



**FOREST  
PRODUCTS**



**GENERAL  
CARGO**



**VEHICLES**

*Abstract of*

# **Organization, Management and Control Model**

**Legislative Decree No. 231 of 2001**

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## Introduction

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Pursuant to the Italian regulations on the “*administrative liability of legal entities deriving from offences*” contained in Legislative Decree No. 231 of 8 June 2001, legal entities – including limited companies – may be held liable, and consequently subject to financial penalties and/or interdiction, for any crimes committed or any attempts to commit crimes – in Italy or abroad – in the interest or to the advantage of the companies themselves:

- by individuals who are representatives, directors or managers of the company or of one of its organizational units that has financial and functional independence, or by individuals who are responsible for managing or controlling the company (individuals in top positions or “senior management”);
- by individuals who are managed or supervised by an individual in a top position (individuals managed by others).

However, companies may adopt organization, Management and control models designed to prevent these crimes; the principles of these models can be based on the guidelines drawn up by Confindustria (Italian Manufacturing Companies Association).

In this regard, since 2015 CILP adopted the Organization, Management and Control Model pursuant to Legislative Decree No. 231 of 2001.

The aim of this document is to outline to CILP partners and customers the Italian regulatory background about entities’ administrative liability and the main features of CILP Organization, Management and Control Model.

## 1. ENTITIES' ADMINISTRATIVE LIABILITY: REGULATORY BACKGROUND

The legislative decree dated 8 June 2001, no. 231, regarding the *"Discipline of the administrative liability of juridical persons, companies and association also without any legal status"* (hereinafter referred to as the "Decree"), has introduced for the first time in our law system the corporate liability for administrative violations deriving from criminal offences.

It is a particular form of liability of administrative nature, substantially resulting in the criminal corporate liability, toward companies, associations and entities in general for particular crimes perpetrated in their interest and advantage by a natural person having a top or subordinated position within the same.

The Decree is an intervention of wide provisional and cultural scope, through which to the criminal liability of the natural person, who perpetrated the crime, is added that of the Entity in advantage or in the interest of which the same crime was committed.

The provisions of the Decree under article 1, paragraph 2, apply to the following "Subjects":

- Entities having a legal status;
- Companies and associations without any legal status.

Are exempt from the discipline under exam:

- The State;
- Territorial Public Entities;
- Other non-economic Public Entities;
- Entities having constitutional functions.

The liability is therefore attributed to the Entity in case subjects having relationships of various nature with the same Entity have committed the crimes indicated by the Decree. Art. 5 of the Decree, in fact, indicates as authors of the crime:

- Subjects with representation, directorship or management roles in the entity or one of its organizational units, who have financial and functional autonomy, and also those who carry out the management and control of the entity, even if only by deed (so-called "top-level subjects");
- Persons subjected to the management and control of the top-level subjects (so-called "subordinates").

Should the offences be perpetrated by **top-level subjects**, the Entity's liability is expressly excluded, if this latter provides evidence that the crime was committed through a fraudulent elusion of the existing models and that there was not omitted or insufficient control by the Supervisory Board, appointed with the purpose of controlling the correct functioning and actual observance of the model itself.

Should the crime be perpetrated by **subordinated subjects**, the Entity shall be responsible in case the offence was made possible by the violation of the management and control duties. Liability is expressly excluded whereas the Entity adopted, before the crime was committed, and effectively implemented an Organizational, management and control model suitable for preventing crimes like that perpetrated.

Furthermore, the Entity shall be held responsible only in case the illicit conduct has been perpetrated by the above subject *"in the interest or advantage of the company"* (art. 5, par. 1, Legislative Decree no. 231/01); therefore, it won't be responsible in case top-level or subordinated subjects acted *"in their own or third parties' exclusive interest"* (art. 5, par. 2, Legislative Decree no. 231/01).

On the other hand, liability is expressly excluded whereas the Entity adopted measures suitable (proportionally to the nature and dimension of the company as well as to the activity carried out) for guaranteeing the carrying out of the activity itself in compliance with the law and for verifying, discovering and timely eliminating hazardous situations.

Art. 9 of the Decree lists the **sanctions** the Entity may incur in. Namely:

- Pecuniary penalties,
- Interdiction penalties,
- Confiscation,
- Judgment publication.

Pecuniary penalties are applied by quotas in a number not lower than one hundred and not exceeding one thousand. The amount of a quota goes from a minimum of € 258,00 to a maximum of € 1.549,00 and are decided by the court, taking into account:

- The seriousness of the offence;
- The Entity's degree of responsibility;
- The activities implemented by the Entity to eliminate or mitigate the consequences of the fact and to prevent the commission of further offences;
- The economic and patrimonial conditions of the Entity.

Interdiction penalties listed under paragraph 2, on the other hand, are applied in the most serious cases and exclusively if at least one of the following conditions is met:

- The Entity gained from the violation a profit of considerable importance and the violation was perpetrated by top-level subjects, or by subjects under the direction and control of others when the commission of the crime was determined or facilitated by serious lack of organization;
- The violations have been repeatedly perpetrated.

The following are the applicable interdiction sanctions:

- Interdiction from the business activity;
- Suspension or annulment of any authorization, license and concession, functional to the violation;
- Prohibition to enter into agreements with the Public Administration, exception made for the receiving of ordinary public services;
- Exclusion from concessions, loans, contributions or aids and the possible cancellation of the ones already granted;
- Prohibition to advertise goods or services;
- Compulsory administration (art. 15 of the Decree).

Interdiction sanctions, also applicable as precautionary measure, may last no less than three months and no longer than two years.

### 1.1. The underlying offences

The applicative scope of the Decree, originally limited to articles 24 and 25 of the Law, has been subsequently expanded both through modifications of the same Decree introduced by following regulations, and through references to the same Decree (from articles 3 and 10 of the Law dated 16 March 2006 no. 146 and art. 192 of Legislative Decree dated 3 April 2006 no. 152).

For the effect of such progressive enlargement, the Decree currently applies to the following offences, either consumed or, with exclusive reference to crimes, even only attempted:

- Undue perception of public funding, fraud against the State or a public body or for the perception of public funding and computer fraud against the State or a public body;
- Computer fraud and unlawful data handling;
- Organized crime-related offences;
- Bribery and corruption;

- Offences of forgery of money, public credit cards and revenue stamps and of watermarked instruments and signs;
- Offences against trade and industry;
- Corporate offences, including corruption between privates;
- Offences for the purposes of terrorism or subversion of the democratic order;
- Female genitalia mutilation practices;
- Offences against the individual;
- Market abuse;
- Offences of non-voluntary manslaughter, severe or very severe damage perpetrated in violation of the provisions for the prevention of industrial accidents and protection of hygiene and safety on the workplace;
- Receiving of stolen goods, money laundering and utilization of money, goods or benefits of unlawful origin;
- Copy-right violations;
- Incitement to not make statements or making false statements to legal authorities;
- Transnational offences;
- Environmental offences;
- Employ of citizens from third countries whose stay is irregular.

Therefore, the liability of the Entity does not arise from the commission by the above subjects of any crime but is limited to the commission of one of the offences listed by the Decree, above indicated by type.

Any possible liability of the Entity arising from the commission of one or more of the violations listed above does not exclude the personal liability of the person who has committed the crime.

## 1.2. Exoneration from liability of the Entity

According to article 6 of the Decree, should the offences be perpetrated by top-level subjects, the Entity's liability is expressly excluded, if this latter provides evidence that, before the violation was committed:

- Had been prepared and effectively implemented models of organization, management and control suitable at preventing the commission of the crimes;
- Had been appointed a body within the Entity (the so-called "Supervisory Board"), having autonomous initiative powers and with the purpose of controlling the correct functioning and actual observance of the model;
- That the crime was committed through a fraudulent elusion of the existing models;
- There has not been omitted or insufficient control by the Supervisory Board.

On the other hand, should the crime have been perpetrated by subordinate subjects, art. 7 of the Decree subordinates the exclusion of the Entity's liability to the effective implementation of an organizational, management and control model suitable for guaranteeing, according to the type of organization and activity carried out, the compliance with the law and the timely elimination of hazardous situations.

Moreover, the Decree envisages that, with regard to the extension of the proxy powers and the risk of committing the crimes, the organizational models must satisfy the following needs:

- individuate the activities within which the violations can be committed;
- envisage specific protocols aimed at programming the decision making process and decision implementation process of the Entity;
- individuate the most suitable policies for the management of financial resources in order to prevent the commission of the crimes;

- establish information duties for all the company's employees and for any other subject interested to the same (clients, suppliers, partners, other associates), for the Supervisory Board on the main business facts and in particular for those activities deemed at risk;
- introduce disciplinary systems suitable for sanctioning the noncompliance with the measures envisaged by the Model.

### 1.3. The Guidelines issued by the Industrial Categories Associations

Article 6, par. 3, of the Decree states that *"organization and management models can be adopted, in compliance with the conditions under paragraph 2, on the basis of conduct codes prepared by the Associations representing the entities and communicated to the Ministry of Justice, which, together with the competent Ministries, is entitled to raise, within 30 days, comments on the fitness of the models for crimes prevention"*.

On 7 March 2002, Confidustria (the Italian Industrial Association) drew up and communicated to the Ministry the *"Guidelines for the preparation of Organization, Management and Control Models as provided for by L.D. no.231/2001"*, with exclusive reference to the offences against the Public Administration, in which it indicates the operative steps – herewith below listed – that the company shall undertake in order to activate a risk management system, compliant with the requisites enforced by the Decree:

- Corporate risk areas mapping – Once the offences relevant for the Company have been outlined, the activities during which such crimes could be committed must be identified, also considering the possible methods through which it would be possible to put in practice an illicit conduct within the specific corporate activities;
- Specific procedures aimed at programming the development and implementation of the Entity's decisions with reference to the offences to be prevented – The essential elements to be implemented, in order to guarantee the effectiveness of the model are:
- a conduct code, defining the ethical principles with reference to any conduct, which may integrate the offences provided for the Decree;
- an organizational system, clearly defining the corporate hierarchy and the responsibilities for the carrying out of the various activities;
- an authorization system, assigning internal authorization powers, as well as external signature powers, consistent with the adopted organizational system;
- operative procedures, disciplining the main corporate activities and, in particular, high-risk processes and management of the financial resources;
- a management control system, timely highlighting critical situations;
- a personnel communication and training system, for the good functioning of the model.
- the appointment of a Supervisory Board with autonomous initiative and control powers, which should supervise the functioning and observance of the models through periodical controls, and update them, should significant violations be found out or should the activities or the organization have changed;
- specific informative duties toward the Supervisory Board about the main corporate facts and in particular about high-risk activities;
- specific informative duties of the Supervisory Board toward the corporate top management and the control bodies;
- a suitable disciplinary system, aimed at sanctioning the violation of the measures indicated in the model.

The components of the control system must be inspired to the following principles:

- verifiability, demonstrability, consistency and compliance of each operation;
- function separation (no one can autonomously manage an entire process);
- the controls must be documented;

In preparing the Model, CILP took into account, not only the discipline of the Decree, but also the principles expressed by Confindustria in the Guidelines approved, in their final version, by the Ministry of Justice.

## 2. THE ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL

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### 2.1. Methodological approach

CILP Model has been prepared in line with the last updates to the Decree, the guidelines and with the indications emerged by the case law so far, deemed significant for the preparation of the same Model.

Therefore, the preparation of the Model has followed the following steps:

- analysis of the activities performed by the different corporate areas in order to individuate the relevant risks with reference to the underlying offences referenced in the Decree (so-called “mapping of risk areas”);
- evaluation of the organizational and control measures aimed at mitigating the risk of committing the crimes identified in the mapping step and description of the action plans aimed at overcoming or mitigating the criticalities detected;
- evaluation of the “governance model” with particular reference to the proxy and power of attorney system, in order to individuate possible areas of improvement, also of the organizational model in general;
- preparation of improvement actions on the internal control system from the Decree’s perspective;
- Identification and appointment of a Supervisory Board (also “SB”) – having autonomous initiative and control powers and in charge of controlling the Model’s and its fundamental elements functioning, update and observance – and definition of the information flows between the SB and the various supervisory bodies of the CILP;
- Preparation of CILP’s Code of Conduct;
- Design of an internal disciplinary system aimed at sanctioning the violations to the Model, the Code of Conduct and the internal procedures;
- Rationalization of all the documentation prepared for the final document, denominated “Model”, to be evaluated and approved by CILP’s Board of Directors.

The Model, so as defined, is mainly aimed at creating a structured and organic system of procedures and control activities, in order to prevent, as far as reasonably possible, the commission of conducts suitable at configuring the offences envisaged by the Decree (the so-called underlying offences).

The adoption of the model is an effective awareness tool for all CILP’s employees and for all the other subjects interested in the same (Clients, Suppliers, Partners, different Collaborators), in order to follow a correct and linear conduct in the carrying out of any activity, aimed at preventing the risk of perpetrating the underlying offenses provided for by the Decree.

### 2.2. Purposes

In summary, the following are the purposes of the Model:

- Prevent and reasonably limit the possible risks related to the business activity, with particular focus on the commission of unlawful conducts;
- determine, in all those operating in the name and on behalf of the Company within the risk areas, the awareness of being liable to possible sanctions, both criminal and administrative, not only for themselves but also for CILP;



- strongly confirm that CILP does not tolerate any illicit conduct, of any kind and regardless of its aims, since the same, beyond breaching the applicable laws, is in any case against the ethical principles CILP is willing to respect.

### 2.3. Structure and Addressees

The Model is made of the following parts:

- The Main Part describes the terms and the effects of the L. D. 231/01, the basic principles and the aims of the Model itself, the adoption, diffusion, update and application procedures of the provisions contained in the Model, the principles stated by the Code of Conduct, the duties of the Supervisory Board, as well as the provisions of the disciplinary system;
- The Appendix describes in detail the specific offenses of the L. D. 231/01;
- Operating Protocols for every critical or “sensitive” activity/process.

The rules described in the Model are addressed to all those performing, also de facto, management, administration, direction and control functions within CILP, to the employees, as well as to the consultants, partners, agents, authorized representatives of the Company and generally to all third parties acting on behalf of CILP within all areas classified as “risk areas” (hereinafter referred to as the “Addressees” of the Model).

Those the Model is addressed to are therefore obliged to timely respect all the provisions contained therein, also in order to fulfill the trust, correctness and diligence duties required by the juridical relationship existing with CILP.

### 2.4. Approval, modification and update

Organizational models are, under the provisions and effects of article 6, paragraph 1, letter a) of the Decree, proceedings issued by the Company’s Directors. Therefore the approval of the Model and of its constitutive elements is of exclusive competence and liability of the Board of Directors (hereinafter “BoD”). Any modification and update of the Model is exclusive liability of the BoD, also on recommendation of the Supervisory Board, as far as the following elements are concerned:

- Granting to the SB all the necessary powers to carry out its supervisory duties;
- Granting to the SB of budget and appropriate resources to correctly carry out its duties;
- insertion/update of the principles contained in the Code of Conduct;
- modification or update of the disciplinary system;
- adjustments and updates to the Model.

As clarified by the Guidelines, amongst others, the BoD, even with the appointment of the SB, as provided for by the Decree, keeps unchanged any power and liability envisaged by the Italian Civil Code, to which are to be added those related to the adoption and effective implementation of the Model and to the functioning of the SB itself.

### 2.5. Implementation

The adoption of the Model constitutes the starting point of the dynamic management of the Model itself.

As far as the implementation of the Model is concerned, the Board of Directors, with the support of the Supervisory Board, shall be responsible for the implementation of the Model, including the operative procedures therein contained, for the respective areas of competence.

In any case, CILP is willing to reassert that the correct implementation and the control over the respect of corporate provisions and, therefore of the rules contained in the Model, are both an obligation and a duty of all the Company's personnel and, in particular, of each person in charge for the various functions, who, within the scope of his/her own competence, has the primary liability of the control of the activities, especially of those considered as "risk activities".

### 3. MAPPING OF RISK AREAS AND OF CONTROLS

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Article 6, paragraph 2, letter a), of the Decree provides for the Model to foresee a procedure aimed at "*detecting the activities within which offenses can be perpetrated*".

The detection of the areas within which offences could be perpetrated, implies a detailed evaluation of all corporate processes, aimed at verifying whether the offences provided for by the Decree could be theoretically committed and the suitability of the existing control elements aimed at preventing the same. On the basis of the above analysis a document called "Risk Assessment Report") has been issued. Such document is kept by the Supervisory Board.

The Mapping of risk areas represents the main principle of the Model, determining the scope of effectiveness and operation of all its fundamental elements; it is therefore not only constantly updated, but also reviewed every time the organizational structure of the Company is substantially modified (e.g. creation/change of business units, start/change of activities), or in case important changes of law are applied (e.g. the introduction of new offences to which the Decree applies).

As a consequence, through the Model, the Company provides for the preparation and constant update of the mapping of risk areas, also upon proposal from the SB, which, also through experts on the matter as needed, shall effect an analysis aimed at detecting and motivating which offences are theoretically applicable to the Company.

Such analysis is aimed at the following goals:

- individuate the corporate functions, which, in consideration of their duties and responsibilities, may be involved in "risk activities";
- specify the offences theoretically detected;
- specify the actual realization of the offence theoretically detected;
- individuate the elements to control the risk areas detected.

The results emerged from the mapping of risk activities and of the relevant controls will be the subject of a specific periodic communication from the Supervisory Board to the BoD, which shall take the appropriate resolutions regarding the update of the Model.

### 4. CODE OF CONDUCT

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The adoption of a code of conduct as governance tool is an essential element of the preventive control system. In fact, the Code of Conduct aims at recommending promote or forbid given behaviors, to which it is possible to associate sanctions proportioned to the gravity of the offense perpetrated.

The principles contained in the Code of Conduct of CILP are addressed to directors, managers, employees, consultants, partners, agents and authorized representatives acting on behalf of the Company, clients and suppliers.

Therefore, the Code's applicability extends also to those subjects with whom the respect of ethical principles can be contractually agreed upon.

The SB is responsible for the control on the application and observance of the Code of Conduct with reference to the specific activities carried out by the Company, by promptly communicating any incoherency or need for update to the BoD.

Any doubt about the application of the principles and provision in the Code of Conduct must be timely discussed with the SB. Anyone having notice about violations to the principles of the Code or about any other event affecting its scope and effectiveness is due to promptly inform the SB.

Should any of the provisions contained in this Code conflict with the internal regulations or procedures, the Code's rules shall prevail. The violation of the principles and conduct rules contained in this Code will be sanctioned through the measures contained in CILP Disciplinary System provided for by the Model.

Any change to the Code of Conduct must be effected by the BoD.

## 5. THE DISCIPLINARY SYSTEM

The actual effectiveness of the Model must be ensured by a suitable Disciplinary System, aimed at sanctioning any defiance and violation of the provisions contained in the Model and of its constitutive elements. Such violations must be sanctioned disciplinarily, regardless of a criminal investigation being started, since they represent a violation of the diligence and loyalty duties of the worker and in the worst cases a breach in the trust relationship with the employee.

As also clarified by the Confindustria Guidelines, the provision of a disciplinary system and of sanctioning mechanisms, must be differentiated according to the various existing relationships (employees, managers, directors, external collaborators) and in case of employment relationship, it must respect the provisions envisaged by art. 7 of the Workers Statute (L. n. 300/1970), the special legislation and the principle of typicality of violations in relation to the so-called sanctions maintaining the relationship.

In this regard, CILP has introduced a Disciplinary Systems for the purposes of the Decree, aimed at sanctioning any violation of the principles and provisions contained in the Model, both by Company's employees – managers and not – and by directors and statutory auditors, as well as by the members of the Supervisory Board, consultants, partners and third parties.

The Disciplinary System adopted by the Company constitutes an integrant part of the Model.

## 6. THE SUPERVISORY BOARD

The Decree under article 6, paragraph 1, letter b) provides for by, among the necessary elements to waive the liability consequent to the perpetration of the offences therein indicated, the appointment of an internal corporate Board – the so-called **Supervisory Board** (hereinafter "the Board" or "SB") – with autonomous initiative and control powers, having the duty to oversee the functioning and observance of the Model and to update the same.

### 6.1. Identification of the Supervisory Board

In order to fulfill the duties provided for by the aforementioned provision, the SB must satisfy the following requisites:

- **Autonomy and independency:** as also pointed out by the Guidelines, the position of the Board within the Company *"must guarantee the control initiative autonomy from any kind of interference and/or conditioning from any component of the Company"* (including top management). Therefore, the Board must be inserted as high as possible in the corporate hierarchy with the possibility of a reporting line to the Managing Director. Moreover, in order to ensure to the Board the necessary autonomous initiative and independency, *"it is necessary for the SB not to be in charge of any operative duty, which, through the participation to operative decisions and activities, would affect its objective judgment when verifying conducts and the Model"*. It is to be pointed out that as *"operative duties"*, for the purposes of the Model and of the Company's activity, it is to be

intended any activity envisaging expenditure and authorization powers, any activity implying management powers excluding budget availability.

- **Professionalism:** such requisite makes reference to the specialist technical expertise, which the Board must possess, in order to carry out the activity provided for by the law. In particular, the members of the Board, must have specific competences related to any technique useful for the carrying out of the inspecting, control system analysis and juridical activity (in particular corporate and criminal law), as clearly specified by the Guidelines. In fact, the following expertise is essential: techniques of risk analysis and assessment, flow charting of procedures and processes, methods for the individuation of frauds, statistical sampling and the structure of the offences and the ways the same are perpetrated.
- **Continuity of action:** in order to ensure the effective implementation of the organizational Model, it is necessary the presence of a structure exclusively dedicated full time to the supervisory activity.

In compliance with the provisions of the Decree and the Confindustria's Guidelines, and in the respect of the requisites of autonomy, independence, professionalism and continuity of action above illustrated, CILP Supervisory Board has been individuated in a collegiate body, made of 2 members, of which one is President.

The BoD appoints the SB and its President, that must comply with all procedures for the summoning of the SB, the establishment of the agenda and for the carrying out of the relevant meetings.

The appointment of the SB by the BoD is notified to each appointed member and accepted by this latter. The appointment is communicated by the BoD to all corporate levels, illustrating powers, duties and responsibilities of the SB, beyond its composition and aims.

## 6.2. Functions and Powers

CILP Supervisory Board:

- Supervises the effectiveness of the Model, i.e. control that the conducts within CILP are compliant with the Model prepared;
- Verifies the suitability of the Model, evaluating its actual effectiveness in preventing the offences envisaged by the Decree and by any subsequent modification enlarging its application scope;
- Verifies over time the permanence of the above requisites of effectiveness and adequacy of the Model;
- Monitors the Model update, in order to adapt the same to any change in the law or in the company's organizational structure.

In order to allow the carrying out of the above described duties, the SB:

- Has free access to all corporate documents;
- Can use, under its own direct surveillance and responsibility, all the corporate structures or external consultants.

Moreover, the SB has assigned financial resources, in order to ensure the correct carrying out of its assigned duties.

## 6.3. Information flows

### 6.3.1. Information flow from the Supervisory Board to the BoD

The Supervisory Board communicates the following to the Board of Directors:

- on annual basis, within the first calendar month, to the BoD, the activities planned to fulfill its duties;

- periodically to the BoD, the status of the defined program (criticalities and deficiencies acknowledged in the corporate processes, necessary and/or opportune corrective measures to the Model and their status of implementation) and any change made to the plan, motivating the same;
- immediately to the BoD, any significant issue arisen from the activities performed.

Furthermore, the Supervisory Board:

- must report annually to the BoD the status of implementation of the Model.
- can be required to report at any moment to the BoD with regard to the activities carried out, and can, in turn, require a meeting to report about the functioning of the Model or specific issues.
- must report to the BoD any irregularity/anomaly acknowledged in the actions of the management or being particularly relevant for the Company.
- coordinates with the competent technical structures within CILP for the different specific profiles.

### *6.3.2. Information flow to the Supervisory Board*

Article 6, paragraph 2, letter d) of L.D. 231/01, provides for by the inclusion in the “Organizational Model” of informative duties towards the Board in charge for the control of the functioning and observance of the Model itself. The obligation for a structured information flow was conceived in order to guarantee the supervisory activity on the effectiveness and efficacy of the Model and any possible assessment afterwards of the causes that rendered possible the perpetration of the offences provided for by the Decree. In particular, beyond the information specifically required by the corporate procedures, the SB must promptly receive, by all corporate functions, the information having character of report/timely flow or the periodical information/report on sensitive events and/or activities. Any information which must be reported to the SB is specifically indicated and regulated in the Protocol “Reporting to the Supervisory Board” belonging to the Model and to which reference should be made.

The Board acts in order to ensure that the informers are not subject to any form of retaliation, discrimination or penalization, and to guarantee at the same time the confidentiality of the informer’s identity, always with regard to the law provisions and the protection of the rights of CILP or of the subjects involved, as well as to the reputation of the people involved.

In order to facilitate the information and reporting flow toward the SB, it has been activated an e-mail address: **segnalazioni@cilpodv.it**, specifically dedicated to the communications for the SB.

## **7. TRAINING ON AND COMMUNICATION OF THE MODEL**

### **7.1. Training**

Internal training is an essential tool for an effective implementation of the Model and for a widespread dissemination of the conduct and control principles adopted by CILP, in order to reasonably prevent the offences envisaged by the Decree.

With this aim, CILP develops a suitable periodical training program differentiated according to the addressees: employees in general (general training) and people in charge of internal control (specific training).

The requisites the training program must respect are the following:

- Be adequate to the position of the subjects within the organization (newly-employed, employee, manager, director, etc.);
- The contents must be differentiated according to the activity carried out by the subject within the Company (risk activity, control activity, safe activity, etc);

- The trainer must be a competent and influential person, in order to ensure the quality of the training topics, as well as to explicitly give importance to the subject training for the Company and for the strategies the same is willing to follow;
- The participation to the training programs is compulsory and appropriate control mechanisms must be defined to monitor the presence of the participants and assess the learning level of the participants.

Training activity must be addressed to all corporate levels, in order to allow every employee to be informed about:

- Know the principles established by the Decree and be aware that the Company is willing to make them its own and a fundamental part of the corporate culture;
- Know the aims the Company wants to accomplish through the implementation of the Model and the ways in which everyone's activity may contribute to the achievement of the same;
- Be aware of their role and responsibilities within the existing corporate internal control system;
- Know which conducts are expected or acceptable and those not acceptable for CILP;
- Know the appropriate reporting channel for the type of information to be communicated and for the subject whom the communication is addressed to, and, in particular, know to whom to report and through which procedure any anomaly in the carrying out of the corporate activities;
- Be aware of the applicable disciplinary sanctions in case of violation of the rules of the Model;
- Know the powers and duties of the Supervisory Board.

People in charge for the internal control, who monitor the activities potentially at risk, shall be addressed with a specific training, in order to make them aware of their responsibilities and role within the internal control system, as well as of the sanctions they could be subject to, should they fail to respect such responsibilities and role.

Should the Model be significantly changed and/or updated, training modules shall be organized, in order to inform the staff of such changes/updates.

Finally, specific training modules shall be organized for the newly-employed assigned to risk areas.

## 7.2. Communication

As provided for by the Decree and by Confindustria's Guidelines, CILP releases the Model, in order to ensure that the whole staff is informed about all its elements.

The communication shall be widespread, effective, clear and detailed, with periodical updates related to the changes in the Model. In particular, the communication, in order to be effective, must:

- be sufficiently detailed in relation to the hierarchical level of destination;
- use the most appropriate and most accessible communication channels in order to ensure the information in a timely manner, allowing the staff to which the communication is addressed to, to effectively and efficiently use the same;
- be qualitative about the contents (include all the necessary information), timely, updated (include the most recent information) and accessible.

CILP promotes the knowledge of the principles and rules envisaged by the Code of Conduct and the Model among consultants, partners, agents, and authorized representatives acting on behalf of the Company, clients and suppliers. Therefore, these subjects shall be provided with appropriate informative communications; moreover, dedicated clauses for the acknowledgement and acceptance of the same shall be prepared.

CILP makes Model and Code of Conduct available on website [www.cilplivorno.it](http://www.cilplivorno.it).