

ORGANISATIONAL DOCUMENT FOR MANAGING WHISTLEBLOWING REPORTS ATTO ORGANIZZATIVO PER LA GESTIONE DELLE SEGNALAZIONI WHISTLEBLOWING

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1. REFERENCE FRAMEWORK

The Legislator has approved Italian Legislative Decree No. 24/2023 (“**Whistleblowing Law**”) which defined, inter alia:

- aspects for protecting individuals, as identified by Article 3 of the Whistleblowing Law, who make a report;
- the obligations of Organisations and Companies in terms of prohibiting acts of reprisal and non-discrimination for whistleblowers and protecting their confidentiality;
- the need to have one or more channels so whistleblowers can submit their reports, while guaranteeing confidentiality for the identity of the whistleblower, the person involved and the person in any case mentioned in the report, as well as for the contents of the report and any relative documentation;
- the need to hear from trade union organisations or representatives under Article 51 of Legislative Decree No 81 of 2015 before opening these reporting channels;
- the conditions for making an external report;
- the prohibition of acts of reprisal or discrimination against the whistleblower for reasons connected to the report.

2. INTRODUCTION TO WHISTLEBLOWING

The term “**Whistleblowing**” means a report made by an individual who, in carrying out their work, notices an offence, risk or hazardous situation that could damage the company/organisation they work for, as well as customers, colleagues, citizens and any other category of individuals.

Whistleblowing is a legal instrument developed and tested in the United States and Great Britain to guarantee prompt information regarding potential types of risk, such as fraud against or by an organisation, negligence, offences, threats, etc.

Italy definitively transposed the European Directive with **Legislative Decree No 24 of 10 March 2023** (Implementation of EU Directive 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and laying down provisions regarding the protection of persons who report breaches of national law. (23G00032) (Italian Official Journal, General Series, No.63 of 15/03/2023).

As it is sensitive to ethical issues and proper conduct of its business, the Company has therefore implemented, in accordance with the law, internal systems for reporting breaches to allow individuals identified by law to report breaches of national or European Union law that harm the public interest or integrity of the Organisation, which came to their attention within the private working environment.

The Whistleblowing Law identifies:

- any individuals who can open a report;
- the actions or facts that may be reported, as well as the requirements which reports must meet to be taken into consideration;
- the procedures for reporting alleged breaches and the people in charge of receiving reports;
- the preliminary inquest process and potentially the investigation process when a report is made;
- guaranteed confidentiality and protection for the personal data of the whistleblower and anyone potentially reported, as well as for any data in the report;
- the prohibition of reprisal or discrimination against the whistleblower.

3. SUBJECT

The purpose of this document is to demonstrate the operating procedures for handling reports and any potential subsequent investigations, for any offences that came to an individual's attention due to their work.

Under Article 1, the Decree specifies **the relevant offences** which should be reported through the Whistleblowing channel:

RELEVANT OFFENCES FOR WHISTLEBLOWING PURPOSES
administrative, accounting, civil or criminal offences
relevant unlawful conduct pursuant to Legislative Decree No. 231 of 8 June 2001, such as committing the predicate offences under Legislative Decree No. 231/01 or the failure to comply with the control procedures provided for by 231 Models
offences that fall within the application of national or European Union acts
acts or omissions that harm the Union's financial interests under Article 325 of the Treaty on the Functioning of the European Union
acts or omissions regarding the internal market

However, the scope of the procedure does **not** include any cases excluded by the Whistleblowing Law, including:

EXCLUSIONS
objections, claims or requests linked to a personal interest of the whistleblower or the person who filed a complaint with the accounting or judicial authorities, which exclusively concern their individual working or public employment relationships, or regarding their working or public employment relationships with their superiors;
reports of breaches that have already been compulsorily covered by national or European Union acts, or by national acts implementing European Union acts;
reports of national security breaches, as well as breaches of contracts regarding aspects of national security or defence, unless these aspects fall within the European Union's relevant secondary legislation.

In fact, the scope of this procedure does **not** include:

- reports about **personal** situations concerning claims or grievances about relationships with superiors or colleagues, as well as regarding the performance of their work;
- reports based on **pure speculation or rumours about personal incidents that do not constitute an offence**: this is necessary both to take into account the interest of third parties covered by the information in the report, and to prevent the Company from carrying out internal investigations that risk being of little use and, in any case, expensive.

4. OBJECTIVES

The purpose of this document is to reveal any illegal activities or irregularities within the Company, while clarifying and facilitating the filing of reports by whistleblowers and removing any potential factors that could hamper or discourage whistleblowing.

The objective of the procedure is therefore, on the one hand, to provide the whistleblower with clear instructions about the subject, contents, recipients and methods of sending reports and, on the other hand, to inform the whistleblower about their acknowledged and guaranteed forms of protection and confidentiality.

It also aims to guarantee that the Company's values are shared, respected and demonstrated in the working life of anyone involved with the Company.

5. RESPONSIBILITY AND INDIVIDUALS INVOLVED

The responsibility for applying this document is entrusted to the external consultant, the lawyer, Paola Prati, with her law firm in Reggio Emilia, Via Vittorio Veneto n. 5, as expressly appointed by the Company and authorised to carry out any work deemed necessary to fulfil the tasks assigned by Italian Legislative Decree No. 24/2023 and by this procedure (hereinafter the "**Manager**").

The Manager may rely on the support of any internal units considered more competent regarding the incident being reported.

The individuals who can make reports include:

- all company departments;
- all employees of any position and contractors;
- interns and/or trainees, whether paid or not;
- external individuals who have relationships with FLASH BATTERY (hereinafter also collectively referred to as "stakeholders", such as associates, customers, suppliers, agents, dealers, partners, contractors, subcontractors, as well as any contractors and employees of the aforementioned individuals)
- shareholders and members of company administration, management or supervisory bodies;

In particular, Reports can be sent by all company departments and by anyone who is directly involved in the relevant process.

Please note that Reports regarding breaches must involve conduct, acts or omissions which come to the attention of the whistleblower or complainant as part of their work.

6. PROCEDURES AND OTHER RELATED DOCUMENTS

Existing laws and/or regulations

Consolidated Security Act – Legislative Decree 81/08

EU Regulation 679/2016 GDPR

Company Regulations and Procedures

Integrated Management System (Quality and Environment)

7. DESCRIPTION OF THE PROCEDURE

7.1. Internal reporting channels

In accordance with the "Guidelines on the protection of persons who report breaches of Union law and the protection of persons who report breaches of national law. Procedures for the submission and management of external whistleblowing reports" issued by the ANAC (Italian National Anti-Corruption Authority) with Resolution No. 311 of 12 July 2023, the following dedicated internal channels have been established.

As a general preferred rule, Whistleblowing reports should be made in **writing** and sent through the following alternative internal communication channels:

through the My Whistleblowing add-on to the My Governance software, as an appropriate alternative reporting channel to guarantee confidentiality, using IT systems, for the identity of the whistleblower, in accordance with the law (hereinafter the "Software"), through the following link <https://areariservata.mygovernance.it#!/WB/FlashBattery>;

In writing, by post (c/o Avv. Paola Prati, Via Vittorio Veneto n. 5, Reggio Emilia); in this case, in order to benefit from guaranteed confidentiality, the report must be in two closed envelopes: the first one with the identification details of the whistleblower along with a photocopy of their ID; and the second one with the report in order to separate the whistleblower's identification details from the report. Both envelopes must then be inserted into a third closed envelope with the words "riservata whistleblowing" or "riservata al gestore" on the outside.

Alternatively to the two written forms of reporting indicated above, the whistleblower may ask to explain their report orally (ORALLY OR VERBALLY) by requesting a confidential face-to-face meeting with the Manager at the law firm of Paola Prati, Via Vittorio Veneto n. 5, Reggio Emilia (tel. +39 0522 433742). This process requires written minutes of the report to be taken.

The Manager shall take action while guaranteeing whistleblowers against any form of reprisal, discrimination or penalisation and ensuring the strictest confidentiality for the whistleblower's identity and for any news, information and reports, under penalty of specific sanctions being applied, without prejudice to the need to carry out investigations in the event that support is needed from external consultants to the Manager or from other company units. This level of protection also applies for any potential facilitators who support the whistleblower and for everyone involved in the report.

In cases of conflict of interest, or in all cases when the Manager of the whistleblowing report is the whistleblower, the reported person or, in any case, someone involved or concerned with the report (this conflict may, for example, also involve external individuals, if management of the platform is outsourced), then the report may be addressed to senior company management (direzione@flashbattery.tech) or to the Human Resources Manager (personale@flashbattery.tech), who shall guarantee effective, independent and autonomous management, while always complying with the obligation of confidentiality provided for by law.

7.2. Reporting methods

The Company might also take into consideration anonymous reports, if they are submitted with adequate evidence¹ and made with plenty of details, namely they help reveal facts and situations by connecting them to certain contexts (e.g.: documentary evidence, indication of particular names or positions, mention of specific offices, particular events or proceedings, etc.).

The report - including non-anonymous ones - must be substantiated and as broadly comprehensive and thorough as possible.

The whistleblower must provide any useful and available elements to allow the competent individuals to carry out any due and appropriate checks and inspections to confirm the validity of the facts in the report, such as:

- i. a clear and complete description of the facts in the report;
- ii. circumstances regarding the time and place of the facts committed in the report;
- iii. the personal details or other elements that help identify the individual(s) who carried out the reported facts (e.g. position, workplace, etc.);
- iv. any potential documents supporting the report;
- v. an indication of any other individuals who can describe the facts in the report;
- vi. any other information that might provide useful answers regarding the reported facts.

In order for a report to be substantiated, these requirements do not have to be met all at the same time, considering the fact that the whistleblower might not have all the required information fully available.

Through the IT channel and therefore through the Software, the whistleblower shall be guided in every phase of the report and, in order to substantiate the report as best as possible, shall be asked for a series of fields that must be filled in to meet the requirements.

It is essential that the elements indicated are directly known by the whistleblower and not reported or described by other individuals.

As for reports made in **bad faith**, or **unfounded** reports made with **intent or gross negligence**, the Manager shall provide an adequate response, reprimanding the conduct and informing the Company in cases of proven bad faith, or intent and/or gross negligence.

In fact, protection for the whistleblower is not guaranteed when, including with a first instance ruling, the criminal liability of the whistleblower is established for crimes of libel or defamation or, in any case, for the same crimes committed with the complaint to the accounting or judicial authorities

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¹ A report may be considered substantiated if it helps identify reasonably sufficient facts to open an investigation (e.g.: the offence committed, the reference period and any potential value, causes and purposes of the offence, the company/department concerned, the people/units involved, and the fault with the control system).

under Article 16, paragraph 3 of Italian Legislative Decree No 24/2023, or their civil liability, for the same purpose, in cases of intent or gross negligence (**Whistleblower's Liability**).

This Procedure also does **not cover** and, consequently, does not offer the protection provided for by law for any reports or information received by ordinary e-mail, certified e-mail or dropped off at the registered head office or delivered in a different way to the aforementioned provisions.

8. MANAGEMENT OF WHISTLEBLOWING REPORTS

Once the report has been received through the channels provided in this procedure, management of the report is organised into four phases:

- a. registration and safekeeping;
- b. preliminary inquest;
- c. investigation and communication of the outcome;
- d. filing.

8.1. Registration and safekeeping

If the report is made through the Software, then the Software itself shall provide a complete confidential record in accordance with relevant legislation.

If the report is made in **paper** format, once the report has been received, the Manager shall assign the report a unique code that cannot be traced back to the whistleblower's personal details and shall register the report by precisely identifying:

- Date and time of receipt;
- Subject of the report;
- Notes;
- Report status (to be completed at every stage of the process, for example, the preliminary inquest, investigation, communication of the outcome and when it is filed).

The whistleblower shall be sent notification of acceptance of the report within seven (7) days from the date of receipt. This communication shall be sent with the same system used by the whistleblower.

The documentation must be collected in a confidential file kept by the Manager at her law firm, in a locked cabinet only accessible to the Manager. It is the Manager's responsibility to guarantee the necessary level of confidentiality for the whistleblower and to manage all the paper/electronic documentation relating to the received report, while implementing appropriate technical and organisational security measures.

If a **meeting with the Manager** has been requested, this notification shall contain the proposed appointment which, in any case, must be set within 30 days, along with the consent request for taking minutes at this meeting.

The minutes transcribed following the meeting shall be submitted by the Manager within 20 days to the whistleblower, who may check, amend and confirm the minutes by signing the document.

All documentation, including minutes from meetings, shall be collected in a confidential file kept by the Manager.

8.2. Preliminary inquests

The purpose of a preliminary inquest is to check the validity of the report received.

The Manager shall therefore carry out an initial screening where she must firstly assess:

- the type of offence under current legislation in force, applicable regulations and the policies and procedures adopted by the Company (i.e. privacy infringements, or breaches of regulations or system procedures).
- her own expertise or whether to assign the preliminary inquest to one of her assignees
- the admissibility of the Report
- the competent Company Body for the type of report (i.e. BoD, Board of Statutory Auditors, Employer, etc.)
- the need for more information.

Subsequently,

- when the Manager finds right away that the report is **clearly unfounded**, she shall immediately file it away;
- when the report is **provided with insufficient detail**, the Manager shall request, where possible, additional information from the whistleblower. If it is not possible to collect enough information to substantiate the report and open an investigation, then the report shall be filed away;
- if the report appears **substantiated with precise and consistent facts**, the Manager shall proceed with the preliminary inquest.

8.3. Investigation and communication of the outcome

The investigation covers a series of activities aimed at verifying the contents of the reports received and at obtaining useful elements for the subsequent assessment phase, while guaranteeing the strictest confidentiality for the whistleblower's identity and the subject of the report.

The main purpose of the investigation is to verify the truth of the information under investigation, providing an accurate description of the established facts, through audit procedures and objective investigative techniques. The Manager may therefore appoint certain individuals to help with the investigation (Appointed Persons). The Manager may also, while complying with the strictest confidentiality and principles of impartiality, carry out any activity deemed appropriate, including personal hearings with any other individuals who can describe the incidents involved.

Everyone is responsible for cooperating with the Appointed Person for the investigation while they carry it out.

For every investigation, the appointed person shall prepare a final report containing at least:

- the facts established;
- the evidence gathered;
- the causes and failures that allowed the reported situation to occur.

Upon the outcome of the investigations, if the received report is discovered to be unfounded, the Manager shall file the report away and, if possible, notify the whistleblower.

If the report proves to be founded, the Manager shall bring in the competent department and/or the HR department to carry out the most appropriate mitigation and/or corrective measures due, i.e. the Manager shall send the HR department the outcome of the preliminary inquest conducted to potentially launch any disciplinary proceedings aimed at imposing, if necessary, disciplinary sanctions in line with the provisions of applicable law and any relevant collective bargaining agreements.

For example, the Manager shall:

- communicate the outcome of the investigation to the BoD, if the report involves a Director, or to the Area Manager of the employee who committed the established breach so they can take any measures under their responsibility including, where the requirements are met, taking disciplinary action, provided that HR is not directly responsible given the seriousness of the facts. In this case, the Manager shall confidentially send the report to the HR department.

- submit the Report to the competent Judicial Authority, if the legal requirements are met, having notified the whistleblower.

- adopt or recommend to adopt, if other individuals or bodies are responsible, any necessary administrative steps to fully restore the rule of law.

- once the investigations are finished within the above terms, the Manager shall inform the Whistleblower about the outcome or status of the investigations.

The relevant investigation must be completed **within three (3) months** from the date of receipt of the Report.

Upon the outcome of the relevant investigation, the Manager shall provide information to the Whistleblower about the findings of the investigation. These findings must be sent to the Whistleblower using the same reporting channel used for the Report, wherever possible.

8.4. Filing

In order to guarantee the traceability, confidentiality, safekeeping and availability of data all throughout the proceedings, any documents are kept and filed either digitally, through the Software, or through password-protected network folders or in paper copies, in a special secure cabinet located at the Manager's law firm and only accessible by the Manager.

Without prejudice to any additional legal timeframes in cases expressly provided for by law, all documentation shall be kept for 10 years from the date the report is closed.

Pursuant to existing law and company privacy procedures, the processing of the personal data of the people involved and/or mentioned in reports shall be protected.

9. PROTECTION OF THE WHISTLEBLOWER

The entire process must nevertheless guarantee confidentiality for the whistleblower's identity right from receipt of the report and in every subsequent phase.

Consequently, in accordance with existing law, the Company has established a series of mechanisms aimed at protecting non-anonymous whistleblowers, providing:

- a. protection of the whistleblower's confidentiality;
- b. the prohibition of discrimination against the whistleblower.

9.1. Protection of the whistleblower's confidentiality

Use of the Software guarantees complete confidentiality for the whistleblower, given that only the Manager can access the report.

In case of reports made through any other methods, once the report has been received and registered, the recipients shall assign the whistleblower a specific anonymous ID. To protect the whistleblower's confidentiality, this ID shall be used in all official communications and documents throughout the preliminary inquest.

As part of any potential disciplinary proceedings against the reported person:

- if the alleged facts were based on additional separate investigations compared with the report, even if they were a result of it, the whistleblower's identity may not be revealed;
- if the alleged facts were based in whole or in part on the report, the whistleblower's identity may be revealed to the individual(s) involved in the report, where the following two requirements are both met:
 - the whistleblower provides their consent;
 - the reported person proves they need to know the whistleblower's name in order to fully exercise their right of defence.

9.2. The prohibition of discrimination against the whistleblower

The whistleblower may not be reprimanded, dismissed or subject to any discriminatory measures, either directly or indirectly, affecting their working conditions for reasons connected either directly or indirectly to the report.

Discriminatory measures shall mean any unjustified disciplinary action, harassment at the workplace, potential changes to their tasks or workplace and any other negative changes to their working conditions that act as forms of reprisal against the whistleblower. If the whistleblower believes that they have been subject to discrimination for making a report, they must provide proof of it to the Manager.

If the whistleblower believes that they have been subject to discrimination, they may take legal action against the perpetrator of the discrimination and also against the Company - if the Company was actively involved in the discrimination. Please note that, in this case, the law reverses the burden of proof and it shall therefore be the Company that has to prove that the change in the whistleblower's working conditions does not stem from the whistleblowing report.

10. INFRINGEMENT OF THE PROCEDURE

Failure to comply with this procedure may give rise to the application of the Company's Disciplinary System for the Company's employees, in line with the provisions of applicable law and any relevant collective bargaining agreements.