification of the implementation of the provisions of the Model as well as for updating the mapping of risk areas within the company context;
- the request for periodic or specific information from individual company functions in relation to the activities considered at risk. The information requested by the Supervisory Body must be promptly provided by the functions involved without omissions or alterations of any kind to ensure the Body itself has a certain and concrete view of the activities being monitored; to this end it is also specified that the Supervisory Body must constantly receive information on the evolution of the risk areas, and has free access to all the related company documentation.
- coordination with the other company functions (also through specific meetings) for the better monitoring of the activities in the areas identified at risk of committing the predicate offenses;
- coordination with the heads of corporate functions for the various aspects relating to the implementation of the Model;
- the control of the effective presence and regular keeping of the required documentation in compliance with the provisions of the individual Special Parts of the Model for the various types of offenses;
- any other checks, both periodic and targeted, on the actual performance of individual operations, procedures or activities within Made Black that are deemed appropriate;
- Furthermore, the Supervisory Body will:
  - verify the adequacy of the existing regulations in relation to any transformations, modifications and enlargements of the company activity;
  - report to the Board of Directors any shortcomings in the Model and the related proposed changes or improvements.
  - consequently take care of updating the rules of conduct of the individual Special Sections;

- verify the validity of the standard clauses aimed at the implementation of sanction mechanisms (e.g. those for the termination of contracts with regard to commercial partners, collaborators or suppliers), if violations of the provisions of the Decree are ascertained;

the Supervisory Body must prepare an information report for the Board of Directors, at least once a year.

Finally, and in accordance with the provisions of art. to art. 6, paragraph 1 letter. b) of the Decree, the tasks of monitoring and updating the Model assigned to the Supervisory Body of the Model are divided into three different types of checks:

- *checks on documents*: the Supervisory Body will periodically check the main corporate documents and any significant contracts concluded by Made Black in the risk areas;
- *checks on procedures*: the Supervisory Body will periodically check the effective implementation of this Model;
- *checks on reports and measures*: the Supervisory Body will examine each report received during the year, the actions taken in this regard, the events and episodes considered most risky, as well as the effectiveness of the knowledge among all Recipients of the content of the Model and offenses for which the administrative liability of the entity is envisaged.

The Supervisory Body must give an account of the results of this verification activity, albeit briefly, in the report prepared annually by the Supervisory Body for the Board of Directors and the Board of Statutory Auditors.

## 5 . INTERNAL INFORMATION FLOWS

### 5.1 Communications and reports to the Supervisory Body

It is possible to contact the Made Black Supervisory Body in 3 ways:

- Personal contact with one of the members and possible joint drafting of a document directed to the Supervisory Body
- [organismodivigilanza@madeblack.tech](mailto:organismodivigilanza@madeblack.tech) inbox
- written reports, possibly anonymously, in a sealed envelope sent to the address: Supervisory Board, Via della Castrina , 20/22 - 24060 Chiuduno (BG).

The supervisory body is required to conduct internal investigations following reports of any violations of this Model and, if they are considered serious and well-founded, to formulate non-binding opinions on the type and extent of the interventions to be adopted as well as on the possible sanctions in towards those responsible. The implementation of the interventions and possible sanctions are the responsibility of the Board of Directors which decides the extent, taking into account the opinions and indications of the Supervisory Body. In accordance with the provisions of art. 6-bis of the Legislative Decree 231/01, the Supervisory Body is required to guarantee against any form of retaliation, discrimination or penalization any reporting in good faith, also in accordance with the provisions on whistleblowing pursuant to art. 6-bis of the Legislative Decree 231/01 (in this regard, see also the following paragraph 6)

### 5.2 Information obligations towards the Supervisory Body

In addition to the documentation expressly indicated by each individual Special Part of the Model according to the procedures contained therein, any other information relating to the implementation of the Model in the risk areas, as well as that relating to any violations of the provisions of the Model itself.

On a quarterly basis, the first level managers of the company organization chart must send the Supervisory Body a communication by e-mail in which:

- 1- the application and substantial compliance with the provisions of the Organizational, Management and Control Model in the quarter to be communicated are declared
- 2- any violations found within the scope of the functions or processes pertaining to the provisions of the Model and / or the Code of Ethics are communicated or, alternatively, the absence of violations found with respect to the provisions of the Model and / or the Code of Ethics is declared
- 3- The information pertaining to the function, provided for by the applicable Special Sections of the Model, is transmitted.

All information regarding the following areas must always be communicated to the Supervisory Body:

- news relating to the effective implementation, at all company levels, of the Model;
- any decisions relating to the request, disbursement and use of public funding;
- any disciplinary proceedings initiated and consequent sanctions imposed or archiving measures of such proceedings with related reasons;
- any injuries and accidents at work that can be considered serious or very serious (indicatively with an initial prognosis of more than 40 days)
- any corporate transactions such as acquisitions, demergers and mergers, sales of companies or company branches and the like.
- any results and conclusions of committees of inquiry or other internal reports from which hypotheses of responsibility for the Predicate Offenses emerge;
- any changes relating to the appointments of the Directors and, more generally, of the top management of the company.
- any requests for legal assistance made by employees (including managers) against which the judiciary proceeds for any of the Predicate Offenses;
- any information on provisions and / or news coming from the Judiciary and the Judicial Police bodies or from any other authority, from which investigations have been carried out, even against unknown persons, for facts in which the company activities of MADE are potentially affected BLACK Srl;

The Board of Directors is required to give full information to the Supervisory Body on matters falling within the competence of the Supervisory Body itself.

In order to allow the Supervisory Body to effectively fulfill the tasks entrusted to it, Made Black guarantees all Recipients of the Model, as well as any third parties, the right to report to this body any illegal, anomaly or suspicious activity, in relation to the commission or risk of commission of one of the Predicate Offenses, of which they have become aware for any reason.

To all those who send communications or reports to the Supervisory Body Made Black expressly guarantees the exclusion of any form of retaliation, discrimination or penalization, and in any case ensures the confidentiality of the identity of the whistleblower.

All company employees therefore have the right, as well as the duty, to communicate, in writing, any information relating to possible internal anomalies or illegal activities.

The Supervisory Body may also receive and evaluate reports and communications, in the same way written, from outside the company.

The Supervisory Body may request any kind of information and / or documentation, useful for the assessments and controls entrusted to it, to the Board of Directors and to the employees, requiring the persons indicated to comply with the utmost care, completeness and promptness with any request from the Supervisory Body.

The Made Black Supervisory Body must receive from the Board of Directors detailed information on any changes to the powers defined and the delegated powers.

The Supervisory Body verifies and analyzes the information and communications received and the measures to be implemented; once implemented, the measures must be in line with and conform to the provisions dictated by the disciplinary system of this Model.

The Supervisory Body may request the Board of Directors to issue disciplinary sanctions against those who evade the information obligations.

The Supervisory Body will communicate to the Board of Directors for its own decisions if, following the outcome of the investigations carried out on the communications and reports received, they were drawn up with willful misconduct or gross negligence aimed at harming the company, its directors, managers and employees.

### **5.3 Information obligations of the Supervisory Body towards corporate bodies**

The Supervisory Body is bound to specific disclosure obligations towards the Board of Directors.

The Supervisory Body will also have the specific obligation to provide timely information on any changes, additions or updates that may affect the Decree. The Supervisory Body also has the duty to notify the Board of Directors of any violation ascertained in the performance of its business.

The Made Black Supervisory Body may be convened at any time by the Board of Directors or may in turn request to be heard by it, to report on the functioning of the Model or on specific situations.

Furthermore, annually, as already defined above, the Supervisory Body sends the Board of Directors a written report on the implementation of the Model.

### **5.4 Collection and storage of information**

The information and *reports* prepared or received on the basis of the Decree must be kept by the Supervisory Body in a specific electronic or paper archive which, subject to the written authorization of the Supervisory Body itself, may be made accessible to external parties on the basis of procedures to be outlined by the Supervisory Body itself.

This documentation will obviously be available to the Supervisory Body and to anyone who has an interest in viewing it.

## 6. WHISTLEBLOWING

With the Law n. 179 of 2017 (GU General Series n. 291 of 14-12-2017), containing "Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship", the Legislator has made changes to article 6 of Legislative Decree 231/01 by providing that the Organization, Management and Control Model must provide for:

- a) one or more channels that allow people who hold representative, administrative or management functions of the entity or one of its organizational units with financial and functional autonomy as well as people who exercise, even de facto, the management and control of the itself or by persons subject to their management or supervision, to submit, in order to protect the integrity of the entity, detailed reports of illegal conduct, relevant pursuant to this decree and based on precise and consistent factual elements, or violations of the model organization and management of the entity, of which they have become aware due to the functions performed; these channels must guarantee the confidentiality of the identity of the whistleblower in the management of the report;
- b) at least one alternative reporting channel suitable for guaranteeing, with IT methods, the confidentiality of the whistleblower's identity;
- c) the prohibition of retaliation or discriminatory acts, direct or indirect, against the whistleblower for reasons connected, directly or indirectly, to the report;
- d) in the disciplinary system adopted pursuant to paragraph 2, letter e), sanctions against those who violate the protection measures of the whistleblower, as well as those who make reports with willful misconduct or gross negligence that turn out to be unfounded.

It also provided that the adoption of discriminatory measures against the subjects who make the above reports can be reported to the National Labor Inspectorate, for the measures within its competence, as well as by the whistleblower, also by the trade union organization indicated by the same.

The retaliatory or discriminatory dismissal of the reporting subject is void. The change of duties pursuant to article 2103 of the civil code, as well as any other retaliatory or discriminatory measure adopted against the whistleblower are also null and void. It is the responsibility of the employer, in the event of disputes related to the imposition of disciplinary sanctions, or to demotion, dismissal, transfer, or subjecting the whistleblower to other organizational measures having negative, direct or indirect effects, on the working conditions, subsequent to the presentation. of the report, demonstrate that such measures are based on reasons unrelated to the report itself.

*Whistleblowing* reports can come from people inside the company (e.g. employees) or external (e.g. suppliers, customers and third parties in general). They can be forwarded and received by the Supervisory Body in the manner indicated in paragraph 5.1 above, that is:

- Personal contact with one of the members and possible joint drafting of a document directed to the Supervisory Body
- E-mail communications to [organismodivigilanza@madeblack.tech](mailto:organismodivigilanza@madeblack.tech)
- written reports, possibly anonymously, in a sealed envelope sent to the address: Supervisory Board c / o MADE BLACK Srl, Via della Castrina, 20/22 - 24060 Chiuduno (BG).

Each report is analyzed by the Supervisory Body which assesses its reliability (in particular for anonymous reports) and following the assessments carried out, it proceeds at its sole discretion to open an investigation (then initiating the consequent appropriate actions) or alternatively, to file the report deemed without real foundation and / or valid evidential documentation.

## 7. DISCIPLINARY SYSTEM

### 7.1 General principles

The art. 6, paragraph 2 letter e), of the Decree establishes that a suitable disciplinary system must be introduced to sanction the violations that have occurred.

The definition of a disciplinary system (to be commensurate with the type of infringements) to be applied in case of violation of the provisions of the Model, makes the supervisory and prevention action entrusted to the Supervisory Body effective and has the purpose of guaranteeing the effectiveness of the Model itself.

The disciplinary system was also drawn up on the basis of the following principles:

- differentiation based on the Recipients of the Model;
- identification of the disciplinary sanctions to be adopted against the recipients in compliance with the provisions of the CCNL and the applicable legislative requirements;
- identification of procedures for ascertaining violations, infractions, evasions, imperfect or partial applications, as well as a specific procedure for imposing the applicable sanctions, identifying the person in charge of their application and in general supervising the observance, application and updating of the disciplinary system.

In particular, the disciplinary system is aimed at:

- to all those who hold, including de facto, functions of representation, administration or management (including any liquidators) of Made Black or one of its organizational units with financial and managerial autonomy;
- to the persons subject to the management or supervision of one of the aforementioned subjects, and in general to all employees as well as to all those who, in any capacity and at various levels of responsibility, operate in the context of Made Black competing, with own acts, to carry out the overall business activity, including collaborators, commercial partners, suppliers.

This disciplinary system is divided into specific sections, each referring to a category of recipients, taking into account the legal *status* of the various subjects.

The Supervisory Body is entrusted with the task of monitoring the observance and correct application of the disciplinary system and its effectiveness, as well as adopting the appropriate measures so that the Board of Directors of Made Black will update, modify and / or supplement the disciplinary system itself.

The application of disciplinary sanctions does not depend on the outcome of any criminal proceedings, since the rules of conduct imposed by the Model are adopted by the company in full autonomy, regardless of the criminal offense that the same conduct may integrate.

The Supervisory Body may propose to Made Black's Board of Directors the adoption of disciplinary measures commensurate with the extent and severity of the violations ascertained.

### 7.2 Disciplinary sanctions against employees

The conduct of employees in violation of the individual rules of conduct indicated in this Model will constitute disciplinary offenses.

The sanctions that can be imposed on employees fall within those provided for by the national collective bargaining agreement applied in the company, in compliance with the procedures set out in article 7 of Law no. 300 (so-called Workers' Statute) and any applicable special regulations.

In particular, the sanctions imposed, depending on the seriousness of the violation, may be those provided for by the applicable CCNL (Textile Clothing Fashion).

The sanctions will be imposed, in compliance with the procedures provided for by the applicable CCNL, by the Board of Directors, on its own initiative or on the proposal of the Supervisory Body.

With regard to the protection of health and safety in the workplace, the application of disciplinary sanctions can be proposed by the RSPP and / or by the Employer.

The disciplinary measures listed below, which can be applied to non-executive personnel are those provided for by the sanctioning system of the CCNL and any amendments and renewals of this contract and will be adopted taking into account:

- the intentionality of the behavior and the degree of negligence, imprudence or inexperience with regard also to the predictability of the event;



- the overall behavior of the worker with particular regard to the existence or otherwise of disciplinary precedents of the same within the limits permitted by law;
- the worker's duties;
- the functional position of the persons involved in the facts constituting the lack;
- the other particular circumstances accompanying the disciplinary violation.

All the provisions of art. 7 of Law 300/1970 in relation both to the exposition of disciplinary codes, and in particular to the obligation of prior notification of the charge to the employee, also in order to allow the employee to prepare a suitable defense and to provide any justifications, as well as for the purposes of the relevance of the recidivism.

Therefore, the disciplinary measures that can be imposed against these workers, in compliance with the provisions of art. 7 of the Workers' Statute (Law no. 300 of 20 May 1970) and any applicable special regulations, are those provided for by the sanctioning apparatus of the National Collective Labor Agreement for the Textile, Clothing and Fashion sector:

1. Verbal warning: applies in the event of slight non-compliance with the principles and rules of conduct provided for by the Organizational Model and / or the Code of Ethics, or in violation of internal procedures or rules.
2. Written warning: applies in cases of recidivism of the infringements referred to in point 1 above.
3. Fine not exceeding the amount of 2 hours of the national remuneration element: applied in the event of non-compliance with the principles and rules of conduct provided for by the Organizational Model and / or the Code of Ethics or in the event of violation of internal procedures and rules, to such an extent that it can be considered even if not slight, in any case, not serious, correlating said behavior to a negligent failure to comply with the rules and / or procedures and / or directives and instructions given by management or superiors.
4. Suspension from work and from pay for a maximum of 3 days: applies in the event of non-compliance with the principles and rules of conduct provided for in the Organizational Model and / or Code of Ethics or in the event of violation of internal procedures and rules, to an extent that be considered of a certain gravity, even if dependent on recidivism in any disciplinary offense sanctioned with a fine.
5. Disciplinary dismissal: applies in the event of the adoption, in the performance of the activities included in the Sensitive Activities, of a behavior characterized by significant non-fulfillment of the prescriptions and / or procedures and / or internal rules established by the Organizational Model and / or the Code of Ethics, even if it is only likely to constitute one of the crimes or administrative offenses sanctioned by the Decree or, in the event of recidivism in any disciplinary offense sanctioned with the suspension.

In the event of non-compliance by managers with the principles and rules of conduct provided for by the Organizational Model and the Code of Ethics or in the event of violation of the internal procedures and rules envisaged and / or referred to or still being adopted, in the context of Sensitive Activities, of a behavior that is not compliant or not adequate to the aforementioned provisions, the most suitable measures will be applied to the managers in accordance with the provisions of the applicable National Collective Labor Agreement for Executives. It is also illegal for managerial personnel to fail to supervise the correct implementation, by subordinate workers, of the rules and procedures provided for by the Organizational Model and the Code of Ethics, as well as the direct violation of the same, or more generally the assumption of behaviors, held in the performance of activities related to their duties, which do not comply with conduct reasonably expected by a manager, in relation to the role covered and the degree of autonomy recognized, including the violation of the provisions relating to the protection of whistleblowers, as specified below for the Directors.

This disciplinary system is constantly monitored by the SB and the Board of Directors. The Organizational Model and the Code of Ethics are considered binding for all recipients. Therefore, these documents and any subsequent updates are made known by the Company to the recipients by sending an internal circular in accordance with the provisions of art. 7 of the Workers' Statute, placing particular emphasis on the sanctions associated with violations.

### **7.3 Measures against directors and auditors**

In the event of violations of the Model by Made Black's directors, the Supervisory Body will inform the entire Board of Directors, which will take the appropriate initiatives envisaged in accordance with current legislation.

In particular, sanctions may arise against directors in the event of violation of the provisions of the rules on the protection of whistleblowers, such as, for example, retaliation, demotion and / or dismissal of any whistleblowers. In this regard, please note that the retaliatory or discriminatory demotion and / or dismissal of the reporting subject are null and void.

#### **7.4 Measures against collaborators, commercial partners and suppliers**

Any behavior carried out by collaborators, commercial partners or suppliers in contrast with the lines of conduct indicated in this Model and such as to involve the risk of committing a Predicate Offense may determine, in accordance with the specific contractual clauses included in the letters of assignment or in *partnership agreements*, the termination of the contractual relationship, without prejudice to the request for compensation if this behavior causes damage to Made Black as in the case of application by the Judge of the measures provided for by the Decree.

## 8 . DIFFUSION AND KNOWLEDGE OF THE MODEL

A prerequisite for the Model to constitute an exemption from the administrative liability of the Entity is its effectiveness, as well as its concrete and effective application.

An indispensable condition for guaranteeing concrete and constant compliance with the Model and the procedures described by it is the knowledge of the same by all Recipients.

Made Black has therefore adopted the initiatives that will be described below in order to ensure correct disclosure of the Model not only inside but also outside its own company.

### 8.1 Staff training

Made Black promotes knowledge of the Model among all Recipients, who are therefore required to know its content, observe it and contribute to its better implementation.

For the purposes of implementing the Model, staff training (to which external consultants must also be added) will be organized in the following ways:

- Initial training through specific meetings in the period immediately following the approval of the Model and any subsequent substantial revision.
- Dissemination of an internal information note explaining the Model and its functions;
- Publication of the General Part on the website and on the corporate network or in any case in the storage area of Made Black internal documents of this Model and of the Code of Ethics connected to it;
- Publication on the corporate network or in any case in the storage area of Made Black internal documents of the internal procedures connected to this Model;
- Dissemination through internal circular of information material dedicated to the subject, with constant and timely communication of any updates and changes;
- Information on hiring for workers hired after model approval and initial training / information.

### 8.2 Information of collaborators, commercial partners and suppliers

Made Black promotes knowledge and compliance with the Model also among commercial partners, collaborators and suppliers, through the publication of this Model on the company website.

### 8.3 Contractual clauses

In order to ensure compliance with the provisions and procedures referred to in this Model also by third parties who participate, even indirectly, in the exercise of Made Black's business activity, the Company will include in the contracts and letters of assignments signed with commercial partners, suppliers and collaborators specific contractual clauses through which the subscribers will undertake to comply with the rules of the Model, also accepting that their violation may constitute grounds for termination of the related contract by Made Black.

In fact, the Company believes that this contractual remedy constitutes the only instrument that allows to protect compliance with the procedures and principles developed by the Model also by subjects (such as collaborators, commercial partners and collaborators) who are not exposed to the risk of disciplinary sanctions expressly provided for employees.