

ALCANTARA S.P.A.

ANTI-CORRUPTION POLICY

JUNE 2020

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PREAMBLE

Alcantara S.P.A., a company of the Toray Group, aware of the negative effects of corrupt practices on economic and social development in the areas in which it operates, is committed to preventing and counteracting the occurrence of wrongdoing in the performance of its activities.

For Alcantara and the Toray Group, the prevention of corrupt practices is not only a legal obligation, but also one of the principles on which the Group's actions are based, also in view of the strategic importance of the sector in which it operates and the relevance of the legal and social contexts in which its business is conducted, as well as the significant fines and penalties applied in the event of non-compliance with national and international laws on the subject.

As a concrete implementation of its commitment, Alcantara has adopted the Ethics Code, which defines the values by which it is inspired to achieve its objectives and the relevant principles in the conduct of its activities, in close integration with the Organisation, Management and Control Model provided for by Legislative Decree 231/2001, with the Whistleblowing Policy (Law no. 179/2017) and with the Toray Group Guidelines.

As further confirmation of its commitment against unlawful conduct, with the introduction of this Policy Alcantara intends to summarise and integrate the rules for preventing and counteracting corruption already in force into an organic framework, with the aim of further raising awareness in the Addressees of the rules and conduct that must be observed.

LEGISLATIVE BACKGROUND

Alcantara, a company of the Toray Group, conducts its activities in various countries and jurisdictions and is therefore subject to compliance with Italian laws and the laws of the countries in which it operates, including those ratifying national and international conventions, which prohibit the corruption of Public Officials, Public Service Providers and corruption between private individuals.

The national and international regulatory references, in brief, are:

- Organisation for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;
- United Nations Convention against Corruption, subsequent Law No. 116/2009;
- Ratification and Implementation of the Criminal Law Convention on Corruption - Law No. 110/2012;
- Foreign Corrupt Practices Act (FCPA) enacted by the United States - 1977;
- UK Bribery Act enacted - 2010;
- Civil Law Convention on Corruption;
- African Union Convention on Preventing and Combating Corruption;
- International Standard ISO 37001:2016 for 'Anti-bribery Management Systems' published on 15 October 2016 by the International Organisation for Standardisation;
- Italian Criminal Code, with particular reference to Articles 317 et seq;
- Italian Civil Code, with particular reference to Article 2635 (corruption among private individuals) and Article 2635 bis (incitement to corruption among private individuals);

- Legislative Decree No. 231/2001 - Regulations on the administrative liability of legal persons, companies and associations without legal personality;
- Legislative Decree No. 38/2017 - Implementation of Framework Decision 2003/568/JHA on combating corruption in the private sector;
- Law No. 146/2006 - Ratification and implementation of the UN Convention and Protocols against international organised crime;
- Law No. 69/2015 - Provisions on crimes against public administration, mafia-type associations and false accounting;
- Law No. 300/2000 - Ratification and execution of the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the Convention on Combating Bribery involving Officials of the European Communities or Officials of Member States of the European Union;
- Law No. 190/2012 - Provisions for the prevention and repression of corruption and illegality in public administration;
- Decree Law No. 97/2016 - Revision and simplification of the provisions on the prevention of corruption;
- Law No. 3/2019 - Measures to combat offences against public administration, as well as on the subject of the statute of limitations of offences and on the transparency of political parties and movements (also referred to as the 'Spazzacorrotti' law).

In-depth information

Article 2635 of the Italian Civil Code

The offence of corruption between private individuals is provided for in Article 2635 of the Italian Civil Code, which states: *'Unless the act constitutes a more serious offence, directors, general managers, managers responsible for preparing company accounting documents, statutory auditors and liquidators of companies or private entities who, including through intermediaries, solicit or receive, for themselves or others, undue money or other benefits, or accept the promise thereof, to perform or omit an act in breach of the obligations inherent in their office or the obligations of loyalty, shall be punished by imprisonment of from one to three years. The same punishment shall apply if the offence is committed by a person who, within the organisational framework of the company or body, exercises management functions other than those of the persons referred to in the previous sentence.*

The punishment of imprisonment of up to one year and six months shall apply if the offence is committed by a person subject to the direction or supervision of one of the persons referred to in the first paragraph.

Whoever gives or promises money or other benefits to the persons referred to in the first and second paragraphs shall be liable to the penalties provided for therein."

As regards passive corruption between private individuals:

- The perpetrators of the offence, in addition to persons in apical positions (directors, general managers, managers in charge of preparing the corporate accounting documents, statutory auditors and

liquidators), may also be those who, in the company or body, exercise management functions other than those of administration and control indicated;

- reference is introduced to the undue advantage for oneself or others (money or other *undue* benefits) in exchange for the violation of obligations of office and loyalty;
- the conduct constituting an offence is applied, with the introduction of a specific case of passive corruption, which occurs with the solicitation, by an outsider to the entity, of the giving of money or other benefits;
- the express reference to the intermediary through whom the undue advantage is solicited or received is introduced;
- *harm to society* is no longer required for the offence to be committed, this reference having been removed;
- the offence is committed by the mere solicitation, receipt or acceptance of the promise of money or other benefits, aimed at the commission or omission of an act in breach of the obligations of office or of loyalty. The offence is thus perfected at an earlier point in time than the previous rules, which required the commission or omission of acts in breach of such obligations.

As regards active corruption between private individuals:

- provision is made (in addition to the giving or promising) for the offering of money or other benefits to the persons referred to in the first and second paragraphs of Article 2635 of the Italian Civil Code;
- an express reference is introduced to the intermediary through whom the offence of giving, offering or promising money or other benefits to persons unrelated to the company (referred to in the first two paragraphs) is committed;
- reference to undue advantage of any kind is introduced.

Article 2635 - bis of the Italian Civil Code

With the introduction of Article 2635 - bis “Incitement to corruption among private individuals” there is a new offence, which states “*Anyone who offers or promises undue money or other benefits to directors, general managers, managers responsible for preparing company accounting documents, statutory auditors and liquidators, of private companies or bodies as well as to those who work in them with management functions, in order that they perform or omit an act in breach of the obligations inherent in their office or the obligations of loyalty, is subject, if the offer or promise is not accepted, to the penalty established in the first paragraph of Article 2635 Civil Code, reduced by one third.*

The punishment referred to in the first paragraph shall apply to directors, general managers, managers in charge of drafting corporate accounting documents, auditors and liquidators, of private companies or entities, as well as to those who perform management functions in them, who solicit for themselves or for others, including through an intermediary, a promise or giving of money or other benefits, in order to perform or omit an act in breach of the obligations inherent in their office or the obligations of loyalty, if the solicitation is not accepted”.

As to active instigation:

- Article 2635 bis of the Italian Civil Code, in its first paragraph, punishes with imprisonment from 8 months to 2 years (penalty under Article 2635 reduced by 1/3) anyone who, for the purpose of breaching official duties or loyalty, offers or promises money or other undue benefits to the same categories of persons operating in companies and private entities referred to in Article 2635 of the Italian Civil Code (directors, general managers, managers in charge of preparing company accounting documents, auditors, liquidators or other persons with management functions), if the offer or promise is not accepted.

As regards passive incitement:

- The second paragraph of Article 2635 bis of the Italian Civil Code punishes with the same penalty the above-mentioned categories of persons in the company or private entity who, with the aim of the above-mentioned unlawful conduct, solicit for themselves or for others, including through intermediaries, the giving or promising of money or other benefits, if the solicitation is not accepted.

Consequences of non-compliance with Anti-Corruption Laws

Individuals and legal entities that violate the Anti-Corruption Laws may incur significant fines and individuals may be sentenced to imprisonment or suffer other penalties. Other consequences provided for by law may also result from such violations, such as disqualification from contracting with public entities, confiscation of the profit of the offence, or claims for damages. More importantly, the Company's reputation may be seriously damaged.

SCOPE OF APPLICATION

Compliance with the Anti-Corruption Laws and this Policy is mandatory for all the Addressees.

The addressees of the Policy are:

- the members of the Board of Directors and the Board of Auditors;
- managers;
- employees of all grades, qualifications, levels with an open-ended or fixed-term contract;
- temporary workers, trainees, collaborators with project collaboration contracts;
- consultants, collaborators, suppliers and any partners to the extent that they may be involved in the performance of activities in which the commission of unlawful conduct in relation to offences of corruption between private individuals is conceivable.

In the event that certain provisions of the Anti-Corruption Laws are more stringent than those that can be derived from the Policy, the same regulatory provisions must nevertheless be complied with, and in any case their violation will also constitute a violation of the Policy.

In application of the “*zero tolerance*” principle, Alcantara does not allow exceptions to the requirements and prohibitions set out in this Policy. The conviction of acting to the benefit of the Company can in no way justify the adoption of conducts in contrast with the principles set out in the Policy.

Any Personnel who is not sure of the correctness of the conduct to be adopted shall first seek assistance from the Anti-Corruption Officer, using the dedicated mailbox [anticorruzione@alcantara.com].

DEFINITIONS

For the purposes of this Policy, terms used shall have the meaning specified below:

Accepted limit: this is understood to mean free gifts, presents or any other benefits or utilities with an approximate value not exceeding the threshold of EUR 150.

Addressees: the members of the Board of Directors, the Board of Auditors, Alcantara's staff and all those who work in the name of and/or on behalf of and/or in the interest of Alcantara or who have professional or business relations with it.

Alcantara: Alcantara S.P.A., Toray Group Company.

Alcantara staff: Alcantara employees (managers, middle managers, clerks and workers).

Anti-Corruption Laws: national regulations applicable in the individual countries where Alcantara operates, best practices and guidelines developed by private international organisations, as well as Conventions of international law. These are detailed in the previous chapter LEGISLATIVE BACKGROUND.

Anti-Corruption Officer: Anti-Corruption Officer appointed by Alcantara as part of the Personnel / Organisation and Information Systems Department who operates with the necessary authority defined in a specific appointment provision, whose independence is guaranteed by not being involved in business activities identified as being at risk of corruption and who liaises with the General Manager, Legal & Administration of the Toray Group and the Alcantara Supervisory Board.

Conflict of interest: is a situation in which a person has a secondary interest that tends to interfere in a real, potential or apparent way with the primary interest of the institution or entity he/she is called upon to serve.

The real conflict of interest is the one that arises during the decision-making process, while the **potential one** concerns the presence of a private interest that may tend to infer with the primary interest in the future. The **apparent one** concerns conflict situations perceived in the eyes of external observers.

Corruption: the conduct of anyone who, directly or indirectly performing activities on behalf of or in the interest of Alcantara, offers, promises, receives or gives undue benefits and/or compensation to third parties directly or indirectly (therefore also through an intermediary), for a personal advantage or that of the Company.

Ethics Code: Alcantara's Ethics Code. Fundamental document of the 231 Organisational Model that sets forth the company's principles and values and the general rules of conduct to which Addressees must adhere.

Extortion payments: payments made to Public Officials or Public Service Providers extorted from the Personnel of Alcantara by means of violence or serious and imminent threat to physical safety and personal security and which, therefore, can only be made for the purpose of avoiding personal injury.

Facilitated payments: unofficial payments made to a Public Official or a Public Service Provider for the purpose of expediting, facilitating and generally facilitating the performance of a routine activity.

Policy: Anti-corruption Policy adopted by Alcantara.

Public Official: for the purposes of criminal law, a person who performs a legislative, judicial or administrative public function is considered a Public Official. Public function is the administrative function governed by rules of public law and by authoritative acts and characterised by the formation and manifestation of the will of the Public Administration or by its being carried out by means of authoritative or certifying powers (Article 357(1) and (2) of the Italian Criminal Code).

Public Service Provider: a person who in any capacity performs a public service, including for a national or international agency, as defined by the individual national laws to which the public service relates (Art. 358 of the Italian Criminal Code).

Relations with customers and suppliers: these interactions concern the entire business cycle of the Company, and present risk profiles for both active and passive corruption.

Relations with other private entities: this refers to interactions with private entities of any nature that carry out institutional, professional or business activities, in the performance of which Alcantara may have an interest because advantages or disadvantages may depend on it (*e.g.*, rating agencies, financing bodies, consortia, etc.).

Relations with Public Administration entities: these interactions concern in particular relations with the Public Administration as principal, for obtaining administrative or jurisdictional measures, for carrying out controls and inspections, for fulfilling regulatory obligations or for obtaining financing.

Relevant Private Entities: companies, consortia, foundations, associations and other private entities, including those without legal personality (including rating agencies), which carry out professional/institutional or business activities from the performance or nonperformance of which Alcantara may derive an advantage or in which it may have an interest.

Risk Assessment: this is the methodology used in Alcantara for the assessment of crime risks included in the 231 Organisational Model. The methodology envisages that the Company's key functions, through the filling in of ad hoc questionnaires, are guided through a risk self-assessment process, which, by means of a specific computer system, processes and classifies, by type of offence, the potential risk, the mitigation factors and the "net" residual risk.

Whistleblowing Policy: Policy adopted by Alcantara, as a tool by means of which employees of the Company may safely report possible unlawful conduct committed by others within the Company.

231 Organisational Model: the Organisation, Management and Control Model adopted by Alcantara in compliance with Legislative Decree 231/2001, in order to prevent the commission of offences by persons functionally linked to the Company in its interest or to its advantage (including corrupt offences).

ROLES AND RESPONSIBILITIES

The Chairman of the Company, who formally approves this Policy, has identified the Personnel / Organisation and Information Systems Department as the Corruption Prevention Function, responsible for implementation and monitoring within the Company's organisation and, more generally, compliance with the Toray Group's guidelines and the requirements of the ISO 37001:2016 Standard.

Anti-Corruption Officer

The Anti-Corruption Officer, within the Personnel/Organisation and Information Systems Department, ensures compliance monitoring for the prevention of corruption, and ensures:

- The implementation of the Anti-Corruption Policy in Alcantara;
- Specialist anti-corruption assistance to Alcantara employees and collaborators;
- Verification of the fulfilment of the general requirements of the management system for the prevention of corruption;
- Constant monitoring of anti-corruption risk.

In addition:

- Ensures liaison with the Toray Group Supervisor and the General Manager Legal & Administration of the Toray Group;
- Provides guidance on the planning of audits relating to areas at risk of corruption, and any other necessary or useful information;
- Liaises with the competent function/body General Manager Legal Department of the Toray Group and Alcantara Supervisory Board to keep abreast of national and international legal and jurisprudential developments on matters of interest;
- Performs random inspections and audits in the organisational areas exposed to the highest risk of corruption to assess the correctness of administrative activities.

GENERAL PRINCIPLES

In order to comply with this Policy, Alcantara adopts and respects the following general criteria:

Segregation of responsibilities

The person in charge of an operational activity shall always be a person other than the person who controls the activity and/or the person who, where applicable, authorises it; to this purpose, operational activities and control functions shall be adequately segregated.

Signature authority

Signature authority shall be adequately formalised and clearly defined and shall be granted in close connection with the requirements of the specific organisational and management responsibilities of the attorney. Their concrete exercise shall respect both the limits defined by value or subject matter and the company directives and procedures, as well as the applicable regulations.

It is the primary responsibility of the corporate functions which, to the extent of their competence, have instructed the file and/or have proposed the file for signature by the attorney, to ensure the legitimacy of the file and that it complies with this Policy, in addition to any other applicable regulatory provisions and procedures. The relevant investigation and proposal for signature process must be adequately traced and the relevant documentation must be adequately preserved.

Impartiality and absence of conflicts of interest

The Addressees of the Policy shall act professionally, transparently, impartially and in compliance with the Anti-Corruption Laws and shall promptly report any situation from which a conflict of interest may arise.

As far as Alcantara personnel are concerned, communications concerning the existence of a possible conflict of interest shall be made in accordance with the procedures set out in the specific procedure indicated in the Whistleblowing Policy below.

Traceability and archiving

All activities performed and the related checks carried out shall be traceable and verifiable *ex post*. The documentation produced shall be filed neatly and remain easily retrievable.

Business partners

Each corporate function responsible for a given process (process owner) shall implement, within its own process, appropriate methods aimed at:

- Verify the reliability, reputational profile and suitability of third parties with whom Alcantara is considering establishing a professional or business relationship;
- Provide for specific contractual clauses committing third parties to respect the principles contained in the Ethics Code, in the Policy and in the procedures and protocols defined for compliance with the Anti-Corruption Laws;
- Check the effectiveness of the services rendered by third parties in performance of the contracts entered into with the Company, and ascertain the nature and appropriateness of the fees to be paid.

PRINCIPLES OF CONDUCT IN THE MAIN SENSITIVE AREAS

With regard to the types of Alcantara activities, the following areas can be identified as more sensitive to the risk of corruption:

- Relations with the Public Administration;
- Gifts, hospitality and representation expenses;
- Facilitated payments;
- Extortion payments;
- Relations with political and trade union organisations;
- Relations with Public Officials and Relevant Private Entities;
- Appointments of consultants, specialists or professionals;
- Contracting of works and supply of goods and services;
- Acquisitions, mergers and divestments;

- Selection and recruitment of personnel;
- Non-profit initiatives and sponsorships;
- Accounting records.

In view of the above-mentioned sensitive areas, the Addressees shall comply with the provisions of the Ethics Code, the procedures and protocols defined in the 231 Organisational Model and the Whistleblowing Policy for compliance with the Anti-Corruption Laws, as well as the following principles of conduct.

Relations with the Public Administration

The relations that Alcantara entertains with representatives of the Public Administration, understood in all its possible articulations, must be inspired by the strict observance of this Policy in compliance with the Anti-corruption Laws and cannot in any way compromise the integrity and reputation of Alcantara.

The assumption of commitments and the management of relations of any kind with representatives of the Public Administration and/or bodies of public relevance are reserved exclusively to the designated and authorised corporate figures and functions.

In such relationships, Alcantara shall not seek to improperly influence the decisions or actions of the institution concerned, either directly or through the mediation of a third party (real or purported).

With particular reference to the relations with the Regulatory, Supervisory and Control Bodies, Alcantara undertakes to strictly observe the rules dictated by them for the compliance with the regulations in the fields of its own competence. Alcantara's employees will comply with every request of these Bodies in their inspection functions, cooperating in the relevant activities.

Gifts, hospitality and representation expenses

Gifts, presents and other entertainment expenses are permitted only as a professional and business courtesy, without prejudice to the prohibition of offering or accepting sums of money.

To this purpose, free gifts, presents, and any other benefits or utilities that the Addressees offer, or accept, from public or private persons must be in keeping with the circumstances:

- Be appropriate, reasonable and in good faith;
- Be such that they do not compromise the integrity and reputation of either party to the relationship, nor create the impression in the recipient or in an impartial third party that they are aimed at acquiring, retaining or rewarding undue advantages or at exercising unlawful or improper influence on the activities or decisions of the recipient;
- Those made by employees of the Company as per internal procedure and in any case not offered or accepted covertly;
- Comply with anti-bribery legislation and company procedures and protocols.

Subject to compliance with the above criteria:

- The Addressees may offer or accept free gifts, presents or any other benefits or utilities if they are of modest value, meaning an indicative value not exceeding the threshold of EUR 150. For any doubts, and in possible cases where the said threshold is exceeded, with particular regard to cases in which the economic value is not easy to quantify, the opinion of the Anti-Corruption Officer of the Company

must be obtained in advance and subsequently authorised by the CEO. This, also in cases of “cumulative threshold”, when gifts or economic advantages received from or offered by the same person or entity in a year exceed the aforementioned threshold;

- Hospitality (transport, accommodation, meals, entertainment, etc.) is only allowed for business purposes, the promotion of Alcantara’s activities and the development of business relationships and partnerships;
- Between employees of Alcantara and the Toray Group in a reciprocal relationship of hierarchical over-ordering, gifts or gratuities are not allowed outside of the customary and in any case not exceeding the modest value indicated above.

For the economic limits and types of gifts, presents or any other benefits or utilities, as well as the reporting methods, reference is made to the internal procedures that must regulate, in the event of non-compliance with the above and/or exceeding of the economic limits and in any case in doubtful cases, after hearing the opinion of the Anti-Corruption Officer, specific procedures for returning the gift, present or any other benefit or utility, as well as its devolution to charities.

Facilitated payments

Alcantara expressly prohibits, both in Italy and abroad, all so-called facilitated payments, *i.e.* any type of payment or gift of other utility made directly or indirectly to Public Officials or Public Service Providers, or to private persons, whether Italian or foreign individuals or economic entities, for the purpose of expediting, facilitating or simply ensuring the performance of a routine activity or of an activity in any case lawful and legitimate within the scope of the duties of such persons.

Extortion payments

In the event of payments extorted from a Public Official or a Public Service Provider, such payment shall be promptly identified and duly documented. In particular, the Alcantara Personnel involved shall transmit to the Anti-Corruption Officer a report indicating the date, place and amount paid and a description of the objective circumstances of violence or serious and imminent threat for which the payment was made. The Anti-Corruption Officer will consult the Personnel / Organisation and Information Systems Department of Alcantara for any action to be taken.

Relations with political organisations and trade unions

Contributions to political organisations and trade unions may constitute a corruption offence because they could be used as an improper means of maintaining or obtaining a business advantage (*e.g.*, awarding a contract, awarding a permit or licence) or improperly obtaining favourable terms in the course of a labour dispute.

In relation to the above, Alcantara does not make contributions of any kind, directly or indirectly, to political parties, movements, committees and political and trade union organisations, either in Italy or abroad, subject to what is established and permitted by applicable laws.

Relations with Public Officials and Relevant Private Entities

All relations of Alcantara employees with, or relating to, or involving Public Officials (including Public Administration Entities) and Relevant Private Entities must be conducted in compliance with the Ethics Code and this Anti-Corruption Policy, and the following principles must be respected:

- Alcantara employees must operate in compliance with all legal and internal regulations on corruption;
- Relations with Public Officials or Public Service Providers and Relevant Private Entities must be marked by fairness, transparency and traceability of conduct and are reserved exclusively for the competent functions and positions;
- Favours, collusive behaviour, direct solicitation and/or through third parties in order to obtain advantages for Alcantara, for oneself or for others are prohibited;
- It is never permitted to pay or offer, directly or indirectly, money or gifts of any kind whatsoever to Public Officials or Public Service Providers and Relevant Private Entities or their relatives, to compensate them for an act of their office.

Awarding of consultancy, specialist and professional assignments

The process of selecting the professional to be appointed must comply with criteria of professionalism, transparency, impartiality, cost-effectiveness and efficiency.

Company procedures must implement the above criteria by ensuring the following:

- Where, in relation to the subject of the assignment, the prevalence of *intuitu personae* is justified as a criterion of choice, after justification of the need to entrust the assignment, a specific professional shall be engaged. The appointed corporate function shall ensure, through adequate preliminary investigation, that the selected professional has the requisites of honourableness, standing, reputation, reliability, organisational profile, qualifications, technical/professional qualifications and skills to perform the assignment;
- In other cases, always subject to justification of the need to entrust the assignment and following, as far as possible, rotation criteria, the professional is chosen through a competitive comparison among several candidates having suitable characteristics for the performance of the activity to be entrusted. The corporate functions in charge ensure that the professional to be engaged has the requisites of honourableness, standing, reputation, reliability, organisational profile, authorisations, technical/professional qualifications and skills to perform the assignment;
- In all cases, the competent corporate functions must ascertain that there is no incompatibility or conflict of interest for the professional and must also verify that the country in which the professional resides or the entity is established is not on the list of countries with preferential tax regimes, if that country is different from the country in which the services are to be performed;
- The contracts and/or agreements concluded with the selected professionals must set out in full, clear and adequate detail the services required and the criteria for the accrual of the agreed fees;
- The process of selecting professionals and the contracts and agreements concluded with them must always be documented and justified.

Contracting works and supplies of goods and services

The selection of suppliers by Alcantara shall be carried out in compliance with the criteria of transparency, traceability, publicity, free competition, non-discrimination, equal treatment and rotation on the basis of objective criteria linked to competitiveness and the quality of the products and services requested.

Company procedures must implement the above criteria, regulating the relevant processes in detail, as well as the principles expressed in the Ethics Code, ensuring the following obligations:

- Scrupulously observe the regulations in force in Italy and in the countries where Alcantara operates;
- Adopt objective and transparent evaluation criteria in the selection of suppliers;
- Observe and comply, in supply relationships, with the applicable legal provisions and contractual conditions;
- Be guided by the principles of fairness and good faith in correspondence and dialogue with suppliers, in line with the strictest business practices.

The need to pursue the maximum competitive advantage for Alcantara must in any case ensure the adoption by suppliers of operating solutions in line with current legislation and, more generally, with the principles of protection of the person, health and safety of workers and the environment.

The entering into or continuation of any relationship must be interrupted if there is any suspicion of conduct of a corrupt nature, whether directly and/or indirectly engaged in by the supplier, or of membership of or facilitation of criminal organisations or other criminally punishable conduct on the part of the supplier.

Personnel Selection and Recruitment

At Alcantara, the selection and recruitment of personnel is guided by the principles of fairness and impartiality.

Alcantara hires resources whose profiles effectively meet the company's needs, making choices exclusively based on criteria of professionalism and competence and banning any form of favouritism, also for the management of resources already on the staff.

Moreover, already during the selection process, candidates must declare, in compliance with the applicable legislation, the possible existence of situations or circumstances that Alcantara considers as relevant for the assessment on the possible continuation of the selection process.

The Personnel / Organisation and Information Systems Department of Alcantara is responsible for ensuring that the selection and recruitment processes comply with the aforementioned principles and criteria without exception, even in the case of applications from other organisational functions.

Non-profit initiatives and sponsorships

Non-profit initiatives and sponsorships fall under corporate discretion according to common business practices.

The aforementioned activities are carried out by Alcantara in compliance with current authorisation procedures and processes.

The potential risk is that funds or valuable assets are misappropriated for the personal use or benefit of a Public Official or a Public Service Provider or a private individual.

In any case, among the aspects to be considered in the choice of proposals to be adhered to, the functions concerned must pay attention to any possible conflict of interest of a personal and corporate nature.

The criteria of reasonableness and proportionality in relation to the extent of the economic commitment must be ascertained in advance:

- The nature and relevance of the initiative;
- The identity and reputational profile of the recipients of the sponsorship or contribution (promoters, organisers, etc.):
- The actual implementation of the initiative itself and in particular its consistency with the programme proposed by the Company must be verified.

Accounting records

As set forth in detail in 231 Organisational Model, every operation or transaction of Alcantara must be correctly recorded in the company's accounting system according to the criteria indicated by the law and applicable accounting principles. Every operation or transaction must be authorised, verifiable, legitimate, consistent and congruous.

In order for the accounts to meet the requirements of truthfulness, completeness and transparency, adequate and complete supporting documentation must be kept on file for each transaction:

- Accurate accounting records;
- The immediate determination of the characteristics and motives underlying the transaction;
- The easy formal chronological reconstruction of the transaction;
- The verification of the decision-making, authorisation and implementation process and the identification of the various levels of responsibility.

Each employee is, therefore, required to cooperate, to the extent of his or her competence, so that:

- Every fact relating to the management of the Company is correctly and promptly recorded in the accounts;
- Supporting documentation is readily available and orderly.

INTERNAL PREVENTION ACTIVITIES ALREADY IN FORCE

231 Organisational Model

Pursuant to Legislative Decree 231/2001, Alcantara adopted the 231 Organisational Model (last updated in November 2019), integrating the same with suitable measures to also prevent the phenomena of corruption and illegality in coherence with Law no. 190/2012.

The Company has performed an analysis of the context and the organisational and structural reality to identify in which areas or sectors of activity and in what ways offences could abstractly occur, drawing up a "map" of "sensitive" areas and assessing the related risks (risk assessment).

Through a reconnaissance activity on the types of offences mapped out in the Special Part of the 231 Organisational Model, for some of them it was ascertained that the prevention protocols adopted were also

effective in preventing corruption offences. We specify that the attention was focused in particular on the following types of offences provided for by Legislative Decree no. 231/2001:

- Embezzlement (Article 314 of the Italia Criminal Code)
- Embezzlement by profiting from another person's error (Article 316 of the Italian Criminal Code)
- Extortion (Article 317 of the Italian Criminal Code)
- Corruption for the exercise of a function (Article 318 of the Italian Criminal Code)
- Corruption for an act contrary to official duties (Article 319 of the Italian Criminal Code)
- Corruption in judicial proceedings (Article 319 ter of the Italian Criminal Code)
- Undue inducement to give or promise benefits (Article 319 quarter of the Italian Criminal Code)
- Corruption of a public service provider (Article 320 of the Italian Criminal Code)
- Incitement to corruption (Article 318 of the Italian Criminal Code)
- Abuse of office (Article 323 of the Italian Criminal Code)
- Disclosure and use of official secrets (Article 326 of the Italian Criminal Code)
- Refusal to perform official acts, omission (Article 328 of the Italian Criminal Code)
- Interruption of Public Service (Article 331 of the Italian Criminal Code)
- Disturbing the freedom to invite tenders (Article 353 of the Italian Criminal Code)
- Corruption among private individuals (Article 2635 of the Italian Civil Code)
- Incitement to corruption among private individuals (Article 2635 bis of the Italian Civil Code)

The aforementioned offences are dealt with in the Special Part of the 231 Organisational Model to the:

- Article 25 of Legislative Decree 231/2001 Offences against the Public Administration
- Article 25 ter of Legislative Decree 231/2001 Corporate offences

The specific sheets relating to the aforementioned offences contain indications concerning the description of the offence, the principles of conduct to be observed in order to prevent the offence, the operational protocols for individual prevention activities, the corporate functions involved and the information flows to be forwarded to the Alcantara Supervisory Board.

The corporate functions involved in the prevention of corruption and in sending information flows to the Supervisory Board are:

- Personnel/Organisation and Information Systems
- RSPP Nera Montoro Plant/Head of Safety and Environmental Management
- Plant and Organisation Manager
- Technical Director
- Head of Research & Product Application Development
- Director of Finance and Controlling
- Innovation & Global Supply Directorate
- Head of Planning and Control, Auditing Corporate Legal Affairs

Following the risk assessment, the following areas/activities at potential risk of corruption were identified within the organisational structure of the Company:

- Management of inspections and controls
- Management of professional and consultancy assignments to third parties
- Personnel selection, recruitment and management
- Managing reimbursements and expense reports
- Management of entertainment expenses, gifts and gratuities
- Cash management and petty cash
- Litigation management
- Procurement management of goods and services
- Accounting management and budget preparation
- Activities for dealings with private individuals
- Management of the fulfilments of corporate bodies

The main procedural controls provided for the prevention of corruption, with reference to the activities carried out in the aforementioned “areas/activities” at potential risk, are defined in detail in the Special Part of the 231 Organisational Model and in the specific offence sheets indicated above, which refer to Articles 25 and 25 ter of Legislative Decree 231/2001.

Methodology for assessing criminal risks

For the areas/processes indicated in the previous point, as per the “standard” procedure, when updating/amending the 231 Organisational Model, an assessment of potential crime risks (mapping) is carried out, including corruption risks.

The methodology that is used (risk assessment) is summarised, the key points of which are:

- Analysis of the risks for each area and process, according to the matrix of average values, identifying the relative levels of risk by positioning them in low, medium and high risk;
- Assessment of risk levels according to **probability** indices (discretionality, external relevance, complexity of the process, economic value, divisibility of the process, controls, etc.) and impact assessment indices (organisational, economic, reputational, image, etc.) and **impact** assessment indices (organisational, economic, reputational, image, etc.);
- Evaluation of risk **mitigation** aspects (levels of responsibility, segregation of duties, organisational structure, information systems, internal procedures and regulations, frequency of controls, etc.).

Whistleblowing

In order to facilitate all the Addressees to report acts in contrast with the Ethics Code, the 231 Organisational Model and attempted, alleged or actual acts of corruption of which they have become aware, Alcantara has introduced the Policy *"Treatment and discipline of reports of crimes and/or irregularities (whistleblowing) received by Alcantara"* (last update November 2019).

Dedicated communication channels indicated in the Policy itself are set up for this purpose.

In the management of reports, the utmost confidentiality of whistleblowers is guaranteed, without prejudice to legal obligations. Furthermore, the Company will not take any retaliatory action (disciplinary sanctions, demotion, suspension, dismissal or interruption of collaboration relations, etc.), nor will it discriminate, in

any way, against the author of the report who has carried out actions in good faith aimed at reporting events or situations in conflict with the Anti-Corruption Policy.

STAFF TRAINING

In line with national and international regulatory references, as well as those of the Toray Group, Alcantara plans and manages training activities on the subject, with the aim of ensuring that employees understand, in relation to and in respect of the role they play:

- The corruption risks to which they and the organisation to which they belong may be subject;
- The Corruption Prevention Policy;
- Aspects, relating to the role within Alcantara, of the management system for the prevention of corruption;
- Preventive actions to be taken and reports to be made in relation to the risk or suspicion of malpractice.

Participation in the training activity is mandatory for the internal functions identified by the Personnel / Organisation and Information Systems Department.

The Personnel / Organisation and Information Systems Department monitors that the planned training is regularly used by the functions concerned.

The Policy is communicated to all Company employees and made available on the company intranet.

REPORTS

The Addressees of this Policy are required to immediately report, also anonymously, any violation, or suspected violation, of applicable laws or this Anti-Corruption Policy.

In order to facilitate the receipt of reports, Alcantara has set up communication channels as follows:

- E-mail address organodivigilanza@alcantara.com
- E-mail address segnalazioniWB@alcantara.com
- Website www.alcantara.com
- To the Company's Anti-Corruption Officer, using the dedicated box anticorruzione@alcantara.com
- Ordinary mail (address: Alcantara - Anti-Corruption Officer - Via Mecenate, 86 - 20138 Milan)

The procedure for reporting is the same as that used for the Whistleblowing Policy.

In addition, it is reported that:

- An employee's failure to report a known or suspected wrongdoing of which he or she has become aware will, in itself, subject the employee to possible disciplinary action;
- Anyone who reports in good faith possible misconduct or offers information or otherwise provides assistance in any investigation or inquiry into possible misconduct is protected from retaliation. The confidentiality of the whistleblower's identity is ensured in all cases, without prejudice to legal obligations.

PENALTY MEASURES

Disciplinary sanctions

Violation of the Anti-Corruption Policy by Alcantara employees will result in the adoption of disciplinary measures as indicated in the General Part of the 231 Organisational Model - Disciplinary System. Any violation will be prosecuted with the application of appropriate and proportionate disciplinary sanctions, also taking into account the possible criminal relevance of the conducts carried out (including the sanctions provided for by the collective labour agreement or other applicable national regulations).

The Company will also ensure its full cooperation with the competent Authorities.

Contractual remedies

Violation by a third party of the principles or provisions of this Policy may result, on the basis of Alcantara's specific assessments, in the non-establishment or termination of contractual relations, as well as in a claim for damages or other measures deemed appropriate.

It should be noted that certain types of relationships with Third Parties present higher corruption risks. These risks may derive from the type or nature of the relationship (relevant relationships), the characteristics of the Third Party or the activities it is called upon to perform (relevant parties).

MONITORING AND CONTINUOUS IMPROVEMENT

The Anti-Corruption Officer is required to periodically review the Policy to ensure its maximum effectiveness. In addition, the Supervisory Board, the Personnel / Organisation and Information Systems Department of Alcantara, the General Manager of Legal & Administration of the Toray Group may recommend improvements to the Policy on the basis of "*best practices*" or emerging legislation.

In the event of violations, the Anti-Corruption Officer will consider whether any revisions and amendments to the Policy and internal rules could help prevent a recurrence.

The Anti-Corruption Officer prepares a six-monthly report on the monitoring activity, which must be sent to the Personnel / Organisation and Information Systems Department, to the Alcantara Supervisory Board and to the General Manager of Legal & Administration of the Toray Group. This report will specify, in case of violations, reference documentation, description of the offence, detailed analysis of the facts/causes, parties involved and corrective proposals of the internal regulations in force.

Each key Alcantara function ensures that the general requirements of its management system for the prevention of corruption risk are met, and is committed to the continuous improvement of the system.