

COMPLIANCE MANAGEMENT SYSTEM
PROCEDURE

Rev. 1 – 15/12/2023



Whistleblowing reporting



REVISIONS

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1 Purpose and Scope

The purpose of this procedure is to describe the system for collecting and managing reports regarding violations of national or EU regulatory provisions that harm the public or Company interest, offenses that fall within the scope of Legislative Decree no. 231/2001, or aspects relating to corporate social responsibility. The reporting channel aims to guarantee the confidentiality of the reporter, protecting their anonymity and providing protection from any retaliatory action. All communications are protected by encryption and managed by authorized persons of the multi-person body responsible for monitoring and managing reports, identified ad hoc by the Board of Directors and to which each Company has entrusted the task of dealing with reports.

Reporting refers to the written or oral communication of information about violations.

This procedure applies to the following companies:

- FAIST Ltd. Holdings
- FAIST Componenti Spa
- FAIST Light Metals Engineering Srl
- SCATTOLINI Spa
- Sanmarco Industrial Srl
- SCATTOLINI FBT GmbH
- FAIST Systeme GmbH
- FAIST Light Metals Tennessee LLC
- FAIST GreenTek LLC
- FAIST Metalmex S. de R.L.
- FAIST Alucast S. de R.L. de C.V.
- SCATTOLINI France SARL
- Cabreta SARL
- VFS Southampton Ltd
- VFS North
- Scattolini Iberica SLU sucursal em Portugal
- FAIST Electronics Srl
- FAIST Mekatronic Srl
- FAIST Romania Srl
- FAIST Metalworking Srl
- SCATTOLINI Otomotiv Gölcük
- SCATTOLINI Otomotiv Acisu
- FAIST Emission Controls Co.Ltd.
- FAIST Precision Technology Co.
- FAIST Trade Co. Ltd
- E-LECTRA Srl

2 Normative references

Legislative Decree no. 24/2023

Directive (EU) 2019/1937 Legislative Decree no. 231/2001

SA 8000:2014 – par. 9.6

Guidelines on the protection of people who report violations of EU law and the protection of people who report violations of national regulatory provisions, ANAC, resolution no. 311 of 12/07/2023

3 Roles and Responsibilities

- **Body responsible for monitoring and managing reports**

The activities of receiving, managing and processing reports are entrusted to a multi-person body, characterized by three members, in order to guarantee greater independence and impartiality.

- The internal component is made up of the Management of FAIST Ltd Holdings, selected by virtue of their competence, reliability and availability of resources suitable for carrying out this task.
- The second is represented by an external professional, appointed to carry out control activities and, in some cases, to assume the role of President of the Supervisory Body for the group companies that adopt organizational models pursuant to Legislative Decree 231 /2001.

This body:

- is competent to monitor the reporting channel;
- assigns reports to the Company or to the offices concerned;
- maintains relations with the ODV if the report concerns a violation of Model 231 or a relevant offense for the purposes of Legislative Decree 231/2001.

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- **Whistleblower**

Provides information on the violation to the extent known to him.

- **Facilitator**

Provides assistance to the Whistleblower during the reporting process.

- **Owner**

Manages the report assigned to him by the Body.

4 Definitions

4.1 Violation

Violations specifically mean:

- Violations of national law, civil offences, administrative offences
- Illegal conduct relevant pursuant to Legislative Decree no. 231/2001, violations of the organization and management models provided for in Legislative Decree no. 231/2001. The latter can also be reported in compliance with the procedure provided for in the Organizational Model, i.e. by email or post addressed to ethics@faistholdings.com.
- Criminal offences
- Accounting offences
- Irregularities translatable into "concrete elements" (symptomatic indicators) such as to make the reporter believe that one of the violations provided for by Legislative Decree 24/2023 could be committed: information, including well-founded suspicions, regarding violations committed or which, on the basis of concrete, could be committed in the organization with which the reporting person or the person who files a complaint to the judicial or accounting authority has an employment relationship, as well as the elements regarding conduct aimed at concealing such violations;
- Violations of EU law, offenses committed in violation of EU legislation and all national provisions that implement it;
- Acts or omissions detrimental to the financial interests of the European Union (art. 325 TFEU fight against fraud and illegal activities detrimental to the financial interests of the EU) as identified in the regulations, directives, decisions, recommendations and opinions of the EU (art. 2, co. 1, letter a) n. 4 of Legislative Decree 24/2023);
- Acts or omissions concerning the internal market, which compromise the free movement of goods, people, services and capital (Article 26, paragraph 2, TFEU). This includes infringements of EU competition and state aid rules, corporate tax rules and mechanisms the purpose of which is to obtain a tax advantage which defeats the object or purpose of the applicable corporate tax law.

Conduct aimed at concealing violations may also be subject to reporting (for example, the concealment or destruction of evidence regarding the commission of the violation).

Reports must be made in the public interest or in the interest of the integrity of the Company.

Whistleblowing does not relate to:

- disputes, claims or requests linked to a personal interest of the reporting party which relate exclusively to their individual working relationships, or inherent to their working relationships with hierarchically superior figures. These reports may, however, fall within the category of reportable conduct, through the same email channel mentioned above, or through the Human Resources offices.

4.2 Whistleblower

The whistleblower is the person who reports information on violations acquired within his or her current or past work context and, in particular:

- Employed workers
- Self-employed collaborators
- Freelancers and consultants
- Volunteers and interns, paid and unpaid
- Shareholders (natural persons)

For all the aforementioned subjects, application is also foreseen during the probationary period and before or after the establishment of the employment relationship or other legal relationship.

- Persons with administrative, management, control, supervisory or representation functions, even if these functions are exercised merely de facto
- Suppliers, sub-suppliers and commercial partners and their employees or collaborators
- Clients

5 How to submit a report

5.1 Internal whistleblowing channels

The Whistleblower can make his communication directly to the company with which he has or has had a working relationship, through the appropriate channel available at any time on the internet.

Direct link to the whistleblowing platform:

<https://faistgroup.whistlelink.com>

Direct link for FAIST Componenti S.p.A.:

<https://faistcomponenti.whistlelink.com/>

Direct link for SCATTOLINI S.p.A.:

<https://scattolini.whistlelink.com/>

By accessing this channel, the reporter has the opportunity to make his own report.

These channels allow information to be sent anonymously or not, at the free choice of the reporting person, and to subsequently be able to view the feedback provided by the company. In any case, the platform **assigns a unique "Key code" to the report with which the reporter can subsequently access and communicate with the manager of the report** until it has been completely managed. The Key code represents the only alternative to be able to access the report sent again.

If it is lost, it is necessary to make a new report, indicating in the questionnaire that the event has already been reported and taking care to specify when the first report was made. In this way the reporting party will receive a new key code associated with the new report.

5.2 Guided questionnaire

It is necessary for the report to be as detailed as possible in order to allow the facts to be clarified by the persons competent to receive and manage the reports. In particular, it is necessary that the following are clear from the report:

- the circumstances of time and place in which the reported event occurred;
- the description of the fact;
- personal details or other elements that allow the identification of the person to whom the reported facts can be attributed.

All this information is requested by completing a guided questionnaire which is made up of choice questions and open-ended questions. The marked questions are mandatory; in the absence of a response the platform does not allow you to continue. The questionnaire is made up of seven TABs which must be read carefully and filled out diligently, exhaustively reporting only the information necessary to describe the fact you wish to report.

Tab 1: Preliminary information: aims to classify the report within a macro-category.

Tab 2: Interested people: it has the purpose of allowing the Whistleblower to explain who the people involved in the event are.

Tab 3: Description of the event: its purpose is to allow the person reporting the event to describe in detail the event they wish to report.

Tab 4: Location: has the purpose of allowing the Whistleblower to describe the place where the activities reported took place.

Tab 5: Timing: has the purpose of allowing the reporter to describe the moment in which the event(s) which are the subject of the report occurred.

Tab 6: "Have you taken any other action in relation to this case?": allows the person reporting the incident to indicate whether he or she reported the incident through other channels or to other interlocutors.

Tab 7: Further information: in this section the Whistleblower has the possibility to add any notes or information not included in the previous answers.

If the questionnaire has been filled out in all its mandatory fields, at the end of the procedure you can select the "REVIEW REPORT" button. Once reviewed, the report can be sent by selecting the "SEND REPORT" button. If the report has been sent correctly, the Key Code which must be used to make subsequent accesses to the channel is immediately displayed. The display of the Key Code by the reporting party must be considered as acknowledgment of receipt of the report, since from that moment the report has been correctly registered in the reference channel.

5.3 Conditions for reporting

The reporting party benefits from the protection provided by the relevant legislation and, in particular:

- the right to confidentiality and anonymity
- protection from any form of retaliation (i.e. any behaviour, act or omission, even if only attempted or threatened, carried out as a result of reporting, reporting to the judicial or accounting authority, or public disclosure and which causes or may cause, to the reporting person or to the person who filed the complaint, directly or indirectly, unfair damage, to be understood as unjustified damage)

provided that the following two principles are respected:

1. REASONABLENESS

At the time of reporting, be it through the internal channel or to the judicial or accounting authority, the reporting person or whistleblower must have reasonable and well-founded grounds to believe that the information on the violations reported, publicly disclosed or reported, is true and falls within the scope of the legislation.

Anyone who reveals or disseminates information on violations:

- covered by the obligation of secrecy, other than professional legal and medical secrecy,
- relating to the protection of copyright,
- relating to the protection of personal data,

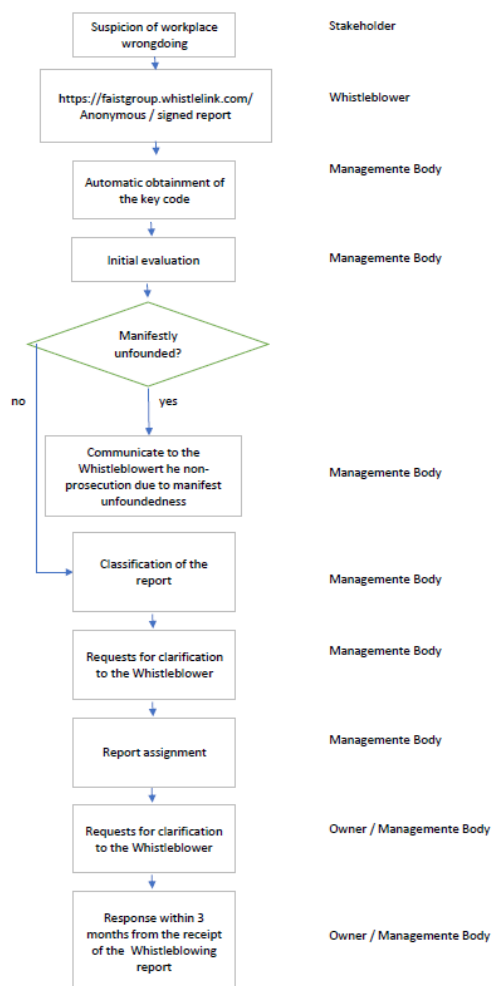
is not punishable if, at the time of the report, complaint or disclosure, he/she had reasonable grounds to believe that the disclosure or dissemination of the information was necessary to make the report and the same was done in the manner required by law.

2. REPORTING MODE

The reporting or public disclosure must be carried out using the established channels (internal, external and public disclosure) according to the criteria indicated in par. 7.

5.4 How is the report managed?

5.4.1 Reporting flow



5.4.2 Reception and classification

All reports made through the internal channel are recorded and processed by the authorized persons of the body responsible for monitoring and managing reports, pursuant to specific agreements between them and the individual companies of the FAIST Group. It is the reporting party's responsibility to indicate in the report the Company to which it refers and the work context in which he became aware of the reported fact. Italian companies such as FAIST Componenti S.p.A. and SCATTOLINI S.p.A. have their own reporting channels, which function exactly in the same way as the generic channel.

The report must contain the description of the fact/event which consists in the reported violation and any attachments to support the statement of the fact.

If the reporting party mistakenly indicates a category that does not comply with the type of report made, the body in charge will be responsible for reclassifying the report, notifying the reporting party.

It then takes charge of the report and carries out an initial assessment aimed at determining whether the report is manifestly unfounded. All reports relating to personal situations that have no relevance to the work context are considered manifestly unfounded. It is the responsibility of the same Body to communicate to the reporting party the manifest unfoundedness of the report, within 30 days of the acknowledgment of receipt.

Reports that are not manifestly unfounded are subsequently examined and, where necessary, reclassified into:

- **“Whistleblowing” reports**

when the report is aimed at communicating a violation, or suspected violation, which falls within the scope of the violations described in paragraph 1. In particular, the report is not of a personal nature, but is aimed at reporting a violation that harms public interests or the integrity of the company.

The management of reports of this type does not require the a priori involvement of a company committee, but is examined by authorized persons of the designated body. Only if the examination of the report reveals the need to request further information from specific company functions, the Body assigns the report to a member of the competent Office, taking care to always guarantee confidentiality and anonymity, unless the interested party explicitly consents to reveal their identity.

The assignee is subject to the same confidentiality obligations and duties as the body responsible for managing reports and is instructed and guided by it in protecting the rights of the whistleblower.

- **Other violations/non-compliances:**

when the Whistleblowing report refers to a situation that is already known and due to the existing relationship between the reporting party and the Company, or a violation of a voluntary rule to which the Company adheres.

5.4.3 Report assignment

At the end of this preliminary examination, the body responsible for control and management may evaluate the opportunity to assign the report to a specific company function that is deemed professionally suitable to investigate the report further. According to agreed methods, it will therefore be responsible for carrying out certain analyses to verify the reported event. **The assignee is subject to the same confidentiality obligations and duties as the assigning body.**

Without prejudice to the fact that, in any case, the designated body may decide not to assign the report and to proceed autonomously with the management and closure of the same.

5.4.4 Feedback to the report

Within 3 months of sending the report, the reporting party must be provided with feedback regarding the acceptance of the report (including its assignment), any actions already implemented, any requests for further information or the resolution of the violation reported.

The members of the body responsible for monitoring and managing reports will then proceed to carry out all the investigations necessary to evaluate the validity of the report, the details of the situation reported and, where possible, the causes. To this end, through the platform they will be able to request the reporter to communicate further information in their possession in a collaborative spirit. At any time the reporting party can decide to reveal their identity and request or suggest a meeting (by video call or in person). However, in any case the history of the information provided by the reporter must be traced on the platform up to the closure of the report. In the event that the reporting party requests a face-to-face interview, the relevant body records the meeting and, following signature by the reporting party, archives it in the platform. In the case of use of remote means of communication, the reporting party who does not wish to reveal his or her identity will not be able to sign the report of the interview which will be archived on the platform by the authorized persons of the aforementioned Body.

6 Closure of the report

At the end of all the investigations, the body responsible for managing the reports, in agreement with the possible assignee, communicates to the Whistleblower the resolution of the report and its closure. The communication must indicate the actions taken or the reasons that supported the decision not to take any action.

The documentation archived on the platform will be kept for 1 year from the sending of the report, unless the body in charge requests the extension of this deadline in order to continue the investigations and management of the report. In any case, all documentation will be kept within the platform for a maximum of 5 years from the closure of the report, except in cases where there is a different legal obligation.

If the reporting party is not satisfied with the outcome of the report, if certain conditions are met, he or she may make the same report again to the external channels described in paragraph 7.

6.1 Withdrawal of the report

At any time, as long as it is before the communication of resolution and closure of the report, the Whistleblower may decide to withdraw the report by giving specific communication to be sent through the channel originally chosen for forwarding it. In this case, the body responsible for managing the reports, having assessed the progress of the report, will inform the reporting party of the complete deletion of all data and communications relating to the report; or will communicate the need to continue the investigations. This hypothesis could occur if disciplinary proceedings have already been initiated, or the data relating to the report have been transmitted to the competent Authority. In any case, the protections in favour of the reporter and the people mentioned in the report or otherwise involved remain unaffected.

7 External channels

The companies belonging to FAIST Group guarantee the correct management of all reports addressed to the

Group companies through the channels, made available to all stakeholders and disseminated through the company websites. However, in compliance with the law, the internal reporting channel is not the only suitable means of addressing an event or illicit conduct of which one has become aware within one's work context.

7.1.1 External reporting

If one of the following conditions occurs, the whistleblower can report through the channels made available by the relative Anti-corruption Authority on its institutional website (so-called External Reporting):

- the reporting person has already made an internal report and it has not been followed up on;
- the reporting person has reasonable grounds to believe that, if he/she made an internal report, it would not be followed up effectively or that the report itself could lead to a risk of retaliation;
- the reporting person has reasonable grounds to believe that the violation may constitute an imminent or obvious danger to the public interest;

In this case, the report will not be managed by the Company, but by the Authority itself which will act according to the powers conferred on it by the law.

7.1.2 Public Disclosure

Residually, whistleblowers can directly make a public disclosure when:

- the reporting person has previously made an internal and external report or has directly made an external report and no response has been given within the established deadlines regarding the measures envisaged or adopted to follow up on the reports;
- the reporting person has reasonable grounds to believe that the violation may constitute an imminent or obvious danger to the public interest;
- the reporting person has reasonable grounds to believe that the external report may involve the risk of retaliation or may not have an effective follow-up due to the specific circumstances of the specific case, such as those in which evidence may be hidden or destroyed or in which there is fear that the person receiving the report may be colluding with the perpetrator of the violation or involved in the violation itself.

7.1.3 Report to the Judicial Authority

In any case and at any time, the whistleblower can contact the Judicial Authority to forward a report of illicit conduct of which he or she has become aware in a work context.

8 Protections

A fundamental aspect in order to encourage the sending of reports is represented by the system of protections offered to the person who reports:

1. Protection of confidentiality
2. Protection from possible retaliation
3. Limitation of liability with respect to the disclosure of certain categories of information
4. Prohibition of waivers and transitions signed in an unprotected location (i.e. outside the judicial or administrative union offices)

These protections also extend to subjects other than the reporter, who, precisely because of the role assumed within the reporting process and/or the particular relationship that binds them to the reporter, could be subject to retaliation. In particular, the protections are extended to the facilitator, i.e. the person who

supports and supports the reporter in making the report, the people mentioned in the report (e.g. people indicated as witnesses or accused of having committed the violation).

8.1 Confidentiality

FAIST group guarantees the protection of the confidentiality of whistleblowers through the following measures:

- The identity of the reporter cannot be revealed to people other than those competent to receive or follow up on reports; the protection concerns not only the name of the whistleblower but also all the elements of the report from which the identification of the whistleblower can be deduced, even indirectly;
- The protection of confidentiality is extended to the identity of the people involved and the people mentioned in the report until the conclusion of the proceedings initiated due to the report, in compliance with the same guarantees provided in favour of the reporting person.
- In accordance with article 12 of Legislative Decree 24/2023, in the disciplinary procedure, the identity of the reporting person cannot be revealed, where the dispute of the disciplinary charge is based on investigations distinct and additional to the report, even if consequent to it. If the dispute is based, in whole or in part, on the report and knowledge of the identity of the reporting person is indispensable for the defence of the accused, the report will be used for the purposes of disciplinary proceedings only in the presence of the express consent of the reporting person to the revelation of one's identity. This protection, in compliance with the provisions of Legislative Decree 24/2023, applies only in the context of Whistleblowing Reports and Model 231 Reports.

8.1.1 Protection of personal data

- The processing of personal data relating to the receipt and management of reports is carried out by the multi-person body in charge, appointed by the Company as data controller, in compliance with European and national principles regarding the protection of personal data, providing suitable information to the reporting persons and to the persons involved in the reports, as well as adopting appropriate measures to protect the rights and freedoms of the interested parties.
- Furthermore, the rights of the interested parties (the reporting party, the facilitator and the persons mentioned in the report) referred to in articles 15 to 22 of Regulation (EU) 2016/679 can be exercised within the limits of the provisions of article 2-undecies of the legislative decree 30 June 2003, n. 196.
- Internal and external reports and the related documentation are kept for the time necessary to process the report and in any case no later than 5 years from the date of communication of the final outcome of the reporting procedure, in compliance with the confidentiality obligations set out in European and national legislation regarding the protection of personal data.

8.2 Retaliation

In order to encourage reporting, any form of retaliation, even if only attempted or threatened, is prohibited.

Retaliation is defined as any behaviour, act or omission, even if only attempted or threatened, carried out as a result of the report which causes or may cause, directly or indirectly, to the reporting person, unfair damage, to be understood as unjustified damage.

Examples of retaliatory behaviour:

- dismissal, suspension from work or equivalent measures;
- demotion or failure to promote;
- change of functions, change of place of work, reduction of salary, modification of working hours;
- the suspension of training or any restriction of access to it;
- negative notes of merit, negative references or blame;
- the adoption of disciplinary measures or other sanctions, including pecuniary ones;
- coercion, intimidation, harassment or ostracism;
- discrimination or otherwise unfavourable treatment;
- failure to convert a fixed-term employment contract into a permanent employment contract, where the worker had a legitimate expectation of such conversion;
- failure to renew or early termination of a fixed-term employment contract;
- damage, including to the person's reputation, in particular on social media, or economic or financial prejudice, including loss of economic opportunities and loss of income;
- improper listing on the basis of a formal or informal sectoral or industry agreement, which may result in the person being unable to find employment in the sector or industry in the future;
- the early termination or cancellation of the contract for the supply of goods or services;
- the cancellation of a license or permit;
- the request to undergo psychiatric or medical tests.

8.3 Loss of protections

The protections described above are not guaranteed when it is established, even with a first instance sentence:

- the criminal liability of the reporting person for crimes of defamation or slander or in any case for the same crimes committed with the report to the judicial or accounting authority, or
- his civil liability, for the same reason, in cases of fraud or gross negligence;

In such cases, a disciplinary sanction may be imposed on the reporting or reporting person.

9 Additional references

None