



ANTI-CORRUPTION POLICY

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ANTI-CORRUPTION *POLICY*

Approved by the SIT S.p.A. Board of Directors on November 9th, 2023

	<i>Department / Function</i>	<i>Name</i>	<i>Date</i>	<i>Signature</i>
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1. Purpose

Through its Heating & Ventilation, Smart Gas Metering, and Water Metering Business Units, SIT develops intelligent solutions for environmental control and consumption measurement, contributing to a more sustainable world. As a multinational leader in the reference markets and listed on the Euronext Milan segment, SIT aspires to be the primary sustainable partner for client companies' energy and climate control solutions. The Company pays great attention to the experimentation and use of alternative gases with low environmental impact. The group has production sites in Italy, Mexico, the Netherlands, Romania, China, Tunisia, and Portugal, and a commercial structure covering all relevant global markets. SIT is a signatory of the United Nations Global Compact and adheres to its principles, promoting a responsible way of conducting business. Additionally, SIT is a member of the European Heating Industry and the European Clean Hydrogen Alliance, and of the "Valore Acqua per l'Italia" Community - www.sitcorporate.it.

Given its size and global operations, SIT has developed compliance measures aimed at preventing the risk of illicit behaviour in activities most exposed to the risk of corruption. The group's *Anti-Corruption Policy* (hereinafter the "*Policy*") aims to implement the "**Zero Tolerance for Corruption**" principle, standardizing a single framework for all group companies, both Italian and foreign. The goal is to establish rules and measures for preventing and combating corruption, with the additional objective of increasing awareness among all Recipients, including third parties external to the group with whom professional or business relationships are established. Finally, the *Policy* strives to implement one of the key principles of the United Nations **Global Compact**¹: "**counter corruption in all its forms, including extortion and bribery.**"

SIT supports the objectives of the United Nations' 2030 Agenda on Sustainable Development Goals ("SDGs"), with a particular focus on goal number 16 titled "**Peace, Justice, and Strong Institutions**".

¹ The **Global Compact** or "Global Pact" is an international initiative launched in July 2000 by the United Nations to support ten universal principles relating to human rights, work, the environment, and the fight against corruption, which unites governments, businesses, United Nations, labour, and civil society organisations, with the aim of contributing to the creation of "a more inclusive and sustainable global economy" by introducing respect and application of common values. SIT has joined it since 2022.



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NOTE: Adherence to the provisions of the *Policy* constitutes an integral part of the contractual obligations for employees, while their violation by Recipients constitutes, depending on the circumstances, a disciplinary offence (subject to sanctions under applicable regulations) and/or a contractual breach, which may lead to the compensation of damages that may arise from such violation towards the Company.

1.1. Recipients and Scope of Application

The *Policy* applies to SIT S.p.A. and its direct and indirect subsidiaries, and it is mandatory for all Recipients, as everyone participates in risk management and is called upon to collaborate in the implementation of the relevant anti-corruption prevention measures to protect the integrity and reputation of the group. All Recipients are required to have adequate knowledge of national and international regulations related to anti-corruption and anti-fraud issues, as well as the potential consequences associated with attitudes not in line with what is required by law and/or the Company's procedural framework.

In case, due to the specific regulatory context, a foreign company within the SIT group needs to adopt its own code of conduct on anti-corruption, the code must still comply with the *Policy*, reflecting its essential contents, with any necessary adaptations based on local laws.



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2. Terms and Definitions

Abuse of Power	Abuse of one's role/task or one's powers, to force or induce someone to give or promise unduly, to him or a third party, money, or other benefits.
Anti-corruption legislation	The laws and regulations in force in the countries in which the group operates and listed in the Appendix to this Policy.
Code of Ethics	The Code of Ethics adopted by SIT S.p.A. to which employees of the SIT group must adhere.
Collusion	Secret agreement between two or more parties, to achieve an illicit purpose/profit or agree on a common course of action to the detriment of third parties.
Corruption	Anyone who, directly or indirectly carries out activities on behalf or in the interests of SIT or the group companies, promises, receives, or gives benefits and/or undue compensation to third parties, directly or indirectly, for personal advantage, of SIT, of the group companies group or third parties. For this <i>Policy</i> , the distinction between "corruption towards the Public Administration" and "corruption between private individuals" is not relevant.
Embezzlement	Theft or misappropriation of money or property of others or entrusted in trust based on a relationship of trust.
Entertainment expenses	Expenses incurred for the purchase of goods and services intended for promotional or public relations purposes.
Facilitation payments	Undue payments made, even indirectly, to promote services, even if due, by the Public Administration.
Gift	A good, of modest value, supplied or received.
Joint Venture	Contractual agreement of stable collaboration with which SIT or a company of the group undertakes an economic activity subject to joint control with a third party ("Partner").
Kickback	An illicit payment made to someone in exchange for facilitating a transaction or assignment.
Merger & Aquisition ("M&A") Operations	Transactions carried out by SIT or by group companies concerning acquisitions, sales, mergers, demergers, transfers of companies or company branches, strategic alliances, and partnerships.
231 Model or Model	The Organization, Management, and Control Model adopted according to Legislative Decree No. 231/2001 by the Italian Companies (i.e., SIT S.p.A. e Metersit S.r.l.) of SIT group.
Nepotism	Favouritism granted to family members, relatives, or friends.



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Policy	The <i>Anti-Corruption Policy</i> adopted by SIT S.p.A.
Professional services	Any assistance or consultancy activity, however named, consisting of the provision of intellectual work, under art. 2230 of the Civil Code, by subjects registered or not in professional registers.
Public Administration	The national, supranational, or foreign body equipped with public functions and authoritative powers, which also acts through private law instruments.
Rebates	Discount or reduction of the selling price.
Recipients	The members of the Boards of Directors and Boards of Auditors (or of the administrative and supervisory bodies) as well as the employees, collaborators in any capacity of SIT and the group companies as well as those who have contractual, onerous, or free relationships with SIT or the Companies of the group.
Red Flags	Elements indicating suspicious situations and risky situations.
SIT, the Company	SIT S.p.A., with registered office in Padua (PD), Viale dell'Industria n. 31/33, C.F. e P.IVA n. 04805520287.
SIT group Personnel	The employees of SIT and of the group (managers, managers, office workers and workers).
Sponsorships	Contracts connected to a specific event, project, or activity, stipulated by SIT or by group companies for the promotion of the Company's brand or to advertise its corporate activities, products, and services.
Supplier	The natural or legal person who supplies SIT or a company of the SIT group with goods or services.



3. Prohibited Behaviors

In line with the provisions of the group's *Code of Ethics*, SIT prohibits corruption without any exceptions. In detail, engaging in behaviours and practices that are not permitted by applicable laws on corruption is strictly prohibited.

An “**act of corruption**” encompasses the promise, giving, or offering of anything of value, whether economic or non-economic, directly, or indirectly, to influence a person to carry out a function or activity improperly. It also includes the expectation or hope of receiving a commercial advantage or rewarding a previously obtained advantage (**active corruption**). Similarly, accepting, requesting, or receiving an asset of any value, directly, or indirectly, with the intent to ensure that a certain function or activity is carried out improperly or with the expectation of obtaining a commercial advantage is strictly prohibited (**passive corruption**).

The term “benefit” in an “act of corruption” is not limited to monetary payments; it may include investment or work opportunities, gifts, various forms of hospitality, etc. Prohibited behaviour extends to implementing threats or retaliation against an individual who refuses to commit an act of corruption or reports its occurrence.

Recipients of this *Policy* are required to avoid, and if necessary, report any situation that could result in a conflict between personal interests (economic or otherwise) and the tasks or functions within the corporate structure. Such conflicts may potentially impact their ability to act in the Company’s best interests and comply with the aforementioned anti-corruption legislation.

Any situation that may constitute or result in a conflict of interest must be promptly communicated by the employee to their hierarchical manager or by the collaborator to their Company contact person. The Recipient, in such a case, is obligated to refrain from engaging in activities related to or arising from this situation.



4. General Principles

To adhere to the *Policy*, the following general principles must be observed:

- **clarity and simplicity:** Clearly define the tasks and responsibilities of all individuals involved in Company processes. Additionally, activities and related controls should be straightforward and easily applicable;
- **impartiality and absence of conflicts of interest:** Recipients of the *Policy* are required to operate professionally, impartially, and in compliance with anti-corruption legislation;
- **segregation of duties:** Ensure that tasks, operational activities, and control functions are adequately separated. The person responsible for the operational activity should always be distinct from the individual who controls and authorizes it;
- **system of delegations and powers:** Clearly define and consistently update roles and responsibilities within the Company's organizational structure;
- **traceability and archiving:** All conducted activities and associated controls must be traceable and verifiable post-execution, preferably with suitable documentary/IT support. Documentation produced should be promptly archived.

5. Principles of Conduct in Key Risk and Instrumental Areas

The possibility of employees, suppliers, and clients engaging in ethically improper behaviour, particularly concerning corruption, is one of the primary risks closely monitored by the SIT group's control processes. Specifically, specific areas (outlined below) have been identified where the risk of corruption is deemed higher.

5.1. Relationships with Clients

SIT is committed to maintaining relationships and conducting business transactions with customers in a **fair, honest, and professional manner**, in compliance with specific laws, applicable regulations, and existing contracts. The Company provides clear, accurate, and truthful information in business negotiations and undertakes contractual obligations, ensuring diligent compliance with them.



Giving or promising money or other forms of benefits to customers with the intent of making a sale under particularly advantageous conditions (for example, in terms of quantity and/or sales price) is not allowed. Similarly, any request or acceptance of money or other benefits to apply conditions not justified by the contractual relationship, for the benefit of customers or to facilitate irregularities or fraud in sales activities, is prohibited.

The application of price lists, as well as discounts, promotions, and gifts to customers, must adhere to Company procedures, with specific attention to their approval and related documentation.

When marketing its products, the Company guarantees their origin, provenance, and performance of the products, preventing the use of non-compliant components. Actions that are inappropriate or illegal against customers, including exclusion measures, discrimination, and restrictions on their business activities, are strictly prohibited.

The so-called "Rebates" granted by SIT to customers and the management of the corresponding budget must be handled in accordance with contract terms, to the *Policy*, and specific internal procedures on the matter, accompanied by appropriate supporting documentation confirming the customer's entitlement.

In general, any Recipient who, within the scope of their functions, stipulates contracts with third parties must ensure that such contracts do not involve or imply gifts in violation of this *Policy*.

For managing relationships with customers and other business partners, Recipients can refer to SIT policies (e.g., price list management, *Competition Policy*) and behavioural rules outlined in the *Ethical Code*.

5.2. Relationships with Suppliers

In its relations with suppliers, which include collaborators, consultants, and other partners, SIT is guided by principles of **transparency, equality, and loyalty**. This approach adheres to the reference regulatory framework, the *Code of Ethics*, and, if applicable, the provisions of the 231 Model designed to regulate these processes.



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The selection of suppliers and, in any case, the procurement of goods and services of any type, are conducted based on objective and documentable criteria, ensuring the optimal balance between economic advantage and service quality.

SIT implements a supplier selection process by assessing their reliability regarding the origin of purchased products, aiming to prevent illicit origins, counterfeiting, or theft. In managing relationships with suppliers, Recipients are required to:

- establish efficient, transparent and collaborative relationships, maintaining an open and honest dialogue in line with the best commercial practices;
- verify the identity of the third parties with which SIT interfaces;
- properly formalize all supplies and document the reasons for the choices;
- collaborate with suppliers to ensure the most favourable balance between quality, cost, and delivery times;
- avoid abusing any advantageous customer position by intentionally disadvantaging suppliers;
- refrain from seeking personal gain by accepting undue advantages or conveniences in procurement operations;
- demand the application of the contractually foreseen conditions;
- operate within the scope of current legislation and request its prompt compliance.

It is not permitted to offer or promise money or other forms of benefits to an employee or representative of a counterparty with whom the Company has an interest in concluding a supply of goods or services to gain an undue advantage (e.g., an unjustified discount). Similarly, Recipients cannot accept money or other benefits given by an employee or representative of a counterparty aiming to obtain an undue advantage in the conclusion of a supply.

To manage relationships with suppliers, Recipients must refer to group procedures governing such cases and the "*Code of Ethics for Third-Party Suppliers and Intermediaries*", available on the Company's website, which all suppliers are required to sign upon establishing a contractual relationship with SIT.



5.3. Relationships with the Public Administration

Relations with the Public Administration and public institutions (e.g., Ministries and their peripheral offices, public bodies, entities, and companies operating in the public services sector, territorial bodies, local bodies, Italian Data Protection Authority) must adhere to the Code of Ethics, the 231 Model if applicable, and this *Policy* for the prevention of corruption. These relationships are managed by the Company's Top Management and its delegated representatives, with a particular focus on the principles of correctness, transparency, and traceability of behaviour.

In dealings with the Public Administration, it is strictly prohibited to promise, offer, or correspond, directly or indirectly, with money, goods in kind, or other benefits (except for gifts or utilities of modest value and in compliance with normal commercial practice). This prohibition applies even under illicit pressure, in a personal capacity, on Public Officials or private interlocutors responsible for a public service, to promote and/or favour the interests of SIT. These requirements cannot be bypassed through different forms of assistance or contributions, such as assignments, consultancy, advertising, sponsorships, employment opportunities, commercial opportunities, or any other kind.

During negotiations, requests, or any interaction with Public Officials, engaging in behaviour intended to improperly influence the decisions of officials dealing with or making decisions on behalf of the Public Administration is strictly prohibited.

Recipients are also prohibited from providing or promising to provide, request or obtain confidential information and/or documents that could compromise the integrity or reputation of either party, in violation of transparency and professional correctness principles.

In response to any requests from the Judicial Authority, SIT commits to providing maximum collaboration by making truthful and representative statements of the facts, abstaining from behaviour that may cause hindrance, in strict compliance with laws and the principles of loyalty, correctness, and transparency.

All relationships with Public Officials must be appropriately documented in a written report and stored for future reference. Moreover, the conducted activities must be traceable according to current Company procedures. For Italian companies within the group, the



provisions of the protocol adopted pursuant to the 231 Model, aimed at regulating the process in question, must be considered referenced here.

5.4. Public Funding/Contributions

As public financing/contributions inherently provide the beneficiary with a direct or indirect economic advantage through incentives or concessions leading to tax savings or resource acquisition, they pose a significant risk profile requiring a cautious approach. Recipients tasked with managing such public funding/contributions must adhere vigorously to the principles of transparency, verifiability, and relevance to the company's activity.

To mitigate the risk of corruption associated with public financing/contributions, it is crucial to ensure that relationships with the financing body or entity are based on full and loyal cooperation and collaboration necessary for the regular conduct of activities. To achieve this, SIT has implemented a process aimed at verifying the existence of necessary requirements to access financing/contributions and ensuring the completeness, accuracy, and truthfulness of documentation submitted to the granting body throughout the various phases of requesting and managing the financing.

A monitoring mechanism has been established to oversee the regular execution of financed projects and the corresponding reporting, to be submitted within the specified timeframe and manner outlined by the lending body. Additionally, correct accounting practices for the provided financing/contributions are ensured.

Lastly, the SIT group adheres to the principle that contributions, grants, and financing received cannot be utilized for purposes other than those for which they were granted.

5.5. Participation in Public and Private Bids and Contracts

Due to the nature of the products offered, the SIT group has the opportunity to participate in tenders, whether they are public or private. In the acquisition and management of contracts, including public ones, the following principles must be adhered to:

- Authorized personnel must analyse the tender notice and/or request for quotation, preparing the tender proposal along with the necessary administrative documentation to initiate activities;



- the individuals responsible for preparing the offer proposal must be distinct from those tasked with verifying its correctness and completeness;
- the offer proposal must receive approval, in accordance with company functions, only if the essential elements (technical, industrial, and commercial) required are present, considering the feasibility of the proposal following an economic-financial analysis;
- regarding the signing of the offer to be submitted to the customer/provider body and any related contract, the internal powers of attorney system must be respected. This ensures that only authorized individuals can contractually bind the Company to the conditions identified in the proposal;
- if the Company intends to utilize subcontractors, the principles of transparency and objectivity in identifying and selecting such third parties must be upheld, starting from the offer phase.

5.6. Relationships with Political Parties, Trade Unions, and Other Interest Groups

The relationships with political parties, trade unions, and other interest-carrying associations are managed by the **Leadership**, or by the Company representatives delegated by them, in compliance with the rules of this Policy and the Company's articles of association. Special attention is given to the **principles of impartiality and independence**.

5.7. Mergers, Acquisitions, Joint Ventures, and Significant Investments

The group's involvement in significant merger, acquisition, joint venture, or strategic investment operations that result in the control of a reference entity may pose the risk that the participating entity in the merger, and thus incorporated into the merged entity, has been or is currently involved in corrupt practices. Similarly, there is a risk that the reference entity in a relevant acquisition or investment has been or is currently involved in corrupt acts.

These risks must be carefully analysed, as the company resulting from a merger, acquisition, strategic investment, or reorganization may be held accountable for responsibilities related to previous entities, including civil and criminal liabilities connected to involvement in corrupt



practices. Other risks of such operations include, for example, reputational risks and the risk of losing contracts previously obtained through corrupt means and the associated costs.

To prevent and manage these risks, it is necessary to adhere to the following principles of conduct in the context of significant merger, acquisition, or strategic investment operations:

- extraordinary operations must be preceded by due diligence activities on the acquired, incorporated, or strategically invested company to ensure that all risks of possible involvement in corrupt practices are duly identified;
- the final decision on whether to proceed with the operation must include a detailed examination of aspects related to corruption risks as part of the conducted due diligence. If serious corruption risks are identified during due diligence, the decision must also consider any corrective actions post-operation;
- the integration of the reference company upon completion of the operation must include, if necessary, remediation actions and the rigorous implementation of the *Anti-Corruption Policy* to minimize the likelihood of future involvement in corrupt practices.

5.8. Selection, Hiring, Management, and Development of Personnel

The selection, hiring, management, and development of personnel must take place in strict compliance with the rules defined by SIT and according to transparent criteria in evaluating competence, professionalism, individual capacity, and potential. The group operates to ensure that acquired resources correspond to profiles genuinely needed for business requirements, making choices (such as managing and developing the career path of existing resources) exclusively based on criteria of professionalism and competence. SIT pursues a policy aimed at recognizing merits while respecting equal opportunities.

The recruitment phase, aimed at hiring personnel, must be carried out by ensuring the adoption of predetermined and objective criteria that allow the verification of the actual skills and professionalism of candidates, favouring the choice among a plurality of applications. SIT allows all SIT employees to recommend friends or acquaintances for vacant positions within one of the group's companies and recognizes a one-time payment to the referring individual if the proposed candidate is selected and hired. Except for the case just described and subject to the "*SIT Group - Referral Program*," SIT prohibits the hiring of



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employees and collaborators based on specific referrals from third parties in exchange for favours, compensation, or other advantages for themselves and/or SIT. Nepotism understood as preferential treatment reserved for friends, relatives, and acquaintances in the management of employment relationships, is also prohibited. Finally, it is forbidden to use the prospect of salary increases, career progression, or other benefits as a counterpart for activities inconsistent with laws, this Policy, and internal rules.

To avoid situations, even potential ones, of conflicts of interest, the group requires its personnel, from the moment of their hiring, to declare the absence of conflict of interest conditions between the individual and the Company. Furthermore, during hiring or acceptance of a collaboration assignment, selected individuals are required to sign a commitment statement to comply with the provisions of the *Code of Ethics*, as well as the non-negotiable principles for the group in terms of legality, integrity, responsibility, and business ethics.

For more details regarding personnel management, refer to the group's "*Human Rights Policy*," "*Code of Basic Labor Conditions*," and "*Non-Discrimination and Diversity Code*." For additional information on SIT's selection process, detailed information is provided in the "*Procedures for Personnel Selection and Hiring*" in effect.

5.9. Gifts, Benefits, or Other Perks

Recipients are strictly prohibited from offering, providing, promising, or granting to third parties, as well as accepting or receiving from third parties, directly or indirectly, any gifts, benefits, or other advantages — whether in the form of sums of money, goods, or services — without proper authorization.

Only gifts of modest value, directly linked to normal commercial courtesy relations, are permitted. These gifts must be of such a nature that they do not create the impression, in the other party or any impartial third party of an intention to gain or provide undue advantages. They should also avoid creating any impression of illegality or immorality.

If a Recipient receives donations or offers of donations that do not comply with the aforementioned guidelines, they must promptly inform their hierarchical manager for the implementation of appropriate measures.



Furthermore, Recipients are explicitly prohibited from soliciting the offer or concession, or the acceptance or receipt, of gifts of any kind, even if they are of modest value.

NOTE: Gifts, benefits, or other perks are considered of **modest value** if their nominal value (including taxes) does not exceed **50 euros** or an equivalent amount in foreign currency **per person**. It is strictly prohibited to divide a gift into multiple parts to reduce its economic value and thus bring it within the prescribed limits.

Gifts, benefits, and other advantages offered or received, in compliance with the provisions of this *Policy*, should not, under any circumstances, be characterized by frequent and persistent occurrences. This frequency should not create the perception in the recipient or the provider that these instruments are used to obtain undue advantages. Additionally, it should not suggest that the ongoing business or collaborative relationship is contingent upon the offering or receipt of such items.

Each Department/Function Head within the group may establish, as part of the budgeting process, an allocated amount for gifts to be used in accordance with this *Policy*.

5.10. Hospitality and Representation Expenses

Forms of hospitality, both accepted and offered, such as access to recreational activities (tickets or invitations to sports or cultural events) or the payment of travel and hotel accommodations, are permissible for promotional and commercial reasons or within the context of courtesy relationships only if of modest value and in accordance with Company procedures, with particular attention to acceptance methods and allowable amount limits. However, they constitute corrupt practices if given with the intent to obtain other undue benefits or to exercise improper influence.

Forms of hospitality, regardless of their value, are never permissible, whether accepted or offered, if they:

- (i) involve a cash payment;
- (ii) violate laws or regulations on anti-corruption;
- (iii) are not in line with the provisions of the Code of Ethics of SIT;
- (iv) are motivated by the desire to obtain undue advantages, preferential treatment, or to influence independent judgment.



Entertainment expenses incurred by Recipients (especially employees) must be summarized in an expense report, with detailed reimbursement, approved by the relevant Function Manager, and reimbursed after validation of validity.

Regarding the management of corporate events, such as participation in trade fairs or other commercial and non-commercial events, responsibility is delegated to the Marketing Function. This Function defines the related budget, collects participant registrations, and verifies that any associated hospitality and gifts are offered to all recipients in compliance with this Policy and other Company procedures. For further details, refer to the *Code of Ethics* and SIT Corporate and local travel management procedures ("*Travel Policy*").

5.11. Charitable Contributions, Sponsorships, Donations

SIT encourages initiatives that strengthen ties with the local community, supporting local sports clubs, social assistance organizations, and medical-scientific research with the aim of contributing to the well-being of present and future generations. In no case may charitable contributions, sponsorships, or donations be used, directly or indirectly, for corrupt purposes.

To avoid these acts being considered a disguised form of conferring benefits to third parties to gain an advantage for the group, SIT evaluates requests for contributions and donations only from nonprofit entities and associations. Each request is analysed by authorized individuals, considering both economic sustainability and social impact. The project or initiative presented must demonstrate high cultural, sports, social, or charitable value. Based on reasonableness and proportionality criteria, it is also verified in advance that the project to be funded or sponsored promotes goals related to the Company's **mission/vision** and **its associated values**.

The decision regarding participation and related funding is made by a dedicated Company body separate from the one that received and initially analysed the application. Appropriate documentation of the reasons supporting the decision, as well as the amount and actual use of the allocated resources, is required.

In selecting proposals to support, the Company pays particular attention to any possible conflicts of interest, whether personal or corporate (e.g., relationships with interested



parties or connections with organizations that may, due to their roles, somehow favour the activities of SIT).

5.12. Maintenance and Monitoring of Accounting Records

The applicable laws and regulations on financial reporting and tax laws require that SIT group maintains detailed and complete Accounting Records for every transaction. All activities carried out by the group comply with the relevant tax regulations, and tax planning is always aligned with business activities.

Accounting Records are kept according to the principles of transparency, truth, completeness, clarity, precision, accuracy, and compliance with current regulations. Adequate documentation supporting each transaction must be retained, allowing easy accounting registration, reconstruction of the rationale for the conducted operation, and identification of any responsibilities.

Supporting documentation must be readily available and archived according to appropriate criteria that enable easy access by both internal and external entities authorized for control. SIT group has implemented a system of internal controls related to financial information to reasonably ensure the reliability of financial reporting and the preparation of the financial statements per generally accepted accounting principles.

Specifically, SIT group has adopted measures to ensure the regular maintenance of accounting records, so that they:

- Reflect with reasonable detail the operations and acts of disposition of SIT group's assets;
- Provide reasonable assurance that any unauthorized acts of acquisition, use, or disposition of SIT group's assets, which could have a significant impact on the financial statements, are prevented and, if necessary, promptly identified.



6. Management System for the Prevention of Corruption

Within the framework of the *Anti-Corruption Policy*, SIT group has implemented a system for the management and control of corruption risks that requires a constant analysis of business processes, the assessment of corruption risks, and ultimately the planning and implementation of appropriate and effective measures and controls.

6.1. Risk Assessment

The risk of corruption to which various companies within the SIT group are exposed during their activities varies based on geographic areas and may depend on factors such as commercial practices, local laws and regulations, and target markets. The group's Governance, Risk Management & Sustainability Function assesses the nature and extent of the corruption risk in relation to these factors, determining to what extent the internal control system is effective in managing the specific risks identified.

The periodic "Risk Assessment" conducted by the Company provides a comprehensive overview of which aspects of the business or other activities may be more vulnerable to corruption. If, as a result of this exercise, gaps are identified, a remediation plan is prepared simultaneously to reduce the likelihood of the corrupt event occurring and to mitigate the consequences of such an event.

6.2. Due Diligence

Due diligence activities may become necessary when there have been reports through designated channels (*whistleblowing*), as a result of periodic risk assessments, or upon learning about events with corrupt implications. In such cases, it is advisable to conduct due diligence on suppliers or partners with whom SIT collaborates to assess the specific corruption risk and update the Risk Assessment.

Furthermore, in operations such as share acquisitions, mergers, and joint ventures (as mentioned in point 5.7 of this Policy), the entities involved in the evaluation and finalization of the operation must, before formalizing any binding contractual acts, identify the main risk factors. If the due diligence reveals serious corruption risks, the entities should decide



whether to proceed with the operation and, if necessary, adopt corrective actions post-operation.

6.3. Employee Training and Policy Dissemination

SIT is committed to disseminating this *Anti-Corruption Policy* effectively among all Recipients. Specifically, group Employees can access the *Policy*, along with the internally referenced documentation, by accessing the group's intranet.

SIT also conducts training initiatives for all staff to ensure the dissemination and understanding of the *Code of Ethics*, provisions for corruption prevention, and the 231 Model (where applicable). These training programs are offered through various methods, such as classroom sessions and e-learning.

Additionally, SIT has developed in-depth training for individuals involved in processes characterized by a higher risk of corruption. During these training sessions:

- Operational risks and possible concrete situations in which corrupt practices may occur are exemplified;
- Personal responsibilities and the consequences for the Company are clarified;
- Actions to be taken to prevent and counteract corruption and any sanctions are identified.

6.4. Reporting Obligation

All Recipients are obligated to report attempted, presumed, or actual acts of corruption that come to their knowledge, as well as any other violations of the *Anti-Corruption Policy*. Reporting is intended to protect the integrity of the Company and the individual who feels a moral obligation to report, in the public interest and with the aim of promoting legality, ethics, and fairness.

Reports must be detailed, containing precise and consistent facts that the whistleblower has become aware of in the course of their duties, reasonably sufficient to initiate an investigation. Reports can be submitted through the channels and methods established by the Company and as outlined in the group's *Whistleblowing Policy*, which should be referred to for detailed procedures.



Upon receiving a report, the Company will notify the Whistleblower (if identified and/or identifiable) within the deadlines set by applicable regulations and best practices.

SIT adheres to the principle of non-retaliation and ensures the confidentiality of the Whistleblower's identity in case of any reports to prevent any form of reprisal, discrimination, or penalties, in accordance with applicable laws and national and international best practices.

The relevant bodies will assess the received reports and may, if deemed appropriate, summon both the Whistleblower for further information and the alleged violator of the *Policy*. This process will involve all necessary investigations to determine the validity of the report.

For further details regarding channels, methods, and the management of reports, reference should be made to the specific procedures and operational guidelines established by the Company.

6.5. Disciplinary Measures

Compliance with the *Anti-Corruption Policy* is an integral part of the contractual obligations of employees, collaborators, and, more generally, all Recipients. Any violations trigger the application of measures by the Company, modulated based on the severity and within the limits of the current regulatory framework. Regarding employees, non-compliance may result in disciplinary and sanctioning proceedings, up to and including termination of employment. For the Company's Directors and Auditors, it may lead to suspension or removal from office.

Non-compliance by external parties may result in the termination of the contract, assignment, or any ongoing relationship with the Company, as well as, where applicable, the payment of damages.

6.6. Monitoring Activities

The *Policy* and its meticulous implementation undergo periodic monitoring activities conducted by the relevant Corporate Departments/Functions of the group, such as the Governance, Risk Management & Sustainability function and the Legal function.



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The responsibility for the internal control and risk management system (“**SCIGR**”) lies with the Board of Directors of the Company, which establishes guidelines for internal control and corporate risk management and periodically verifies its functioning with the assistance of the Control of Risks, and Sustainability Committee and the Head of the Internal Audit function. The Internal Audit function provides independent assurance on the adequacy and effective operation of the SCIGR, assessing its completeness, adequacy, functionality, and reliability in terms of efficiency and effectiveness, and identifying any violations of applicable procedures and rules.

Monitoring also takes place through activities related to the preparation of the Sustainability Report of the group, which requires specific periodic evidence from Company representatives regarding any identified cases of corruption within the group, communicated through the channels provided by the Company for whistleblowing reports. These activities enable continuous improvement of the framework adopted by the group to counter and prevent the risk of corruption, promptly identifying any inefficiencies and allowing for constant updates in line with best practices, regulatory frameworks, and any changes to the group's business model. The results of these monitoring activities are analysed to determine any necessary remedial actions, such as internal investigations, revision of contractual clauses with third parties, and implementation of new processes and related procedures, in line with the group's *Whistleblowing Policy*.

7. Revisions

The present *Policy* has been drafted by the Governance, Risk Management & Sustainability Department of the group, which oversees its periodic updates, in collaboration with other Corporate Departments/Functions.

Edition	Date	Description of Changes	Issued on
1.0	31/10/2022	First Version	31/10/2022
2.0	09/11/2023	Second Version	09/11/2023



APPENDIX - Regulatory References

a) Anti-Corruption Laws

In recent years, the fight against corruption has progressively gained greater importance, especially considering the tightening of sanctions associated with individuals (e.g., detention penalties) and legal entities (e.g., fines or prohibitions). Additionally, the reputational impacts of corrupt practices have been taken into account.

Various national governments, through local regulations and international agreements, have promoted legislative frameworks aimed at discouraging corrupt practices. For the specific purposes related to this *Policy*, some of the main references to national and international regulations on anti-corruption (and all subsequent amendments and integrations) applicable in the major countries where the Company operates include:

- Law No. 190/2012 on the prevention and repression of corruption and illegality in Public Administration (Italy);
- Legislative Decree No. 231/2001 and subsequent amendments and integrations (Italy);
- Foreign Corrupt Practices Act (FCPA), enacted in the United States;
- UK Bribery Act, adopted in the United Kingdom;
- United Nations Convention Against Corruption, CNUC, (United Nations Convention Against Corruption, UNCAC);
- European Union Directive no. 1937/2019 – on the subject of Whistleblowing;
- International standard ISO 37001:2016 on anti-corruption management systems;
- Convention on combating bribery of foreign public officials in international commercial transactions - adopted by the OECD.

Furthermore, some of the main national and international organizations whose objective is the fight against corruption are reported:

- ANAC – National Anti-Corruption Authority (Italy) is an independent Italian administrative authority with tasks of preventing corruption in the Italian public administration, implementing transparency, and supervising public contracts – <https://www.anticorruzione.it/>;



- Transparency International is an international organization for the fight against corruption – <https://www.transparency.org/>;
- GRECO (acronym for Group of States against Corruption) is a body of the Council of Europe, created in May 1999 to improve the capacity of member states to fight corruption; brings together 48 European countries and the United States – <https://www.coe.int/en/web/greco>.

b) Internal Regulatory References

The present Policy must be read and interpreted within the framework of the policies and procedures in force within the SIT group.

These policies are an integral part of the *Policy* and can be found on SIT's website (www.sitcorporate.it) and on the Company intranet ([We@SIT](#)).

Specifically, please refer to the following documentation:

- "*Code of Ethics*" of the SIT group;
- "*Code of ethics for third-party suppliers and intermediaries*";
- group "*Code of basic working conditions*";
- group "*Code of non-discrimination and diversity*";
- group "*Human Rights Policy*";
- Organization, Management and Control Models of SIT S.p.A. and Metersit S.r.l. according to Legislative Decree no. 231/2001 ("**231 Model**") for the Italian companies of the group;
- "*Procedures for the selection and hiring of personnel*";
- "*SIT group – Referral Program*";
- "*Travel Policy*";
- "*Diversity & Inclusion Policy*";
- "*Whistleblowing Policy*" by the SIT group.