

ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL
pursuant to the Legislative Decree No. 231 dated 8th June 2001

GENERAL SECTION

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MODEL IMPLEMENTATION AND UPDATES

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1) Applicable regulatory framework

1.1. Legislative Decree No. 231 dated 8 June 2001

Legislative Decree No. 231 dated 8th June 2001, introducing “*Rules governing the administrative liability of legal entities, companies and associations, including those without legal personality*” (“Legislative Decree No. 231/2001” or “Decree”) has brought Italian laws regulating the liability of legal entities into line with several international conventions previously signed by Italy¹.

The Decree has introduced to Italian law a system that will charge with administrative liability for offences committed (basically equivalent to criminal liability) a number of entities (corporations, companies and associations, even if without legal personality, this being in addition to the liability of the individual who has actually committed certain offences and aims to involve, when issuing punishment, the entities for whose benefit or advantage such offences have been committed.

It does not apply to the State, local authorities, public no-profit organisations and entities having a constitutional role.

Article 5 of the Decree specifies that the entity shall be liable solely for the offences listed therein committed for its benefit or advantage by:

- a) “*persons who hold representative, administrative or managerial positions at the entity or one of its financially and operationally independent organisational units, as well as those who run and control the entity (including in a de facto manner)*”, also known as ‘top managers’;
- b) “*persons under the management or supervision of one of the parties mentioned under letter a)*”, also known as ‘subordinates’.

The entity is not deemed liable when the offender acted “*solely in his own interest or in the interest of a third party*”.

Moreover, pursuant to article 6 of the Decree, the entity shall not be liable when it can prove that:

- before the offence was committed, the management body adopted and effectively implemented Organisational, management and control models designed to prevent the offences in question from being committed;
- the entity has entrusted the task of monitoring the running, adherence to and updating of

¹ In particular: the Brussels Convention of 26 July 1995 on the protection of the European Communities' financial interests; the Brussels Convention of 26 May 1997 on the fight against corruption involving EU officials or officials of EU countries; the OECD Convention of 17 December 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions.

Organisational, management and control models to a body having independent powers of initiative and supervision;

- the perpetrator committed the offence by illicitly circumventing the implemented Organisational, management and control models;
- the *Organismo di Vigilanza* is not guilty of lack of or inadequate supervision.

In the event of offences committed by 'subordinates' (article 5, paragraph 1, letter b) Decree), the entity shall be liable where commission of the offence has been made possible by top managers failing to fulfil their management or supervisory responsibilities. These requirements cannot be considered breached if, before the offence was committed, the entity adopted and effectively implemented a model designed to prevent the offences in question from being committed (article 7, paragraph 2, Decree).

Not all offences committed by the above-mentioned parties imply the Entity's administrative liability since it can only apply in the case of certain specific types of offence.

Offences that when committed could lead to the entity being held liable (so-called 'predicate offences') are specifically mentioned by article 24 and subsequent of Legislative Decree No. 231/2001 or special legislation; the legislator may update this list. The Annex 2 to the Special Section of this Organisational, management and control model ('Model' or 'Model 231') contains a list of the so called "predicate offences" last updated on the date specified therein.

1.2. Penalties specified by the Decree

Under the terms of the Decree, should the Foundation be found guilty of one of the above-mentioned offences, it may be issued with penalties by the competent authorities.

The administrative penalties specified by the legislator under article 9 of the Decree are split into the following categories:

- Fines (articles 10, 11, 12 of Legislative Decree No. 231/2001)
The fine is always applied in the form of 'units'. The amount of the fine is established by calculating:
 - the number of 'units', specified over a statutory range that takes into account the seriousness of the offence and the entity's (prior and subsequent) conduct;
 - the amount of an individual penalty unit, decided on the basis of the entity's income and wealth

Article 12 of the Decree specifies certain circumstances under which the fine may be reduced.

- Bans (article 9, paragraph 2, of Legislative Decree No. 231/2001)

Bans may be imposed solely for certain offences and under certain specific circumstances.

The bans are:

- ban on carrying out business;
- suspension or withdrawal of licences, permits or concessions needed to commit the offence;
- ban on doing business with public authorities, except when obtaining a public service;
- exclusion from funding, loans, grants or subsidies and cancellation of any already granted;
- ban on advertising goods and services.

The court shall decide type and duration based on the same criteria used to determine a commensurate fine as specified under article 11 of the Decree.

- Publication of decision (article 18 of Legislative Decree No. 231/2001)

This is an optional penalty and subject to the application of a ban.

- Seizure (article 19 of Legislative Decree No. 231/2001)

Seizure of the price of profit arising from the offence is a mandatory penalty in the event of conviction, except for the part that can be returned to the injured party.

1.3. Adoption and implementation of an Organisational, management and control model pursuant to Legislative Decree No. 231/2001

Under articles 6 and 7 of the Decree, the legislator lists some specific cases where the entity may be exonerated from administrative liability.

More specifically, article 6, paragraph 1 of the Decree states that, where the offences have been committed by a top manager, the entity shall not be held liable if it can prove that:

- a) before the offence was committed, the management body adopted and effectively implemented an Organisational, management and control model designed to prevent the offences in question from being committed;
- it has appointed an independent self-governing body ('OdV') to monitor the running, adherence to and updating of the Model;
- b) the perpetrators committed the offence by illicitly circumventing the Model;
- c) the OdV is not guilty of lack of or inadequate supervision.

The contents of the Model are specified by said article 6 that states under paragraph 2 of the Decree that the entity shall:

- a) identify the activities where the offences may be committed;
- b) implement specific protocols designed to plan the reaching and implementation of the Entity's decisions regarding offence prevention;
- c) decide how to manage the financial resources needed for offence prevention;

- d) stipulate obligations to disclose information to the OdV;
- e) introduce a disciplinary system designed to punish failure to comply with the rules contained in the Model.

As regards subordinates, adoption and effective implementation of the Model means that the Entity will only be held to account where the offence has been made possible by failure to fulfil management or supervisory responsibilities (combined provisions of article 7, paragraphs 1 and 2 of the Decree).

Under subsequent paragraphs 3 and 4, article 6 introduces two principles that, although forming a part of the above-mentioned provision, appear of crucial importance when exonerating the Entity from liability for both the offences specified under article 5 letters a) and b) of the Decree.

In particular, it is requested that:

- the Model imposes measures designed to both ensure that the activity is conducted legally and identifies risk situations in good time, bearing in mind the type of activity conducted and the nature and size of the organisation;
- effective implementation of the Model requires regular auditing and modification when discovering serious breaches of law provisions or there are significant changes within the organisation or legislative changes; the existence of a suitable disciplinary system is also important (in truth, a requirement already specified under article 6, paragraph 2, lett. e) Decree).

Therefore, formally speaking, the adoption and effective implementation of a Model is not mandatory, but merely an option for entities that could decide not to comply with the provisions of the Decree without facing any penalty as a result.

Nevertheless, for entities, adoption and **effective implementation** of a suitable Model is mandatory if they want to be able to benefit from the exoneration specified by the Legislator. Furthermore, it is necessary to remain well aware that the Model is to be considered not a static tool, but, conversely, a dynamic one that, through correct and targeted implementation over time, enables the entity to eliminate any failings (e.g. shortcomings in the internal monitoring system) that could not be identified when it was first set up.

1.4. Guiding principles used to draft the Model

The Fondazione Human Technopole (hereinafter 'HT' or 'Foundation') Model is based on the commonly accepted Guidelines for compliance with the Decree itself, on the Financial Police

Circular No. 83607/2012 and on the relevant case law, as well as the extensive long-term experience gained in drafting and updating Organisational, management and control models.

The procedure implemented for preparation of the Model can be summarised in the following operational steps.

▪ Mapping of Foundation areas where an offence is liable to be committed:

this activity involves analysing the current situation within the Foundation and its processes in order to identify the areas of operation where one of the offences specified by the Decree is likely to be committed. The activity's output is a map of the Foundation areas and processes where an offence is liable to be committed.

▪ Potential risk analysis:

this activity involves a description of the possible ways in which the offences can be committed in the Foundation areas and processes identified at the above-mentioned mapping stage and should provide a comprehensive picture of how these offences can be committed, including by complicity in the crime, within the internal and external environment in which the Foundation operates.

The output of the activity comprises a map of the potential ways in which the offences can be committed in the identified processes and areas at risk.

▪ Assessment and subsequent updating/building of the preventive monitoring system:

this activity regards an assessment of any existing in-house preventive monitoring system and, where necessary, its updating or building, if the Foundation doesn't have one. The preventive monitoring system should guarantee that the risks of committing the offences, in the manner identified and documented at the previous stage, are reduced to an 'acceptable' level. This basically refers to the creation of what the Decree defines "*specific protocols designed to plan the reaching and implementation of the Entity's decisions regarding offence prevention*".

The most important components of the internal monitoring system are:

- the Code of Ethics;
- the corporate governance and organisational system (including the Organisational Regulation and the acts that implement it);
- the internal regulatory system governing Foundation's activity and operations (Policies for the functioning of the Foundation, Internal Rules and Guidelines);
 - the system of assignment and allocation of powers of signature and authorisation powers;
 - the staff notification and its training;
 - the principles of professional conduct, bans and protocols specified by the current Model

- other documents relating to the Internal control system.

In addition, the monitoring system adheres to the following principles:

- “every operation, transaction and action should be: verifiable, documented, consistent and appropriate”;
- “no one may manage an entire process independently” (application of the separation of duties principle);
 - “audits shall be documented”.
 - Disciplinary system and penalty mechanisms:

when setting up the Model, a key aspect and essential element is the implementation of a suitable penalty system for breaching the rules specified by the Code of Ethics and by the Model. Indeed, to rely on the Model as a means of exoneration, the Foundation must ensure that this is in place, but also effectively implemented by top managers, their subordinates and third parties.
 - OdV:

the appointment of an OdV, entrusted with monitoring the running, effectiveness, adherence to and updating of the Organisational, management and control model must be made before the Entity can be exonerated from liability.
 - Requirement for Foundation departments involved in the processes where an offence is liable to be committed to notify the OdV.

2) The Organisational and control model implemented by Fondazione Human

2.1 Fondazione Human Technopole activities

The Fondazione Human Technopole is a foundation established pursuant to article 1, paragraph 116, of Law No. 232/2016, that receives state funding to conduct scientific research of general interest.

More specifically, the Foundation’s purpose is to boost the development of human and long life technology by increasing public and private investments in health and prevention research sectors, in accordance with the National Research Programme (PNR) and by developing an integrated multidisciplinary approach in the fields of health, genomics, nutrition and data and decision science, with particular regard to the *Human Technopole* science and research project, including in association with the university and research institute system.

In order to achieve its institutional objectives, the Foundation:

- manages the funding specified by article 1, paragraph 121, of Law No. 232/2016 and article

5, paragraph 2, of Decree Law No. 185/2015, enacted with amendments by Law No. 9/2016;

- operates by drawing up long-term non-profit programmes and projects to be developed, including, through specific agreements and arrangements, in cooperation with other public bodies, research institutions, Universities, public and private organisations, both Italian and foreign;
- promotes the undertaking of highly innovative research projects in the manner described by article 49-bis of the so-called 'Recovery Decree' No. 34/2020, through the facility specified therein named 'Centre for Innovation and Technology Transfer in the field of life sciences'.

Under the terms of the By-laws (to which reference should be made for further details), the Foundation may perform all actions and engage in all real estate operations, security and financial transactions deemed necessary and/or beneficial in achieving its institutional objectives and administer and manage assets of which it is the owner, lessor or bailee or are, in any event, in its possession.

In preparing the Model, it was borne in mind both that by virtue of its nature as a body governed by public law, the Foundation is subject to the obligation to make its purchases in compliance with the applicable Italian Public Procurement Code (Legislative Decree 50/2016 and following amendments) and that on September 30, 2021 the Foundation was included in the list of Public Administrations (the so-called "ISTAT List") subject to the communication of the National Institute of Statistics (ISTAT), updated annually pursuant to art. 1, paragraph 2, of Law no. 196/2009.

2.2 Reasons for implementing the Organisational, management and control model

Under Articles 2, paragraph 5, and 13, paragraph 2 letter d), the Foundation By-Laws make specific reference to Legislative Decree No. 231/01, stating that:

- supervision of the running and fulfilment of the Organisational, management and control model specified under article 6, paragraph 1 letter b), of the Decree must be entrusted to a body having independent powers of initiative and audit (Article 2, paragraph 5, Bylaws);
 - a) the *Consiglio di Sorveglianza* shall appoint the *Organismo di Vigilanza* requested by article 6 of the Decree (Article 13, paragraph 2 letter d) Bylaws).

For this reason, the Foundation has decided to implement an Organisational, management and control model pursuant to Legislative Decree No. 231/2001.

Indeed, the decision was taken in the belief that implementation of the Model might create a valid awareness-raising tool for all Foundation employees and all other interested parties (Participants, Supporters, Suppliers, Partners and Consultants in various capacities) so that they behave in a

proper manner when performing their duties, thus preventing the risk of committing the offences specified in the Decree.

2.3 Recipients

The Model applies to everyone who operate within the scope of the Foundation's activity and organisation, more specifically, those persons required to perform the activities identified in the model where the potential risk of committing an offence has been identified.

Therefore, the Model applies, first of all to members of Foundation Boards, top managers and all employees, consultants and associates.

The Model also needs to be followed by all those working with the Foundation in various capacities in carrying out its official activities, as well as all third parties who have a relationship with it but are not employees (e.g. consultants, suppliers); this can be achieved by inserting specific clauses in contracts and agreements with these parties.

2.4 Model Objectives

The Model sets the following objectives:

- to set up a well-organised, structured prevention and monitoring system designed to reduce the risk of committing the offences connected with the Foundation's activity;
- to instil awareness in all those working for and on behalf of the Foundation in 'at risk areas/processes' that in the event of breaching the regulations specified herein, they may be subject to a penalty for committing a criminal or administrative offence that also leads to repercussions for the Foundation itself;
- to advise all those working in any capacity for, on behalf of or, in any event, in the interests of the Foundation that breaching the requirements of the Model will result in the imposition of specific penalties including – where appropriate – dismissal/termination of contract and claim for compensation for the damage caused;
- to make clear that the Foundation will not tolerate unlawful conduct of any type and regardless of purpose, since such conduct (even in the event that the Foundation might apparently benefit from it) is in any event contrary to the ethical principles it intends to follow.

2.5 Model update methodology

The Foundation, after adopting² and updating³ the Model, has started an analysis and audit of its

² Adoption of Model 231 took place by resolution of the Consiglio di Sorveglianza on 29 July 2020.

³ The first update of the model took place by resolution of the Consiglio di Sorveglianza 29 June 2022.

monitoring system aimed at further updating the Model in accordance with the provisions of Legislative Decree No. 231/01.

In short, the activities can be broken down into the following steps:

1. Preliminary analysis of the Foundation's documentation

Analysis of the Foundation's organisational structure and the activities it handles, also considering the key reference documentation (applicable legislation, Foundation By-Laws, organisation chart, powers of attorney and representation, policies and procedures in force and pending approval, health, safety and environmental management documentation, types of contract used, etc., as well as the current Model) with particular consideration to changes that have occurred since the previous update of the model

2. Mapping areas at risk and potential ways in which the offences can be committed

Mapping areas and activities where there is a risk of committing the offences specified under Legislative Decree No. 231, i.e. all those Foundation processes and activities that could potentially lead to commission of the offences specified therein.

Mapping has been carried out following a series of meetings between Foundation Departmental Heads and the top management.

The analysis carried out at this stage is formally specified in a document entitled "Risk Assessment pursuant to Legislative Decree No. 231", forming part of the Special Section of the Model under Annex 3.

3. Monitoring system assessment

All areas/activities where the potential risk of committing an offence pursuant to Legislative Decree No. 231 underwent analysis and subsequent monitoring/updating to verify the presence of suitable process checks capable of mitigating the risks found.

4. Gap Analysis

In accordance with internal control best practices, a comparative analysis was carried out between the preexisting controls used to monitor areas/activities where an offence is liable to be committed and the related control elements in the model, according to best practices in internal controls.

The analysis carried out at this stage is formally specified in an Excel file named "List of offences" under the column "Inherent risk/Residual risk" of the Excel file named "List of offences" (forming part of the "Risk Assessment pursuant to Legislative Decree No. 231/2001", forming part of the Special Section of the Model under Annex 3).

5. Formal specification of the Organisational, management and control model

The Organisational, management and control model pursuant to Legislative Decree No. 231/2001 has been drafted containing all sections and operating rules, adapted to the

Foundation's environment and consistent with reference Guidelines.

6. Model approval and updating

The analysis documents forming the Model were submitted to the Foundation Management Committee and *Consiglio di Sorveglianza* for formal approval.

The Model is approved following a resolution of the Management Committee and submitted to the *Consiglio di Sorveglianza* for approval pursuant to articles 16, paragraph 1 letter c) and 13, paragraph 3 letter e) of the By-Laws and updated with resolution of the Consiglio di Sorveglianza, autonomously or upon a justified proposal of the Management Committee.

7. Staff Notification and Training

Affected parties will receive notices and training designed to illustrate the Model.

2.6 Components of the Foundation Model

The Model consists of a **General Section**, a **Special Section** and a **Code of Ethics**.

The **General Section** outlines – amongst other things – the Foundation governance along with the Model's purpose and methods of implementation.

The General Section also contains documents that complete and specify the Organisational, management and control model framework, such as:

- Disciplinary system (Annex 1).

The **Special Section** is split into several sections, one for each area/process where offences applicable to the Foundation pursuant to Legislative Decree No. 231/2001 are liable to be committed.

Each section of the Special Section addresses:

- 'sensitive' activities for the risk area/process under consideration;
- the conceivable offences (list of families of offences covered by Legislative Decree No. 231/01 and the ways in which each offence can be committed);
- the main functions of the Foundation (e.g. departments, areas, etc.) where an offence is 'liable to be committed';
 - the control criteria and operational controls implemented by the Foundation;
 - the principles of conduct, the bans and the specific protocols related to the area at risk in question to be followed in order to reduce the risk of committing;
 - information flows to the OdV.

The **Code of Ethics**, which is part of the model but a separate document from it, specifies the

Foundation's ethical standards and behavioural rules designed to prevent the commission of the offences specified by Legislative Decree No. 231/2001 as well as conduct at odds with the values that the Foundation seeks to promote, including those expressed in said Code of Ethics.

2.7 Model adoption and updating

The adoption of the Model, along with any subsequent amendment and supplementing (updates), falls within the remit of the Foundation *Consiglio di Sorveglianza* (in line with the provisions of article 6, paragraph 1 letter a), of the Decree).

The *Consiglio di Sorveglianza* shall decide regarding updating of the Model, autonomously or upon a justified proposal of the Management Committee explaining its reasons, also as regards amendments and/or additions that may be necessary following:

- serious breaches of the Model;
- changes to the Foundation's internal structure and/or methods of performing the activities specified in the By-Laws in order to achieve its institutional objectives;
- legislative changes;
- the outcome of audits/controls;
- uncovering of serious criminal acts even if committed prior to approval of the Model.

Any changes decided and instructions for their immediate application should be notified to the OdV. In any event, the OdV shall retain specific tasks and powers as regards the care, development and promotion of the constant updating of the Model. To this end, it shall submit remarks and proposals regarding the organisation and control system to the relevant Foundation's departments or, in particularly important cases, to the *Consiglio di Sorveglianza*.

Minor amendments (i.e., amendments that do not alter the principle, contents and implementation of the Model, including but not limited to typos, editorial changes, updating nomenclature) may be approved directly by the Director.

3) Structure and internal control system

3.1 Governance system

Pursuant to the By-Laws (to which reference should be made) and subsequent resolutions of the *Consiglio di Sorveglianza*, the Foundation's Governance is assigned to the following bodies.

- President

The President of the Foundation is the legal representative, chairs the *Consiglio di Sorveglianza*, has powers of strategic guidance, is responsible for the Foundation's institutional and public relations and promotes training activities and dissemination of the social and economic impact of the scientific research of the Foundation.

- *Consiglio di Sorveglianza*

The *Consiglio di Sorveglianza* ensures excellence in the Foundation and compliance with the rules governing the appointment of its bodies and officers and verifies the use of resources. It performs a general guidance and control over the Foundation n.

The *Consiglio di Sorveglianza* consists of thirteen members, including the President, appointed in various capacities by the relevant entities⁴.

- Director:

The Foundation Director is responsible for implementing the multiannual strategic plan approved by the *Consiglio di Sorveglianza*.

- Management Committee

The Management Committee is in sole charge of performing the activities needed to guarantee orderly progress towards and achievement of the Foundation's objectives.

- Scientific Committee

In the capacity of the Foundation's advisory body, the Scientific Committee:

- gives opinions regarding the scientific research protocols and programme plan to be submitted to the *Consiglio di Sorveglianza*;
 - expresses opinions that are binding on the Management Committee regarding the appointment of recruitment committees;
 - assesses the correlation between scientific activities and multiannual plans and evaluates resource allocation.
- Board of Auditors (Collegio dei revisori):

The Board of Auditors (Collegio dei revisori) audit the regularity of the Foundation's administration and accounting records, prepares the financial statement reports and submits them to the Management Committee and audit cashflows; it also prepares reports concerning the budgetary for the coming financial year.

3.2 The Commission for Strategic Assessment

The Commission for Strategic Assessment that is assigned the task of assessing the Foundation's overall results and, every three years, drafts a report concerning papers published, patents pending and social impact in terms of public health. The Commission for Strategic Assessment will consist of five members designated by the European Research Council and appointed by the *Consiglio di Sorveglianza*. To date, the *Consiglio di Sorveglianza* has been unable to appoint this body since the European Research Council has failed to designate the members of the Commission, as specified

⁴ Ref. art. 12 of the Foundation By-Laws

by article 22 of the Foundation By-Laws.

3.3 Internal organisational structure

In order to clearly define the roles and responsibilities of the staff forming its organisational structure, the Foundation has specified:

- Staff areas and that report to the President (President's Office, Communications Area and Institutional Relations Area);
- Staff areas and that report to the Director (included the Director's Office);
 - Research Centres and the respective Facilities;
- Operations and support departments with the respective Areas and Services that report to them (the Administration Department –to whom the Finance, Human Resources, Campus Development & Facility Management, Procurement & Supply Chain, HSE and ICT & Digitalisation Sections report– Legal and Strategy and Scientific Affairs Departments);
the Internal Audit & Compliance Function;

The Foundation's detailed organisational structure is decided by the Organisational Regulation, approved by the *Consiglio di Sorveglianza* (to which reference should be made), and illustrated by the Organisation Chart enclosed therein.

3.4 Occupational health and safety organisational structure

The Foundation has specified the occupational health and safety organisational structure to achieve greater integration between running the Foundation's activity and monitoring safety, designating the Director to fill the role of employer on behalf of the Foundation.

To this end, the following parties operate within the organisational structure defined and described in the Risk Assessment Document (DVR):

- the employer;
- the HSE manager ("RSPP");
- deputy HSE managers ("ASPP");
 - occupational health doctor
 - worker health and safety representative ("RLS")
 - rescue and emergency workers;
 - fire prevention and emergency officers;
 - basic life support trained and early defibrillation employees ("BLSD").

3.5 Delegation of power and power of attorney system

The Foundation delegation of power system is governed by the *Consiglio di Sorveglianza*.

The granting of powers of attorney is carried out in a transparent manner; even in relation to cases in which the power of sub-delegation is provided for and exercised, the level of autonomy assigned to the various holders of powers is set in a manner consistent with the hierarchical level of the individual recipients and within the limits of what is necessary for the performance of the assigned tasks and duties.

The main powers conferred by the Consiglio di Sorveglianza to date, and upon a proposal by the Management Committee, are as follows:

- powers to the Director and to a delegate of the Management Committee for the procurement of goods, works and services;
- additional powers to the Director in the capacity of employer on occupational health and safety matters and as Environmental Manager
- powers to the member of the Management Committee appointed to the “Centre for Innovation and Technology Transfer in the field of life sciences with headquarters in Lombardy” as specified by the Recovery Decree;
- powers to the General Counsel and Head of Legal, for legal representation;
- powers to certain individuals, included in the organizational chart of the company Mercer Italia S.r.l., supplier of the HR Area, for the request and withdrawal, at the Prefecture of Milan, of work authorizations and clearances for non-EU citizens and for the signing and withdrawal of copies of the relevant residence contracts;
- additional powers to the Director in specific fields as regards conducting the Foundation’s activity, including personal data protection powers and to join associations, consortia or other forms of organizations of an associational nature, to obtain funding to carry out the Foundation’s own basic research activities.

3.6 Policies, Internal Procedures, Guidelines

To manage its processes, the Foundation has developed an internal regulatory system consisting of Policies for the functioning of the Foundation, Internal Procedures and Guidelines.

These internal regulatory systems specify the first level controls implemented by operating departments in order to ensure the propriety, effectiveness and efficiency of its activities.

The main management processes in the administrative section are supported by software applications and procedures that identify and determine the staff *modus operandi*.

In particular, the three types of internal regulation sources are defined as follows:

- Policies on the functioning of the Foundation: within the self-regulatory power of HT, the

Functioning Regulations set the general discipline for each area that is the object of specific intervention, establishing the general principles and the fundamental aspects for the functioning of the organization; the Regulations are rarely subject to modification.

- **Internal Procedure:** as part of the self-regulatory regulations developed by HT, the Internal Procedures set out in detail the internal operating procedures for carrying out the various activities they regulate (e.g., flows), defining the expected conduct of the recipients; the Internal Procedures are subject to periodic review and updating to ensure the relevance of the relevant provisions.
- **Guidelines:** as part of the self-regulatory regulations developed internally by HT, the Guidelines provide clarification and general indications regarding an activity on which the Foundation intends to express its own orientation, by means of operational instructions.

3.7 Internal Control System

To guarantee the propriety, effectiveness and efficiency of its activities and ensure the first level controls formally specified by in-house regulations, the Foundation has decided to implement an Internal Control System structured in several levels, as described hereafter:

- **Internal Audit and Compliance Department:**
 - with reference to the activities and tasks of the Function in question, full reference is made to the contents of the Organizational Regulations and its annexes
- **Management Control:** an activity performed in the Finance Department, it has the task of:
 - drawing up the budget and multiannual business plan;
 - drafting regular reports;
 - monitoring variances between the budgetary plans and the financial statement.

4) Organismo di Vigilanza

Amongst the requirements to be met before the entity can be exonerated from liability following commission of the offences listed in the Decree, article 6, paragraph 1, letter b), specifies the setting up of an OdV, having independent powers of initiative and control, entrusted with monitoring the running, adherence to and updating of the Model.

The Foundation's *Consiglio di Sorveglianza* has approved the document entitled 'OdV By-laws', forming an integral part of the Model, that regulates the committee's key characteristics.

Whilst reference should be made to the approved document to obtain a clearer picture, at this time, the main characteristics of the body in question are worth a brief mention.

4.1. Organismo di Vigilanza structure and composition

In accordance with the relevant Guidelines, the Foundation has decided to appoint an OdV composed of three members.

The body entrusted with this task shall meet self-governance, independence, professionalism and continuity of action requirements.

To implement the provisions of the Decree, the Foundation's *Consiglio di Sorveglianza* shall identify the parties best suited to receiving this task and therefore performing the duties of the OdV.

4.2. OdV duties and powers

In general terms, the OdV is entrusted with the tasks specified by the Decree and relevant best practices, including the task of monitoring the effectiveness of the Model, namely:

- compliance with its provisions by the recipients identified for the various types of offence specified by the Decree;
- the actual effectiveness and adequacy of the Model, i.e., its ability as regards the Foundation structure to prevent perpetration of the offences specified by the Decree;
- maintaining the Model's adequacy requirements over time;
- updating the Model when noting the need for correction following changes to conditions within the Foundation.

This activity is normally performed at two distinct and interconnected times:

- submission of proposals to amend the Model to the Foundation bodies/departments that can actually implement them;
- follow up, i.e., checking the implementation and operating efficiency of the solutions proposed.

In more operational terms, the OdV is assigned the following powers:

- introducing monitoring procedures, remembering that, in any event, the primary responsibility for activity monitoring, including in risk areas, falls within the remit of operations management;
- performing inspections of the Foundation's activity for the purposes of updated mapping of the areas of activity at risk;
- performing regular audits (with the support of the Heads of the various departments and/or Process Managers) targeting certain operations or specific actions carried out in the areas of activity at risk;
- promoting projects to disseminate knowledge and understanding of the Model, drafting - where necessary- instructions and explanations;
- collecting, processing and storing relevant information regarding observance of the Model and updating the list of mandatory information to be forwarded to the OdV or remain at its disposal;

- cooperating with other Foundation departments (including by holding special meetings) to improve monitoring of activities in areas at risk. To this end, the OdV should be kept constantly updated as to the progress of activities in these areas at risk and have free access to all the Foundation's documentation;
- checking that the required documentation is present, properly kept and effective in accordance with the provisions for the various types of offence. In particular, the most important activities should be reported to the OdV and updated documentation placed at its disposal so that checks can be performed;
- conduct internal investigations into alleged breaches of the Model;
- check that the measures of prevention/controls requested for the various types of offence (completion of procedures, implementation of standard clauses, etc.) are sufficient and fulfil the compliance obligations specified by the Decree, promoting the arrangement for them to be updated if this is not the case;
- working with Heads of the Foundation's Departments on various aspects regarding implementation of the Model (e.g. specification of standard clauses, staff training, disciplinary measures).

4.3. OdV Regulation

In order to complement the provisions of the document entitled 'OdV By-laws', approved by the *Consiglio di Sorveglianza*, the OdV has drafted its own internal regulations designed to regulate the material aspects and procedures relating to the performance of its duties, including the respective organisational and operational structure.

In particular, the internal regulation should cover the following matters:

- a) the type of auditing and supervisory activities performed by the OdV;
- b) specific information flows to the OdV used for supervisory activities;
- c) the operation and internal organisation of the OdV (e.g. convening meetings, method of approval of resolutions, taking minutes, etc.).

4.4. Information flows and reporting to the OdV

Article 6, paragraph 2, lett. d), of the Decree specifies that one of the 'requirements that must be addressed' by a suitable Organisational, management and control model is that it make express provision for 'obligations to disclose information to the body assigned the task of monitoring the running of and adherence' to said Model (so-called 'information flows').

These disclosure obligations represent an essential means of facilitating monitoring of the

implementation, fulfilment, and adequacy of the Model, as well as, where offences have been committed, subsequent investigation into how this has been made possible.

Members of governance bodies, top managers, employees, and consultants of the Foundation and, in any event, all those parties to whom the Model applies must comply with these disclosure requirements.

When specifically prescribed by the Model or requested by the OdV itself, these parties shall submit their report in a timely manner.

Firstly, the OdV should receive the information requested regarding each area/process where an offence is liable to be committed under the terms of the Model Special Section.

This information should be sent by the parties (Responsible of the Information Flow) with the frequency specified therein.

The OdV may ask the Consiglio di Sorveglianza to give a more detailed explanation or extend the list of information flows it receives, also specifying who is in charge of the flow, its frequency and means of transmission.

Furthermore, each party to whom the Model applies shall notify the OdV of any other details regarding its implementation in the areas of activity at risk and regarding the adherence to the provisions of the Code of Ethics.

In this respect, the OdV shall be notified about the commission within the Foundation of offences specified by the Decree or, in any event, conduct not in keeping with the behavioural rules implemented and/or requested by the Code of Ethics.

It should be noted that reporting obligations regarding behaviour breaching the requirements of the Model fall within the more wide-reaching employee due diligence and loyalty obligation pursuant to articles 2104 and 2105 of the Italian Civil Code. An employee's failure to fulfil his reporting obligations may lead to the imposition of disciplinary measures.

Reports may be made in writing and regard any breach or suspected breach of the Model or of the Code of Ethics. The OdV shall ensure that the reporting person is protected against any form of retaliation, discrimination or penalisation, also guaranteeing that his identity remains confidential, without prejudice to law obligations and to the protection of the rights of the Foundation or wrongly-accused persons.

Any anonymous reports will only be considered if sufficiently detailed.

Under these circumstances, the OdV should be provided with at least the following information regarding:

- details of actions taken and/or information from law enforcement agencies or any other authority indicating that investigations are taking place, including against persons unknown, for the offences specified by the Decree;

- reports drafted by departmental heads as part of monitoring activities that may reveal actions, deeds, events or omissions with critical profiles in respect to the provisions of the Decree, as well as requests for legal advice submitted by top managers and/or employees if criminal proceedings are brought for the offences specified therein;
- notices regarding penalties imposed (including measures taken against employees);
 - information regarding the concrete implementation of the Model throughout the whole organisation with evidence of disciplinary actions and any penalties imposed or actions that have been dropped without imposing a penalty along with the reason why;
 - any amendment and/or addition to the delegation system;
 - any issuing of, amendment and/or addition to operating procedures covered by the provisions of the Decree;
 - periodic and event-based reports of accidents and injuries uncovered by the investigations conducted, including approved preventive and/or corrective actions and implementation times;
- regular details of the outcome of the control activity performed by Foundation departments involved in sensitive activities in order to enable implementation of the Model (reports summarising the activity performed, monitoring activity, final indexes, etc.);
 - irregularities noted with regard to the information available (an occurrence of apparently little importance when taken alone could be looked at differently if repeated or extended to other areas).

The OdV may suggest any changes to the above-mentioned list to the *Consiglio di Sorveglianza* and of the provisions of the Special Section of the Model relating to information flows

4.5. Whistleblowing

With reference to the Model, “Whistleblowing” means a report made to the OdV containing information about illicit behaviour, actions, omissions, risks, irregularities, offences (committed or attempted) against the Foundation and considered to breach its Code of Ethics, Model 231 and/or other internal regulations of the Foundation that supplement the Model or relevant offenses under Legislative Decree 231/2001⁵

The report should not regard complaints of a personal nature or be based on rumours; furthermore,

⁵ For the sake of clarity, it should be noted that in the context of this Model, references to whistleblowing and related reports are to be understood as limited to the cases indicated and pertinent to the subject of administrative responsibility under Legislative Decree 231/2001; therefore, reports of additional violations governed by the reference legislation (Legislative Decree 24/2023) are excluded.

the whistle-blower shall not use this system for his own purposes or to make demands or carry out retaliation covered by more general regulations regarding employment/consultancy contracts or relations with superiors or colleagues.

Whistleblowing allows the setting up of the system of *reporting* of actual events and/or conduct that does not follow the chain of command and enables staff to report breaches of regulations by others within the organisation without fear of retaliation. In that latter regard, it should be noted that a key aspect of the regulation in question regards employing means of protecting workers who report offences or irregularities that have come to their attention whilst performing their duties.

More specifically, pursuant to article 6 of the Decree and the legislation referred to therein⁶ the whistleblowing system prohibits any form of retaliation or discrimination against the reporting person, whether direct or indirect, for reasons directly or indirectly connected with the report and, in the disciplinary system implemented pursuant to paragraph 2, letter e), penalties against whoever breaches measures to protect the whistle-blower and against persons making groundless accusations with wilful conduct or through gross negligence.

- The application of discriminatory measures against whistle-blowers may be reported to the Anti-corruption National Authority or the National Labour Inspectorate, so that it can take the actions falling within its remit, by the whistle-blower himself or his appointed trade union.
- Retaliatory or discriminatory dismissal of the whistle-blower shall be null and void. A change of duties pursuant to article 2103 of the Italian Civil Code shall also be null and void, along with any retaliatory or discriminatory measure taken against the whistle-blower. In the event of any dispute regarding disciplinary action, demotion, dismissal or transfer of the whistle-blower or application of another organisational measure having, either directly or indirectly, a negative impact on working conditions after submitting the report, the employer shall be required to demonstrate that these measures are justified by reasons unrelated to the report itself.

As regards Whistleblowing, the OdV is assigned important tasks, as detailed in the relevant 'POLICY ON THE MANAGEMENT OF INTERNAL REPORTING PURSUANT TO LEGISLATIVE DECREE No. 24/2023 (WHISTLEBLOWING).

For all other matters regarding Whistleblowing, and in particular the contents of and methods of handling the reports, please refer to the relevant policy. .

⁶ Ref. Legislative Decree 24/2023, "Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019."

4.6. Reporting by OdV to the *Consiglio di Sorveglianza*

Every six months or upon specific request, the OdV shall report to the *Consiglio di Sorveglianza* in writing regarding: (i) the adequacy and implementation of the Model; (ii) the performance of its duties and, in particular, with regard to the adherence to the Model.

Periodically, the OdV might meet the Management Committee and the Board of Auditors (Collegio dei revisori).

The OdV may be summoned by the *Consiglio di Sorveglianza* at any time or may, in turn, request to be heard in order to report on its activities.

For a more detailed description of the process, please refer to the document 'OdV By-laws' available from the Intranet.

5) Model and Code of Ethics

As specified by reference Guidelines, the implementation of a Code of Ethics designed to prevent offences pursuant to Legislative Decree No. 231/2001 is an essential element of the preventive monitoring system.

The Code of Ethics is a tool implemented independently by the Foundation to express the principles of '*professional ethics*' that the Foundation sees as its own and with which it requests compliance by all employees and consultants.

5.1 Code of Ethics purpose, recipients and structure

The Foundation Code of Ethics is the cornerstone of the internal control system, expressing the general ethical principles and rules of behaviour in which the Foundation recognises positive ethical worth and to which all recipients must conform.

The recipients of this code of ethics are:

- the Foundation's governance bodies;
- the employees, collaborators and consultants;
- third parties having another type of contract or relationship with the Foundation or who, in any event, cooperate in some way to achieve its institutional objectives.

The recipients are required to comply with and, within the bounds of their responsibilities, enforce compliance with the principles contained in the Model and in the Code of Ethics, as part of the Model itself.

The Code of Ethics shall be distributed using the same methods specified hereafter for the Model.

6) Fondazione Human Technopole's Disciplinary System

6.1 General principles

Pursuant to articles 6, paragraph 2 letter e), and 7, paragraph 4 letter b), of the Decree, effective implementation of the entire Model requires that the Foundation implement a disciplinary system designed to punish breaches of the rules contained in the Model and in the Code of Ethics.

Therefore, the Foundation has implemented a Disciplinary System mainly designed to sanction breaches of the principles, regulations and measures specified by the Model, whilst complying with the requirements of current national collective bargaining agreements, as well as laws and regulatory provisions.

The imposition of disciplinary penalties for breaching the rules contained in the Code of Ethics and the procedures and/or requirements specified by the Model does not depend on the commencement and outcome of criminal proceedings for committing one of the offences specified by the Decree as amended and supplemented.

Every infringement of the requirements and provisions of the Organisational, management and control model will be subject to appropriate disciplinary penalties commensurate with the seriousness of the failings uncovered, to be decided on the basis of the following general criteria:

- subjective intent (intentional nature of conduct, degree of negligence);
 - seriousness of the infringements;
 - responsibilities connected with the job position held;
 - consequences and potential damage for the Foundation and individuals;
 - existence of aggravating circumstances, including the relapse;
 - involvement of accomplices.

6.2 The structure of the Disciplinary System

A brief outline follows of the Foundation Disciplinary System forming an integral part of the Model, remembering that reference should be made to the entire document for full details of rules and regulations (Annex 2 herein).

In accordance with the provisions of the Decree, the Foundation has implemented the Disciplinary System that, besides being issued, including electronically or on computer media, to top managers and employees, will be published on the Foundation's intranet to ensure that its **intended recipients** are fully aware of the contents (specified and defined in Section A of the Disciplinary System).

Section B of the Disciplinary System splits **possible breaches** into four different categories,

arranged in growing order of severity and in accordance with the disciplinary penalties specified under the National Collective Bargaining Agreement, where applicable.

In particular, the following episodes of failure to comply with the Model become relevant:

- 1) breaches committed whilst carrying out 'sensitive' activities referred to in the 'instrumental' areas identified in the Special Section with reference to the risk of offences against Public Administration (please see the Disciplinary System for a list of offences against Public Administration), provided that one of the conditions specified under 3) and 4) hereafter does not apply;
- 2) breaches committed whilst carrying out 'sensitive' activities in the areas 'where an offence is liable to be committed' mentioned in the Special Section and once again provided that one of the conditions specified under 3) and 4) hereafter does not apply;
- 3) breach demonstrating the mere fact (subjective element of the crime) that one of the offences specified by Legislative Decree No. 231 has been committed;
- 4) breach designed to commit one of the offences specified by Legislative Decree No. 231 or, in any event, such as to entail the risk that the Foundation be responsible under the terms of said Decree.

Moreover, regulations also apply to:

- occupational health and safety breaches, also arranged in growing order of severity (simply creating a tangible risk to physical health, physical injury (minor, serious or very serious and finally the most extreme case resulting in the death of one or more individuals, including the perpetrator of the offence);
- breaches concerning the reporting of illicit conduct covered by Legislative Decree 231/2001 or a breach of the Model (direct or indirect acts of retaliation or discrimination against the person reporting illicit conduct or breach of the Model, breach of the requirement to protect whistle-blower identity, groundless accusations made with malice or through gross negligence).

Next, Section C of the Disciplinary System specifies, as regards each offence, the **penalties that can theoretically be imposed** on each category of person required to abide by the Model. With particular reference to third parties to whom the Model applies, provision is made for contractual penalties (e.g. warning to comply, penalty, termination) by means of a special clause included in the agreement or letter of appointment, as explained in more detail in the Disciplinary System to which reference should be made.

In any event, when applying the penalties specified by the Disciplinary System, it is necessary to consider the principles of **proportionality** and **appropriateness** with respect to the alleged breach, as well as a number of circumstances (e.g. intentional nature of conduct, degree of negligence,

seriousness of the infringements, number of breaches, involvement of accomplices, the offender's recidivism, consequences and potential damage for the Foundation).

Finally, Section D of the disciplinary system describes the **penalty application procedure** for each category of party subject to the Disciplinary System, in each case specifying:

- the breach allegation stage;
- the breach notification stage;
- the breach confirmation stage with subsequent application of the penalty.

The provisions of the Disciplinary System do not preclude the affected parties from exercising all rights, including challenging or appealing against the disciplinary measure, granted to them by statutory and regulatory provisions, as well as by applicable collective bargaining agreements or Foundation regulations.

7) Model staff and members of HT's bodies training and dissemination of the Model

7.1 Staff and members of HT's bodies training

The Foundation promotes awareness of the Model and its updates amongst all employees and members of HT's bodies who are therefore required to be familiar with its contents, comply with it and assist with its implementation.

Staff and members of HT's bodies training for the purpose of implementing the Model is arranged by the HR Department in agreement with the Organismo di Vigilanza, Legal Department and Internal Audit & Compliance Department and split into the following levels:

- President, Director, Members of the Consiglio di Sorveglianza, of the Management Committee, Scientific Committee, the Commission for Strategic Assessment, Top Managers and Departmental Heads: initial training session extended, at the time in question, to all new members; regular update or ad hoc updates (e.g. in the event of especially important legislative changes);
 1. Other staff: initial training session extended, at the time in question, to new employees; regular update or ad hoc updates (e.g. in the event of especially important legislative changes).

7.2 Dissemination to third parties

The Foundation also promotes awareness of and adherence to the Model by the third parties with whom it is likely to have dealings when conducting its business (e.g. research partners, customers, suppliers, consultants, collaborators of any kind, etc.).

Therefore, contracts with these parties will contain special clauses that ensure adherence to the

principles specified in this General Section of the Model 231 and Code of Ethics.

7. 3 Model dissemination

The Foundation promotes the widest possible dissemination of the principles and provisions of the Model both inside and outside the organisation.

The Model is formally notified to all Foundation top managers and staff by publication on the Foundation intranet, whilst the Internal Audit & Compliance Department will notify the interested parties by e-mail when updates are published.

In addition, this General Section and the Code of Ethics are published on the institutional website. Records of Model notification procedures are kept by the Internal Audit & Compliance Department, or the relevant function identified by the relevant internal procedure⁷, which keeps the OdV informed.

Annex 1: Disciplinary System

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Reference
'<https://htechnopole.sharepoint.com/PoliciesRulesProcedures/N.41%20IR%20for%20the%20definition%20drafting%20and%20approval%20of%20policies%20ENG.pdf?web=1>'.