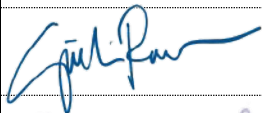
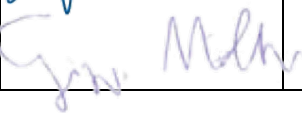




**WHISTLEBLOWING PROCEDURE PURSUANT TO LEGISLATIVE DECREE**  
**NO. 24/2023**

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## 1. PURPOSE OF THE PROCEDURE AND REGULATORY BACKGROUND

This procedure applies to Avio S.p.A. (“**Avio**” or the “**Company**”) and is intended to enact and regulate a whistleblowing system as part of the activities carried out by the Company. Specifically, the procedure enacts the provisions of Legislative Decree No. 24 of March 10, 2023 (the “**Whistleblowing Decree**”), *“Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019, on the protection of persons who report breaches of EU law and on provisions concerning the protection of persons who report breaches of national laws”*, which governs protection for anyone who reports breaches of national or European Union regulatory provisions which harm the public interest or the integrity of the public administration or private entity, of which they have become aware in the course of public or private employment.

The reporting system governed herein is also relevant for the purposes of Legislative Decree No. 231 of June 8, 2001, which, as regards internal reporting, applicable sanctions and the prohibition of retaliation, refers to the aforementioned Decree.

The procedure also complies with legislation on the protection of personal data and, specifically, the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of individuals with regard to the processing of personal data.

In addition to the aforementioned regulatory provisions, the procedure was also prepared taking into account the provisions of:

- a. Avio’s Code of Ethics (hereinafter the “Code of Ethics”), in its current form;
- b. the Organisation, Management and Control Model adopted by Avio S.p.A. in the current applicable version;
- c. the Corporate Governance Code.

## 2. DEFINITIONS

<b>“ANAC”</b>	the National Anti-Corruption Authority
<b>“Privacy Code”</b>	Legislative Decree No. 196 of June 30, 2003 (the “Personal Data Protection Code”), which provides for the protection of persons and other subjects in regards to the processing of personal data
<b>“Committee”</b>	an ad hoc body established by Avio, the addressee and manager of Whistleblowing Reports, which is bound to confidentiality regarding the information acquired. The committee comprises the compliance manager, the General Counsel, and the HR manager.
<b>“Decree 231”</b>	Legislative Decree No. 231 of June 8, 2001 , as subsequently amended and supplemented
<b>“Whistleblowing Decree”</b>	Legislative Decree No. 24 of March 10, 2023
<b>“Addressee”</b>	the Committee as identified above
<b>“Directive”</b>	Directive (EU) 2019/1937
<b>“GDPR”</b>	Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016, concerning the protection of natural persons with regards to the processing of personal data, in addition to the free circulation of such data, which repeals Directive 95/46/EC (general data protection regulation)
<b>“231 Model”</b>	the Organisation and Management Model provided for in Decree 231 and adopted by the Company
<b>“Supervisory Board” or “SB”</b>	Avio’s Supervisory Board, established pursuant to Decree 231, and its individual members
<b>“Procedure”</b> <b>“Whistleblowing Procedure”</b>	or this procedure approved by the Chief Executive Officer and submitted for joint signature by the Chief Executive Officer and General Counsel on July 3, 2023
<b>“Whistleblower(s)”</b>	those who have the power to make a Whistleblowing Report pursuant to the Whistleblowing Decree and, in general, this

Procedure. This includes employees, contractors, shareholders, persons exercising (even only on a de facto basis) functions of administration, management, control, supervision or representation of the Company and other third parties interacting with the Company (including suppliers, consultants, intermediaries, etc.) in addition to interns or probationary workers, job applicants and former employees

**“Whistleblowing Report” or  
“Report”**

the report submitted by a Whistleblower in accordance with the principles and regulations set out in this Procedure

**“Anonymous  
Whistleblowing” or  
“Anonymous Report”**

Reports that do not contain details that allow or could allow the Whistleblower to be identified, even indirectly.

**“Person Involved”**

the natural or legal person mentioned in the Report as the person responsible for the Breach or as a person otherwise implicated in the Breach reported

**“Related Persons”**

those persons eligible for the same protections that the Whistleblowing Decree provides for the Whistleblower and who are: *(i)* facilitators; *(ii)* persons in the same work environment as the Whistleblower who are related to the Whistleblower by a stable emotional or kinship relationship up to the fourth degree; *(iii)* colleagues of the Whistleblower who work in the same work environment and who have a habitual and current relationship with the Whistleblower; *(iv)* entities owned by or for whom the Whistleblower works or entities that operate in the same work environment

**“Facilitator”**

a natural person who assists the Whistleblower in making the Report, operating within the same work environment and whose assistance must be kept confidential (these are individuals who, since they have a qualified connection with the Whistleblower, could suffer retaliation because of that connection).

### 3. OBJECTIVE SCOPE OF APPLICATION

The breaches that may be reported under the Whistleblowing Decree must relate to behaviour, acts or omissions that harm the public interest or integrity of the public administration or private entity (i.e. Avio), of which the Whistleblower has become aware within Avio's working environment, and which consist of:

1. unlawful conduct that is relevant under Decree 231 or violations of the 231 Model, which do not fall under the offences set out below (the “**231 Reports**”);
2. offences that fall within the scope of European Union or national regulations (as referred to in the Whistleblowing Decree) relating to the following areas:
  - a) public tenders;
  - b) financial services, products and markets and prevention of money laundering and funding for terrorism;
  - c) product safety and compliance; transportation safety;
  - d) environmental protection;
  - e) radiation protection and nuclear safety;
  - f) food and feed safety and animal health and well-being;
  - g) public health;
  - h) consumer protection;
  - i) privacy and data protection and network and information system security;
3. acts or omissions that damage the financial interests of the European Union, as set out in the Whistleblowing Decree;
4. acts or omissions concerning the domestic market, including violations of European Union competition and state aid rules, in addition to violations concerning the domestic market relating to acts that violate corporate tax rules or mechanisms to obtain a fiscal advantage that impinges on the object or purpose of the applicable corporate tax law, as set out in the Whistleblowing Decree;
5. acts or conduct that impinge on the object or purpose of the provisions set out in EU Acts in the areas described in points (2), (3) and (4).

The Procedure also takes into consideration unlawful conduct that is relevant under Avio's Code of Ethics and which does not fall within the offences referred to in the Whistleblowing Decree indicated above (“**Code of Ethics Reports**”)<sup>1</sup>. Such conduct may therefore be the subject of Reports.

The cases described in this Section are also referred to hereinafter as “**Breaches**.”

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<sup>1</sup> While Code of Ethics Reports do not fall within the application scope of the Whistleblowing Decree, in order to make the internal reporting process more homogeneous (for all types of reports covered by Avio's internal control system) and to better protect Whistleblowers, the Procedure also considers this type of report, differentiating as appropriate and where necessary. As such, provisions that are not deemed applicable to Code of Ethics Reports are highlighted within the Procedure as necessary.

#### 4. INTERNAL REPORTING CHANNEL

In line with the provisions of the Whistleblowing Decree, the Company has enabled an internal reporting channel, described below. This, by means of a specific platform adopted by Avio, allows reports to be sent electronically in written form and guarantees - including through encryption tools - the confidentiality of the identity of the Whistleblower, the Person Involved and the person mentioned in the Report, in addition to the content of the Report and the related documentation.

<https://areariservata.mygovernance.it/#!/WB/avio>

The platform can be accessed through Avio's website, in the specific section <https://www.avio.com/corporate-governance>.

Whistleblowing Reports may be made anonymously.

In this regard, we note that the platform allows the Whistleblower to remain in contact with the Committee during the management of the Anonymous Report, and that they can provide clarifications and/or documentary additions using a messaging system that guarantees their anonymity.

Nonetheless, sending an Anonymous Whistleblowing Report may make the investigation into the reported conduct and communication between the Committee and the Whistleblower more difficult, thus undermining the usefulness of the Report.

#### 5. ADDRESSEE OF THE INTERNAL REPORTING CHANNEL

The Company has established a dedicated office as the Addressee of Reports, comprising personnel specifically trained in this regard (the “**Committee**”).

The Committee consists of the following corporate figures:

- The Company's compliance manager;
- The Company's General Counsel;
- The Company's HR manager.

If a member of the Committee is a Person Involved in the Report, the Whistleblower may choose to address the Report only to the other members of the Committee, excluding the Person Involved in the Report.

#### 6. MANAGEMENT OF INTERNAL REPORTING

##### 6.1. Preliminary verification of the Report

Upon receiving the Report, the Committee:

- a. provides the Whistleblower with an acknowledgement of receipt of the Report within seven days of the date of receipt (on this point, we note that the platform automatically sends an initial acknowledgement as soon as the Report is received and a second acknowledgement when the Report is first opened by a Committee member);

- b. conducts a preliminary analysis of its content, with the support of specialised external consultants where it deems it appropriate, in order to assess the relevance of the report in relation to the application scope of the Whistleblowing Decree and, in general, the Procedure;
- c. archives the Report if it considers it inadmissible as per the provisions of the Whistleblowing Decree and this Procedure, e.g. if it:
  - is manifestly groundless as it lacks factual elements attributable to standardised Breaches;
  - is found to contain generic content of wrongdoing such that the facts cannot be understood, or the report of wrongdoing is accompanied by inappropriate or irrelevant documentation such that the content of the Report cannot be understood;
  - contains only documentation and no report of misconduct.

In this case, in accordance with the provisions of the Whistleblowing Decree and Paragraph 6.2 of this Procedure, the Committee must justify in writing to the Whistleblower its reasons for dismissing the Report;

- d. where the Report is not archived, promptly involves the Supervisory Board in order to assess - in a joint session - whether or not the Report qualifies as a 231 Report or a Code of Ethics Report and should therefore be handled by the Committee in consultation with and with the support of the Supervisory Board, in accordance with the provisions of the 231 Model and this Procedure;
- e. takes charge of the managing the Report.

As per Article 4 of the Whistleblowing Decree, a Report submitted to a person other than the Committee must be forwarded immediately (within seven days) to the Committee, and notice must be given to the Whistleblower at the same time.

## **6.2. Management of Reports**

Reports are managed in accordance with the provisions of this Procedure.

In managing the Report, the Committee carries out the following activities:

- a. communicates with the Whistleblower and - where necessary - requests further information from them; in this regard, the platform allows information and/or documents to be exchanged;
- b. thoroughly follows up on Reports received;
- c. acknowledges action on the Report within three months of the date of the notice of its receipt or, in the absence of such notice, within three months of the expiry of the seven-day period following the submission of the Report.

In relation to 231 Reports and Code of Ethics Reports, the Committee conducts the above activities in consultation with and with the support of the Supervisory Board. Interactions between the Committee and the Supervisory Board are carried out through joint meetings and the platform, in compliance with the confidentiality requirements of the Whistleblowing Decree and this Procedure.



The Committee may request the support of internal functions or specialised external consultants, subject to the confidentiality requirements of the Whistleblowing Decree and this Procedure.

The Committee also has the power to request clarifications and/or additions from the Person Involved when managing the Report.

The Whistleblower has the right to provide additional information should the situation that they have reported continue, be interrupted or even worsen.

Reports (and related documentation) are retained through the platform for as long as necessary for them to be managed and, in any case, for no more than five years after the date of communication of the final outcome of the Report management process.

### **6.3. Internal investigation activities**

In order to evaluate a Report, the Committee may conduct any required internal investigations either directly or by engaging - subject to the obligation of confidentiality - a person within or external to the Company. In relation to 231 Reports and Code of Ethics Reports, the Committee conducts these investigative activities in consultation with and with the support of the Supervisory Board.

Committee members interact by exchanging information and/or documents through the platform, which allows the creation of a file for each case, where the information and documentation relating to each Report is stored.

### **6.4. Closing the Report**

Evidence gathered during internal investigations is analysed to understand the context of the Report, to determine whether a Breach relevant under this Procedure and/or the Whistleblowing Decree has actually occurred, and to identify disciplinary measures, appropriate measures to resolve the situation that has arisen, and/or to prevent such a situation from recurring in the future.

Where it is determined that a Breach has been committed, the Committee - in consultation with and with the support of the Supervisory Board with regard to 231 Reports and Code of Ethics Reports - may also:

1. begin sanction proceedings against the Person Involved, in compliance with the regulations, any applicable collective bargaining agreements and the 231 Model;
2. evaluate - including together with the other competent corporate functions - the advisability of initiating disciplinary proceedings against the Whistleblower, in the event of Reports that are found to have been made in bad faith and with defamatory intent, which is also confirmed by the unsubstantiated nature of the Report itself;
3. in relation to issues concerning complaints pursuant to Article 2408 of the Civil Code (complaints from shareholders), agree - with the Board of Statutory Auditors involved in particular Reports - on any steps to be taken before the Report is closed;
4. together with the business function affected by the Breach, agree on any action plan necessary to eliminate of the control weaknesses identified, also ensuring that the introduction of any such plan is monitored.

## **6.5. Communication of results and reporting**

The results of management activities for Reports that are received and not archived, including the verifications carried out and any sanction measures taken, are summarised in a report sent by the Committee, on a semi-annual basis, to the Company's Control and Risks Committee.

Without prejudice to the above, as part of the periodic reporting required by the 231 Model, the Supervisory Board shall provide the Company's administrative body, on a semi-annual basis, with information regarding the 231 Reports and Code of Ethics Reports received and not archived, containing the results of the analysis, including the Company's adoption (or non-adoption) of disciplinary measures.

This reporting is carried out in compliance with the confidentiality requirements of the Whistleblowing Decree.

## **7. PROTECTION MEASURES**

### **7.1. Measures to protect the Whistleblower**

Reports must be made in good faith, without prejudice to the Whistleblower's criminal liability if a Report constitutes the crime of slander or defamation or other criminal offences, and without prejudice to the cases exempt from punishment under the Whistleblowing Decree referred to in this Paragraph 7.1. and Paragraph 7.2.

The Whistleblowing Decree provides the following protections for the Whistleblower and Related Persons:

- prohibition of retaliation because of a Report;
- support measures, consisting of information, assistance, and free advice from third-sector entities listed on the ANAC website regarding reporting methods and regulatory provisions for the Whistleblower and the Person Involved;
- protection from retaliation, including:
  - o the right to inform ANAC of retaliation believed to have been suffered as a result of a Report;
  - o the annulment of acts taken in violation of the prohibition of retaliation, which is also enforceable in court;
- limitations on liability in the event of disclosure (or dissemination) of breaches covered by the secrecy obligation<sup>2</sup> or relating to the protection of copyright or personal data protection or information regarding breaches that harm the reputation of the person involved or reported, if,
  - o at the time of the disclosure (or dissemination), there are reasonable grounds to believe that disclosure of the Breach was necessary; and
  - o the conditions described in Section 7.2 below were met;
- limitations on liability, unless the act constitutes a crime, for acquiring or accessing information on Breaches;

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<sup>2</sup> Except as regards classified information, professional and medical secrecy, and secrecy of legal proceedings, for which the application of the relevant regulations remains unaffected.

- sanctions (as reported in Paragraph 10 of this Procedure).

## **7.2. Conditions for the application of protective measures**

The protective measures set out above apply to the Whistleblower and Related Persons provided that:

- a. at the time of the Report, the author of the Report had reasonable grounds to believe that the information regarding the Breaches identified or reported was true and fell within the scope of the Whistleblowing Decree (as referred to in Paragraph 3 of this Procedure);
- b. the Report was made in accordance with the provisions of the Whistleblowing Decree.

The protective measures also apply to Anonymous Reporting, if the Whistleblower was subsequently identified and suffered retaliation.

Specifically, retaliation refers to the cases set out in Article 17 of the Whistleblowing Decree, including the following, which are given by way of example only:

- a. dismissal, suspension or equivalent measures;
- b. change of duties;
- c. non-renewal or early termination of a fixed-term employment contract;
- d. discrimination or otherwise unfavourable treatment;
- e. early termination or cancellation of the contract to provide of goods or services.

This Paragraph 7 does not apply to Code of Ethics Reports, which are governed by the provisions of Avio's Code of Ethics, in its version applicable at the time.

## **8. CONFIDENTIALITY OBLIGATIONS REGARDING THE IDENTITY OF THE WHISTLEBLOWER**

Without prejudice to the additional confidentiality obligations under the Whistleblowing Decree, the identity of the Whistleblower and any other information from which their identity may be directly or indirectly inferred may not be disclosed, without the express consent of the Whistleblower, to persons other than those responsible for receiving or following up on Whistleblowing Reports and who are expressly authorised to process such data pursuant to Articles 29 and 32, paragraph 4 of the GDPR and Article 2-*quaterdecies* of the Privacy Code.

The following specific confidentiality obligations should also be considered:

in criminal proceedings → the Whistleblower's identity is covered by secrecy in the manner and within the limits under Article 329 of the Civil Code.

in disciplinary proceedings → (a) The Whistleblower's identity may not be disclosed, where the allegation of the disciplinary charge is based on separate and additional investigations to the Report, even if consequent to the Report;

(b) if the disciplinary charge is based, in whole or in part, on the Report and knowledge of the Whistleblower's identity is indispensable for the defence of the accused, the Report may be used for the purposes of disciplinary proceedings only if the Whistleblower expressly consents to the disclosure of their identity. In this event, the Whistleblower shall be informed in writing of the reasons for the disclosure of the confidential data.

## 9. DATA PROTECTION

When managing the internal reporting channel and Reports received, personal data must be processed in accordance with the GDPR and the Privacy Code.

The Company has defined a model for receiving and managing Internal Reports, identifying appropriate technical and organisational measures to ensure a level of security that is appropriate to the specific risks arising from the processing, based on a data protection impact assessment, pursuant to Article 35 of the GDPR.

The relationship with external providers who process personal data on the Company's behalf is governed by a data processing agreement, pursuant to Article 28 of the GDPR. This defines the duration, nature and purpose of processing, the type of personal data and categories of data subjects, and the obligations and rights of the data controller, in accordance with Article 28 of the GDPR.

Those persons responsible for receiving or following up Reports under this Procedure must be authorised to process personal data related to Reports pursuant to Articles 29 and 32 of the GDPR and Article 2-*quaterdecies* of the Privacy Code.

Whistleblowers and Persons Involved must be provided with appropriate information in accordance with Articles 13 and 14 of the GDPR.

As regards the exercise of the data subject's rights and freedoms, where the data subject is the Person Involved, their rights under Articles 15 to 22 of the GDPR may not be exercised (by request to the Data Controller or by complaint under Article 77 of the GDPR) if this may result in actual and concrete prejudice to the confidentiality of the Whistleblower (see Article 2-*undecies* of the Privacy Code and Article 23 of the GDPR) and/or to the pursuit of the objectives of compliance with the regulations on reporting misconduct.

The exercise of rights by the Person Involved (including the right of access) may therefore be exercised to the extent permitted by the applicable law and following an analysis by the relevant bodies, in order to strike a balance between the need to protect individual rights and the need to combat and prevent violations of the rules of good corporate governance or of the applicable regulations in this area.

Personal data that are manifestly not useful in processing a specific Report may not be collected and, if they are collected, must be deleted immediately.

## 10. SANCTIONS

A fine (of Euro 10,000 to 50,000) shall be imposed on anyone responsible for any of the following conduct:

- engaging in acts of retaliation against the Whistleblower or Related Persons in connection with Reports;
- obstruction or attempted obstruction of Reporting;
- violation of confidentiality obligations under the Procedure and the Whistleblowing Decree;
- failure to establish reporting channels in line with the requirements of the Whistleblowing Decree;
- failure to adopt a procedure to make and handle Reports or failure to comply with the Whistleblowing Decree;
- failure to verify and analyse the Reports received.

The disciplinary sanctions set out in the 231 Model are also applicable for all the conduct listed above.

The application of a disciplinary sanction against the Whistleblower is also provided for when (except in specific cases under the Whistleblowing Decree) s/he is found to be guilty of: *(i)* criminal liability for the crimes of defamation or slander or otherwise for the same crimes committed with the complaint to the judicial authority, including in a first-degree judgement, or *(ii)* civil liability, for the same title, in cases of malice or gross negligence<sup>3</sup>.

This Paragraph 10 does not apply to Code of Ethics Reports, which are governed by the provisions of Avio's Code of Ethics, in its version applicable at the time.

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<sup>3</sup> For the situation described in point *(ii)*, the Whistleblowing Decree, also provides for the application of fines by ANAC, from Euro 500 to 2,500.

## **11. EXTERNAL REPORTING CHANNEL**

The Whistleblower may make an external report through the channel established and accessible via the ANAC website, for the following violations:

1. offences falling under EU or national law in the following areas: public procurement; financial services, products, and markets and prevention of money laundering and funding terrorism; product safety and compliance; transportation safety; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and well-being; public health; consumer protection; privacy and data protection; and network and information system security;
2. acts or omissions that damage the financial interests of the European Union;
3. acts or omissions concerning the domestic market, including violations of European Union competition and state aid rules, in addition to violations concerning the domestic market relating to acts that violate corporate tax rules or mechanisms to obtain a fiscal advantage that impinges on the object or purpose of the applicable corporate tax law;
4. acts or conduct that impinge on the object or purpose of the provisions set out in EU Acts in the areas described in the preceding points.

We note that the external reporting channel established by ANAC may only be used if:

- the internal reporting channel described in the Procedure is not active;
- the Whistleblower has already made a Report through the channel indicated in the Procedure and this has not been followed up;
- the Whistleblower has reasonable grounds to believe that, should s/he make an internal Report through the channel described in this Procedure, the Report would not be acted upon or the Report could result in the risk of retaliation;
- the Whistleblower has reasonable grounds to believe that the Breach being reported may pose an imminent or obvious danger to the public interest.

To use this external reporting channel or make a public disclosure, please refer to the guidelines and ANAC's official website.

This Paragraph 11 does not apply to Code of Ethics Reports.

## **12. INFORMATION AND TRAINING**

Information on this Procedure is made accessible and available to all, made easily visible in workplaces and is also published in a dedicated section of the Company's website.

Information on the Procedure is also made available when a new employee is hired.

Training on whistleblowing and on the provisions of this Procedure in general is also included in the staff training plans on compliance provided by the Company.