

(Translation from the Italian original which remains the definitive version)

# Atlantic s.r.l.

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**EXTRACT FROM THE  
ORGANISATIONAL,  
MANAGEMENT AND CONTROL  
MODEL**

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LEGISLATIVE DECREE NO.  
231 / 2001

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*Adopted by the Board of Directors on 27 March 2012  
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March 9, 2021*

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**Organisational, management and control model pursuant to Legislative decree  
no. 231/2001  
Special parts**

Special part A - Crimes against the public administration (omissis)

Special part B - Occupational health and safety crimes (omissis)

Special part C - Crimes against industry and commerce and counterfeiting (omissis)

Special part D - Crimes relating to forgery of coins, public credit notes and duty stamps (omissis)

Special part E - Crimes related to violations of copyrights (omissis)

Special part F - Computer crimes and unlawful data processing (omissis)

Special part G - Corporate crimes (omissis)

Special part H - Crimes related to handling stolen goods, money laundering and use of money, goods or assets of illegal origin and self-laundering (omissis)

Special part I – Organised Crime, Transnational crimes - Induction not to make statements or to make untruthful statements to the judicial authorities (omissis)

Special part L – Crime against the individual (omissis)

Special part M - Employment of third-country nationals residing without authorisation (omissis)

Special part N - Crimes against the environment (omissis)

Special part O – Tax crimes (omissis)

**Annexes**

Annex 1. Members of the Supervisory Body and their curricula vitae (omissis)

## **1 LEGISLATIVE DECREE NO. 231/2001**

### **1.1 LEGISLATIVE FRAMEWORK**

Legislative decree no. 231 of 8 June 2001 (the “Decree”), which regulates the administrative liability of legal entities, companies and unincorporated associations introduced the concept of company liability into Italian law. This is a form of criminal administrative liability of legal entities when certain crimes are committed or attempted by senior management or their subordinates.

The Decree harmonised the Italian laws about the liability of legal entities with international conventions signed by Italy in previous years, such as the Brussels Conventions of 26 July 1995 and 26 May 1997 on the protection of the Communities’ financial interests and the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, and the OECD Convention of 17 December 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions.

The Decree represents great legislative and cultural change with the introduction of the criminal liability of the individual who committed the crime as well as the body in whose interests the crime was committed or which benefitted therefrom.

Its provisions specifically apply to the following “parties (the “Bodies”) as provided for by article 1 thereof:

- bodies with legal personality;
- entities and associations, including without legal personality.

### **1.2 THE NATURE OF BODIES’ LIABILITY**

The report presenting the Decree emphasised that by administrative liability is meant a *“tertium genus that combines the essential features of the criminal system with the administrative system to reconcile the reasons for effective preventive measures with those, which are even more unavoidable, requesting greater guarantees”*.

The Decree is the result of a legislative technique that has introduced into Italian legislation a system to punish corporate crimes in addition to the existing disciplinary measures by incorporating the inherent characteristics of criminal and administrative crimes. The competent criminal court judge is not solely required to identify the perpetrator of the crime but also the Body’s administrative liability and to apply the related sanction in line with the provisions and timing of any criminal proceeding.

The Body’s administrative liability is separate to that of the individual who committed the crime. It follows that the Body should not be exempt from liability even if the offender cannot be identified or cannot be charged or if the crime is no longer punishable for reasons other than amnesty (article 8 of the Decree).

Moreover, the Body’s liability is additional to and does not substitute that of the individual who committed the crime.

### **1.3 CRITERIA FOR THE ATTRIBUTION OF LIABILITY TO THE BODY AND EXEMPTIONS FROM LIABILITY**

In the case of the predicate crimes (set out in section 1.4), the Body is only liable if certain conditions are met, specifically, the definition of the objective and subjective criteria for the attribution of the crime to the Body have been defined.

The first objective criterion is that the predicate crime is committed by a party who reports to the Body. Article 5 of the Decree states that the offenders are:

- parties that represent, administer or manage the Body or one of its organisational units and have financial and operating independence or parties that *de facto* manage and control the Body (*senior management*);
- parties subordinate to the senior management (*subordinates*).

The second objective criterion is that the unlawful conduct is performed by one of the above parties “*in the interests of or to the advantage of the company*” (article 5.1 of the Decree):

- an “*interest*” exists when the offender has acted intentionally to benefit the Body, regardless of whether they have achieved their intention;
- an “*advantage*” exists when the Body has benefitted or could have benefitted from the crime, which does not necessarily have to be in financial terms.

The Decree explicitly provides that the Body is not liable if the members of senior management or the subordinates have acted “*solely in their own interests or in the interests of third parties*” (article 5.2 of the Decree).

The “interest or advantage” criterion is by its nature not compatible with the negligent nature of the predicate crimes covered by article 25-*septies* of the Decree (manslaughter and grievous bodily harm) while it reflects the intentional nature of premeditated crimes.

The negligent component of the last two cases (which implies the lack of intention) means that that they cannot be considered predicate crimes committed in the Body’s interests (which would imply intention). As the legislation is silent on this point, the most accredited interpretation holds that the plausible criterion for the assignment of these negligent crimes is if non-compliance with safety regulations gives the Body an objective advantage (at least in terms of the smaller costs arising from non-compliance). Therefore, the criterion in question is limited in this case to the objective circumstance that non-compliance is an advantage to the Body, as shown in the special part of the Model covering article 25-*septies*.

The subjective criteria for charging the crime to the Body establish the conditions when this can take place: in order for the crime not to be charged thereto for subjective reasons, the Body must be able to show that it has done all in its powers to organise, manage and monitor its activities to prevent the commission of one of the predicate crimes listed in the Decree.

Accordingly, the Decree provides that the Body’s liability is excluded when, before the crime is committed:

- the Body has prepared and implemented organisational and management

models suitable to prevent crime;

- the Body has set up a control body (the Supervisory Body), with independent powers to supervise the organisational models' working.

In the case of a crime committed by a member of senior management, it is assumed that the Body is liable given that senior management embodies, represents and implements the Body's management policies: the Body's liability is only excluded if it can prove that the crime was committed by fraudulently evading the existing Organisational, management and control model (the "Model") and the Supervisory Body has not omitted any controls or performed them inadequately as this body has the specific duty of supervising the Model's correct functioning and compliance therewith (article 6 of the Decree)<sup>1</sup>. Accordingly, the Decree requires stronger proof that the Body is not involved in these cases, as it must also prove that senior management has defrauded the Model.

In the case of crimes committed by a subordinate, the Body is liable only when the crime may be committed due to non-compliance with management and supervisory obligations. The Body's liability is excluded if it can prove that it has adopted suitable conduct rules for its type of organisation and activities performed that guarantee that its business is carried out in compliance with the law and can identify and eliminate any risk situations promptly (article 7.1 of the Decree)<sup>2</sup>. This is an "*organisation fault*", as the Body has indirectly consented to the commission of the crime by not properly monitoring its activities and the parties at risk of committing a predicate crime.

## 1.4 THE CRIMES

Pursuant to the "*principle of legality*" as per article 2 of the Criminal Code, the Decree sets out a *numerus clausus* of crimes the Body can be held liable for (the *predicate crimes*). These crimes, for which the Body can be held liable, are listed in the Decree and are as follows:

- Crimes against property of the public administration (article 24)
- Crimes related to public funding (article 24)
- Computer crimes and unlawful data processing (article 24-bis)
- Organised crime (article 24-ter of Legislative decree no. 231/2001)
- Crimes against the public administration (article 25)
- Forgery of coins, public credit notes, duty stamps and identification tools or marks (article 25-bis)
- Crimes against industry and commerce (article 25-bis.1)

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<sup>1</sup> Pursuant to article 6.1 of Legislative decree no. 231/2001, "*If the crime has been committed by the persons indicated in article 5.1.a) [senior management], the body is not liable if it can prove that: a) the management body has adopted and successfully implemented, before the crime was committed, organisational and management models suitable to prevent crimes of the type committed; b) responsibility for supervising the models' working and compliance and to ensure they are up-to-date was assigned to an internal body with independent decision-taking and control powers; c) the persons who committed the crime fraudulently evaded the organisational and management models, d) the body as per letter b) did not perform all its controls or was negligent*".

<sup>2</sup> Pursuant to article 7.1 of Legislative decree no. 231/2001, "*In the case covered by article 5.1.b) [subordinates], the body is liable if the crime was possible because of non-compliance with management and supervisory obligations*".

- Corporate crimes (article 25-*ter*)
- Crimes related to terrorism or subversion of democratic order covered by the Criminal Code and special laws (article 25-*quater*)
- Female genital mutilation practises (article 25-*quater*.1)
- Crimes against the individual (article 25-*quinquies*)
- Market abuse (article 25-*sexies*)
- Transnational crimes
- Crimes violating occupational health and safety regulations (article 25-*septies*)
- Crimes related to handling stolen goods, money laundering and use of money, goods or assets of illegal origin and self-laundering covered by articles 648, 648-*bis*, 648-*ter* and 648-*ter*.1 of the Criminal Code (article 25-*octies*)
- Crimes related to violations of copyrights (article 25-*novies*)
- Induction not to make statements or to make untruthful statements to the judicial authorities (article 25-*decies*)
- Crimes against the environment (article 25-*undecies*)
- Employment of third-country nationals residing without authorisation (article 25-*duodecies*)
- Racism and Xenophobia (article 25-*terdecies*)
- Sporting fraud, abusive game and gambling exercise and games of chance played on prohibited equipment (art. 25-*quaterdecies*);
- Tax crimes (Art. 25-*quinquedecies*);
- Smuggling crimes (Art. 25-*sexiesdecies*).

## 1.5 SANCTIONS

Article 9.1 of the Decree identifies the sanctions to be imposed on the Body; specifically:

- fines;
- prohibitions;
  - bans on operations;
  - suspension or withdrawal of permits, licenses or concessions used to commit the crime;
  - bans on contracting with the public administration, except to obtain a public service;
  - exclusion from benefits, loans, grants or subsidies and the possible withdrawal of those already granted;
  - ban on advertising goods or services;
- seizure;
- publication of the conviction ruling.

Fines are applicable to all cases of administrative liability of a Body regardless of the crime. They are applied using a quota system, no less than 100 and not higher than 1,000, with a minimum amount of €258.00 and a maximum of €1,549.00 (article 10 of



the Decree). When calculating the fine, the Judge decides the number of quotas considering: (i) the seriousness of the crime, (ii) the Body's degree of liability, (iii) the activities performed by the Body to eliminate or mitigate the consequences of the crime and to prevent the commission of other crimes, and (iv) the Body's financial conditions and position (article 11 of the Decree).<sup>3</sup>

The prohibitions are applied in addition to the fines, and solely for those crimes for which they are specifically envisaged and exclusively when at least one of the following conditions is met: (i) the Body has made a significant profit from the crime and the crime has been committed by a member of senior management or one of its subordinates when, in the latter case, it was possible to commit the crime or the crime was facilitated by serious organisational weaknesses; (ii) the crime has been performed more than once (article 13 of the Decree).

Seizure entails the acquisition of the price or the profit generated by the crime or an equivalent value by the state (article 19 of the Decree).

If it is not possible to seize the assets directly making up the price or profit generated by the crime, the state may seize amounts of cash, goods or other assets equivalent to the price or profit generated by the crime. As a precautionary measure, the state may order the attachment of goods that may be seized as they are the price or profit generated by the crime or their monetary equivalent (article 53 of the Decree)<sup>4</sup>.

With respect to precautionary attachment, point 1-*bis* was included in article 53 of the Decree when Law decree no. 101/2013 was converted (pursuant to Law no. 125/2013). This point provides that, in the case of an attachment prior to seizure of equivalent assets pursuant to article 19.2 of the Decree, the receiver allows the company bodies to use the companies, securities, shares or liquid funds attached to guarantee the company's continuity and development.

The company bodies usually retain management of these assets and management is only transferred to a court-appointed administrator if they are not used to ensure the company's continuity and development. Therefore, the court-appointed administrator only monitors the company bodies' activities, acting as the go-between between the judicial authorities and the company.

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<sup>3</sup> Pursuant to article 12 of Legislative decree no. 231/2001, the fine to be applied to the Body may be reduced in special circumstances: specifically, it is halved and cannot exceed €103,291.00 if (i) the offender has committed the crime mainly in its own interests or those of third parties or the Body has not received an advantage or the advantage has been minimum; (ii) the financial damage caused was very minimal. In addition, the fine is decreased from between one third to a half if, before the first level court hearing takes place, (i) the Body has fully compensated the damage and eliminated the damaging or dangerous effects of the crime or if it has effectively taken steps to do so; (ii) the Body has adopted and rolled out an organisational model suitable to prevent crimes of the nature performed. If both these conditions are met, the fine is reduced from between half to two thirds.

<sup>4</sup> As shown by case law (Supreme Court, IV criminal section, ruling no. 34505 of 2012), in order to order preventive attachment, the judge shall assess the merits of the allegation and recognise the serious evidence of the Body's liability. Moreover, the principle of certainty of the offenses and penalties provided for by the Decree prevents the precautionary attachment of the amounts making up the profit of the crimes not included in the list of predicate crimes. This is also true when the public prosecutor alleges these crimes to be those actually committed by the criminal associations, while the creation of the criminal association is a predicate crime implying the Body's liability pursuant to article 24-*ter* of the Decree (Supreme Court, VI criminal section, ruling no. 3635 of 2014).

In this ruling, the principle of non-retroactivity was invoked to clarify that the profit from actions performed before the application of the regulations that include a specific crime in the list that implies the Body's liability cannot be attached or seized. The period when the crime was performed is considered rather than when the profit is received.

Publication of the conviction ruling may be ordered when the Body is subject to a prohibition. The Body may be required to have all or part of the ruling published in one or more newspapers, indicated by the judge in the ruling, and to post it in the municipality where it has its headquarters (article 18 of the Decree).

If the crimes punishable on the basis of the Decree are attempted only, the fines (in terms of their amounts) and the prohibitions (in terms of their duration) are reduced by between a third to a half. Fines cannot be imposed if the Body voluntarily prevents the fulfilment of the action or the event (article 26 of the Decree).

### 1.6 CRIMES COMMITTED ABROAD

Bodies with their headquarters in Italy are also liable for crimes committed abroad as long as the country where the crime is committed does not decide to take action against them (article 4.1 of the Decree).

### 1.7 EVENTS THAT MODIFY THE BODY

The Decree includes rules for the liability of the Body in the case of modifying events such as transformations, mergers, demergers and sales of businesses.

In the case of a *transformation* of the Body, it continues to be liable for crimes committed before the transformation effective date. The new Body will be required to pay the fines applied to the original Body for crimes committed before the transformation (article 28 of the Decree).

In the case of a *merger*, the Body resulting from the merger is liable for the crimes committed by the merged/merging bodies (article 29 of the Decree).

In the case of a *partial demerger*, the demerged Body continues to be liable for the crimes committed before the demerger. However, the Bodies benefitting from the partial or total demerger are jointly liable for the payment of the fines due by the demerged Body for the crimes committed before the demerger up to the limits of the actual value of the assets transferred to each Body (article 30 of the Decree).

In the case of a *sale* or a *transfer of a business* in which a crime was committed, without prejudice to the benefit of preventative enforcement of the seller, the buyer is jointly and severally liable with the seller for the payment of the fine, to the extent of the value of the sold business and the fines recorded in the mandatory accounting records or of which the buyer was aware. Moreover, the fines are applicable to the Bodies that keep or receive, including a part thereof, a business unit in which a crime was incurred (article 33 of the Decree).

### 1.8 CHARACTERISTICS OF THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

The Decree does not regulate the Model's nature and characteristics in detail but

covers certain general principles. The mere adoption of the Model by the Body is not sufficient to exclude its liability.

Pursuant to article 6.1.a) of the Decree, the Model is only valid as a reason for exemption from liability if:

- it is *efficient*, i.e., it is reasonably suitable to prevent the crime(s) committed;
- it has been *effectively implemented*, that is to say its content is applied to the company procedures and internal controls.

With respect to the Model's efficiency, article 6.2 of the Decree requires that it shall at least have:

- identified the risk areas in which it is possible that the crimes could be committed;
- provided for specific protocols designed to program how the Body takes and implements decisions for the crimes to be prevented;
- identified how the financial resources suitable to prevent the crimes shall be managed;
- established the information obligations vis-à-vis the Supervisory Body;
- introduced a suitable disciplinary system to punish non-compliance with the measures set out in the Model (the "disciplinary system").

The Decree provides for a regular check of the Model and its updating to ensure it is implemented efficiently. This check shall take place whenever significant violations of its provisions take place or there are changes in the Body's organisation or business activities (article 7 of the Decree).

In short, the Model shall provide for suitable measures, depending on the organisation's size, nature and type of business, to ensure that it carries out its activities in compliance with the law. It shall also identify and promptly eliminate any risk situations.

### 1.9 CONFINDUSTRIA'S GUIDELINES

Article 6.3 of the Decree provides that "*The organisational and management models may be adopted, ensuring the requirements of point 2, based on codes of conduct drawn up by sector associations, communicated to the Ministry of Justice which, together with the competent ministries, may comment on the models' suitability to prevent crimes within 30 days*".

Current regulations, the "*Guidelines for the development of organisational, management and control models as per Legislative decree no. 231/2001*" (also the "Guidelines", set out in the next section) updated by Confindustria (General Confederation of Italian Industry) on March 2014, company procedures and court rulings of the past few years were taken into account in the drafting of the Model adopted by Atlantic s.r.l., (the "Company" or "Atlantic").

Any differences between the Guidelines and the Model are the result of the need to adapt organisation and management measures to specific business activities carried out by the Company and to the environment in which the Company operates.

This may require a deviation from instructions contained in the trade associations' Guidelines that, by definition, are of a general character and do not have binding value.

The key points, set out herein and considered when preparing this Model, may be summarised as follows:

- identification of the areas at risk to identify those internal functions within which the adverse events covered by the Decree may take place;
- preparation of a control system able to prevent the risks through specific protocols. The most important components of this control system as identified by Confindustria are:
  - Code of Conduct;
  - organisational system;
  - manual and computer-based procedures;
  - authorisation and signatory powers;
  - integrated control system;
  - communication with personnel and training.

These components shall be based on the following principles:

- verifiability, traceability, consistency and congruity of all transactions;
- application of the segregation principle (no one department shall independently manage an entire process);
- documentation of the controls;
- development of an appropriate disciplinary system for violations of the Code of Conduct and procedures provided for by the Model;
- agreement of the requirements to be met by the Supervisory Body, being:
  - independence;
  - professionalism;
  - continuity of action;
- reporting obligations.

### 1.10 WHISTLEBLOWING

The law no. 179 of November 30, 2017 “Provisions for the protection of whistleblowers who report offences or irregularities which have come to their attention in the context of a public or private employment relationship”, with effect from 29 December 2017, amended the article no. 6 of Legislative Decree 231/2001, in order to harmonize provisions for public and private sector and to set protective measures for workers or collaborator who report offences or irregularities which have come to their attention in the context of the employment relationship .

In detail, into the article no. 6 of the Decree, three new paragraphs have been inserted, paragraph 2-bis, 2-ter and 2-quater, which introduced new requirements for the organizational, management and control models. Paragraph 2-bis establishes that the models must provide for:

- one or more channels that allows the subjects indicated in article no. 5, paragraph 1, letter a) and b) to raise detailed disclosures of unlawful conducts relevant pursuant to legislative decree no. 231/2001, or breaches of the organizational, management and control model;
- at least one alternative reporting channel suitable to assure, through IT means, the confidentiality of the identity of the whistleblower;
- prohibition against retaliation or discriminatory acts, whether direct or indirect, towards the whistleblower for reasons, directly or indirectly, connected to the report;
- within the disciplinary system adopted, sanctions against those infringing protection measures of whistleblower, as well as those making, maliciously or negligently, disclosures that turn out to be unfounded.

The paragraph 2-ter provides that discriminatory action against the whistleblower, may be reported to the Labor Inspectorate, so that appropriate measures can be taken. The paragraph 2-quater, finally, provides that retaliation or discriminatory dismissal or the change of job shall be invalid. It is then for the Employer to prove that these measures have been adopted for different reasons than the disclosure.

As outlined in the Confindustria's explanatory notes, the aim of the law is to encourage the emergence of problems of corruption and to strengthen the prevention and contrast action, as well as to enhance the protection of the reporting parties.

To guarantee the effectiveness of the whistleblowing system, the Company has adopted a specific procedure for managing the reporting by the employees, directors and members of the corporate bodies as well as third parties, who were informed of the existence of special channels of communication that make it possible to raise reports, based on precise and detailed evidence, also guaranteeing the confidentiality relative to the identity of whistleblower, even using information technology methods.

## **2 THE 231 MODEL IN ATLANTIC S.R.L.**

### **2.1 THE COMPANY ATLANTIC S.R.L.**

Atlantic S.r.l. operates in the bars and food service business. Company manages more than 90 bars in some galleries located next to Esselunga supermarkets.

(omissis)

Esselunga S.p.A. provides some services to Atlantic on the basis of the intercompany agreement in place.

(omissis)

## **2.2 ESSELUNGA GROUP**

Atlantic S.r.l. is wholly owned by Esselunga S.p.A. and it is part of Esselunga Group<sup>5</sup>. Esselunga operates in large-scale retail sector through a sales network composed by over than 160 stores located in Lombardia, Liguria, Veneto, Piemonte, Emilia Romagna, Toscana and Lazio.

Esselunga is wholly owned by Superit S.r.l. which, since March 1, 2021 became the holding of Esselunga Group.

Other companies that are part of Esselunga Group are:

- EsserBella S.p.A., which manages over 40 perfumeries in the Company's main stores;
- Fidaty S.p.A, wholly owned by Esselunga, which issues and manages "Fidaty Oro" payment cards which can only be used in the Esselunga stores, "la Esse" stores, Atlantic bars and EsserBella perfumeries;
- La Villata S.p.A. Immobiliare di Investimento e Sviluppo operates in the construction, purchase, development, sale and leasing of real estate assets for commercial use;
- Orofin S.p.A., wholly owned by Esselunga, which owns most of the real estate development projects;
- a number of other companies set up to promote real estate development projects designed to assist development of the Esselunga sales network.

## **2.3 THE ATLANTIC MODEL**

In order to comply with requirements about legality, correctness and transparency in carrying out its business activities, Atlantic decided to adopt and introduce a Model as per Legislative decree no. 231.

This decision was based on its belief that adoption of such a Model (optional under the terms of the Decree) would be a valid tool to increase the awareness of the persons who work for or on behalf of the Company about the importance of their correct conduct to prevent the risk that the crimes covered by the Decree could be committed.

Specifically, the Company intends to achieve the following main objectives by adopting the Model:

- inform the employees, senior management and all those parties who work on behalf of or for Atlantic in the areas at risk that they could commit crimes if

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<sup>5</sup> The present Model defines as "Esselunga Group" the group dependent on the holding Superit S.r.l. from a legal point of view, but whose characteristic activity, large-scale retail trade, is exercised by the company Esselunga S.p.A.

they violate the measures set out herein that might be punishable by fines which they would pay and administrative sanctions imposed on the Company in criminal cases;

- emphasise that conduct contrary to the law and the ethical principles adopted by Atlantic in its Code of Conduct are strongly condemned by the Company;
- enable the Company to monitor the activities at risk so as to be able to intervene promptly to prevent or combat crimes.

Therefore, the Model is designed for the Company's entire workforce, which is required to be familiar and comply with its provisions.

The Model addressees are:

- directors and statutory auditors;
- members of senior management who act on behalf of and for the Company;
- managers;
- all other employees.

Moreover the addressees are required to be compliant with rules and principles included in the Model, the Code of Conduct, the Protocols (internal rules, corporate rules, conduct rules, proxy and power of attorney system) and within the corporate procedures issued by the Company and by Esselunga S.p.A. as compatible and only for the parts applicable in reason of the activity carried out by Atlantic.

The observance of the Model and the other documents which are integral and substantial part of the Model is also guaranteed by specific clauses provided by the service agreement signed between Atlantic and Esselunga S.p.A. These clauses guarantee the commitment of Esselunga S.p.A. to act in observance of its own Model, Code of Conduct, Protocols and procedures issued by Esselunga S.p.A., as compatible and only for the parts applicable in reason of the activity carried out by Atlantic.

The Company also ensures compliance with the law, the Code of Conduct and the Model, for the parts applicable to them, by third parties (consultants, suppliers, etc.) specified in contractual clauses which require compliance therewith and allow the Company to terminate the contract if it is violated (termination clauses).

The Model consists of a set of rules, tools and conduct guidance, designed to provide the Company with an effective organisational and management system that is reasonably suitable to identify and prevent the 231 predicate crimes.

The Model's efficient functioning depends on how closely it reflects the company it is designed for.

## **2.4 APPROVAL, AMENDMENT AND IMPLEMENTATION OF THE 231 MODEL**

The Company's Board of Directors adopted the Model on 27 March 2012 pursuant to article 6.1.a) of the Decree.

During the same meeting, the Board of Directors approved the Code of Conduct previously adopted by Esselunga S.p.A.

It concurrently set up the Supervisory Body whose duties are to supervise the

functioning and observance of the Model in compliance with the Decree.

On 14 March 2013 the Board of Directors approved the update to the Model adopting the special part related to the crime of employing third-country nationals residing without authorization. During the same year, on 30 October 2013, the Board of Directors resolved to adopt a new special part related to crimes against the environment.

On March 2016, the Board of Directors resolved to approve updates to the Model's general part (including Annexes 1 -Legislative decree no. 231 of 8 June 2001 and 2 - List of the Legislative decree no. 231/2001 predicate crimes) and the special parts related to Corporate Crimes, Crimes against the environment, Crimes related to handling stolen goods, money laundering and use of money, good or assets of illegal origin including the including the self-laundering.

On 6 September 2018, the Board of Directors approved updates to the general part and the special parts of the Model in compliance with the new regulation (whistleblowing, illegal intermediation and exploitation of labour) which introduced a management system of reports in the Model and the wider range of predicate crimes as well as the recent organizational changes in the Company.

The Company deleted Annex 1 - Legislative decree no. 231 of 8 June 2001 and 2- List of the Legislative decree no. 231/2001 predicate crimes, because these documents should become obsolete as a result of the continuous updating of the Decree and its scope of application. For the updated text of the Decree it is suggested, therefore, to make reference to the official normative sources (see website Gazzetta Ufficiale).

On March 9, 2021 the Board of Directors deliberated updates of the General and Special Part of the Model to consider changes in the company's activities and organizational structure as well as legislative changes (for example, tax crimes).

This Model replaces that adopted on September 6, 2018.

### **3 METHODS**

#### **3.1 DEVELOPMENT OF THE MODEL: THE PRELIMINARY ACTIVITIES TO DEFINE AND UPDATE THE MODEL**

(omissis)

#### **3.2 THE MODEL'S STRUCTURE**

This Model consists of a general part and some special parts and one annex.

The general part sets out the contents of the Decree, the Model's purpose, the Supervisory Body's duties, the applicable sanctions and, in general, its principles, logics



and structure.

The general part includes the following annex:

- Annex 1: Members of the Supervisory Body and their *curricula vitae*.

The special parts cover the specific crimes listed below:

- Special part A: Crimes against the public administration;
- Special part B: Occupational health and safety crimes;
- Special part C: Crimes against industry and commerce and counterfeiting;
- Special part D: Crimes relating to forgery of coins, public credit notes and duty stamps;
- Special part E: Crimes related to violations of copyrights;
- Special part F: Computer crimes and unlawful data processing;
- Special part G: Corporate crimes;
- Special part H: Crimes related to handling stolen goods, money laundering and use of money, goods or assets of illegal origin and self-laundering;
- Special part I: Organised crime, Transnational crimes - Induction not to make statements or to make untruthful statements to the judicial authorities;
- Special part L: Crime against individual;
- Special part M: Employment of third-country nationals residing without authorisation;
- Special part N: Crimes against the environment;
- Special part O: Tax crimes

The aim of each special part is to remind the identified addressees of their obligation to adopt rules of conduct that comply with those provided for by the internal procedures referred to by the Model, designed to prevent the commission of the crimes covered by the Decree and identified as relevant on the basis of the organisational structure and business operations.

The following are indicated for each special part:

- the areas at risk and the related sensitive activities;
- the units and/or offices that operate in each area at risk;
- the crimes that could be committed and how;
- the main existing controls for each area at risk;
- the conduct standards to be complied with to reduce the risk that crimes could be committed.

Since some Esselunga S.p.A. departments provide services to Atlantic on the basis of the intercompany agreement in place, within the special parts it has been indicated the activities managed in outsourcing and it has been included a reference to the controls implemented by Esselunga S.p.A.

Based on the results of the risk assessment, at present, the Company has found the

crimes in the article 25-*quater* of the Decree - terrorism and subversion of democracy - not to be relevant although it is theoretically applicable, since there isn't an interest or an advantage for the Company.

About this crime the Company decided not to integrate the Model with new special part.

The following crimes were considered not applicable to the Company's situation:

- article 25-*sexies* of the Decree - market abuse;
- article 25-*quater.1* of the Decree - female genital mutilation practices;
- Racism and xenophobia (article 25-*terdecies*)
- Sporting fraud, abusive game and gambling exercise and games of chance played on prohibited equipment (Art. 25-*quaterdecies*);
- Tax crimes (Art. 25-*quinquesdecies*);
- Smuggling crimes (Art. 25-*sexiesdecies*).

The Company based its evaluations on its current structure and activities and the type of crime in question.

The Company is committed to continuously monitoring its activities both in relation to these crimes and any legislative changes the Decree may be subjected to. If one or more of the above crimes becomes relevant, or new crimes are included in the Decree, the Company will decide whether to integrate this Model with new special parts.

### 3.3 THE ATLANTIC MODEL'S MAIN COMPONENTS

The Model is integrated by the measures and principles of the Code of Conduct and all the processes, procedures and systems included those of the Group.

Specifically, for the purposes of this Model, it includes all the tools already in place both at Atlantic and at Esselunga S.p.A. (as compatible and for the applicable parts if issued by Esselunga S.p.A.), comprising all the adopted policies, procedures and rules of conduct. These tools are an integral and substantial part of the Model.

Accordingly, the following documents are an integral and substantial part of the Model:

- the organisational structure designed to ensure the clear and organic assignment of duties, providing for their segregation where possible or, if not, compensating controls, and to check the correctness of the addressees' conduct;
- corporate procedures (issued by the Company and by Esselunga S.p.A., in this case as compatible and only for the applicable parts) and internal controls that guarantee suitable transparency of and familiarity with the decision-making processes and regulate the operating models in place to take and implement decisions about the areas at risk;
- proxy and decision-making powers systems that reflect the responsibilities assigned to ensure the clear and transparent representation of how the Company

- takes and implements decisions;
- disciplinary system and related sanctions mechanism to be applied if the Model is not complied with.

It follows that the term “Model” not only refers to this document but also to the other documents that will be adopted in the future as provided for herein and that will continue with the same objectives.

## **4 MODEL ELEMENTS**

### **4.1 MAPPING OF AREAS AT RISK AND IDENTIFICATION OF THE RELATED CONTROLS - REFERRAL**

As mentioned earlier, mapping of the areas at risk and the related identification of the pertinent controls are carried out by area, based on a review of the internal context and interviews of personnel.

The special parts of the model, split by crime, (to which reference should be made) provide details of the mapping of the areas at risk and a summary of the internal controls used by the Company (and, if applicable, a summary of internal controls implemented by Esselunga S.p.A.).

### **4.2 DOCUMENTATION OF THE ACTIVITIES AND SEGREGATION OF THE DUTIES**

As part of its organisational system, the Company has fine-tuned and integrated a number of both manual and computer-based procedures, to regulate the performance of its activities. These procedures ensure the best possible compliance with the segregation principle, whereby no one person can manage an entire process from its start to its completion.

Specifically, the procedures adopted by the Company represent the rules to be followed in the internal processes and define the controls to be performed to ensure the correctness, effectiveness and efficiency of its activities.

Therefore, the Company ensures compliance with the following principles:

- encourage the involvement of more than one party to guarantee the proper segregation of duties by the juxtaposition of functions;
- adoption of measures that provide that each transaction and action can be verified and documented, is consistent and appropriate;
- recommend adoption of measures to document the controls performed over the transactions and/or actions so that, in any time, it is possible to rerun controls.

### **4.3 DESCRIPTION OF THE PROXY SYSTEM**

The company has a clear-cut and formalised proxy system. Specifically, the allocation of powers and responsibilities is formalised in a proxy system, including proxies for occupational health and safety, hygiene and safety of food and the environment.

With respect to occupational health and safety, the Board of Directors has appointed one of its members as the “Employer” pursuant to Legislative decree no. 81/2008. Within the limits established by law and given the Company’s complex organisational structure, the Employer has delegated the related powers to the Operational Manager and to the Bars’ Supervisors. The Employer has also delegated powers to some Esselunga S.p.A.’s managers.

The Board of Directors has entrusted a Director with the supervision of compliance with regulations on food hygiene, the production, processing, storage, transportation and sale of food, including of third parties. This Director is also responsible for ensuring compliance with all the laws about the promotion, purchase and retail sale, including on-line, of food products. The Director has delegated these powers to the Operational Manager and the Bars’ Supervisors.

In addition, the Board of Directors has entrusted one of its members with supervision of the issues related to the protection of the environment, especially with respect to the roll-out and maintenance of all the systems needed to ensure that all discharges and effluents comply with the standards of acceptability required by ruling legislation, compliance with all the regulations about pollution, protection of health and the environment to prevent any forms of pollution and protect the environment. The Director has delegated these powers to the involved Esselunga S.p.A.’s managers.

All proxies provide for the clear-cut and transparent identification of the activities performed by each delegated manager and are in line with their positions within the Company.

#### **4.4 INFORMATION SYSTEMS**

Company uses the same information systems of Esselunga S.p.A. In the special part related to the computer crimes (special part F) there is a specific reference to controls implemented by Esselunga S.p.A. to prevent the commission of computer crimes.

The information systems are managed using procedures that guarantee the physical and logical safety of the systems and their data to ensure:

- the principle of the segregation of duties by the juxtaposition of functions;
- the mapping of transactions and documentation of controls.

#### **4.5 CERTIFICATION OF THE OCCUPATIONAL SAFETY MANAGEMENT SYSTEM AND ENVIRONMENTAL CERTIFICATION**

Atlantic has an occupational health and safety management system that complies with the requirements of UNI ISO 45001:2018 (ex BS OHSAS 18001:2007)

It obtained certification for all its bars located in the national area in 2013.

An independent third-party issues the certificates and the Company undergoes regular inspections by this third party.

Moreover, during 2017, Atlantic obtained the environmental certification in compliance with the requirements of UNI ISO 14001:2015. The Company obtained certification for all its bars located in the national area.

### 4.6 GENERAL PRINCIPLES OF CONDUCT

All activities included in the areas at risk of the special parts of the Model must be carried out in compliance with the prevailing laws, values, politics and procedures approved by Atlantic, as well as the regulations contained in this Model.

The organizational, management and control system of the Company should respect the principles of attribution of responsibilities and representative powers, segregation of roles and activities, and liability, transparency and traceability of acts.

Performing the activities listed in each Special Part of the Model and carrying out their own duties, the Addressees of the Model involved in the activities must know and respect:

- applicable Italian and eventually foreign legislation;
- provisions contained in the Model;
- Code of Conduct;
- company procedures and guidelines, as well as all the documentation connected with the organizational, management and control Model of the company, and its specific controls.

In detail, the Addressees should comply with principles and rules of conduct avoiding:

- any behaviors that may expose the Company to one of the types of crimes included in the Decree;
- any behaviors which may involve the commission of types of crimes included in the Decree;
- any actions against professional ethics and good business practice;
- in the relationships with competitors and third parties in general, behaviors that don't respect the principles of loyalty, correctness, transparency and legality with the aim of foster or encourage interests of the Company and or obtain unfair advantages.

### 4.7 WHISTLEBLOWING PROCEDURE: SCOPE AND CHANNELS TO RAISE DISCLOSURES

The Company, in line with the additions made to the article 6 of Legislative Decree 231 and the Law no. 179 of 2017, established a whistleblowing reporting system that protect the whistleblowers' identity and their privacy. All employees and collaborators are informed of the knowledge, understanding and dissemination of objectives and of the spirit of the reports.

Reports should be about:

- relevant wrongdoings that can give rise to any situation leading to liability as contemplated by Decree 231/01;
- breaches of organization, management and control model they became aware of by reason of employment.

Reports raised only for personal situations, based on mere suspicions and without a testimonial or documentary value, do not fall within the scope of whistleblowing.

(omissis)

Whistleblower should raise his disclosure using a specific channel, via informatics tool, for all employees and members of the corporate bodies to guarantee the confidentiality concerning the identity of the whistleblower and the content of report, as required by the law.

Reports should be sent by email to the Supervisory Body's address [odvatlantic@bar-atlantic.it](mailto:odvatlantic@bar-atlantic.it), as laid down in paragraph 7.5 "Information flows from/to the Supervisory Body".

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The Company and addresses of reports should protect the whistleblower against direct or indirect acts of discrimination or retaliation, due to the report.

Duties and controls of the addresses in order to check the information are detailed in the company procedure.

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## **4.8 DISCIPLINARY SYSTEM**

### ***4.8.1 Introduction***

Pursuant to article 6.2.e) of Legislative decree no. 231/2001, the 231 Model must include an adequate disciplinary system designed to punish non-compliance with:

- the Model's rules and internal procedures as well as the rules of conduct set out in the Company's Code of Conduct;
- the implementation of actions and behaviours that are not compliant with the Law no. 179/2017.

The disciplinary system is also an essential requisite for the Model to be valid as per article 7.4.b) of Legislative decree no. 231/2001.

The disciplinary system set up in accordance with Legislative decree no. 231/2001 is an internal system integrating the current laws and regulations which acts as an independent sanction system applied in addition to the criminal sanctions system. Therefore, its application does not depend on the criminal liability of the person's conduct or the outcome of the related criminal proceeding (if any).

The Company's disciplinary system, adopted as per the Decree, is independent of the other procedures for infringements of the general disciplinary rules adopted by the Company pursuant to article 7 of Law no. 300 of 20 May 1970.

The current disciplinary system shall be properly circulated together with the Model as it is an integral and substantial part thereof.

Application of disciplinary measures does not in any way affect the Company's right to take action against the liable party to obtain compensation for all the damage suffered as a result of the party's conduct.

#### ***4.8.2 Sanctions applicable to managers and other employees***

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#### ***4.8.3 Sanctions applicable to directors and statutory auditors***

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#### ***4.8.4 Sanctions applicable to suppliers, contractors and consultants***

If suppliers, contractors or consultants violate the rules or standards set out in the Model, the internal procedures or the Code of Conduct (for the parts applicable from time to time), their contracts with the Company may be terminated in line with the terms and conditions of the specific clauses included in these contracts or engagement letters. The Company may also claim compensation for damages if their conduct leads to concrete damage. The units which manage the contractual relationship with the supplier, contractor or consultant inform the Supervisory Body of the Model's violation and apply the sanction.

In addition, whenever the Supervisory Body receives a communication of this kind (including anonymously) or acquires evidence that the Model may have been violated as part of its supervisory duties, it takes steps to perform the inspections and checks deemed appropriate.

The Supervisory Body then assesses whether the Model has been violated using the information collected. If this is the case, it informs the units in charge of managing the contractual relationship so that it can apply the sanction.

#### ***4.8.5 Sanctions applicable to the addresses of reports ("whistleblowing")***

(omissis)

## **5 COMMUNICATION AND CIRCULATION OF THE 231 MODEL**

### **5.1 GENERAL PRINCIPLES**

In order to effectively implement the Model, the Company intends to ensure that its content and principles are communicated in full both internally and externally.

The HR and organisation department of Esselunga S.p.A. (on the basis of the intercompany agreement in place) communicates such content and principles and

provides the related training, identifying the best ways of benefitting from them.

The Supervisory Body monitors the communication and training activities and also works with the HR and organisation department of Esselunga S.p.A. for projects designed to spread familiarity with the Model, provide training on the Decree, the impact of legislation on the Company's activities and conduct standards as well as increase the employees' awareness of the importance of complying with the Model's principles.

The communication and training activities are tailored for the type of person/party involved but are always designed to comply with the principles of completeness, clarity, accessibility and continuity so that the recipients gain an understanding of the internal rules they are required to comply with and the ethical standards they shall base their conduct on.

### 5.2 COMMUNICATION OF THE MODEL

Employees can access and view the updated Model documentation in a special section of the company intranet and on "My Portal".

The updated version of the Model is also posted on all the notice board in the Company's sites (bars).

The effective version of the Model approved by the Board of Directors is communicated through email to all employees with a company e-mail address.

All employees are informed of the publication of the updated version of the Model.

New hires are also notified of the Company's adoption of the Model and Code of Conduct when they are taken on.

Moreover, the Company publishes an abstract of the general part of the Model and the Code of Conduct on Esselunga Group website.

Suppliers, contractors and consultants are usually required to comply with the Model for the parts applicable to them from time to time as per the specific contractual clauses and, if necessary, by reference to the Model as published on the Esselunga Group website.

## 6 TRAINING

The Company provides training about the content of the Decree and the principles set out in the Model. The training courses differ depending on the employees' position, the level of risk in their areas and whether they represent the company with third parties.

The HR and organisation department of Esselunga S.p.A. prepares a training programme for the employees who work in the areas at risk, supervised by the Supervisory Body, and plans how such training will be provided.

Participation at training courses is mandatory and checked using a special attendance monitoring system. This mandatory participation is a fundamental part of the Model and violation leads to application of the sanctions provided for in the disciplinary



system. The training courses cover:

- the Decree and the predicate crimes;
- the Code of Conduct;
- the Supervisory Body;
- the disciplinary system.

The courses are provided through e-learning mode. The e-learning mode ensures the timely and widespread circulation of the course contents to all employees thanks to its graphics and the interaction methods.

The course content is updated to reflect changes in the legislation (e.g., introduction of new predicate crimes) and the Model's content (e.g., adoption of new special parts). The Supervisory Body regularly checks the implementation of the training programme.

In line with the principles and values included in the Model and the Code of Conduct, Atlantic acknowledges the importance of the issues of occupational health and safety. It is committed to improving its employees' safety in the workplace.

Accordingly, the Company undertakes projects to inform the employees and provide training about how to prevent accidents at work and risks to their health and safety.

## **7 SUPERVISORY BODY**

### **7.1 GENERAL CHARACTERISTICS AND ROLE**

Article 6.1.b) of the Decree requires that a Supervisory Body be set up as part of the requirements for a Body not to be held liable for the crimes listed therein. This Supervisory Body shall be provided with independent powers for its activities and controls and its duties comprise monitoring the working of and compliance with the Model and to ensure it is up-to-date.

The Supervisory Body is internal to the Company but independent of the other company bodies, including the Board of Directors and internal control functions. Its duties are to monitor the effectiveness and updating of and compliance with the Model and its components inside the Company. Its role includes:

- monitoring the effectiveness of and compliance with the Model, which includes the ongoing supervision of the internal activities to ensure the Model is complied with and checking that the actual procedures comply with the Model;
- assessing the Model's adequacy and effectiveness by checking that it is suitable to prevent the crimes covered by the Decree and comply with the related laws given the Company's characteristics and type of operations;
- verifying that the Model maintains its characteristics and is updated to reflect changes in the Company's internal organisation and in the relevant laws. The Supervisory Body proposes changes to the Board of Directors that approves them.

Given the Company's size and complex business activities, its Supervisory Body has three members. **Annex 1** provides their names and curricula vitae.

## **7.2 REQUIREMENTS OF THE SUPERVISORY BODY**

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## **7.3 APPOINTMENT, REVOCATION AND TERM OF OFFICE**

(omissis)

## **7.4 POWERS**

In order to efficiently carry out its duties, the Supervisory Body has a number of powers and rights, including the following powers:

- independent activation of control procedures;
- duty of supervising addressees' compliance with the Model;
- performance of planned or random checks and inspections of operations or actions carried out in the critical areas, deemed appropriate to correctly carry out its duties, including through the Company's existing control units;
- collection and processing of relevant information about the Model's implementation;
- performance of internal investigations and inspections to check communications of possible violations and document any irregularities or violations of the Model identified from the analysis of the information flows and communications;
- communication of ascertained violations to the HR and organisation department of Esselunga S.p.A., the Board of Directors or the Board of Statutory Auditors, depending on the case, so the appropriate actions can be taken;
- request information and work with the heads of the internal units and of Esselunga to carry out its activities, availing of their assistance for different aspects of the Model;
- unrestricted access to all the offices, files and documents to obtain all information, data or documentation deemed necessary;
- utilisation of the services of third-party consultants with technical expertise in specialist areas, when necessary or appropriate;
- work with the HR and organisation department of Esselunga S.p.A. to organise the annual training programme on the Model and the Decree, to promote projects to circulate an understanding and knowledge of the Model principles and to prepare the organisational documentation necessary for the Model's working, including the related instructions, information, clarifications and updates.

The Supervisory Body's powers to take decisions independently must be guaranteed, as without this it cannot be held to be independent.

It draws up an internal regulation covering its working, activities and procedures for the correct and effective performance of its functions.

## **7.5 INFORMATION FLOWS FROM/TO THE SUPERVISORY BODY**

Article 6.2.d) of the Decree establishes that the Model shall include mandatory information to be provided to the Supervisory Body, especially in the case of any violations of the Model itself, the internal procedures or the Code of Conduct. This information is provided to improve the Supervisory Body's controls but does not require that it takes action if it does not deem it necessary or appropriate.

The information channels used to provide information to and from the Supervisory Body are described below.

The Company's managers and the employees and Esselunga's managers that provide services to Atlantic on the basis of the intercompany agreement in place, are required to inform the Supervisory Body promptly of any violations of the Model or its parts, including by non-group parties, as well as any other information that is potentially relevant to the Decree's application.

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Communications to the Supervisory Body shall be made in writing to the e-mail address [odvatlantic@esselunga.it](mailto:odvatlantic@esselunga.it), apart from the informatics tool.

The Supervisory Body ensures that the parties making the communications are safe from any form of retaliation, including any sort of discrimination or penalisation directly or indirectly connected to the report.

The Supervisory Body shall ensure that the parties making the communication are not referred to by name, except when required by law or to protect the Company's rights. It may adopt measures to deter the provision of untrue information, if the party providing the information is aware that it is untrue.

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