

Hitachi Rail STS S.p.A.

# Organizational, Management and Control Model (Legislative Decree 231/01)

**TABLE OF CONTENTS**

**1. SCOPE .....6**  
 Purpose.....6  
 Applicability .....6  
 Effective Date.....6

**2. TERMS .....7**  
 Acronyms and Abbreviations .....7  
 Definitions .....7

**3. REFERENCES .....8**  
 GBMS Reference Documents.....8  
 Non-GBMS Reference Documents.....8

**4. GENERAL PARTS .....9**  
 4.1. ITALIAN LEGISLATIVE DECREE NO. 231/2001 AND RELEVANT LEGISLATION.....9  
 4.1.1. The System of Liability of Legal Entities .....9  
 4.1.2. Sanctions .....10  
 4.1.3. Attempted Crimes .....12  
 4.1.4. Crimes committed abroad.....12  
 4.1.5. Procedure for the assessment of the crime and verification of the adequacy of the Model by the court .....12  
 4.1.6. Conditions that determine the exclusion of administrative liability.....13  
 4.2. ADOPTION OF THE ORGANIZATIONAL AND MANAGEMENT MODEL BY HITACHI RAIL STS .....14  
 4.2.1. Corporate Mission and Objectives .....14  
 4.2.2. Governance Model .....14  
 4.2.3. Organizational Structure .....15  
 4.2.4. Reasons of Hitachi Rail for adopting the Organization, Management and Control model pursuant to italian legislative decree no. 231/01.....15  
 4.2.5. Document structure .....19  
 4.2.6. Adoption and management of the model in Hitachi Rail STS.....20  
 4.2.7. Elements of the model .....21  
 4.2.8. Model amendments and supplements .....24  
 4.3. SUPERVISORY BODY .....25  
 4.3.1. Identification of the Supervisory Body .....25  
 4.3.2. Duties and powers of the Supervisory Body.....25  
 4.3.3. Actions of the Supervisory Body .....28  
 4.3.4. Collection, storage and access to the archives of the Supervisory Board.....29  
 4.4. PERSONNEL TRAINING AND DISTRIBUTION OF THE MODEL IN THE CORPORATE CONTEXT AND EXTERNALLY .....29  
 4.4.1. Staff Training .....29  
 4.4.2. Information to external collaborators and partners .....30  
 4.5. DISCIPLINARY SYSTEM AND MEASURES IN THE EVENT OF FAILURE TO OBSERVE THE MODEL PROVISIONS .....30  
 4.5.1. General Principles .....30

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>2/157</b>

4.5.2. Sanctions for employees ..... 31

4.5.3. Measures taken against directors and auditors ..... 32

4.5.4. Measures in regard to collaborators, consultants, partners, counterparties and other external subjects ..... 32

4.5.5. Sanction application procedure ..... 32

    4.1.1.1 The disciplinary procedure with regard to directors and auditors ..... 33

    4.1.1.2 The disciplinary procedure with regard to managers ..... 34

    4.1.1.3 The disciplinary procedure with regard to employees ..... 35

    4.1.1.4 The proceedings in regard to third party model addressees ..... 35

**5. SPECIAL PART ..... 37**

    INTRODUCTION ..... 37

    AREAS EXPOSED TO RISK ..... 37

**6. SPECIAL PART “A” - CRIMES TO THE DETRIMENT OF THE PUBLIC ADMINISTRATION ..... 40**

    INTRODUCTION ..... 40

    AREAS EXPOSED TO RISK ..... 42

    GENERAL PRINCIPLES OF CONDUCT AND CONTROL ..... 50

**7. SPECIAL PART “A1” - OFFENSES WITH THE PURPOSE OF TERRORISM OR SUBVERSION OF THE DEMOCRATIC ORDER ..... 69**

    INTRODUCTION ..... 69

    AREAS EXPOSED TO RISK ..... 69

    GENERAL PRINCIPLES OF CONDUCT AND CONTROL ..... 70

**8. SPECIAL PART “B” - CORPORATE OFFENSES ..... 72**

    INTRODUCTION ..... 72

    AREAS EXPOSED TO RISK ..... 73

    GENERAL PRINCIPLES OF CONDUCT AND CONTROL ..... 75

**9. SPECIAL PART “B1” - CORRUPTION AMONG PRIVATE INDIVIDUALS ..... 84**

    INTRODUCTION ..... 84

    AREAS EXPOSED TO RISK ..... 84

    GENERAL PRINCIPLES OF CONDUCT AND CONTROL ..... 88

**10. SPECIAL PART “C” - OFFENSES OF MANSLAUGHTER AND GRIEVOUS OR VERY GRIEVOUS BODILY HARM COMMITTED IN BREACH OF HEALTH AND SAFETY AT WORK LEGISLATION ..... 93**

    INTRODUCTION ..... 93

    HEALTH AND SAFETY MANAGEMENT SYSTEM ..... 94

        The organizational system ..... 95

        Definition of tasks ..... 95

        Training, communication and teaching ..... 101

    RISK FACTORS EXISTING IN HITACHI RAIL STS ..... 102

    GENERAL PRINCIPLES OF CONDUCT AND CONTROL REGARDING HEALTH AND SAFETY AT WORK ..... 103

        Risk Assessment Documents ..... 108

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>3/157</b>

**11. SPECIAL PART “C1” - CRIMES OF EMPLOYMENT OF CITIZENS OF THIRD COUNTRIES WITH INVALID RESIDENCY AND ENSLAVEMENT OR MAINTAINING IN SLAVERY .....110**

    INTRODUCTION ..... 110

    AREAS EXPOSED TO RISK..... 110

    GENERAL PRINCIPLES OF CONDUCT AND CONTROL ..... 111

**12. SPECIAL PART “D” - FENCING, MONEY LAUNDERING AND USING ILLEGALLY OBTAINED MONEY, ASSETS OR OTHER ILL-GOTTEN GAINS, AND SELF-LAUNDERING, OFFENSES RELATING TO NON-CASH MEANS OF PAYMENT.....113**

    INTRODUCTION ..... 113

    AREAS EXPOSED TO RISK ..... 113

    GENERAL PRINCIPLES OF CONDUCT AND CONTROL ..... 116

**13. SPECIAL PART “E” - COMPUTER CRIMES AND UNLAWFUL PROCESSING OF DATA AND CRIMES INVOLVING THE BREACH OF COPYRIGHT .....121**

    INTRODUCTION ..... 121

    AREAS EXPOSED TO RISK..... 122

    GENERAL PRINCIPLES OF CONDUCT AND CONTROL ..... 124

**14. SPECIAL PART “F” - ORGANIZED CRIME .....129**

    INTRODUCTION ..... 129

    AREAS EXPOSED TO RISK ..... 129

    GENERAL PRINCIPLES OF CONDUCT AND CONTROL ..... 130

**15. SPECIAL PART “G” - CRIMES IN BREACH OF ENVIRONMENTAL STANDARDS AND CRIMES AGAINST THE CULTURAL HERITAGE AND LOOTING OF LANDSCAPES.....133**

    INTRODUCTION ..... 133

    THE ENVIRONMENTAL MANAGEMENT SYSTEM ..... 135

        The organizational system..... 135

        Definition of tasks ..... 135

    RISK FACTORS EXISTING IN HITACHI RAIL STS S.P.A ..... 139

    GENERAL PRINCIPLES OF CONDUCT AND CONTROL ..... 139

        Procedural System ..... 143

**16. SPECIAL PART “H” - CRIMES CONCERNING OBSTRUCTION OF JUSTICE .....145**

    INTRODUCTION ..... 145

    AREAS EXPOSED TO RISK..... 145

    GENERAL PRINCIPLES OF CONDUCT AND CONTROL ..... 146

**18. SPECIAL PART “I” - CRIMES AGAINST INDUSTRY AND TRADE AND COUNTERFEITING CURRENCY, LEGAL TENDER, DUTY STAMPS, AND DISTINCTIVE SIGNS OR MARKS.....148**

    INTRODUCTION ..... 148

    AREAS EXPOSED TO RISK ..... 149

    GENERAL PRINCIPLES OF CONDUCT AND CONTROL ..... 149

**19. SPECIAL PART “L” - TAX OFFENSES .....153**

    INTRODUCTION ..... 153

    AREAS EXPOSED TO RISK..... 153

    GENERAL PRINCIPLES OF CONDUCT AND CONTROL ..... 153

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>4/157</b>

<b>20. SPECIAL PART “M” – SMUGGLING</b> .....	<b>156</b>
INTRODUCTION .....	156
AREAS EXPOSED TO RISK.....	156
GENERAL PRINCIPLES OF CONDUCT AND CONTROL .....	156

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>5/157</b>

## 1. SCOPE

### Purpose

This document describes the Organizational, Management and Control Model (hereinafter also referred to as the "Model 231") of Hitachi Rail STS S.p.A. (hereinafter also referred to as "Hitachi Rail STS") pursuant to Legislative Decree No. 231 of 8 June 2001.

### Applicability

This document applies to Hitachi Rail STS S.p.A. and its branches and foreign secondary offices, both those already established and those to be established in the future (as of the date of this document: Saudi Arabia, Denmark, United Arab Emirates, Philippines, Greece, Libya, Panama, Peru, Taiwan, Tunisia, Turkey, including the Honolulu Joint Venture and Project Offices in India).

### Effective Date

This document is effective as soon as it is published.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>6/157</b>

## 2. TERMS

### Acronyms and Abbreviations

CFO	Chief Financial Officer
DVR	Documento Valutazione dei Rischi (Risk Assessment Document)
Hitachi Rail STS	Hitachi Rail STS S.p.A.
RSPP	Responsabile Servizio Prevenzione e Protezione (Prevention and Protection Service Manager)
SB	Supervisory Body
SPP	Servizio Prevenzione e Protezione (Prevention and Protection Service)

### Definitions

<b>Model 231 or Model</b>	Organizational, Management and Control Model pursuant to Legislative Decree No. 231 of 8 June 2001
<b>Public Administration</b>	<p>Any entity or individual performing public functions or activities aimed at achieving a public interest, qualifying as:</p> <ul style="list-style-type: none"> <li>Public Official (Article 357 of the Italian Criminal Code): a person who performs functions related to the formation and expression of the will of the administration in the exercise of authoritative and certifying powers.</li> <li>Person in Charge of a Public Service (Article 358 of the Italian Criminal Code): a person who, although operating within an activity regulated in the form of a public function, lacks the typical powers of such a function, provided that they do not perform merely administrative tasks or purely material work.</li> </ul> <p>This qualification may also be attributed to a private entity or individual entrusted by law or administrative act with the exercise of specific functions. For a more detailed definition, please refer to Special Part A.</p>

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>7/157</b>

**3. REFERENCES**

**GBMS Reference Documents**

G-MNL A1101 REV.00	Managing Relations with the Public Administration
G-MNL A0900 REV.00	Hitachi Group Code of Ethics and Business Conduct
G-IND A1101 REV. 00	Internal Regulation for the prevention of 231 Risks

**Non-GBMS Reference Documents**

Legislative Decree no. 231 of 8 June 2001	Italian regulation concerning the "Regulations on the administrative liability of legal entities, companies and associations, including those without legal personality "

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>8/157</b>

## 4. GENERAL PARTS

### 4.1. ITALIAN LEGISLATIVE DECREE NO. 231/2001 AND RELEVANT LEGISLATION

#### 4.1.1. The System of Liability of Legal Entities

Italian Legislative Decree no. 231 of June 08, 2001 (hereinafter “Decree” or (“Legislative Decree 231/01”), issued based on the Government Delegation Law no. 300 of September 29, 2000, introduced the “*Regulations on the administrative liability of legal entities, companies and associations, including those without legal personality*”, adjusting Italian legislation governing the liability of legal entities to comply with the international conventions<sup>1</sup> previously stipulated by Italy.

The Decree introduced into the Italian legal system liability for companies and associations with or without legal personality (hereinafter “Entities”), for crimes committed, in their interest or to their advantage, by:

- natural persons who are representatives, directors, or managers the Entities or one of its organizational units with financial and functional autonomy and natural persons who exercise, even on a *de facto* basis, management and control thereof,
- natural persons managed or supervised by any of the foregoing persons.

The liability of the legal entity comes in addition to that of the natural person that materially committed the crime, and they are both examined during the same proceedings brought before the criminal court. The Entity’s liability in any case remains autonomously, even if the natural person who perpetrated the crime has not been identified or cannot be punished.

Not all crimes committed in the interests or to the benefit of the Entity, however, give rise to liability in accordance with Decree 231, but only those listed. Over the years, this list, which is also termed the “Catalogue of predicate offenses”, initially comprising just a few crimes mainly against the Public Administration, has been gradually supplemented and today includes the following types of crimes:

- Art. 24 (undue receipt of funds, fraud against the State, other public agency, or the EU or for the purpose of obtaining public funds, computer fraud against the State or other public agency and fraud in public procurement),
- Art. 24-bis (cybercrimes and unlawful processing of data),
- Art. 24-ter (organized crime),
- Art. 25 (embezzlement, bribery, misappropriation of money or movable property, extortion, undue inducement to give or promise benefits and corruption),
- Art. 25-bis (counterfeiting currency, legal tender, duty stamps, and distinctive signs or marks,

<sup>1</sup> More specifically, Legislative Decree No. 231/2001 implements the European Convention of July 26, 1995 (on the protection of the European Community’s financial interests) and its related protocols; the European Convention of May 26, 1997, on the fight against corruption involving officials of the European Community or Member States; and the OECD Convention of December 17, 1997 on combating bribery of foreign public officials in international business transactions.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>9/157</b>

- Art. 25-bis.1 (crimes against industry and trade),
- Art. 25-ter (corporate crimes),
- Art. 25-quater (crimes with the purpose of terrorism or subversion of the democratic order),
- Art. 25-quater.1 (female genital mutilation),
- Art. 25-quinquies (crimes against the person),
- Art. 25-sexies (market abuse),
- Art. 25-septies (involuntary manslaughter and serious or grievous bodily harm committed in breach of workplace health and safety regulations)
- Art. 25-octies (money laundering and using illegally obtained money, assets or other ill-gotten gains, and self-laundering, as well as self-laundering),
- Art. 25-octies1 (offenses relating to non-cash means of payment),
- Art. 25-novies (crimes involving breach of copyright),
- Art. 25-decies (incitement to not testify or to bear false testimony before the courts),
- Art. 25-undecies (environmental crimes) and Art. 256-Bis, Italian Leg. Decree 152/2006 (illegal incineration of waste),
- Art. 25-duodecies (employing foreign nationals without a valid residence permit),
- Art. 25-terdecies (racism and xenophobia),
- Art. 25-quaterdecies (fraud in sporting competitions, illegal gambling or betting and games of chance using prohibited devices),
- Art. 25-quinquiesdecies (tax crimes),
- Art. 25-sexiesdecies (smuggling),
- Art. 25-septiesdecies (crimes against the cultural heritage),
- Art. 25-duodevicies (laundering of cultural assets, destruction and looting of cultural assets and landscapes).

Other types of crimes may be added to the Decree in the future by the legislator, extending the liability of the Entity to include new types, for which the Company will assess the potential impact on its business.

Finally, please note that crimes not included amongst the predicate offenses for the application of the sanctions of Leg. Decree no. 231/2001 could be connected to crimes that are included, such as criminal conspiracy or money laundering. The need therefore follows to supervise and take a cautious approach in regulating all relations with the Public Administration and, in general, with the Company’s counterparties, regardless of the crimes that may, in theory, be committed.

**4.1.2. Sanctions**

The sanctions that Leg. Decree no. 231/2001 assigns to the Company for administrative offenses depending on the crime for the case of assessing liability are:

- financial penalties,
- disqualification penalties,
- confiscation of the price or profit of the crime,
- publication of the judgment.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>10/157</b>

Prohibitory sanctions concern the specific activity to which the crime of the Entity refers and consist of:

- disqualification from exercising the activity,
- a ban on contracting with the public administration,
- suspension or revocation of the authorizations, licenses or permits used to commit the offense,
- exclusion from benefits, loans, grants and subsidies and/or withdrawal of those already granted,
- prohibition on publicizing goods or services.

Due to their particular severity, the disqualifying sanctions deserve some further consideration, since they are only applicable when they are expressly provided for in the Decree and if at least one of the following conditions is met:

- the entity has made a significant profit from the crime and the crime has been committed by a person in a senior position or by persons acting under the instructions of others, in which case serious organizational shortcomings determined or facilitated the offence being committed,
- in the event of repeat offenses.

The type and duration of the disqualifying sanction is established by the courts, considering the seriousness of the crime, the extent of the entity's liability and the actions taken to eliminate the consequences of the crime and to prevent other offences from being committed.

Specifically, if the entity has paid full compensation for the loss and has organizational shortcomings that made the crime possible and has made the proceeds of the crime available for compensation, the disqualifying sanctions will not be applied, without prejudice to the application of fines.

Failure to comply with the prohibitions imposed by the disqualifying sanctions constitutes a different and additional offence on the part of the entity.

If the conditions exist for the application of a disqualifying sanction, determining the suspension of business operations, in lieu of the sanction, the court may order the continuation of the business operations by a commissioner when:

- the entity performs a public service or a service of public necessity, suspension of which may cause serious harm to the community,
- the suspension may cause significant repercussions on employment.

Disqualifying sanctions are applied in the hypothesis strictly indicated in the Decree only if at least one of the following conditions exists:

- the Entity gained considerable profit from the crime and the crime was committed by:
  - o a person or persons in a senior position, or
  - o persons acting under the instructions and supervised by others when serious organizational shortcomings made it possible or easier to commit the crime,
- or in the event of repeat offences.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>11/157</b>

The Entity may also be disqualified as a precautionary measure, i.e., at the investigation stage and even before the commencement of the trial, if there is strong evidence of its liability in committing the crime and there are reasonable grounds and specific elements that would seem to indicate the likelihood that crimes of the same kind as the one before the courts may be repeated.

**4.1.3. Attempted Crimes**

The Entity is also liable for offences connected to attempted crimes.

In the case of attempting to commit the crimes under the Decree, the applicable sanctions are reduced by between one third and one half. If, of its own volition, the Entity prevents the action or event from occurring, sanctions will not be imposed.

**4.1.4. Crimes committed abroad**

Under Art. 6 of the Italian Criminal Code, a crime is considered as committed in Italy *“when the action or omission comprising it took place entirely or partly there or the event occurred there”*.

Still, Entities with their main place of business in Italy also answer for crimes committed abroad as long as the foreign government does not take action against them. The definition considering a crime committed in Italy as one in which the act or omission took place on national territory greatly reduces the application of the rules on crimes committed abroad.

The basis for liability of the Entity for crimes committed abroad are:

- a) the crime must be committed abroad by an individual who is operationally connected to the Entity, in accordance with Article 5(1) of the Decree
- b) the Entity must have its main place of business in Italy
- c) the Entity may be liable only in the cases and under the conditions envisaged in Articles 7, 8, 9, 10 of the Italian Criminal Code.

If the cases and conditions under the foregoing articles of the criminal code exist, the Entity is liable as long as the foreign government where the crime was committed does not take action against it.

**4.1.5. Procedure for the assessment of the crime and verification of the adequacy of the Model by the court**

Liability for the administrative offences relating to crimes is investigated as part of criminal proceedings that, where possible, are the same criminal proceedings with which action is taken against the natural person who committed the crime, with the provisions of the Code of Criminal

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>12/157</b>

Procedure being observed *mutatis mutandis* and the provisions relating to the accused being applied to the Entity.

The assessment of the liability of the Entity takes place through:

- verification of the existence of the predicate offense for the company's liability,
- assessment of the existence of the interest or benefit of the Entity in the perpetration of the crime by its employee or senior management,
- union of suitability on the organizational models adopted,
- establishment of actual implementation of the provisions of the Model.

The Court's examination of the abstract suitability of the organizational model to prevent the crimes pursuant to the Decree is carried out according to the criterion of "post facto prognosis". The opinion of suitability is formulated according to a substantively *ex ante* criterion, for which the court falls ideally in the corporate context when the crime took place to test the suitability of the model.

**4.1.6. Conditions that determine the exclusion of administrative liability**

Articles 6 and 7 of the Decree envisage specific forms of exoneration from the administrative liability of the Entity for the crimes committed in the interests or to the benefit of the Entity by both senior managers and employees.

In brief, the Entity is exempt from liability if it can prove that:

- before the offense was committed, the management body adopted and effectively implemented an organizational and management model suitable for preventing offenses of the type committed,
- an internal body vested with independent powers to act on its own initiative and to monitor compliance (hereinafter "Supervisory Body" or "SB") was set up to assure the functioning and observance of the Model and to keep it updated,
- the persons committed the offence by fraudulently circumventing the aforementioned Model, the Supervisory Body performed its compliance and oversight responsibilities in full and adequately.

The Model must comply with the following demands:

- to identify the activities in which there is the possibility that the criminal offenses could be committed,
- to provide specific protocols (included in the system of corporate instructions or procedures) for planning the formation and implementation of the Entity's decisions concerning the offenses to be prevented,
- to identify procedures for managing financial resources appropriate to prevent the commission of offenses,
- to envisage information obligations regarding the SB,
- to introduce an internal disciplinary system suited to punishing failure to observe the measures indicated in the model.

Case law has attached particular importance to the specific protocols or procedures aimed at prevention, training of the addressees, the disciplinary system and, above all, the effective implementation of the provisions of the Model, since in practice it has been found that the

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>13/157</b>

adequacy of the rules established in the abstract often does not correspond to a sufficient degree of their application in practice.

Finally, it is established that in controlled Companies a specially appointed Committee may exercise oversight activities.

**4.2. ADOPTION OF THE ORGANIZATIONAL AND MANAGEMENT MODEL BY HITACHI RAIL STS**

The preparation of this Model is inspired by the *Confindustria Guidelines* (hereinafter the “Guidelines”).

The Company Hitachi Rail STS S.p.A. has adopted an Organization and Management Model in accordance with Italian Legislative Decree no. 231/2001 from when the provision came into force, ensuring the necessary adjustments when the regulatory, jurisprudential context and corporate structures change.

**4.2.1. Corporate Mission and Objectives**

Hitachi Rail STS is an industrial company with a single shareholder. It is subject to the management and coordination of Hitachi Ltd. and leads the high technology sector for railway and underground railway transport. The Company operates in the design, development and management of rail and underground rail traffic supervision and signaling systems and services, also as lead contractor and in the construction of rolling stock and after-sales assistance and maintenance services.

The Company Hitachi Rail STS S.p.A. has its registered office in Naples, at via Argine 425, as well as plants and/or offices in Genoa, Piosasco (TO), Pistoia, Naples, Reggio Calabria and Tito (PZ). It has branches and sites in various different countries across the globe.

Hitachi Rail STS is subject to continuous corporate changes, dictated by the business in which it operates and this leads it to have a complex, ever-evolving organization.

On this basis, for the purpose of the application of this Model 231, due consideration is given to the organization as reported over time on the corporate intranet COSMO.

**4.2.2. Governance Model**

In adopting the governance model, the Company incorporated the rules of the Parent Company Hitachi Ltd., and in particular those implemented within the Railway Systems Business Unit, to which the Company belongs. The present corporate governance model is always prepared on the basis of international best practice in compliance with the provisions, it is based on the traditional model, is compliant with applicable corporate legislation and is structured as follows:

- Shareholders' Meeting, competent to resolve in ordinary and extraordinary session on matters to it by reserved the law or the Articles of Association,
- Board of Directors, assigned the most extensive powers for the Company administration, with the faculty to act in all ways appropriate to achieving the corporate purposes, with the

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>14/157</b>

exception of acts reserved - by the law and articles of association - to the Shareholders' Meeting,

- Board of Auditors, assigned the task of monitoring: a) compliance with the law and the deed of incorporation as well as with standards of correct administration, b) the suitability of the Company's organizational structure in terms of all aspects coming under its purview, of the internal control system and accounting administrative system and the reliability of the latter in providing a correct representation of management events, d) the suitability of the instructions given to Subsidiaries in respect of the information to supply in order to fulfil the communication obligations, e) the financial disclosure process and effectiveness of the internal control, internal audit and risk management systems, f) the statutory auditing of the accounts and the independence of the auditing firm, and g) compliance of the procedures adopted on related party transactions,
- Independent auditing firm: the accounts are audited, as envisaged by current legislation, by an independent auditing firm registered on the special list, appointed to this end by the Shareholders' Meeting.

**4.2.3. Organizational Structure**

The Company's organizational structure is inspired by the principle of the separation of duties, roles and responsibilities between the operational and control functions.

The corporate organizational structure is defined on the basis of the organizational provisions, roles and appointments, and the internal communications COSMO.

The organizational documents that describe the aim and main areas of responsibility of the individual aspects of the organizational structure are available from the relevant sections of the corporate intranet COSMO.

**4.2.4. Reasons of Hitachi Rail for adopting the Organization, Management and Control model pursuant to italian legislative decree no. 231/01**

In order to make sure that the conduct of everyone operating on behalf or in the interests of the Company is always compliant with legislation, regulations and standards of correctness and transparency in the conduct of corporate business, Hitachi Rail STS has chosen to adopt a Model in line with the Decree and on the basis of the Confindustria Guidelines.

This initiative, coupled with the adoption of the Code of Ethics (Hitachi Group Code of Ethics and Business Conduct), has been taken in the firm belief that the adoption of this Model - aside from the provisions of the Decree which clarify that the Model is an optional item and not mandatory - can constitute a valid tool for raising awareness in all those operating in the interests and to the benefit of Hitachi Rail STS.

More specifically, the following are the Model Addressees and, as such and under the scope of the specific competences, required to be aware of it and observe it:

- the members of the Board of Directors, in setting the objectives, decide on the activities, develop the projects, propose investments and in any decision or action relative to the Company performance,
- the members of the Board of Auditors, in the control and verification of correctness,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>15/157</b>

- the Managers, in concretely managing the Company, in handling internal and external activities,
- the employees and all collaborators with whom contracts are stipulated, for any reason, even if only on an occasional and/or temporary basis,
- all those who entertain relations of any kind with the Company.

**Purpose of the Model**

The Model prepared by Hitachi Rail STS is based on a structured, organic system of procedures and control activities that:

- identify the areas/processes of possible corporate business risk, i.e. those activities under the scope of which it is considered that there is a greater likelihood of the crimes being committed,
- define the internal regulatory system, aimed at the prevention of crimes, which includes, amongst others:
  - the Hitachi Group Code of Ethics and Business Conduct, which expresses the commitments and ethical responsibilities in the conduct of business and corporate activities made and accepted by employees, directors and collaborators of various types of the Company,
  - the system of delegations, powers of signature and powers of attorney for signing corporate deeds that assures a clear, transparent representation of the process by which decisions are made and implemented,
  - formalized procedures aimed at regulating the operating procedures in the areas at risk,
- are based on an organizational structure that is consistent with the corporate business, aimed at inspiring and controlling the correctness of conduct, guaranteeing a clear, organized attribution of duties, applying a suitable segregation of duties and making sure that the systems desired by the organizational structure are properly implemented through:
  - a formally defined, clear, suitable organizational chart establishing the activities to be carried out,
  - a system of delegations of internal functions and powers of attorney to represent the Company externally, which assures a clear, consistent segregation of duties,
  - identification of the management and control processes used for the financial resources in the risk activities,
  - attribution to the SB of the task of monitoring the functioning and observance of the Model and propose its update,
  - application of the segregation of duties principle and a control system pursuant to J-Sox compliance, as well as the controls implemented in the SAP and network systems architecture.

Therefore, the Model's aim is to:

- prepare a structured, organized system of prevention and control aimed at eliminating or minimizing the risk of the committing of crimes connected with the corporate business, with specific regards to the reduction of any unlawful conduct,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>16/157</b>

- determine, in all those operating for and on behalf of Hitachi Rail STS in the “risk activity areas”, the awareness of potentially incurring, in the event of breach of the provisions set out therein, an offense liable to both criminal and administrative sanction, not only for themselves but also in regard to the company,
- inform all those operating for any reason for, on behalf of or in any case in the interests of Hitachi Rail STS, that the breach of the provisions of the Model shall entail the application of specific sanctions and/or termination of contract,
- stress that Hitachi Rail STS will not tolerate any unlawful conduct, in no way pursuing this end or the incorrect belief of acting in the interests or to the benefit of the Company, insofar as such conduct is in any case in conflict with the ethical principles applied by Hitachi Rail STS and, therefore, in conflict with its interests,
- effectively censure any conduct in breach of the Model through the application of disciplinary and/or contractual sanctions.

**The Model preparation process**

In consideration of the provisions of the Decree, Hitachi Rail STS has envisaged an internal process, in which the Supervisory Body plays an active and advisory role aimed at guaranteeing the constant update of this Model.

Consequently, preparation of this Model has been preceded by a series of activities, divided up into different phases, aimed at constructing a system for the prevention and management of the risks described below.

1) Mapping of activities at risk

This phase aims to analyze the business context, in order to map all areas of activity of the Company and, of these, identify the processes and activities during which - abstractly - the crimes envisaged by the Decree could potentially be committed.

2) The identification of the corporate activities and activities/processes exposed to risk has been implemented with the support of consultants specialized in conducting risks assessments through the prior examination of the corporate documentation (organizational charts, main business processes, powers of attorney, etc.) and the subsequent holding of a series of interviews with key players in the company structure.

The result of this activity has been laid out in a document that contains a map of all corporate activities, indicating those at risk, which may be:

- A) areas at risk of crime, i.e. activities under the scope of which the opportunity may hypothetically arise to act unlawfully as set out in the Decree,
- B) processes that are “instrumental” to the perpetration of crimes, i.e. processes under the scope of which, abstractly, the conditions may be created that would facilitate the committing of crimes or be functional to their perpetration.

The analysis of the possible ways in which crimes of manslaughter and bodily harm committed in breach of health and safety at work legislation, has been carried out also taking into account the working risk assessment performed in accordance with the criteria envisaged by Italian Legislative

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>17/157</b>

Decree no. 81/08, and also giving due consideration to the Standard ISO 45001:2018 and the UNI-INAIL Guidelines for a health and safety at work management system.

C) Analysis of potential risks

With reference to the mapping of activities, carried out on the basis of the specific context in which Hitachi Rail STS operates and the related representation of the sensitive or at risk activities/processes, the crimes that could potentially be committed under the scope of the corporate business have been identified, and for each crime, the possible opportunities, purpose and methods of perpetration of the unlawful conduct identified.

The result of this activity is then set out in the documentation supporting the risk assessment, which shows the analysis of potential risks and the related controls, with regard to the possible methods by which the crimes may be perpetrated within the specific corporate context.

D) “As-is analysis”

Having identified the potential risks, the system of preventive controls in place in the processes/activities at risk was analysed, in order to thereafter issue an opinion on its suitability in terms of capacity to prevent the risk of the crime.

During this phase, the current in-house control measures were noted (formal procedures and/or practices adopted, verifiability, potential documentation or “traceability” of the operations and controls, separation or segregation of duties, etc.) through the information supplied by the corporate structures and the analysis of the documentation it has supplied.

As regards the risk of possible breach of legislation governing health and safety at work, the analysis in question necessarily considered current preventive legislation and, in particular, Italian Legislative Decree no. no. 81/08, Standard ISO 45001:2018 and UNI-INAIL Guidelines for a health and safety at work management system.

Accident prevention legislation, in fact, not only outlines the potentially relevant risks but also sets out a set of requirements with which the employer must comply. The concrete adoption and implementation of this system of measures has, for the purpose of this Model, been integrated to minimize the risk of conduct potentially forming the crime of manslaughter or bodily harm committed through breach of prevention rules.

E) “Gap analysis”

Based on the results obtained during the previous phase and the comparison with a reference theoretical model (consistent with the Decree, with the Confindustria Guidelines and with national and international best practices), the Company has identified a series of areas of integration and/or improvement in the system of controls, in the face of which suitable action to be taken has been defined.

F) Preparation of the Model

Following the issue of Italian Legislative Decree no. 231/01, Hitachi Rail STS adopted the Code of Ethics and the Organizational Model, thereafter updating the relevant contents following operative, organizational or legislative changes and in connection with specific needs seen.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>18/157</b>

In order to concretely implement the Decree and correctly and completely map the areas at risk of certain offenses being committed, assessment activities involved a recognition of the corporate activities in order to identify areas in which a risk of crime could be hypothesized, intended as any event or conduct that may determine and/or facilitate the perpetration, or attempted perpetration, of any of the crimes envisaged by the Decree in the Company's interests.

The areas of activities at risk also include those that not only are directly involved as an activity that could form criminal conduct, but also those which may indirectly result in the committing of other crimes, being instrumental to their perpetration. With reference to all areas at risk, including instrumental areas, any indirect relations have also been examined, namely those that Hitachi Rail STS entertains, or could entertain, through third parties.

In addition, the risk profiles were considered connected with the hypotheses whereby company representatives act in concert with subjects outside the Company, both on an occasional and temporary basis (persons acting in concert) and in an organized fashion with the specific aim of committing an indeterminate series of crimes (crimes of association). The analysis also concerned the possibility that the crimes considered could be committed abroad, or in a transnational manner.

In this regard, the analysis has been carried out on the organizational structure, the missions and responsibilities of all corporate structures, in order to achieve a preliminary identification of the potential areas at risk.

With reference to the areas at risk, as identified above, interviews have then been held with the managers of the relevant structures, with the twofold aim of verifying and better defining the area of activities at risk and analysing the existing preventive control system, to identify, where necessary, the appropriate improvements.

#### **4.2.5. Document structure**

This Model consists of

- General Part
- Special Parts prepared for the various types of crimes considered as possible risk for Hitachi Rail STS

In the "General Part", after reference to the principles of the Decree, the essential components of the Model with specific reference to the Supervisory Body, the training of personnel and distribution of the Model within and outside the company, the disciplinary system and the measures to be adopted in the event of failure to observe the provisions therein and principles for preparing the document.

The Special Parts, prepared for the various types of crime of possible risk, indicate the areas of risk and the related control measures. These Special Parts are as follows:

- Special Part "A" for crimes to the detriment of the public administration (Articles 24 and 25 of the Decree),
- Special Part "A1" for crimes committed with the purpose of terrorism or subversion of the democratic order (Art. 25-*quater* of the Decree),
- Special Part "B" for corporate crimes (Art. 25-*ter*, Art. 25-*sexies* of the Decree),

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>19/157</b>

- Special Part “B1” for the crime of corruption between private individuals (Art. 25-ter, paragraph 1, letter s-bis of the Decree),
- Special Part “C” for manslaughter and grievous and grievous bodily harm committed in breach of health and safety at work legislation (Art. 25-septies of the Decree),
- Special Part “C1” for the crimes of employment of citizens of third countries with invalid residency and enslavement or maintaining in slavery (Art. 25-duodecies and Art. 25-quinquies of the Decree),
- Special Part “D” for the crimes of fencing, money laundering and using illegally obtained money, assets or other ill-gotten gains, as well as self-laundering, fraud and counterfeiting means of payment (Art. 25-octies of the Decree) and offenses relating to non-cash means of payment (art. 25-octies.1 del Decreto)
- Special Part “E” on cybercrimes and unlawful processing of data, and crimes involving breach of copyright (Articles 24-bis and 25-novies of the Decree),
- Special Part “F” on organized crime (Art. 24-ter of the Decree),
- Special Part “G” relative to crimes in breach of environmental standards (Art. 25-undecies of the Decree) and crimes against the cultural heritage and looting of landscapes (Articles 25-septiesdecies and 25-duodevicies of the Decree),
- Special Part “H” on crimes concerning obstruction of justice (Art. 25-decies of the Decree and Art. 10, paragraph 9 of Italian Law no. 146/2006),
- Special Part “I” on crimes against industry and trade (Art. 25-bis1, letter f-bis and art. 25-bis of the Decree) and crimes of counterfeiting currency, legal tender, duty stamps, and distinctive signs or marks pursuant to Art. 473 of the Italian Criminal Code,
- Special Part “L” on tax crimes (Art. 25-quinquiesdecies of the Decree),
- Special Part “M” on smuggling (Art. 25-sexiesdecies of the Decree).

**4.2.6. Adoption and management of the model in Hitachi Rail STS**

Wherever Hitachi Rail finds itself holding direct or direct controlling stakes in Italian companies and they are consolidated, these companies shall have their own Organization, Management and Control Model in line with the provisions of the Decree.

In doing so, these companies will establish their own Supervisory Body with the primary task of controlling implementation of the Model according to the procedures described therein and based on the indications given in Articles 6 and 7 of the Decree.

The Supervisory Body of the Italian subsidiaries that the Parent Company Hitachi Rail STS may find itself holding:

- shall liaise with Hitachi Rail STS so as to guarantee the adoption of an Organization, Management and Control Model in line with the provisions of the Decree, with the Confindustria Guidelines and with the principles of this Model,
- shall promote the transmission to Hitachi Rail STS of the Organization, Management and Control Model adopted and any subsequent updates thereto.

Non-Italian direct or indirect subsidiaries of Hitachi Rail STS and consolidated by Hitachi Rail STS (the Group’s foreign companies) adopt all the organizational and structural provisions that make it possible to correctly and promptly incorporate the provisions of local regulations incorporating the international agreements as per paragraph 4.1.1 above.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>20/157</b>

In any case, all the Group’s foreign companies shall standardize their conduct as far as possible, assuring it is in line with the control principles set forth in this Model. In addition, the foreign companies shall adopt the Hitachi Group Code of Ethics and Business Conduct.

**4.2.7. Elements of the model**

As mentioned above, the components of the preventive control system that must be implemented at a corporate level to guarantee the effectiveness of the Model are:

With reference to the criminal offenses:

- ethical principles aimed at preventing the crimes envisaged by the Decree,
- formalized, clear organizational system,
- manual or computerized operating procedures aimed at regulating the activities in the corporate areas at risk with suitable control measures,
- updated, consistent powers of authorization and signature with the organizational and managerial responsibilities defined,
- management control system able to provide prompt reports of the existence and onset of critical situations,
- personnel training and communication system regarding all elements of the Model, including the Code of Ethics,
- disciplinary system able to sanction the breach of the rules of the Code of Ethics and other indications of the Model.

as regards the crimes of manslaughter and bodily harm committed through breach of rules protecting health and safety in the workplace and crimes consisting of the breach of rules protecting the environment:

- Code of Ethics (Hitachi Group Code of Ethics and Business Conduct) with reference to the crimes considered,
- an organizational structure with tasks and responsibilities relating to health and safety at work and environmental protection defined formally in line with the company’s organizational and functional structure,
- teaching and training of employee/worker must be adequately trained, with particular reference to his or her own function and duties.
- communication, aimed at assuring the circulation of information within the company to foster the involvement of all those involved and allow for awareness and suitable commitment on all levels,
- control system, relative to risks to health and safety at work and environmental protection, integrated and consistent with the comprehensive management of the corporate processes,
- monitoring system, aimed at verifying the suitability and adoption of prevention and protection measures,
- ISO 14001 certifications for the environment and ISO 45001 for occupational and environmental safety for all production units.

Below, therefore, is a description of the control measures on which the Hitachi Rail STS Model is based with characteristics that apply to all types of offenses envisaged by the Decree, whilst - in

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>21/157</b>

any case without prejudice to the provisions of this paragraph - reference is made to the Special Parts for information about protocols with specific characteristics for each type of crime.

As regards the Code of Ethics, the Supervisory Body, the disciplinary system and the personnel communication and training system, reference is made to the following chapters of the Model, specifically dedicated to these subjects.

#### Organizational system

The company's organizational system ensures consistency with the corporate business, correctness of conduct, guaranteeing a clear, organized attribution of duties, in application of a suitable segregation of duties.

#### Authorization system

The Company's Authorization System is based on the following principles:

- definition of roles, responsibilities and controls in the process of conferring and revoking powers of attorney,
- monitoring of existing powers of attorney and related update,
- assignment and revocation of powers of attorney in line with the roles held in the organization,
- clear definition of powers of the proxy and limits for the exercise of the powers, in line with corporate objectives,
- need to confer powers of attorney to operate regarding third parties and in particular the Public Administration.

Specifically, the system envisages the attribution of:

- powers of permanent representation, attributable through notary powers of attorney registered in connection with the performance of activities connected with the permanent responsibilities envisaged in the corporate organization. The powers of attorney that confer powers of permanent representation are conferred only by the Chief Executive Officer,
- powers relative to individual and/or multiple affairs, conferred with notary powers of attorney or other forms of delegation in relation to their content, the attribution of such powers is regulated by Company practice as well as by the laws defining the forms of representation, in line with the types of individual deeds to be stipulated.

In order to ensure the constant update and consistency between the authorization system of the powers of company signature and representation and the organizational and managerial responsibilities defined, the appointed company departments act in such a way as to guarantee the constant update of the system of powers, also during:

- the revision of the corporate macro-organizational structure (establishment/surpassing of level one organizational units, etc.),
- significant changes in responsibilities and events involving key positions in the structure,
- the leaving from the corporate organization of subjects with company powers or the entrance of those requiring company powers.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>22/157</b>

### Corporate procedures in areas at risk

The internal procedures that also apply with regards to areas at risk are characterized by the following elements:

- separation, within each process, of the party making the decision (decision-making), the party authorizing it, the party executing the decision and the subject in charge of controlling the process (i.e. segregation of duties),
- documented evidence of each relevant step of the process, including control (referred to as “traceability”),
- adequate level of formalization.

For the details of the company procedures related to the risk areas outlined in the Special Parts of this Model, please refer to the procedure G-IND A1101 "Internal Regulation for the prevention of 231 Risks”.

### Management control and cash flows

The management control system adopted by Hitachi Rail STS is structured into the various phases of preparation of the annual budget, analysis of periodic balances and processing of forecasting.

The system guarantees:

- multiple subjects involved, in terms of a fair segregation of duties for the preparation and transmission of information in such a way as to guarantee that all outlays are requested, carried out and controlled by independent departments or subjects insofar as possible that differ to whom, moreover, no responsibilities are assigned such as to determine potential conflicts of interest. The double signature is also required by company managers for the banking payment arrangement.
- capacity to provide timely notice of the existence and onset of critical situations through a suitable, timely system of information flows and reporting.
- the protection of assets with related prohibition to implement financial transactions at risk.

### Documentation management

All the internal and external documentation of Hitachi Rail is managed in ways that regulate, as applicable, the update, distribution, registration, archiving and management of the security of documents and records, on the basis of the following principles:

- definition of roles and responsibilities in the preparation and conveyance of documentation and information,
- definition of controls on the merits and form of the incoming and outgoing documentation and information,
- definition of criteria of traceability and archiving of the incoming and outgoing documentation.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>23/157</b>

Activities carried out through service companies

In the case of activities carried out by external companies, the Company must take into account the following criteria:

- the formalization of the services provided under specific service contracts,
- the provision for suitable control measures on the activities concretely performed by service companies on the basis of contractually defined services,
- the existence of formalized procedures/company guidelines relative to the definition of the service contracts and the implementation of control measures, also with reference to the criteria used to determine fees and the methods of payment authorization.

**4.2.8. Model amendments and supplements**

As this Model is a “deed issued by the management body” (in compliance with the provisions of Art. 6, paragraph 1, letter a of the Decree), its adoption, implementation and update, as well as subsequent amendments and supplements, are left to the competence of the Board of Directors of Hitachi Rail STS.

In particular, with respect to defining the Model 231, the Board of Directors is responsible for the following matters:

- preliminary examination and approval of the Model or its updates, amendments or supplements, including on the proposal of the SB,
- assessment of any significant critical issues in terms of Italian Legislative Decree no. 231/01 and implementation of corrective action aimed at removing, remedying, or mitigating such critical issues, including on the report of the SB,
- approval of the SB Articles of Association and amendments or supplements thereto,
- appointment, revocation and replacement of the members of the SB and determination of the related fees,
- attribution to the SB, on its indication, of funds to be used to cover the costs and expenses to be incurred in the exercise of its duties,
- application of the disciplinary sanctions, in the cases in which the intervention of the Board of Directors is envisaged.

For the fulfillment of the above, the Board of Directors seeks the assistance of specific corporate structures.

More specifically, the Hitachi Rail STS Board of Directors is in charge, including on the proposal of the Supervisory Body, of supplementing this Model with additional Special Parts relative to other types of crimes that, as a result of new legislation, may be further connected to the scope of application of the Decree and present risk profiles for the Company.

All the above amendments and supplements will be promptly notified to the various Italian subsidiaries for any adjustment of the respective organizational, management and control models.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>24/157</b>

**4.3. SUPERVISORY BODY**

**4.3.1. Identification of the Supervisory Body**

Art. 6 of Italian Legislative Decree no. 231/2001, which covers the Supervisory Body, has clarified the nature, characteristics and duties, indicating that:

- the Supervisory Body is the entity's body but which has autonomous powers of both initiative and control,
- its tasks are to monitor the operation and observance of the Model and to take the initiative to update it,
- failure or insufficient monitoring by the Body nullify the whole prevention system implemented by the entity.

In order to assure the autonomy, independence and competence of the Supervisory Body, the Hitachi Rail STS Board of Directors has approved specific Articles of Association, annexes to this Model, whereby it has established rules for the appointment, membership and operation of the Body, the term of office, the suspension and replacement of its Members, the duties and powers and the reports to the corporate bodies and senior management.

For details, refer to the Articles of Association. Here, it suffices to stress that the Articles of Association establishes that the Body shall comprise multiple members, including external members, one of whom shall act as Chairman, identified from scholars and professionals of proven skill and experience in legal, economic and financial matters and at least one internal member.

In turn, the Body has a specific Regulation, an expression of its operative and organizational autonomy, aimed at regulating in particular the function of its business.

The Supervisory Body reports directly to the Chief Executive Officer and Board of Directors and informs the Board of Auditors of its activities.

**4.3.2. Duties and powers of the Supervisory Body**

The information flows to the SB are of three types:

- Periodic information flows
- *Ad hoc* information flows
- Reports

**Periodic information flows**

The Company, in agreement with the Supervisory Body and in compliance with Article 6, Paragraph 2 of Legislative Decree 231/2001, has established a system of periodic information flows to the Supervisory Body. This system is designed to systematically acquire information on the main 231 risk areas in order to assess compliance with the control principles of Model 231 and its effective implementation.

The 231 information flow system of STS is managed through a dedicated digital platform called "Portale231", which enables the compilation and submission of the following reporting forms to the Supervisory Body:

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>25/157</b>

- *Declaration of Absence of Conflicts of Interest*  
Statement regarding any situations that could create a conflict of interest due to a personal or family interest, whether direct or indirect, that may influence business decisions made by Hitachi employees. This declaration must be completed annually by members of the Board of Directors, executives, and attorneys (including HSE delegates),
- *Senior Management Form*  
Declaration of compliance with the principles of Model 231 and the Code of Ethics, as well as the reporting of any violations or 231 offenses. This form must be completed quarterly by employees holding managerial positions with independent decision-making authority,
- *Meetings with Public Administration, Authorities, and Private Clients Form*  
Reporting document ensuring traceability of significant interactions with representatives of the Public Administration, private clients, or public entities, in accordance with Manual G-MNL\_A1101 "Managing Relations with the Public Administration". This form must be completed quarterly by employees authorized (by proxy) to represent the company before the Public Administration and private clients.
- *Risk Area Forms*  
Declarations and collection of information regarding activities/areas where 231 offenses could potentially be committed (e.g., HSE). This form must be completed quarterly by the responsible individuals.

The information sent serves to allow the SB to direct its investigations and analyses aimed at assessing the degree of suitability and effectiveness of the Model for preventing predicate offenses for the application of Italian Legislative Decree no. 231/2001 as well as the level of concrete implementation of the provisions of the Model.

Each of the supervisors shall answer for the aspects relative to the area of competence and the persons who depend on him, acquiring the information necessary from the offices and guaranteeing the correctness.

**Ad hoc information flows**

*Ad hoc* information flows include information that the heads of the company departments shall direct to the SB when current critical issues occurring in their offices or learned during the exercise of their activities, need, in view of their severity and importance, to be notified to the SB immediately and without respecting the pre-established frequency. The information in any case includes:

- provisions passed by the legal authority or other authorities relating to the existence of criminal proceedings for predicate offenses for the application of Italian Legislative Decree no. 231/2001,
- requests for legal assistance submitted by directors, employees or managers for events that are relevant in accordance with Legislative Decree no. 231/2001,
- the results of the verifications carried out by the internal audit department on themes relating to the risk profiles pursuant to Italian Legislative Decree 231/01 or compliance with 231 protocols,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>26/157</b>

- the reports and notifications prepared by the corporate departments and any reports received, including anonymous reports, which reveal critical issues in respect of observance of Leg. Decree no. 231/2001 or that established by the Model,
- information relative to any serious injuries that have occurred,
- information relative to episodes concerning risks or serious damage to the environment,
- particularly important situations that show risks of the perpetration of predicate offenses for the application of Italian Legislative Decree no. 231/2001.

**Reports and Whistleblowing**

Hitachi Rail is committed to conducting its activities in full compliance with the Law and for this reason, encourages all those who are aware of illicit conduct or suspect illicit conduct to report it.

Reports are managed according to the regulatory requirements regarding "Whistleblowing" predicted by the Legislative Decree. 24/2023 which transposes EU Directive 2019/1937.

Reports may concern:

- administrative, accounting, civil or criminal offences;
- relevant illicit conduct pursuant to Legislative Decree no. 231/2001, or violations of the Code of Ethics applicable to the Company from time to time, or violations of the organization, management and control models provided therein.

The reports may also concern well-founded suspicions regarding violations committed or which, based on concrete elements, could be committed, as well as information relating to conduct aimed at concealing the violations.

The individual, internal and external to the company, as identified by the art. 3 paragraph 3 Legislative Decree. 24/2023 has various reporting channels available, and in particular:

- Company workers can report in writing or orally to the "Human Resources" and "Legal and Compliance" functions of the Company.
- All interested parties, internal and external, can submit an online report to the Hitachi Group's "compliance hotline" at "[hitachi.ethicspoint.com](https://hitachi.ethicspoint.com)". The hotline is available 24 hours a day, 7 days a week;
- All interested parties, internal and external, can submit a report by mobile using one of the numbers available on the "hotline" at "[hitachi.ethicspoint.com](https://hitachi.ethicspoint.com)";
- All interested parties, internal and external, can submit a report to the Supervisory Body at the address «[odv@hitachirail.com](mailto:odv@hitachirail.com)»

A receipt of the report is carried out via a third-party platform called "NAVEX", which receives and processes all reports reported in a secure and confidential manner. NAVEX confirms receipt of the report to the reporting party and forwards the report to the Company's relevant "compliance" function.

If the report concerns areas relating to this Model or in any case relevant conduct pursuant to Legislative Decree 231/01, the receiving function will send it to the Supervisory Body, which ensures the carrying out of the appropriate and necessary checks on the facts reported, guaranteeing that these are carried out in compliance with the provisions of the law and in

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>27/157</b>

particular the privacy and confidentiality aspects related to the reported person and the person reporting the information.

The system adopted by the Company is based on two fundamental conditions required by law: protection of confidentiality and protection from retaliation.

In particular, with regards to the protection of confidentiality, the identity of the reporting person cannot be revealed, without his express consent, to people other than those in charge to receive or follow up on the reports. This prohibition is also extended to any other information from which such identity can be deduced, directly or indirectly.

The protection of identity also concerns people involved and those mentioned in the report, until the conclusion of the proceedings initiated due to the report in compliance with the same guarantees provided in favor of the reporting person.

With regards to protection from retaliation, the Company prohibits any act of retaliation or discrimination, direct or indirect, against the whistleblower for reasons connected, directly or indirectly, to the report made (for example dismissal, mobbing, demotion, etc.).

In the event that, following the checks carried out, the validity of the facts reported is ascertained, the relevant outcomes are communicated to the competent company functions, so that the most appropriate sanctioning measures are taken, as described in the paragraph "Disciplinary system and measures in case of failure to comply with the provisions of the Model" of this document (paragraphs 4.5 and following General Part).

For anything not expressly referred to in this paragraph, please refer to the Law, the Group Directive «Whistleblowing Policy» as well as the «Whistleblowing & Speak-up Policy» and the «Hotline Instruction Guide» available on the company website in the «hitachi» section. [ethicspoint.com](http://ethicspoint.com)»

All information relating to reports is retained for a period not exceeding five years.

The company guarantees that all are aware of the reporting procedures and of the related rights and protections adopted.

### **4.3.3. Actions of the Supervisory Body**

The Supervisory Body considers and examines information and reports received and envisages the analyses it considers necessary, following the procedures outlined in the "Whistleblowing & Speak-up Policy".

During this phase of analysis, all investigations considered necessary shall be carried out, querying the people to obtain the necessary information, acquiring documentation, liaising with Compliance and other corporate bodies and external consultants. All activities of the SB are minuted and conclude with a report, explaining:

- archiving when the SB believes that no further measures are necessary,
- a recommendation when an adjustment is needed to the Model, a procedure or organizational deed,
- a suggestion of disciplinary action when a breach is identified of procedures or the Model.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>28/157</b>

**4.3.4. Collection, storage and access to the archives of the Supervisory Board**

All information, reports and notifications envisaged in the Model are stored by the Supervisory Body in specific electronic archives, access to which is only permitted (under the terms reported in the SB Regulation) to the Members of the Supervisory Body and its Technical Secretariat.

**4.4. PERSONNEL TRAINING AND DISTRIBUTION OF THE MODEL IN THE CORPORATE CONTEXT AND EXTERNALLY**

**4.4.1. Staff Training**

Hitachi Rail STS promotes awareness of the Model, the in-house regulatory system and their relevant updates of all employees who are required to know the contents, observe it and help implement it.

In cooperation with the Supervisory Body, the Company manages personnel training on the contents of the Decree and the implementation of the Model through a specific plan.

In this context, the communications envisage:

- inclusion of the Model and Code of Ethics (Hitachi Group Code of Ethics and Business Conduct) in the company intranet, in the specific dedicated section of the Company website, also in the English version,
- permanent on-line course on the company intranet on the contents of the Decree, the Organizational Model and the Code of Ethics,
- specific training sessions for senior management,
- e-mail providing an update of the changes made to the Model or the Code of Ethics (Hitachi Group Code of Ethics and Business Conduct), consequent to significant legislative and/or organizational changes relative to the Decree, including with reference to the on-line course on the company intranet.

Participation in training sessions and the on-line course is mandatory and Hitachi Rail STS constantly monitors to ensure that the training course is used by all personnel. In addition, learning is checked through specific questionnaires. Providing correct answers to the questionnaire questions is essential to obtain the course completion certificate.

Traceability of participation in training on the Decree is implemented through the request for signing an attendance sheet and as regards e-learning activities, through a course attendance certificate.

Any update training sessions, in addition to specific investigations into the matter held for new employees under the scope of the process of inclusion in the company, will be carried out in the event of major changes to the Model, the Code of Ethics (Hitachi Group Code of Ethics and Business Conduct) or onset legislation relative to the work of the Company, if the Supervisory Body does not consider the simple distribution of the change in the above manner to be sufficient.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>29/157</b>

**4.4.2. Information to external collaborators and partners**

Hitachi Rail STS promotes awareness and observance of the Model and Code of Ethics (Hitachi Group Code of Ethics and Business Conduct) including amongst the commercial and financial partners, consultants, collaborators, customers, and suppliers of the Company.

The information is provided, for the subjects listed above, through the circulation of an official communication on the existence of the Model and Code of Ethics (Hitachi Group Code of Ethics and Business Conduct), with an invitation to consult the Company's website.

Hitachi Rail STS inserts specific clauses in contracts with commercial, financial and consultant counterparties, which may affect the validity of the contract in the event of non-compliance with the principles established in the Model and in the Code of Ethics by these parties.

**4.5. DISCIPLINARY SYSTEM AND MEASURES IN THE EVENT OF FAILURE TO OBSERVE THE MODEL PROVISIONS**

**4.5.1. General Principles**

Preparation of a suitable sanction system for the breach of the Model provisions is essential in order to assure the Model's effectiveness.

In this regard, in fact, Article 6, paragraph 2, letter e) of the Decree establishes that the organizational and management models must *“introduce a disciplinary system able to sanction failure to comply with the measures set out in the model”*, specifying that this disciplinary system must envisage specific sanctions *“in regard to anyone breaching the measures protecting the whistleblower and anyone deliberately or negligently making reports that are unfounded”* (Art. 6, paragraph 2-bis, letter d) and Case Law has on multiple occasions ruled that the existence of the disciplinary system is an essential part of the Model pursuant to Italian Legislative Decree no. 231/2001.

For the purpose of this Disciplinary System and in compliance with the provisions of applicable laws and that established by collective bargaining agreements, where applicable, any action or conduct implemented in breach of the Model shall be subject to sanction. As this latter also consists of the legislative corpus, which is an integral part thereof, it therefore follows that *“breach of the Model”* shall be construed as breach of one or more procedures and/or principles of the Code of Ethics.

The application of the disciplinary sanctions is regardless of the start and/or outcome of any criminal proceedings, insofar as the rules of conduct laid down by the Model are accepted by the Company in complete autonomy.

The identification and application of sanctions must consider the principles of proportionality and suitability of such to the alleged breach. To this end, the following circumstances are important:

- type of offense reported,
- concrete circumstances in which the offense was committed,
- method by which the conduct was implemented,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>30/157</b>

- severity of the breach, also taking into account the subjective attitude of the perpetrator,
- any committing of multiple breaches under the scope of the same conduct,
- any collaboration of more than one party in committing the breach,
- any repetition by the perpetrator.

#### **4.5.2. Sanctions for employees**

##### **White Collar workers and Middle Management**

Employees' violation of the rules of conduct outlined in this Organizational Model are defined as disciplinary infractions.

The sanctions that can be charged come under the scope of those envisaged by the corporate disciplinary regulation, in compliance with the procedures envisaged by Article 7 of the Workers' Statute and any special legislation applicable and applicable collective regulations.

In connection with the foregoing, the Model refers to the disciplinary system set out in the collective bargaining agreement.

More specifically, in compliance with the provisions of the National Collective Bargaining Agreement of Metal-Mechanical Workers, it is established that:

- any worker who adopts conduct that is not compliant with the provisions of the Model, shall be subject to VERBAL WARNING, WRITTEN WARNING, FINE, SUSPENSION FROM WORK AND PAY, as such conduct shall constitute breach of the duties of the employee as identified by the National Collective Bargaining Agreement (Section IV - Title VII - Art. 9 - letter I) and prejudicial to the rules and moral of the company,
- any worker who, in working in areas at risk, breaches this Model in a manner that although more significant than those considered by the point above, are not so serious as to result in the sanction of dismissal without notice, shall be DISMISSED WITH NOTICE,
- any worker who, in working in areas at risk, behaves in a way that is clearly intended to commit an offense sanctioned by the Decree or in breach of the provisions of the Model, such as to determine the concrete application to the Company of measures envisaged by the Decree shall be DISMISSED WITHOUT NOTICE as such conduct is seen as an extremely serious breach such as to seriously morally and/or materially harm the company.

This document details, with specific reference to the crimes envisaged by the Decree, the disciplinary code adopted in the company and is made available to all Company employees through the standard means of distribution used by the company.

##### **Managers**

In the event of breach by managers of the provisions of the Model and/or Code of Ethics, or of the adoption of conduct that is not compliant with the Model, the most suitable measures will be taken against the parties responsible, in compliance with the provisions of the National Collective Bargaining Agreement for Industrial Managers.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>31/157</b>

**4.5.3. Measures taken against directors and auditors**

In the event of breach of the Model by one or more Directors and/or Auditors of Hitachi Rail STS, the SB informs the Board of Directors and the Board of Auditors, who - on the basis of their respective competences - will proceed to take one of the following initiatives, taking into account the severity of the breach and in compliance with the powers envisaged by the law and/or the Articles of Association:

- declarations in the minutes of meetings,
- formal notice,
- revocation of the appointment and/or delegation, request to convene or convening of the Shareholders' Meeting with the agenda featuring the adoption of suitable measures in regard to the perpetrators of the breach, including the exercise of lawsuits aimed at acknowledging the liability of the director in regard to the Company and the restoration of damages suffered.

Taking into account that the Directors of Hitachi Rail STS are appointed by the Company's Shareholders' Meeting, in the event of breach of the Model such as to compromise the trust with the company representative or if there are serious reasons connected with the protection of the interests and/or image of the Company (for example the application of interim measures or referral to the opinion of the Directors in connection with the perpetration of crimes that may result in the Company incurring administrative liability), the Shareholders' Meeting will be convened to resolve on the revocation of the mandate.

**4.5.4. Measures in regard to collaborators, consultants, partners, counterparties and other external subjects**

All conduct implemented under the scope of a contract by collaborators, auditors, consultants, partners, counterparties and other external subjects in conflict with the lines of conduct indicated by the Code of Ethics (Hitachi Group Code of Ethics and Business Conduct), may affect, thanks to the activation of certain clauses, the validity of the contract. The legal department, collaborating with the SB, assures the preparation, update and inclusion in the letters of appointment or business agreements or partnerships of these specific contractual clauses.

**4.5.5. Sanction application procedure**

The procedure for the application of sanctions consequent to breach of the Model and Code of Ethics (Hitachi Group Code of Ethics and Business Conduct) differs for each category of addressees in terms of the phase:

- of the report of the breach to the party concerned,
- of the determination and subsequent application of the sanction.

The application procedure may, in any case, start following receipt by the company bodies competent as applicable and indicated below, of the notice with which the SB informs the relevant body of the breach of the Model.

More specifically, in all cases where notice is received or acquired during monitoring, and where elements have been proven as constituting danger of breach of the Model, the SB has the task of acting to carry out all checks and audits under the scope of its activities.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>32/157</b>

Once the verification and control is complete, on the basis of the elements in its possession, the SB evaluates the existence of conditions for the activation of the disciplinary procedure, duly informing the Head of Human Resources, also in order to assess any relevance of the conduct with respect to other applicable laws or regulations.

**4.1.1.1 The disciplinary procedure with regard to directors and auditors**

If the breach of the Model should be noted by a subject holding the position of Director, who is not tied to the Company by a subordinate contract of employment, the SB shall send to the Chief Executive Officer for subsequent sending to the Board of Directors and to the Board of Auditors of a report containing:

- a description of the conduct noted,
- an indication of the provisions of the Model that have been breached,
- the general details of the subject responsible for the breach,
- any documents proving the breach and/or other relevant elements,
- proposal with regard to an appropriate sanction for the specific case in hand.

Within ten days of receipt of the report by the SB, the Board of Directors shall call the member specified by the SB for a Board meeting. This shall be held no later than thirty days following receipt of said report.

The notice of calling must:

- be made in writing,
- contain indication of the alleged conduct and provisions of the Model purported to have been breached,
- notify the party concerned of the date of the meeting, with notice of the faculty to present any findings and/or objections, both in writing and verbally. The notice of calling must be signed by the Chairman and at least two members of the Board of Directors.

During the meeting of the Board of Directors, which the members of the SB are also invited to attend, the party concerned will be heard, any counterclaims made by this latter will be formulated, and any further checks deemed to be appropriate shall be completed.

On the basis of the elements acquired, the Board of Directors shall thus determine an applicable sanction, providing grounds for any disagreement with the proposal with respect to the proposal formulated by the SB.

The resolution made by the Board of Directors and/or the Shareholders’ Meeting, as applicable, shall be notified by the Board of Directors to the party concerned and the SB for any appropriate checks, in writing.

The above proceedings also apply if breach of the Model is noted by a member of the Board of Auditors within the limits permitted by applicable provisions of law.

In all cases where a breach of the Model is noted by a Director tied to the Company by a subordinate contract of employment, proceedings will be started as envisaged below in regard to the Managers/Employees.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>33/157</b>

Should the results of these procedures entail the sanction of termination of employ, the Board of Directors shall call the Shareholders' Meeting without delay to resolve the revocation of the Director from his office.

#### **4.1.1.2 The disciplinary procedure with regard to managers**

The procedure for ascertaining the offense with regards to the Managers is performed in compliance with current legislative provisions and applicable collective bargaining agreements.

Specifically, the SB sends the Chief Executive Officer and the Head of Human Resources, to whom the management of managers is assigned, a report containing:

- a description of the conduct noted,
- an indication of the provisions of the Model that have been breached,
- the general details of the subject responsible for the breach,
- any documents proving the breach and/or any other relevant documents.

Within five days of the acquisition of the SB report, the Chief Executive Officer summons the Manager concerned by means of a notice of complaint, setting out:

- the indication of the conduct noted and the subject of the breach in accordance with the Model,
- notice of the date of the discussion and the right of the party concerned to there to submit any considerations, in writing or verbally, on the events.

Thereafter, the Chief Executive Officer, together with the Head of Human Resources, will define the position of the party concerned and the implementation of the relevant sanction proceedings.

If the party against whom the proceedings have been brought holds a position of Manager with the attribution of delegations by the Board of Directors, and if the investigation proves their involvement in accordance with Italian Legislative Decree no. 231/01, the following is envisaged:

- the Board of Directors may decide on whether or not to revoke the delegations attributed according to the nature of the appointment,
- the Chief Executive Officer can take action to define the position of the person concerned and implement the related sanction proceedings.

In general terms, the provision applying the sanction is notified in writing to the party concerned within six days of receipt of explanations by the manager. These terms will run from the date on which the written justifications are provided or, if later, the oral explanations. Under the scope of the procedure described above, it is envisaged that the Company's Board of Directors is informed in both these cases of the results of the internal audits and the sanction profile applied.

A copy of the sanction resolved will be sent to the SB for its information, and they will therefore verify its application. Without prejudice to the faculty to seize the legal authorities, within thirty days of receipt of the written notice of dismissal, the manager may petition the Conciliation and Arbitration Panel in accordance with the procedures envisaged by applicable contracts. In the event of appointment of the Panel, the disciplinary sanction is suspended until the ruling of said body.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>34/157</b>

**4.1.1.3 The disciplinary procedure with regard to employees**

The procedure for the application of the sanction to Employees takes place in compliance with the provisions of Art. 7 of the Workers' Statute and the National Collective Bargaining Agreement.

In particular, in the event of reports, the SB sends the Head of Human Resources a report setting out:

- the general details of the subject responsible for the breach,
- a description of the conduct noted,
- an indication of the provisions of the Model that have been breached,
- any documents and elements in support of the charges.

Through the Head of Human Resources, promptly with respect to the acquisition of the report, the Company sends the Employee a written notice of the charges pursuant to Art. 7 of the Workers' Statute, containing:

- a timely indication of the conduct noted,
- the provisions of the Model allegedly breached,
- notice of the faculty to provide written clarification and/or explanations within five days of receipt of the notice and to request the involvement of the representative of the trade union to which the employee adheres or grants power of attorney.

Following any rebuttal arguments submitted by the party concerned, the Head of Human Resources shall take steps in respect of the application of the sanction, determining the relevant entity. The sanctions must be applied within six days of receipt of the explanations. The related provision shall also be notified to the SB, which also verifies the effective application of the sanction applied.

Without prejudice to the possibility of seizing the legal authorities, within twenty days of receipt of the order, the Employee may promote the establishment of a conciliation and arbitration panel, in this case with the sanction suspended until the relevant ruling.

Under the scope of the procedure described above, it is envisaged that the Company's Board of Directors is informed of the results of the internal audits and the sanction profile applied with regard to employees.

**4.1.1.4 The proceedings in regard to third party model addressees**

In order to allow for the assumption of the initiatives envisaged by the contractual clauses, the SB sends the Manager of the Department that manages the contract and, for his information, the Chief Executive Officer, a report setting out:

- details of the party responsible for the breach,
- a description of the conduct noted,
- an indication of the provisions of the Model that have been breached,
- any documents and elements in support of the charges.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>35/157</b>

If the contract has been resolved by the Company's Board of Directors, this report must also be sent to the attention of it and the Board of Auditors.

The Head of the Department that manages the contract, by agreement with the legal department and on the basis of any determinations passed in the meantime by the Chief Executive Officer and the BoD and Board of Auditors in the cases envisaged, sends the party concerned a written notice setting out the indication of the conduct noted, the provisions of the Model allegedly breached and an indication of the specific contract clauses to be applied.

The SB will be responsible for monitoring the initiation of disciplinary proceedings and their possible outcomes, resulting from violations of the Code of Ethics and Model, as proposed by the OdV itself.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>36/157</b>

**5. SPECIAL PART**

**INTRODUCTION**

This Special Part consists of 14 sections (from A to M), designed for the different types of potential risk offenses, identifying the risk areas and the corresponding control measures. The specific Special Parts outlined below have the following purposes:

- to define the general principles of conduct and control with which all Model Addressees must comply to prevent the perpetration of the crimes to which the Special Part refers,
- to ensure conditions of correctness and transparency in the conduct of the corporate business,
- to supply the Supervisory Body and other control departments with the tools necessary to monitor, control and verify.

The Model Addressees are, as defined in the General Part, the directors, auditors, managers, employees and collaborators with which contracts are stipulated, in any way, including on an occasional and/or merely temporary basis and in general all those who entertain relations of any kind with the Company.

In general, all company representatives must adopt, each insofar as they are competent, conduct in compliance with the following documents:

- this Model,
- the Code of Ethics (Hitachi Group Code of Ethics and Business Conduct),
- roles and mandates as defined by the organizational provisions,
- corporate procedures, for which specific details are provided in procedure G-IND A1101 "Internal Regulation for the prevention of 231 Risks.",
- powers of attorney and delegations:

It is in any case prohibited to act in any way in conflict with the provisions of the law.

**231 RISK AREAS**

Below is the list of crime risk areas relevant to Hitachi Rail STS. Each Special Part outlines the relevant risk areas for the categories of offenses analysed therein:

**001 Relations with customers (Public Administration or private entities) in the management and coordination of commercial activities,**

**002 Research and negotiation of orders/contracts of sale and maintenance with customers (Public Administration or private entities) also through tenders,**

**003 Stipulation, execution and management of contracts/orders (Public Administration or private entities),**

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>37/157</b>

- 004 Selection and management of commercial promoters and partners in ATI (temporary associations of enterprises) and/or consortia,
- 005 Management of requirements, communications and requests for authorizations, licenses and certifications, including during audits and inspections by the competent public administrations, supervisory authorities or competent public entities,
- 006 Management of relations and requirements envisaged under the scope of the activities for the application and management of public grants/loans,
- 007 Management of judicial and extrajudicial disputes and relations with the Judicial Authorities,
- 008 Finance and treasury,
- 009 Management of representation expenses, gifts, sponsorships and donations,
- 010 Personnel recruitment, hiring and reimbursement of travel expenses management,
- 011 Procurement of goods, services and consultancies,
- 012 Management of access to websites and software of the Public Administration or provided by third parties on behalf of public entities,
- 013 Management of corporate requirements (relations with shareholders, auditors and external auditors),
- 014 Management of the general accounting and preparation of the draft consolidated and statutory financial statements and any equity positions, including when performing extraordinary transactions,
- 015 Relations with third parties for certification activities,
- 016 Management of relations with the financial market,
- 017 Management of research and development and intellectual property,
- 018 Activities impacting health and safety at work,
- 019 Management of activities related to the assumption/acquisition of investments,
- 020 Management of administrative and accounting activities for consortia in which the Company participates,
- 021 Development of the signaling applications,
- 022 Assistance and maintenance of signaling applications,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>38/157</b>

- 023 Installation of the technological signaling infrastructure at the client's premises,
- 024 Assistance and maintenance of technological infrastructure,
- 025 Management of the data in the accounting systems,
- 026 Management of copyright protected works,
- 027 Activities impacting Environment,
- 028 Invoicing/reporting management,
- 029 Management of tax compliance: preparation and sending of data to the tax records and payment of tax,
- 030 Import/export.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>39/157</b>

**6. SPECIAL PART “A” - CRIMES TO THE DETRIMENT OF THE PUBLIC ADMINISTRATION**

**INTRODUCTION**

The crimes to which this Special Part refers are those indicated under Articles 24 and 25 of the Decree below and, therefore:

- fraud to the detriment of the State or other public entities (Art. 640, paragraph 2, point 1 of the Italian Criminal Code),
- fraud to obtain public funds (Art. 640 bis of the Italian Criminal Code),
- embezzlement of public funds (Art. 316-bis of the Italian Criminal Code),
- misappropriation of public funds (Art. 316-ter of the Italian Criminal Code),
- computer fraud (Art. 640 ter, paragraph 1 of the Italian Criminal Code),
- crimes against the Public administration acting in concert with public officers and public servants:
  - Concussion (Art. 317 of the Italian Criminal Code),
  - Corruption:
    - for the exercise of the duties (Articles 318-320 and 321),
    - for an act in conflict with official duties (Articles 319-320 and 321 of the Italian Criminal Code),
- instigation to corruption (Art. 322 of the Italian Criminal Code),
- corruption in legal acts (Art. 319-ter of the Italian Criminal Code),
- undue inducement to give or promise benefits (Art. 319-quater of the Italian Criminal Code),
- concussion, corruption, undue inducement to give or promise benefits and instigation to the corruption of members of the International Criminal Court or of the bodies of the European Community and officers of the European Community and foreign states (Art. 322 bis of the Italian Criminal Code),
- trafficking in unlawful influence (Art. 346-bis of the Italian Criminal Code),
- fraud in public supplies (Art. 356 of the Italian Criminal Code),
- fraud to the detriment of the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (Art. 2 of Italian Law no. 898/1986),
- embezzlement (Art. 314 of the Italian Criminal Code),
- embezzlement through profiting from a third party error (Art. 316 of the Italian Criminal Code),
- bid rigging (Art. 353 of the Italian Criminal Code)
- disturbed freedom of the procedure for choosing the contractor (Art. 353 bis of the Italian Criminal Code).
- misappropriation of money or movable property (Art. 314-bis of the Italian Criminal Code)
- disturbance of the freedom of public bidding (Art. 353 of the Italian Criminal Code)
- disturbance of the freedom of the contracting procedure (Art. 353-bis of the Italian Criminal Code)

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>40/157</b>

Below there is a list of individuals falling under the definition of public officials and public servants:

- subjects performing a public legislative or administrative function such as, for example:
  - parliament and government members,
  - regional and provincial councilors,
  - European parliament members and members of the European Council,
- subjects performing accessory duties (operators in charge of storing parliamentary deeds and documents, of preparing typed reports, treasurers, technicians, etc.),
- subjects performing a legal public function, such as, for example:
  - magistrates,
  - subjects performing related duties (legal police agents and officers, financial police and military police, clerks, secretaries, legal custodians, bailiffs, witnesses, conciliation boards, bankruptcy curators, operators in charge of the issue of certificates at the court clerks, experts and consultants of the Public Prosecution, liquidator commissioners in bankruptcy procedures, liquidators in composition proceedings, special commissioners of the extraordinary administration of large enterprises in a crisis, etc.),
- subjects performing an administrative public function, such as, for example:
  - employees of the government, of international and foreign organizations and local entities (for example officers and employees of the State, the European Union, supranational organizations, foreign governments and local entities, including the regional, provincial and local authorities and the “Comunità montane”, subjects performing accessory duties with respect to the institutional purposes of the government, such as municipal technical office members, members of the construction commission, head of the administrative office of the amnesty office, municipal boards, operators in charge of proceedings regarding the occupation of public land, municipal correspondents assigned to the placement office, employees of state-owned companies and municipal-owned companies,
  - persons in charge of collecting tax, health care staff of public facilities, ministerial and superintendency personnel, etc.),
  - employees of other public national and international entities (for example officers and employees of the Chamber of Commerce, the Bank of Italy, the Supervisory Authorities, public welfare institutes, ISTAT, the UN, FAO, etc.),
  - private individuals performing public duties or public services (for example notaries, private entities operating under concessions or whose activities are in any case regulated by provisions of public law or which in any case perform activities of public interest or which are controlled entirely or partly by the State, etc.).

Activities that, although regulated by provisions of public law or authorizations, in any case consist of performing simple duties or providing purely material works and that, therefore, mainly entail the simple application or execution of instructions without any autonomy or discretion, are not considered as public services.

The figures of the public official and public servant are identified not on the basis of the criteria or dependency on a public entity, but rather with reference to the nature of the activity they concretely perform, i.e., respectively, public duty and public service.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>41/157</b>

A subject extraneous to the public administration can therefore also be classed as a public official or public servant when carrying out the activities defined as such by Articles 357 and 358 of the Italian Criminal Code.

In addition, Art. 322 bis extends the potential punishment of the crimes of corruption and concussion and other crimes against the PA to also include hypotheses in which the offense involves:

- members of the European Community Commission, the European Parliament, the Court of Justice and the European Community Court of Auditors,
- officers, agents operating at the European Community or a subject performing equivalent duties,
- those who, under the scope of the other European Union Member States, carry out functions or activities corresponding to those of public officials and public servants,
- persons who perform functions or activities corresponding to those of public officials and of public servants within foreign countries not belonging to the European Union or international public organizations.

## **AREAS EXPOSED TO RISK**

The basis for liability for the crimes listed above is the establishment and conduct of direct or indirect relations with the Public Administration. In criminal matters, it is necessary for the notion of Public Official and Public Servant to be very broad, to the point of including not only foreign persons with similar functions to those of Italian public officials, but also persons who, as private individuals, shape and manifest the will of the Public Administration with an activity regulated by rules of public law, such as all persons who such as all persons who hold concessions for the implementation or management of public works or public services. Among all of them we can mention employees, for example.

Therefore, areas exposed to risk are defined as all those areas of the company that for the conduct of its business have or are expected to have relations with public administrations facilitating said relations.

### **Crime risk areas:**

All areas in which relations are entertained with the PA and, in particular, those in which operations take place with the following, are considered as being at risk:

**001 Relations with customers (Public Administration or private entities) in the management and coordination of commercial activities,**

**002 Research and negotiation of orders/contracts of sale and maintenance with customers (Public Administration or private entities) also through tenders,**

**003 Stipulation, execution and management of contracts/orders (Public Administration or private entities),**

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>42/157</b>

- 004 Selection and management of commercial promoters and partners in ATI (temporary associations of enterprises) and/or consortia,**
- 005 Management of requirements, communications and requests for authorizations, licenses and certifications, including during audits and inspections by the competent public administrations, supervisory authorities or competent public entities,**
- 006 Management of relations and requirements envisaged under the scope of the activities for the application and management of public grants/loans,**
- 007 Management of judicial and extrajudicial disputes and relations with the Judicial Authorities,**
- 008 Finance and treasury,**
- 009 Management of representation expenses, gifts, sponsorships and donations,**
- 010 Personnel recruitment, hiring and reimbursement of travel expenses management,**
- 011 Procurement of goods, services and consultancies,**
- 012 Management of access to websites and software of the Public Administration or provided by third parties on behalf of public entities.**

With reference to the above areas, below is a description of sensitive activities - referring to the company's current procedural system (for further details, see procedure G-IND A1101 "Internal Regulation for the prevention of 231 Risks") - along with the possible ways in which predicate offenses under Legislative Decree 231/2001 could be committed.

**001 Relations with customers (Public Administration or private entities) in the management and coordination of commercial activities,**

Commercial activities for the development of the business are carried out by the commercial business unit departments, by business unit managers and the Chief Executive Officer, according to the commercial strategies defined when preparing the strategic plan. The commercial departments have geographic area managers who monitor the commercial opportunities in the area of competence. These activities include relations with customers and on foreign markets, may be supported by service providers. During this phase, the offer strategies are also defined, along with potential partners, sub-suppliers, technical solution and contractual structure.

As regards relations with public administration customers in commercial business, the main activities potentially “at risk” identified for the perpetration of crimes, are as follows:

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>43/157</b>

- *i) Management of institutional relations with public subjects competent in the area of business interest.*
- *ii) Management of commercial relations in regard to (potential) customers belonging to the public administration (Italian and foreign), and subjects appointed by them if the nature of the appointment is comparable with the public administration.*
- *iii) General promotional activities performed on customers of the public administration.*
- *iv) Support and coordination in defining the offer strategy for public administration customers or subjects appointed by them where the nature of the appointment is such as to make them comparable with the public administration.*

The same crimes may be committed in relations with a subject appointed by a customer or through an intermediary between Hitachi Rail STS and the PA.

In relations with customers and public subjects, there is also a risk of the perpetration of the crime of aggravated fraud to the detriment of the State each time using false technical or commercial documentation or other artifice if business conditions are determined that damage the public administration customers, mislead or result in unfair profit for the company.

**002 Research and negotiation of orders/contracts of sale and maintenance with customers (Public Administration or private entities) also through tenders,**

Following the decision to pursue a commercial opportunity (“go-not to go” decision), bids are submitted, sometimes preceded by pre-qualification. As a preliminary measure, the decision is made as to whether or not to submit a bid (“bid-not bid” decision).

According to the corporate bidding procedure, a bidding group is assigned to these activities, comprising reference persons of the corporate departments concerned (e.g. project management, engineering, etc.) and coordinated by a reference person from the commercial bid department. This bidding group examines the tender documentation and prepares the bid. During this phase, requests may be made to the customer for clarification, the answers to which are generally disclosed to all bidders. After the submission of the bid, an improved bid may be requested (the “best and final offer”). Award is followed by negotiation with a view to signing the contract.

This bid procedure envisages review and bid approval phases. The bid and contract are signed according to the system of corporate powers of attorney.

During this phase, relations may be entertained with the customer or customer's representatives, or between the customer and the company’s representatives, usually consultants assisting with the definition of the tender specifications and bid assessment. These relations may involve the submission of the bid or meetings to respond to requests for clarifications.

As regards relations with customers in research and contract negotiation, the main activities potentially “at risk” identified for the perpetration of crimes, are as follows:

- *i) Management of pre-qualification activities for the participation in tenders or bids.*

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>44/157</b>

- *ii) Analysis of the subject of the tender or bid, including the specifications and requirements laid down and preparation of the tender documentation.*
- *iii) Request for clarifications on a tender notice or call for bids.*
- *iv) Participation in negotiations for the acquisition of orders or contracts and the preparation of the technical/economic documentation necessary to acquire the order.*

In this area, there is a potential risk of perpetration of crime, in order to obtain an undue benefit for the company, such as, for example:

- definition of conditions and/or assessments during the pre-qualification and/or assessment of bids in the company’s favor, to assist it during the selection phase, even if not meeting the necessary requirements,
- responses to requests for information about a tender notice, which gives the company an undue advantage,
- assessments of the offer received and/or definition of contract conditions in the company’s favor, despite the lack of the necessary requirements.

**003 Stipulation, execution and management of contracts/orders (Public Administration or private entities),**

Through the Project Managers, the Delivery Department is responsible for managing the contract/order, according to the expected quality levels, budget and planning. The Project Manager coordinates the project group, which includes the reference persons of the corporate departments involved in the execution of the project (e.g. engineering, construction and commissioning, etc.). The management of the contractual relationship is also the responsibility of the Project Manager, who may be assisted by a dedicated assistant and, potentially, for more complex aspects, by the legal department.

As regards relations with public customers, during the stipulation, execution and management of contracts/orders, the main activities potentially “at risk” identified for the perpetration of crimes, are as follows:

- *i) Definition of the technical-economic aspects connected with variants not envisaged by the contract stipulated directly by the company or through ATI or Consortium and negotiation of variants and/or management of order claims.*
- *ii) Management of works progress and contractual milestones both in terms of relations with the customer and/or subjects appointed by them and for the preparation of the supporting documentation.*
- *iii) Management of relations with the representatives of the customer and/or subjects appointed by them - in-house technicians, Test Commissions, Works Management - and/or public organizations e.g. Agenzia Nazionale Sicurezza Ferroviari (the National Rail*

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>45/157</b>

*Safety Agency) - in charge of carrying out the verifications envisaged by applicable provisions of law and/or contract.*

- *iv) Attendance of meetings with the customer and/or subjects appointed by them in order to address topics relevant to the order/contract.*
- *v) Management of relations with the customer and/or subjects appointed by them during project audits.*
- *vi) Management of activities connected with credit management in order to obtain approval of payment of the invoices receivable from the customer and/or its representatives.*
- *vii) Management of testing in the various phases of order execution, e.g. factory acceptance test, verifications of the test commissions, partial activations, etc.*

**004 Selection and management of providers in support of commercial activities and partners in ATI and/or consortia**

On the foreign markets, the Company can use providers as commercial support through contracts that envisage the provision of specific commercial support and/or market research services and, where necessary, of technical and management support.

In tenders called by public and other entities, through the establishment of temporary associations of enterprises or consortia with other companies, the Company takes part in the preparation of bids for the award of the contract.

As regards this area, the main activities potentially “at risk” identified for the perpetration of crimes, are as follows:

- promise or giving of money or other gains, through a provider in support of commercial activities, in order to obtain undue favoritism in connection with the award of contracts (crime of corruption),
- promise or giving of money or other gains, through association partners, in order to obtain undue favoritism in connection with the award of contracts (crime of corruption),

Taking into account these risks, the selection and management of the relationship with providers and partners must be subject to strict checks and monitoring.

**005 Management of requirements, communications and requests for authorizations, licenses and certifications, including during audits and inspections by the competent public administrations, supervisory authorities or competent public entities**

The company has contacts and relations with the public administration (public officials or public servants) in connection with the request and management for authorizations, licenses,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>46/157</b>

administrative concessions, fulfillments in terms of social security and welfare, hygiene, health and safety at work and tax, corporate and patent requirements.

In addition, Hitachi Rail STS also entertains relations with authorities and organizations appointed to oversee specific profiles connected with the exercise of business activities (Data Protection Authority, Authority for the Supervision of Public Works, Services and Supplies Contracts, Chambers of Commerce) or specific administrative requirements (Companies House), etc.

As regards this area, the main activities potentially “at risk” identified for the perpetration of crimes, are as follows:

- *i) Fulfillment of the requirements and management of relations with authorities such as the Data Protection Authority, Competition Authority, certifying bodies SoA, Ministry of Infrastructures and other public entities in respect of the obtaining and renewal of the qualification/position as General Contractor.*
- *ii) Request for and management of authorizations, permits, concessions, including during audits and inspections on, for example, site activation, building permits, certificates of fitness for habitation, applications for Reports of Start of Activities (DIA), requirements linked to the protection of health and safety at work and the environment in relations with the local health authorities, the fire brigade, the employment inspectorate, etc.*
- *iii) Management of dealings with the Financial Administration (Revenue Agency, companies in charge of collecting debt on behalf of public entities, the Ministry of Finance, Financial and Customs Administration) and the Financial Police also during inspection audits and the related requests for information.*
- *iv) Management of requirements and relations with officers of the competent entities on corporate matters (e.g. the courts, Chambers of Commerce, Registration Office, etc.).*
- *vi) Management of relations with public administrations such as INPS, INAIL, the Provincial Employment Directorate, Offices for Employment, Regional authorities for employment policies, etc., for the observance of the obligations set forth in the reference legislation (including requirements relating to special-rate hiring) also during audits and inspections,*
- *vi) Management of activities connected with rights, trademarks and industrial patents, including through the support of external consultants and requirements in respect of SIAE for registered software.*

**006 Management of relations and requirements envisaged under the scope of the activities for the application and management of public grants/loans**

The company can access public grants/loans in various ways for research and development. These loans/contributions can be supplied by Italian public administrations or the European Union.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>47/157</b>

The company may also benefit from contributions for training or investments, as a rules made by national public administrations.

Relations with the financing public administration or with subjects appointed by it (e.g. the concession-holder bank) are managed by the finance department for all administrative aspects and by the responsible technical function according to company procedures, which establishes the technical-administrative proposal, with the support of the other corporate departments and manages relations with partners, in case of research projects pursued in a partnership with other businesses and/or research institutes.

The reports of costs are prepared by the technical function with the support of the relevant departments and revised by the administration. The activities carried out and costs incurred are normally subjected to audit by the lender or a party appointed by it (e.g. concession-holder bank, auditor of the accounts). Relations during audit with the lender or subject appointed by it are handled by the technical function or, in the event of a concession-holder bank, by the Finance Department.

## **007 Management of judicial and extrajudicial disputes and relations with the Judicial Authorities**

This area includes the activities relating to disputes managed by the company, including on an international level, in an administrative, criminal or civil court and including formal arbitration.

These activities in fact entail contacts, including through third parties (for example external lawyers appointed by the Company) with the legal or administrative bodies, competent to establish and rule on the dispute, as well as, potentially, with their auxiliaries, with legal police bodies responsible for carrying out the investigations delegated by the legal authority. This area also includes relations entertained by any title and during any phase of the criminal proceedings held before the national or international legal authorities.

This activity is overseen by the legal department, which, for legal proceedings, avails itself of the support of external lawyers, appointed with a specific power of attorney. Employment law disputes are monitored by the Human Resources Department.

The crime is committed where someone offers or promises a public official or public servant monies or other benefits in order to favor or damage a party in civil, criminal or administrative proceedings.

## **008 Finance and treasury**

The CFO is responsible for managing cash flows, including those relative to current accounts (opening/closing), collections and payments - these latter as authorized by the corporate departments that use the services or the departments in charge of receiving and verifying the materials/goods delivered - the management of liquid funds and loan transactions and petty cash and management.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>48/157</b>

The activity in question presents risk profiles insofar as possible, for the creation of concealed economic funds to be allocated to corrupt public officials in order to obtain undue advantages in the Company’s favor.

Special attention must be therefore paid first and foremost to defining the financial policies, in such a way as to ensure that they highlight the legitimacy of the choices for the allocation of corporate resources, also in view of a subsequent verification of their effective use.

In this area, the relationship with the subsidiaries for the concession and management of any intra-group guarantees, as well as the management of group treasury, take on particular importance.

**009 Management of representation expenses, gifts, sponsorships and donations**

The management of entertainment, hospitality and gift expenses are expenses aimed at maintaining and developing relations with third parties, such as those relating to breakfasts or work meetings, as well as a welcome in order to promote the image or services provided by the Company during corporate events. Gifts are objects, of low value, functional to the dissemination and promotion of the image or supporting external relations of the Company.

The management of sponsorships, advertising initiatives and disbursements to entities and associations regards contracts, connected with a given event, project or activity and stipulated by the Company for the optimization and dissemination of its name, image and trademark or to promote the corporate business, as well as for donations or other donations or the supply of goods and services to subjects not for profit.

The activities in question entail risks that may constitute a vehicle to conceal the undue disbursement in favor of public agents, operating in the segments of interest to the Company, of amounts of money or benefits of any type in view of the obtaining of undue favors, with the consequent possible integration of crimes of corruption. Similarly, the crime of instigation to corruption can be committed.

**010 Personnel recruitment, hiring and reimbursement of travel expenses management**

The human resources department assures the definition of the organizational structure and the needs of resources consistently with the corporate strategy and the needs of the various corporate departments, it also ensures, again in compliance with the corporate strategy, the optimization of the use of human resources, the plan of merits, support in the development of competences and industrial relations with the trade union organizations at the various levels (business, territorial and national).

The management of the transfers and reimbursements of costs refers to the expenses incurred by employees (managers and others) in connection with transfers. According to the corporate systems and procedures, these expenses are authorized both before the request for a transfer and afterwards, at the time of liquidation, according to its reporting.

The area in question entails risk because the selection, hire and management of personnel (e.g. policies of merit) could represent the vehicle through which to obtain under advantages in the event that they should involve a person near a public agent or, in legal proceedings, a magistrate, a clerk or a witness.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>49/157</b>

**011 Procurement of goods, services and consultancies**

This area includes the activities necessary for the Procurement of goods, services and consultancies in accordance with the company's needs and current regulations. The procurement process includes the identification of the company's needs, the selection and qualification of suppliers, the collection and evaluation of offers and the negotiation and formalisation of the contract. Following the formalisation of the contract, the following phases concern the execution of the supply with monitoring of its compliance and the management of invoicing and payments.

The area of procurement is instrumental to the perpetration of the various crimes. In respect of the crimes involving this special part, we would not, merely by way of example, the following hypotheses:

- the selection and use of suppliers or consultants that are “near to” or “approved by” public subjects, despite the lack of the necessary requirements of competence and professionalism, in order to obtain undue favors/foster the interests of the Company (e.g. stipulation of contracts with the public administration, obtaining authorizations, etc.),
- the definition of “inflated” or exorbitant fees, i.e. which are higher than market prices or the value of the service or consultancy effectively provided, with the aim of creating liquid funds to be used for corruption. This conduct is even more insidious in the case of consultancy, given the intangible nature of the provision contracted and, therefore, the difficulty in identifying the effective economic value of the service provided. Similarly, for the above reasons, there could also be a risk for infra-group purchases.

**012 Management of access to websites and software of the Public Administration or provided by third parties on behalf of public entities**

This risk area concerns the cases in which persons of the Company may access websites and software of the Public Administration or provided by third parties on behalf of the Public Administration (e.g. INPS site, INAIL site, Revenue Agency, Customs Agency, etc.).

The area in question presents risk profiles because it could represent the vehicle through which undue advantages could be obtained for the Company, for example through unauthorised access or abuse of the position of user of the Public Administration information systems in order to obtain and/or modify information.

**GENERAL PRINCIPLES OF CONDUCT AND CONTROL**

This Special Part refers to the conduct implemented by directors, managers and employees operating in the areas of the risk activities and external collaborators and partners, as already defined in the General Part (hereinafter all referred to as the “Addressees”).

For more details on the procedures in force for each Risk Area, refer to procedure G-IND A1101 ‘Internal Regulation for the prevention of 231 Risks’. This Special Part envisages the express prohibition for said Addressees of behaving in any way:

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>50/157</b>

- such as to constitute the crimes considered in this special part (Articles 24 and 25 of the Decree), also in the form of acting in concert,
- which, although in itself does not constitute a liable offense under the scope of those set out above, could be considered potentially such,
- in breach of the law, current regulations and corporate procedures or in any case that is not in line with the principles expressed by this Model and the Code of Ethics,
- to foster any situation of conflict of interest in relation to the Public Administration in connection with the above-mentioned offenses.

In the context of the above conduct, it is forbidden in particular to:

- make promises or undue monetary donations to public officers or public servants or persons near to such in order to obtain undue benefits,
- distribute or receive gifts and presents outside the provisions of the Code of Ethics (Hitachi Group Code of Ethics and Business Conduct) and internal regulations. In any case, any form of present to public officials, whether Italian or foreign (including countries where the giving of presents is common practice) or their relatives is prohibited if it might influence the independence in a decision or induce to grant any advantage whatsoever to the company. Permitted gifts are always of negligible value. Gifts offered or received - except for those of negligible value - must be suitably documented to as to allow for appropriate checks,
- afford other types of benefits (promises of employment, use of corporate assets, improper use of entertainment expenses, etc.) in the favor of public officials or public servants, which can have the same consequences as at the previous point,
- receive advantages of any type, over and above normal commercial practices or courtesy or in any case aimed at acquiring undue favorable treatment in the conduct of any corporate business,
- pay or offer, directly or indirectly, including in the form of aid or contributions, payments or tangible benefits for public officials or public servants in order to impact or compensate a deed of their office and secure benefits of any type for the company, follow up on undue requests for money or other benefits made by any person. In these cases, the employee shall promptly inform his superior and suspend all business relations with the applicant,
- sign deeds or documents of external relevance to the company in the absence of powers formally attributed or going beyond the powers assigned,
- act in a misleading manner in regard to the Public Administration such as to cause it to commit errors of assessment during the analysis of requests for authorizations, licenses, certificates, diplomas, concessions and similar,
- omit information due, in order to direct the decisions of the public administration in its favor,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>51/157</b>

- give into recommendations or pressure from public officers or public servants,
- exert undue pressure or solicitations on public officials in the pursuit of their official duties,
- provide, in any way, untruthful or incomplete information to the national or foreign public administration,
- allocate sums received from national or EU public bodies by way of grants, contributions or loans for purposes other than those for which they were intended,
- hire personnel who are not necessary or not worthy merely in order to obtain undue benefits,
- acknowledge reimbursements of transfer and entertainment costs that are not suitably justified in connection with the type of activities carried out or without suitable justifying documentation,
- issue requests for purchase that are not matched by a specific, explained need of the company and that are not authorized on the basis of the delegations conferred,
- award supply or subcontracting contracts to persons or companies that are “near to” or “approved by” public officials purely in order to obtain undue benefit,
- award supply or subcontracting contracts without the necessary requirements of quality, safety and value for money of the purchase,
- unlawfully “direct”, through corruption, the tender procedures for the award of supplies in order to have a specific subject named as awardee, including through artifice employed to exclude other participants,
- approve invoices payable in respect of entirely or partly non-existent services,
- provide services to business partners and/or consultants without appropriate contractual documentation, justification and authorization,
- acknowledge payments in the favor of external collaborators that are not suitably justified in connection with the type of appointment to be performed, current local practices and market prices,
- provide various forms of aid or contributions that, in the form of sponsorships, instead aim to promote or foster the company’s interests,
- act in any way aimed at discouraging the participation of other bidders, in the case of public tenders, or acquire information useful to the unlawful obtaining of a competitive advantage by the company to the detriment of competitors,
- produce, in participation in public tenders, false or altered documents, in all or in part,
- act in a misleading way that may mislead customers in their technical-economic assessment of the documentation submitted,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>52/157</b>

- omit due information in order to direct the decisions of customers in its favor,
- grant any discounts, write-offs of credit and/or repayment plans in order to obtain undue advantages in relations with public administration customers,
- award consultancy appointments/mandates on persons or companies not meeting the requirements of honor, professionalism and reliability,
- use cash as a means of payment and collection outside the cases permitted by corporate procedures or regulations or in any case improperly,
- open current accounts or savings books anonymously or under fictitious names and use any opened in foreign countries,
- order payments or collect monies to/from countries on the main international black lists, without any documentation proving the real, specific needs,
- make payments or acknowledge fees in the favor of third parties, without suitable contractual justification or in any case without suitable documents, justifications and authorizations,
- award works, services and supplies and arrange for the related payments without respecting the requirements of form and traceability required by current legislation governing public contracts and cash flow traceability, where applicable,

With regards to **relations with the public administration, in the management and coordination of commercial activities (001)** and **the search for and negotiation of orders/sales contracts (002)**, the Company complies with the control principles described below. These control principles also apply to relations with subjects appointed by the customer, such as consultants assisting with the definition of tender specifications and the bid assessment:

- respect for roles, duties and responsibilities defined by the company organization charge, the authorization system and the system of delegations in relations with customers or subjects appointed by them,
- respect for principles of correctness, transparency and integrity in the relationship with customers or subjects appointed by them,
- compliance with laws, current regulations, ethical standards and existing procedures,
- traceability of decisions made and acts performed with regards to relations with the customer or subjects appointed by them, retaining suitable documented evidence,
- transparency and correctness in supplying information and data to the customer or subjects appointed by it, in order to guarantee the relevant completeness and truthfulness,
- multiple corporate departments are involved in the bid phase, through the representatives in the bidding group,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>53/157</b>

- the bid documentation (technical and commercial) to be sent to the customer is subject to review and approval according to the corporate bidding procedures,
- the bids submitted must be signed by a person with a suitable power of attorney. This power of attorney must be conferred in line with the organizational and managerial responsibilities assigned to the appointed party,
- these subjects must exercise the powers conferred upon them, respecting the breadth thereof and observing the operating procedures as per corporate procedures. In particular, the internal authorization levels envisaged by the procedures in force must be respected at all times if, during the negotiation of the bid submitted, the customer should request changes (economic or technical) such as to entail risks that have not been assessed and approved by the competent corporate subjects,
- if the commercial department should use providers to assist with commercial promotion, as promoters, consultants and similar, the control principles must be applied relative to the area at risk of the selection and management of providers in support of commercial activities (area A.4),
- if participation in the bid is envisaged in the form of a temporary consortium, the principles of control must be applied in connection with the area at risk of the selection and management of partners (area 004),
- if the supply contracted envisages the involvement of subcontractors or co-suppliers, principles of control must be applied relative to the area at risk of the procurement of goods and services (area 011).

As regards **relations with the public administration in the stipulation, execution and management of contracts/orders** (003), the Company complies with the following control principles. These control principles also apply to relations with subjects appointed by the customer, such as consultants assisting with contract management.

- identification of responsibilities between the project group and reporting systems towards the project manager and controller, this latter working for a department (Administration, Finance and Control) independent of the Delivery Department,
- with respect to principles of transparency, correctness and integrity in the conduct adopted in execution of contractual relations and in all data and information prepared for the customer (e.g. works progress reports, variant requests, etc.). Any critical issues or difficulties of any type in the execution of such relations, including any breach, are highlighted in writing and managed by the competent departments in compliance with contractual agreements, as well as in accordance with the law and other applicable rules,
- traceability and documentation of relations entertained with the customer or subjects appointed by it,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>54/157</b>

- determination of the payment procedures (no payments can be made in cash or in kind) and express prohibition to make payments to foster provisions due by the public administration,
- acts generated during contract/order execution and with relevance externally must be signed by parties with suitable powers of attorney according to the corporate system,
- with respect to the company skills and system of delegations in place, including with reference to the spending limits relative to the departments and methods used to manage the financial resources,
- in the event of use of permanent establishments abroad for the execution of the contracts with customers, the business must in any case be managed in compliance with procedures and practices applicable to the management of the contract and permanent establishment,
- under the scope of order management, project management and controlling tools and methods must be used, such as the works program and budget, which assure: (i) suitable planning of all activities involved in the execution of contracts and related resources, (ii) a clear identification of the responsibilities, duties and resources assigned during the execution of activities, (iii) a clear identification of the responsibilities and duties assigned during the verification and control of the activities performed,
- the variants during works, if impacting the subject of the contract and/or entailing an economic change, must: (i) be supported by suitable technical-economic documentation, (ii) be approved within the companies by persons with suitable internal authorization powers and powers of signature, and (iii) be approved by the customer,
- testing must be suitably planned in the works schedule, organized with the participation of the competent corporate departments and the related results must be tracked,
- if the Delivery Department should use providers to assist with order execution, as promoters, consultants and similar, the control principles must be applied relative to the area at risk of the selection and management of providers in support of commercial activities (area 004),
- if contract execution is envisaged in the form of a temporary consortium, the principles of control must be applied in connection with the area at risk of the selection and management of partners (area 004),
- if the supply contracted envisages the involvement of subcontractors or co-suppliers, principles of control must be applied relative to the area at risk of the procurement of goods and services (area 011).

With reference to the **selection and management of commercial promoters** (004), the Company's business is compliant with the following control principles (see the corporate procedure on services in support of commercial activities - see the attached list of procedures):

- all relations with promoters/consultants/suppliers of services in support of the commercial business must be hinged on principles of transparency and integrity and must envisage

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>55/157</b>

provisions and fees in line with market practice and ascertaining that there are no aspects that may foster the perpetration of crime in Italy or abroad,

- the contracts in question are regulated by a specific procedure that envisages:
  - a clear formalization of the reasons for awarding an appointment and the choice of provider,
  - rules for the selection with the conduct of detailed due diligence, which must be analytically documented,
  - rules for the formation of the contract,
  - methods for managing the contract based on the obtaining of periodic written reports on the activities carried out,
- the Sales Department is responsible for conducting the due diligence process with the support of the legal department and for documenting the results of this process on an evidential paper, indicating the assessments performed, in particular with regard to any risk factors and indicators of criticality, and the decisions taken,
- the legal department is responsible for verifying compliance with the procedure and conformity of the contract with the requirements of the corporate procedure,
- the contract with the provider includes clauses setting out a commitment not to behave in any unethical or unlawful manner in providing the service and to comply with the Code of Ethics (Hitachi Group Code of Ethics and Business Conduct) and the Organizational, Management and Control Model,
- the Sales Department is responsible for obtaining regular written reports on the activities performed. This responsibility lies with the Delivery department when the provider’s support continues in the order management phase,
- an independent corporate department verifies the completeness and consistency of the due diligence documentation before submitting the contract for signing by senior management, this department then keeps the documentation and the signed contract,
- the administration department verifies the consistency of the documentation offered in support of the provision; this department retains this documentation.

With reference to the **selection and management of partners in temporary and/or permanent consortia** (004), the Company’s business shall comply with the following control principles (see the corporate bidding procedures - see attached list of procedures):

- standardization of agreements with partners and/or other third parties, which have been defined in writing with the highlighting of all conditions of the agreement (in particular, those of joint participation in any tenders) and clauses aimed at guaranteeing compliance with Italian Legislative Decree no. 231/2001 between contracting parties and verified and

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>56/157</b>

approved according to current procedures and in compliance with the powers conferred on Hitachi Rail STS subjects,

- verification of the integrity, honesty and reliability of the Partner with which to make the association, through a specific background analysis that considers ethics and standing, technical skills, equity and financial solidity,
- verification and assessment of the identity of the counterparties and subjects on whose behalf they may act,
- evidence/traceability of the assessments performed to select partners.

With reference to the **management of requirements, communications and requests for authorizations, licenses and certifications, including during audits and inspections by the competent public administrations, supervisory authorities or competent public entities (005)**, the Company’s activities must be compliant with the following control principles:

- with reference to management of requirements, communications and **requests for authorizations, licenses and certificates including during audits and inspections** by the public administrations:
  - respect for duties, roles and responsibilities defined by the corporate organizational chart and authorization system in managing the process for the obtaining of authorizations and the management of environmental and hygiene, health and safety at work, involving where possible multiple subjects in relations with public administration, including during audits and inspections or at least informing those responsible,
  - absence of conduct aimed at exerting any pressure or in any case unduly influencing the determinations of the administrative bodies in managing relations with the public administration in view of the request for authorizations, permits and concessions,
  - compliance with the limits to the concession, authorization or permit obtained. Any critical issues or difficulties of any type are highlighted in writing and managed by the competent departments in compliance with the law and other rules in force on the matter and corporate procedures,
  - relations with public officers during inspection audits are managed by the department manager involved or by the subjects identified, as envisaged by the corporate regulations,
  - during inspection, the appointed departments operate in compliance with the tasks, roles and responsibilities defined by the corporate organization transparently, correctly and with a spirit of collaboration, facilitating the verification and, completely and correctly, providing the information, data and documentation required,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>57/157</b>

- the reports of the inspection audits are signed by the head of the department involved, or, if no reports are drawn up, the main inspection audits are documented in internal summary reports containing the following information: public administration involved, reason for the inspection audit, internal subjects involved and any findings,
  - processing of documentation relative to the obtaining of authorizations, concessions and permits by the Public Administration, so as to guarantee the related completeness, correctness and integrity,
  - the heads of the competent departments verify the completeness, correctness and integrity of the documentation prepared by staff assigned to such before sending to the public administration concerned,
  - in order to guarantee the traceability of the deeds executed and public administration subjects contacted, also during audits or inspections, all (internal or external) documents prepared must be carefully archived by the department that entertained such contacts,
  - express prohibition to make payments with a view to fostering provisions in any case due by the public administration.
- with reference to the **management of relations with the financial administration, with public subjects in charge of corporate requirements and with the supervisory authorities/bodies:**
    - respect for the duties, roles and responsibilities defined by the corporate organizational chart and the authorization system in the management of relations with the financial administration with public subjects in charge of corporate requirements and with the supervisory authorities/bodies,
    - clear identification of the corporate subjects authorized to represent the company in relations with the financial administration,
    - segregation of duties and tasks between those preparing the documentation to sent to the PA and those controlling before proceeding with dispatch,
    - monitoring of the evolution of the reference regulations in order to guarantee the adjustment to comply with new tax legislation and the timing to be respected for the various requirements,
    - controls of completeness and accuracy regarding the determination of tax and formal approval of the supporting documentation,
    - compliance with legal requirements in order to avoid delays and imprecisions in the submission of tax documentation,
    - relations with public officers during inspection audits are managed by the department manager involved or by the subjects identified, as envisaged by the corporate regulations,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>58/157</b>

- during inspection, the appointed departments operate in compliance with the tasks, roles and responsibilities defined by the corporate organization transparently, correctly and with a spirit of collaboration, facilitating the verification and, completely and correctly, providing the information, data and documentation required,
  - the reports of the inspection audits are signed by the head of the department involved, or, if no reports are drawn up, the main inspection audits are documented in internal summary reports containing the following information: public administration involved, reason for the inspection audit, internal subjects involved and any findings,
  - processing of the documentation relative to tax requirements so as to guarantee the completeness, correctness and integrity,
  - evidence of relations with the PA, in particular during an inspection audits,
  - express prohibition to make payments with a view to fostering provisions in any case due by the public administration.
- with reference to the **management of relations with the PA for requirements connected with the administration of employed personnel:**
    - respect for the duties, roles and responsibilities defined by the corporate organizational chart and the authorization system in the management of relations with the PA, connected with social security and welfare requirements,
    - clear identification of the corporate subjects authorized to represent the company in relations with social security and welfare entities,
    - segregation of duties and tasks between those preparing the documentation to sent to the PA and those controlling before proceeding with dispatch,
    - monitoring of the evolution of reference legislation and timing to be respect for the various requirements,
    - relations with public officers during inspection audits are managed by the department manager involved or by the subjects identified, as envisaged by the corporate regulations,
    - during inspection, the appointed departments operate in compliance with the tasks, roles and responsibilities defined by the corporate organization transparently, correctly and with a spirit of collaboration, facilitating the verification and, completely and correctly, providing the information, data and documentation required,
    - the reports of the inspection audits are signed by the head of the department involved, or, if no reports are drawn up, the main inspection audits are documented in internal summary reports containing the following information: public administration involved, reason for the inspection audit, internal subjects involved and any findings,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>59/157</b>

- processing of the documentation relative to social security and welfare requirements so as to guarantee the completeness, correctness and integrity,
- evidence of relations with the PA, in particular during an inspection audits,
- express prohibition to make payments with a view to fostering provisions in any case due by the public administration.

With reference to the management of **relations and requirements envisaged under the scope of activities involving the application for and management of public finance/contributions (006)**, the Company’s business complies with the following control principles:

- respect for the duties, roles and responsibilities defined by the corporate organizational chart, which envisages the involvement of multiple departments and the authorization system in the management of relations with said public subjects or subjects appointed by them (such as the concession-holder bank and auditing firm),
- clear identification in the corporate organization of the subjects authorized to represent the business in relations with the public subjects or those who perform the duties of public subjects, in the management of public grants/finance,
- segregation of duties and tasks between those preparing the documentation to sent to the financing entity and those controlling before proceeding with dispatch,
- traceability of the costs incurred for the project financed in the company’s industrial accounts and evidence of the control on the scope, costs and timing of the project in the project management process,
- in the event of collaborations with partners under the scope of research and development projects, the parties concerned explicitly agree on the industrial/intellectual property rights in collaboration agreements,
- relations with public officers during inspection audits are managed by the department manager involved or by the subjects identified, as envisaged by the corporate regulations,
- during inspection, the appointed departments operate in compliance with the tasks, roles and responsibilities defined by the corporate Organizational Chart transparently, correctly and with a spirit of collaboration, facilitating the verification and, completely and correctly, providing the information, data and documentation required,
- the reports relative to inspection audits are signed by the head of the department concerned, or, for lack of a report, the inspection audits are tracked internally, indicating the public administration that has intervened, the reason for the inspection audit, internal subjects involved and any findings,
- processing of the documentation relative to public grants/finance so as to guarantee the completeness, correctness and integrity,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>60/157</b>

- the reports of costs subjected to obtain public grants or loans are supported by suitable documentation stored by the corporate department appointed,
- evidence of relations with the PA, in particular during an inspection audits,
- express prohibition to make payments with a view to fostering provisions in any case due by the public administration,
- if project execution is envisaged in the form of a temporary consortium, the principles of control must be applied in connection with the area at risk of the selection and management of partners (area 004).

With reference to the **Management of judicial and extrajudicial disputes and relations with the Judicial Authorities** (007), the Company’s activities are compliant with the following control principles:

- compliance with the principles of integrity, completeness, transparency and correctness in the face of requests for information of the legal authority and the preparation of documentation to be sent to said authority,
- respect for duties, roles and responsibilities defined by the corporate organizational chart, by the authorization system in dispute management,
- the definition of the defense strategy in the proceedings is carried out by the legal department, shared with the external lawyers and the Chief Executive Officer,
- only external lawyers and persons duly authorized can interface with the subjects involved in legal proceedings or who are called to make declarations before the legal authorities,
- monitoring of the dispute through the keeping and update of summary communications, dispute records and dispute risk assessment records,
- management of the periodic information flows envisaged by current procedures,
- selection of lawyers and consultants on the basis of current procedures, in compliance with the criteria of professionalism and competence of the professional and the conferral on them of appointments by means of contract/letter of appointment prepared on the basis of the business formats,
- delivery to the lawyer and consultant of the Company’s code of Ethics (Hitachi Group Code of Ethics and Business Conduct) and acquisition of the formal commitment to comply with the provisions contained therein and inclusion in the consultancy contracts of a clause setting out compliance with the Code of Ethics in order to sanction any conduct in conflict with the corporate ethical standards,
- reporting and monitoring of fees and expenses of the appointed lawyers: the activities carried out by the consultants and lawyers must be duly documented and the department that uses their work must, before liquidating the relevant fees, certify the effective service,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>61/157</b>

- monitoring of the appointments assigned, the fees and the expenses of the lawyers appointed,
- documented evidence of the control on the service received and the expenses debited before the liquidation of the fees, after acquiring an analytical list of the activities carried out, which makes it possible to assess the conformity of the fees with the value of the service provided.

As regards the **management of cash flows** (collections and payments), under the scope of finance and treasury (008), the Company’s business complies with the following control principles:

- respect for the roles, duties and responsibilities defined by the company organizational chart, the authorization system and the system of delegations and powers of attorney in treasury management and the opening of and transactions on current accounts,
- the party responsible for the provision is called to approve, through the issue of approval on the system of invoices for related payment. Unless a payment block is inserted in the system, invoices are payable as they fall due. Any decisions to defer payment beyond the due date shall be validated by the administration,
- a party responsible for the administration verifies the list of payments to be made, prepared according to the invoices falling due before being sent to the Treasury for payment orders,
- payments are only ordered on current accounts indicated by the supplier at the time of stipulation of the contract or thereafter by means of written communication, duly verified,
- definition and implementation of control and monitoring activities concerning the correspondence of each payment and collection with the supporting accounting and contractual documentation,
- formal verification and periodic reconciliation of bank movements on current accounts with respect to the treasury instructions made and identification of the corporate roles in charge of carrying out the same,
- definition and implementation of specific verification activities for payments and collections considered anomalous by counterparty, amount, type, object, frequency or other parameters,
- the assignee of a special power of attorney with individual signature for the management of a current account, connected with the needs for a permanent establishment abroad, must manage the current account in compliance with corporate procedures and in any case within the limits and according to the instructions of the administration department and finance and treasury department,
- the Local Branch Accounting Managers reconcile the bank accounts with the Branch accounts. The finance and treasury department controls the transactions on the current accounts of the permanent establishments abroad; payments of invoices of the

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>62/157</b>

permanent establishment are specifically authorized by the administration department and are arranged directly by the finance and treasury department in cases of current accounts held in home banking,

- cash payments are only permitted for small amounts. The assignee of cash is required to use it in compliance with corporate practices and procedures and the periodic reporting of the relevant transactions. The administration verifies this report and, at least once a year, checks the cash balance physically available,
- each collection must be matched to a specific item and must be duly justified,
- reconciliation of the bank accounts and correspondence current accounts with the group companies and periodic, documented verifications of such,
- highlights the activities and controls performed.

With reference to the management of **representation and gift expenses** (009), the Company’s business complies with the following control principles:

- formal definition of specific criteria and rules for entertainment and gift expenses, which must be reasonable and in any case such as not to be able to be interpreted as aimed at obtaining favorable treatment by the beneficiary, or intended for beneficiaries with positions relating to corporate activities and that satisfy the generally-recognized requirements of reputation and integrity or take into account the profile of the beneficiary, with regards to standard practice in institutional or professional relations and in respect of local cultures,
- clear identification and identification of the corporate subjects authorised to incur entertainment expenses, as well as to request and authorise the granting of gifts,
- formal definition of the criteria and procedures for incurring entertainment expenses and, in particular, of the types of expenses that may be paid by way of entertainment,
- definition of the concept of low value for gifts,
- entertainment and gift expenses are approved according to the forms envisaged by corporate procedure, which envisages, amongst others, the indication of the beneficiary,
- express prohibition to make payments with a view to fostering provisions in any case due by the public administration.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>63/157</b>

With reference to the management of **sponsorships and donations** (009), the Company’s business complies with the following control principles:

- respect for the duties, tasks and responsibilities defined by the corporate organizational chart and the authorization system in the management of sponsorships and advertising initiatives and contributions to associations and entities,
- verification of the type and nature of advertising initiatives, sponsorships and events in connection with the visibility and return on image and the related cost,
- sponsorships, advertising initiatives and donations are approved according to the forms envisaged by company procedure,
- inclusion in the sponsorship/advertising contracts of the clause to comply with the Model and Code of Ethics,
- verification of the provision of counterparty work (for example by means of the acquisition of documented evidence),
- verification of the reputational, regulatory and integrity requirements and competence that the beneficiary of the initiative must meet, performed through due diligence, by means of which the following is ascertained:
  - the non-existence of conditions of incompatibility or conflict of interests,
  - the absence, in regard to the beneficiary, of any judgments passed for crimes in general nor the assignment of sanctions by the competent national or international authorities,
  - that the beneficiary is not resident nor have its headquarters in a country with a preferential tax regime, unless it has its residence/headquarters in that country and the initiative is carried out there.

With reference to the **selection, hiring, management of personnel** (010), the Company’s business complies with the following control principles:

- respect for the duties, roles and responsibilities defined by the corporate organizational chart, the authorization system and current staff selection and management procedures, which envisages, amongst others, the involvement of multiple departments in the various selection and management phases,
- predetermination of the needs of resources by the Company in the corporate budget, any new hires not envisaged on the budget must be duly authorized,
- during personnel selection, the following activities are carried out:
  - formal definition, according to the corporate system of competences, of the profiles of potential candidates for the various positions to be filled,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>64/157</b>

- adequate regulation of the management of conflicts of interest between recruiter and candidate,
  - the HR Department prepares a list of candidates to be technically assessed by the requesting department,
  - collection and archiving in specific databases of the documentation relating to the applications received,
  - analysis of the applications and verification of their suitability by examining the CV of the applicant and the organization of psychological-aptitude tests and interviews by the HR Department and technical-professional interviews by the department making the request. The HR Department is usually present at the technical interview held by the department making the request,
  - formalization of the results of the applicant assessment and selection process,
  - formulation of the economic bid by the HR Department in line with the position held and the responsibilities/duties assigned to the candidate, as per corporate and market parameters,
  - the contract of employment is signed by a person with a suitable power of attorney,
  - storage of the documentation relative to the selection process,
  - the HR department collects the information necessary to prepare the employee's personal file, including, amongst others, the certificate from the criminal records database and certificate of any pending charges and, in the case of non-EU workers, the validity of their residency permits,
  - the HR Department makes the legal communications to the various authorities (INAIL, INPS, employment inspectorate),
- permits, holidays and overtime are approved by the relevant department managers,
  - policies on the merits are implemented through the corporate performance assessment and skills development process, which envisage the assessment by managers and feedback to the employee, coordinated by the HR Department,
  - proposed salary rises and career advancement are put forward by the managers under the scope of the budget established by the HR Department and approved by the HR Department,
  - clear definition of the objectives assigned to managers, in line with the strategic plan and in compliance with criteria of correctness and balance,
  - letters of career advancement and/or acknowledgment of the salary increase and/or variable remuneration are signed according to the system of corporate powers of attorney,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>65/157</b>

- the various activities envisaged in the performance assessment and skills management process (proposals, assessments, feedback, etc.) are traced in the specific corporate tool.
- relations with the corporate and/or national trade union representatives are handled by the HR Department and hinged on principles of transparency, correctness and a spirit of collaboration. Any decisions made are formalized in agreements,
- definition and formalisation of the methods and criteria adopted by the Company for personnel training and instruction,
- filing of training documentation;
- with reference to permanent establishments abroad, the Branch manager receives a side letter indicating with which centralised Functions a prior discussion/authorisation is required in the exercise of the powers conferred with power of attorney.

With reference to the **management of reimbursement of travel expenses** to employees (010), the Company’s business complies with the following control principles:

- respect for duties, roles and responsibilities defined by the corporate organizational chart, by the authorization system and the procedures in force in transfer and expense reimbursement management,
- it highlights the preventive approval of the request for employee transfer/dismissal in the computer system,
- definition of roles, responsibilities, controls and limits to the concession of advances to employees and the possibility of incurring costs for hospitality and representation,
- definition of the methods for the use and reservation of means of transport by the HR Department, as for the types of hotels,
- definition of the types of expenses permitted and the provision of spending limits for each type,
- the transfer, any advance requested and the expense note subsequently compiled are managed by means of the company computer system, which is structured according to specific approvals of the managers in line with the authorization system and current procedures,
- formalized controls, by the subjects appointed to this end, in regard to the consistency of the evidence of the expenses incurred or statements of account of the credit cards with respect to that indicated in the expense note,
- highlights the activities and controls performed.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>66/157</b>

With reference to **relations with suppliers of goods and services** (011), the Company’s business complies with the following control principles:

- with respect to principles of transparency and integrity, envisaging services and fees in line with market practices, ascertaining that there are no aspects that may foster the perpetration of crime in Italy and abroad,
- according to the corporate procedures, during the selection and choice of the supply offer, multiple subjects are involved with different roles, the Procurement Department must always be involved,
- purchasing needs envisaged on the budget and in any case approved,
- the purchase request must be supported by suitable documentation,
- also on the level of the computer system, specific authorization levels are defined for the approval of the purchase request to be submitted to the Procurement Department,
- during the supply offer selection and choice phase, offers must be requested from multiple suppliers present on the list of qualified suppliers, any derogation must be explained in writing, in the event that requests are sent to suppliers not yet qualified, to submit offers, the supplier must be qualified in order to formalize the purchase order/contract;
- supplier qualification takes place as per predefined criteria,
- a technical-economic assessment is performed of the offers received with the support of the requesting department and the other departments involved;
- the assessment and choice of the supplier must be explained in writing,
- including on the computer system, specific authorization levels are envisaged for the issue and approval of purchase orders in line with the company powers of signature and organizational roles,
- assessment of the existence of possible conflicts of interest,
- orders/contracts contain standard clauses in order to comply with legislation governing employment contracts and Italian Legislative Decree no. 231/2001 (or, if foreign suppliers, compliance with the related local and international legislation),
- the variant of a purchase order must apply the same approval process of the original order or, if as a result of the variant, the amount of the order should require higher levels of approval, this latter must be applied,
- formal identification of the parties responsible for the correct management of the contract (contract owner/contract manager);
- contracts and purchase orders with consultants and professionals, even on a continuous basis for periods exceeding one year, are signed by persons with a suitable power of attorney;
- the Procurement function is responsible for keeping signed contracts/purchase orders;

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>67/157</b>

- the requesting department, in the roles identified by the corporate organization, including at the level of the computer system, approves the acceptance of the service, after verifying that what has been requested matches with what has been received,
- the materials are subject to a verification and testing process in the manner envisaged by the corporate procedures before being accepted,
- documented management of the supplier database and changes thereto, supported by suitable documentation,
- registration of invoices exclusively in the presence of a purchase order - duly approved on the basis of the spending limits conferred - and objective evidence of the goods/service received,
- provision of a periodic evaluation, on the basis of defined criteria (e.g. qualitative and quantitative parameters / KPIs), of the performance of the suppliers in the list of qualified suppliers used by the Company,
- with reference to permanent establishments abroad, the Branch manager receives a side letter indicating with which centralised Functions a prior discussion/authorisation is required in the exercise of the powers conferred with power of attorney;
- in addition, for consultancy and professional service contracts:
  - due diligence is performed aimed at assessing the professionalism, competence and experience of the professional, as well as identifying any incompatibilities and conflicts of interests,
  - the integrity requirements of the professional are ascertained and the existence of any criminal sentences or sanctions against him, verified,
  - orders/contracts with consultants and professionals must have limited duration,

With reference to **management of access to websites and software of the Public Administration or provided by third parties on behalf of public entities (012)**, the Company’s business complies with the following control principles:

- specific appointment for persons in charge of access to Public Administration websites and software or provided by third parties on behalf of the Public Administration (e.g. INPS, INAIL, Inland Revenue Agency, Customs Agency, etc.), and, where appropriate, attribution of power of attorney,
- accesses must only take place for the purposes for which they have been granted,
- management of access credentials and/or other possible tools (e.g. smart cards) appropriately regulated and traced (e.g. possibility of access only from the Head Office, prohibition of divulging passwords to unauthorised third parties, possible management of smart cards by third parties, traceability of documentation supporting the activities carried out with the aid of smart cards and passwords, etc.).

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>68/157</b>

**7. SPECIAL PART “A1” - OFFENSES WITH THE PURPOSE OF TERRORISM OR SUBVERSION OF THE DEMOCRATIC ORDER**

**INTRODUCTION**

The crimes to which this Special Part refers are as follows under Article 25 of-quater

- Subversive associations (Art. 270 of the Italian Criminal Code)
- Associations with the aim of committing national or international terrorism or subversion of the democratic order (Art. 270-bis of the Italian Criminal Code)
- Assistance to members (Art. 270-ter of the Italian Criminal Code)
- Enrollment with the purpose of committing national or international terrorism (Art. 270- quater of the Italian Criminal Code)
- Organization of transfers with the purpose of committing terrorism (Art. 270 - quater1 of the Italian Criminal Code)
- Training in activities with the purpose of committing national or international terrorism (Art. 270-quinquies of the Italian Criminal Code)
- Conduct with the purpose of committing terrorism (Art. 270-sexies of the Italian Criminal Code)
- Attacks for the purpose of terrorism or subversion (Art. 280 of the Italian Criminal Code)
- Act of terrorism with lethal or explosive devices (Art. 280-bis of the Italian Criminal Code)
- Kidnapping for the purposes of terrorism or subversion (Art. 289 bis of the Italian Criminal Code)
- Instigation to commit a crime against the personality of the State (Art. 302 of the Italian Criminal Code)
- Political conspiracy by means of political conspiracy and agreement through association (Articles 304 and 305 of the Italian Criminal Code)
- Armed band, training and participation, assisting those taking part in the conspiracy or armed band (Articles 306 and 307 of the Italian Criminal Code)
- Crimes committed with the purpose of terrorism in breach of Art. 2 of the New York Convention of December 09, 1999.

**AREAS EXPOSED TO RISK**

For crimes of terrorism and subversion of the democratic order, the areas considered to be most specifically at risk are financial or commercial transactions involving the Company, stipulated with:

- natural persons and/or legal entities resident in countries at risk identified on the “lists of countries” and/or with natural persons or legal entities indicated on the “registered lists” connected with international terrorism, which can be found on the Bank of Italy’s website,
- direct or indirect subsidiaries controlled by the above subjects.

Considering that the crime risk in question can also be carried out through conduct involving corruption, the following risk activity areas are highlighted:

**002 Research and negotiation of orders/contracts of sale and maintenance with customers (Public Administration or private entities) also through tenders,**

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>69/157</b>

**003 Stipulation, execution and management of contracts/orders (Public Administration or private entities),**

**004 Selection and management of commercial promoters and partners in ATI (temporary associations of enterprises) and/or consortia,**

**008 Finance and treasury,**

**011 Procurement of goods, services and consultancies,**

With reference to the above-mentioned Risk Areas, refer to Special Section A for a description of sensitive activities and to the system of company procedures in force for further details (procedure G-IND A1101 'Internal Regulation for the prevention of 231 Risks').

The following are possible ways of committing the predicate offences pursuant to Legislative Decree No. 231/2001:

- promoting, constituting, organising, directing or financing associations that propose the perpetration of acts of violence for the purposes of terrorism or subversion of the democratic order,
- harbouring or providing food, hospitality, means of transport, means of communication to associations proposing to commit acts of violence for the purposes of terrorism or subversion of the democratic order.

## **GENERAL PRINCIPLES OF CONDUCT AND CONTROL**

This Special Part refers to the conduct implemented by directors, managers and employees operating in the areas of the risk activities and external collaborators and partners, as already defined in the General Part (hereinafter all referred to as the "Addressees").

For more details on the procedures in force for each Risk Area, refer to procedure G-IND A1101 "Internal Regulation for the prevention of 231 Risks"..

This Special Part envisages the express prohibition for said Addressees of behaving in any way:

- such as to constitute the crimes considered in this special part (Art. 25 quater of the of the Decree), also in the form of acting in concert,
- which, although in itself does not constitute a liable offense under the scope of those set out above, could be considered potentially such,
- in breach of the law, current regulations and corporate procedures or in any case that is not in line with the principles expressed by this Model and the Code of Ethics,

In the context of the above conduct, it is forbidden in particular to:

- directly or indirectly to fund subjects intending to commit crimes of terrorism or subversion of the democratic order,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>70/157</b>

- to receive finance from individuals, companies or organizations suspected of terrorism or subversion of the public order,
- to implement any commercial or financial transaction with individuals, companies or organizations known or suspected of terrorism or subversion of the public order,
- to implement any commercial or financial transaction with individuals included on the black lists published on the Bank of Italy website ([www.bancaditalia.it](http://www.bancaditalia.it)) or the Financial Intelligence Unit established there ([www.bancaditalia.it](http://www.bancaditalia.it))
- to contact or, more generally, entertain working contact with natural persons and legal entities resident or with their headquarters in a country included on the non-cooperative countries (NCCTs),
- to make payments or recognize compensations in favor of third parties without appropriate contractual documentation, justification and authorization,

As regards these areas of the corporate business at risk of crime, reference is made to the control principles described in special part A of the Model (Crimes to the detriment of the Public Administration) for the corresponding areas at risk.

In order to prevent the risks of committing offences with the purpose of terrorism, the Company:

- equips itself with computer tools that prevent access to and/or receipt of material not related to its business activity,
- establishes clear and unequivocal reminders of the correct use of IT tools in the possession of its employees,
- pays particular attention when assessing possible partnerships or investment activities,
- diligently carries out all assessments of customers/suppliers:
  - o verification of the counterparty's effective shareholders,
  - o as regards relations with customers, relating to the verification of the ultimate recipient of the supply and the reliability of the customer on the basis of documents, data or information obtained from reliable and independent sources.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>71/157</b>

**8. SPECIAL PART “B” - CORPORATE OFFENSES**

**INTRODUCTION**

The crimes to which this Special Part refers are the following pursuant to Art. 25-ter and Art. 25-sexies of Italian Legislative Decree no. 231/2001:

- false corporate communications (Art. 2621 of the Italian Civil Code),
- minor events (Art. 2621- bis of the Italian Civil Code),
- preventing control (Art. 2625 of the Italian Civil Code),
- undue return of conferrals (Art. 2626 of the Italian Civil Code),
- unlawful allocation of profits and reserves (Art. 2627 of the Italian Civil Code),
- unlawful operations on shares or units of companies or the parent company (Art. 2628 of the Italian Civil Code),
- operations damaging creditors (Art. 2629 of the Italian Civil Code),
- failure to disclose conflicts of interests (Art. 2629-bis of the Italian Civil Code),
- fictitious formation of capital (Art. 2632 of the Italian Civil Code),
- undue allocation of corporate assets by liquidators (Art. 2633 of the Italian Civil Code),
- unlawful influence of the shareholders' meeting (Art. 2636 of the Italian Civil Code),
- stock manipulation (Art. 2637 of the Italian Civil Code)
- hindrance of the exercise of duties of the Public Supervisory Authorities (Art. 2638 of the Italian Civil Code),
- false or omitted declarations for the issue of the preliminary certificate (Art. 54 Legislative Decree 19/2023),
- corruption between private individuals (Art. 2635 of the Italian Civil Code),
- instigation to corruption between private individuals (Art. 2635 - bis of the Italian Civil Code),
- abuse or illegal communication of insider information, recommendation or extortion of others to commit insider trading (Articles 184 and 187 quater of Italian Legislative Decree 58/98 Consolidated Law on Finance).

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>72/157</b>

**AREAS EXPOSED TO RISK**

The areas of activity considered at risk, in connection with corporate crimes, with the exception of corruption between private individuals (Art. 2635 of the Italian Civil Code) and instigation to corruption between private individuals (Art. 2635-bis of the Italian Civil Code), for which see Special Part B1, are as follows:

- 002 Research and negotiation of orders/contracts of sale and maintenance with customers (Public Administration or private entities) also through tenders**
- 003 Stipulation, execution and management of contracts/orders (Public Administration or private entities)**
- 005 Management of requirements, communications and requests for authorizations, licenses and certifications, including during audits and inspections by the competent public administrations, supervisory authorities or competent public entities**
- 013 Management of corporate requirements (relations with shareholders, auditors and external auditors)**
- 014 Management of the general accounting and preparation of the draft consolidated and statutory financial statements and any equity positions, including when performing extraordinary transactions**

With reference to the above-mentioned **Risk Areas 002, 003 and 005 refer to Special Section A** for a description of sensitive activities and to the system of company procedures in force for further details (procedure G-IND A1101 'Internal Regulation for the prevention of 231 Risks').

With reference to the remaining areas, below is a description of sensitive activities - referring to the company's current procedural system (for further details, see procedure G-IND A1101 "Internal Regulation for the prevention of 231 Risks") - along with the possible ways in which predicate offenses under Legislative Decree 231/2001 could be committed.

- 013 Management of corporate requirements (relations with shareholders, auditors and external auditors)**

In the context of these activities, the abstract existence can be hypothesized of the risk of the perpetration of the crime of Hindrance of the exercise of duties of the public supervisory authorities (Art. 2638 of the Italian Civil Code).

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>73/157</b>

In addition, the crime exists where the company representative, in any form, including failure to make required communications, hinders the operations of the Supervisory authorities, through, for example, concealing the relevant documentation during inspection or a request for information, the submission of altered or specifically pre-prepared documentation to prevent or mislead the body's controls.

**014 Management of the general accounting and preparation of the draft consolidated and statutory financial statements and any equity positions, including when performing extraordinary transactions**

- i) Preparation of the financial statements, the report on operations, the consolidated financial statements and other corporate communications
- ii) Planning of extraordinary transactions

In addition to that observed in Special Part A sub. 005 **management of requirements, communications and requests for authorizations, licenses and certifications, including during audits and inspections by the competent public administrations, supervisory authorities or competent public entities**, on the prevention of crimes against the Public Administration, preparation of the financial statements (including the consolidated financial statements), reports and other corporate communications envisaged by the law and addressed shareholders or the public and the publication of periodic information to the financial markets, is relevant to this Special Part in multiple ways.

This activity entails risks, first and foremost in connection with the perpetration of crimes of False corporate communications (Art. 2621 of the Italian Civil Code).

The activity indicated can become important also in regard to the situations of Stock manipulation (Art. 2637 of the Italian Civil Code), as false corporate communication can represent a vehicle for the distribution of information able to significantly alter the price of financial instruments (listed or unlisted). Finally, Hindrance to the duties of Public Supervisory Authorities (Art. 2638 of the Italian Civil Code) also applies, where, for example, market information is conveyed through the Supervisory Body following a specific request for clarifications.

More specifically, as regards the hypothesis of False corporate communications, the crime could, as already mentioned, take place following the creation of reserves, obtained through the under-valuation of items of the assets or over-valuation of liabilities, to foster the self-financing of the corporate business, or cover any losses occurring during the corporate business. By way of example, the procedures are cited use to form concealed reservations, closed triangulation (seen in the case where a company transfers values to another, which, in turn, transfers them to a third) and corporate constructions (a company establishes or purchases the full investment of another and this latter carries out the same transaction with a third party until reaching a company that is usually based in a tax haven). The economic-financial instruments that can be used to transfer money from one company to another (within or external to the Group) are still practically infinite: over-invoicing or false invoicing (for example for fictitious consultancy or the provisions of fictitious goods or services), active financing, the instrumental use of derivatives, stipulation of future

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>74/157</b>

contracts on securities, indexes, stipulation of options on shares or currencies, etc.

Instead, as regards the crime of stock manipulation, the Company could first and foremost, in communicating to the market - through the distribution of financial statements or other corporate communications - information that is incorrect or partial in respect of its own economic, equity and/or financial position or that of subsidiaries, commit a crime connected with the consequent or at least potential alteration of the price of listed or unlisted financial statements (manipulation of information). Consider, for example, in the inclusion in the financial statements of a level of debt (deriving, for example, from the issue of bonds) below that which actually exists, leading market operators to acquire financial instruments issued by the Company.

As also mentioned, the availability of information contained in the financial statements before distributing them to the public, could lead a company representative to implement undue transactions on financial instruments in the interests or to the benefit of the Company (for example to stabilize the security in respect of changes that may be significant).

*iii) Corporate transactions that may impact the integrity of the share capital*

In the context of crimes aimed at protecting the Company’s capital, crimes are considered of Transactions to the detriment of creditors (Art. 2629 of the Italian Civil Code) and Failure to disclose conflicts of interests (Art. 2629 bis of the Italian Civil Code).

The first hypothesis can, for example, take place in the event of a leverage buy out, i.e. mergers between companies, one of which has contracted debt to acquire control over another, in the event that the transaction in which the Company is involved has damaged the creditors of the company concerned by the leverage buy out, following breach of the rules set to protect creditors.

The crime of Failure to disclose a conflict of interests can instead abstractly take place, by way of example, in the context of infra-group relations where - in the event of an interlocking directorate situation - the member of the board of directors of the subsidiary should fail to disclose, when passing a resolution, the interest that the parent company has in said transaction, thereby damaging the subsidiary to the potential benefit of the parent company.

**GENERAL PRINCIPLES OF CONDUCT AND CONTROL**

The addressees of this Special Part “B” are the Directors, Auditors, Chief Executive Officer, Managers and employees operating in the risk areas, as well as external collaborators and partners, as already defined in the General Part (hereinafter the “Addressees”).

For more details on the procedures in force for each Risk Area, refer to procedure G-IND A1101 ‘Internal Regulation for the prevention of 231 Risks’.

The Addressees are specifically obliged:

- to behave with integrity, fairly and transparently when preparing the financial statements, reports and other corporate communications envisaged by the law, so as to provide

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>75/157</b>

shareholders and the public with truthful, correct information on the economic, equity and financial position of Hitachi Rail STS and the group to which it belongs, in compliance with all provisions of the law, regulations and applicable accounting standards. Therefore, it is prohibited to indicate or send for processing or include in said communications, false, artifact or incomplete data or in any case data that is not true, about the Company's economic, equity and/or financial position. It is also prohibited to act and/or operate in such a way as to create cash off the accounts (for example by invoicing non-existent transactions or over-invoicing) or in any way aimed at creating "black funds" or "parallel accounts", also for values below the threshold of criminal relevance set by Articles 2621 and 2622 of the Italian Civil Code. Particular attention must be paid to estimating the accounting items: those intervening in the estimation procedure must comply with the principle of reasonableness and clearly state the assessment parameters applied, providing all complementary information necessary to guarantee the truthfulness of the document. The financial statements must be completed in terms of corporate information and must contain all data required by the law. Similar correctness if required of the directors, auditors and any liquidators in preparing all other communications set or in any case envisaged by the law and directed towards the shareholders or the public, so that they contain clear, precise, truthful and complete information. With reference to the consolidated financial statements, in particular, the Company assures observance of criteria used to prepare standardized financial statements and complies, when consolidating, with principles of correctness, reasonableness in determining criteria, refusing to proceed with the consolidation should it note any imperfect compliance by the subsidiaries with said criteria,

- to behave ethically and with integrity, fairness and transparency when preparing the statements required to request an investment or admission to listing on regulated markets, or documents to be published during public purchase or trade offers, so as to allow addressees of prospectuses to form an informed, objective opinion on the economic, equity or financial position of the Company or the financial instruments issued by it and the related rights. To this end, the information prospectuses and/or documents being commented must be completed in terms of the information and must contain all elements, where envisaged, required by the law,
- to behave in such a way as to guarantee the regular function of Hitachi Rail STS and the correct interaction of its corporate bodies, assuring and facilitating all forms of control over company management, in the manner envisaged by the law, and the free and regular formation of the will of the shareholders' meeting. To this end, it is prohibited to: prevent or hinder in any way, including by concealing documents or using other suitable artifice, the pursuit of institutional controls and revisions by the Board of Auditors and/or independent auditing firms, b) unlawfully determine or impact the passing of shareholders' meeting resolutions, to this end acting in a simulated or fraudulent manner in order to falsely alter the normal and correct procedure of the formation of the will of the shareholders' meeting,
- to guarantee the timely compliance with all provisions of the law that protect the integrity and effectiveness of the share capital, so as not to harm the guarantees of creditors and, more generally, third parties. To this end, it is prohibited to: a) return, even through

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>76/157</b>

simulation, conferrals to shareholders or release them from the obligation to do so, clearly without prejudice to the hypotheses of lawful reduction of the share capital, b) allocate profits or down payments on profits not effectively achieved or allocated by law to reserves, or allocate reserves, even not constituted from profits, which the law states cannot be distributed, c) purchase or subscribe shares in the company or parent company outside the cases permitted by the law, thereby harming the integrity of the share capital or reserves that cannot be distributed by the law, d) reduce the share capital or merge with other companies or perform spin-offs in breach of the provisions of the law, thereby damaging the creditors, and e) form or fictitiously increase the share capital through the attributions of shares for an amount below their nominal value, reciprocal subscription of shares or stocks, significant over-valuation of conferrals of assets in kind or receivables or the equity in the event of transformation,

- to comply, in carrying out transactions of any kind on financial instruments or in distributing information about them, with principles of correctness, transparency, completeness of information, protection of the market and respect for the dynamics of the free determination of the price of securities. To this end, it is strictly prohibited to distribute or help distribute, in any way, false information, news or data or implement fraudulent transactions or in any case transactions that are misleading, in such a way as to even only partially potentially cause an alteration in the price of financial instruments. Hitachi Rail STS undertakes to: a) always act diligently, correctly and transparently, in the interests of the public of investors and the market, b) organize itself in such a way as to exclude the onset of situations of conflict of interests and, on these occasions, to in any case ensure the balanced protection of the conflicting interests, c) take steps to ensure that there is no undue circulation/dissemination of significant information within the Company and Group,
- to hinge the management and coordination carried out by Hitachi Rail STS in regard to direct or indirect subsidiaries on compliance with the law and, more generally, principles of managerial autonomy, correctness and transparency. This activity shall be carried out in such a way as to be traceable and, therefore, on the basis of formalized instruments, such as directive, group provisions, etc. issued by subjects to whom specific power has been attributed in this regard.

The work carried out by Hitachi Rail STS in the areas potentially at risk is regulated by internal procedures that comply with the criteria laid down by the Decree. In addition, the Company operates in compliance with the regulatory provisions envisaged by the Financial Instruments and Exchange Law (J-SOX).

With regard to Risk Areas 002 and 003, **refer to the control principles described in Special Part A** of the Model (Offences against the Public Administration) for the corresponding risk areas.

With reference to the remaining Risk Areas, the methods for implementing the above-mentioned criteria in relation to the different risk areas of activity are described below.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>77/157</b>

**005 Management of requirements, communications and requests for authorizations, licenses and certifications, including during audits and inspections by the competent public administrations, supervisory authorities or competent public entities**

Activities supervised by public authorities must be carried out on the basis of the following principles:

- respect for the duties, roles and responsibilities defined by the corporate organizational chart and the authorization system in the management of relations with the Authorities/Supervisory Bodies,
- respect for duties, roles and responsibilities in preparing the documentation to be sent to the Authorities/Supervisory Bodies,
- operation of duties in respect of the duties, roles and responsibilities defined by the corporate organizational chart transparently, correctly and with a spirit of collaboration, facilitating the work of the body during inspections and, completely and correctly, providing the information and data as may be requested in compliance with the duties legally attributed to the body,
- application in compliance with the duties, roles and responsibilities defined by the corporate organizational chart and assuring the completeness, truthfulness and transparency of data transmitted by the departments involved in the transmission of documentation, data or information to the Authority/Supervisory Body,
- suitable representation of the activities and controls carried out and the regular reports made to the authorities as envisaged by laws and regulations.

All communications and information sent to the supervisory authorities must be kept available to the SB.

**013 Management of corporate requirements (relations with shareholders, auditors and external auditors)**

The activities involving the exercise of control powers over corporate management (risk area B.2) must be carried out in compliance with the corporate rules inspired by the following principles:

- transparency and correctness in supplying information and data to the control bodies, including the Board of Auditors or subjects appointed by it, in order to guarantee the relevant completeness and truthfulness,
- the timely transmission to the Board of Auditors of all documents relative to the items on the agenda of Shareholders’ Meetings and meetings of the Boards of Directors or about which the Board is called to express an opinion,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>78/157</b>

- making available to the Board and the Independent Auditing Firm of the documents on the Company’s management for the audits of the two bodies,
- provision for regular meetings between the Board of Auditors and the Independent Auditing Firm and, if considered appropriate, the SB, to verify compliance with the corporate rules and procedures on corporate regulations,
- respect for the roles and responsibilities for access by shareholders to the contents of the corporate books in accordance with Art. 2421 of the Italian Civil Code,
- respect for the rules envisaged by current procedures governing access to corporate books, which envisage the formulation of a written request by shareholders, prior verification of the legitimacy of the party making the request, shareholder access to the corporate books in such a way as to avoid any compromising of their integrity and genuine nature and the documentation attesting to the work carried out.

**014 Management of the general accounting and preparation of the draft consolidated and statutory financial statements and any equity positions, including when performing extraordinary transactions,**

In order to guarantee the correctness of the financial statements and, more generally, all communications made by the Company, the related activities must be carried out on the basis of the following principles:

- compliance with the principles of compiling accounting documents in accordance with Art. 2423, paragraph 2 of the Italian Civil Code, in accordance with which “the financial statements must be prepared clearly and must provide a truthful and correct representation of the company’s equity position and period economic result”,
- when estimating the accounting items, it is important to comply with the principle of reasonableness and clearly state the assessment parameters applied, providing all complementary information necessary to guarantee the truthfulness of the document (see Articles 2423, paragraph 3 and 2423-bis of the Italian Civil Code),
- to ensure the completeness of the financial statements in terms of corporate information, indicating, in particular, all the elements required by the law, such as, by way of example, those envisaged by Art. 2424, for the balance sheet, 2425, for the income statement and 2427 for the notes,
- with respect to the procedures that lay down the roles, tasks, responsibilities and controls with reference to the reliability of the economic, financial and equity information,
- similar correctness is paid in preparing all other communications set or in any case envisaged by the law and directed towards the shareholders or the public, so that they contain clear, precise, truthful and complete information,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>79/157</b>

- systematic communication to the SB of any appointment conferred on the independent auditing firm, over and above that relative to the auditing of the financial statements.

More specifically, the Hitachi Rail STS protocols envisage:

- formal definition of the modalities related to the generation of accounting records and of methods and criteria for their registration and validation by appropriate organisational levels,
- identification of the persons involved and of the methods for carrying out the consolidation of the accounting data of foreign permanent establishments,
- verification, by the competent corporate functions, of the complete and correct recording of accounting records,
- respect for duties, roles and responsibilities defined by the corporate organizational chart and by the authorization system in the preparation, processing and control of the financial statements information,
- definition of the timing for sending the information between the various different corporate departments,
- definition of the information flows between the structure in charge of preparing the financial statements and corporate departments responsible for supplying the information that will flow into the financial statements,
- the list of the data and information that each Entity/corporate department needs to supply, to which entities/departments it is to be sent, the criteria for its processing and the delivery time,
- sending of data and information to the responsible department (CFO - Administration) for the preparation of the financial statements in written or electronic form so as to keep the various steps tracked and the subjects sending the data and information or entering the data into the system,
- control on the completeness and correctness of the information included in the draft financial statements,
- the listing of criteria and procedures for preparing and transmitting the data of the consolidated financial statements by the Group companies consolidated, specifying the responsibilities relative to the various process phases and the procedure for reconciling the infra-group balances,
- the timely transmission to all members of the Board of Directors and Board of Auditors of the draft financial statements and the report of the external auditors as well as a suitable recording of said transmission,
- periodic meetings or in the preparation of the Financial Report and Financial Statements between the Independent Auditing Firm and the Board of Auditors and, where considered appropriate, the SB,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>80/157</b>

- the justification, provided in duly documented circumstances, objectively able to be noted and reconstructed *a posteriori*, of any change to the assessment criteria adopted in order to prepare the above accounting documents and the related application methods. These situations, in any case, must be promptly reported to the Supervisory Body,
- the attribution to the BoD of the preventive approval of corporate transactions that may entail significant economic, equity and financial impacts (for example, capital transactions, mergers, spin-offs, transformations, purchases of treasury shares, return of conferrals, purchases or sales of business units, etc.),
- the formal definition of the roles, duties, responsibilities and controls relative to the mergers and acquisitions in order to guarantee their transactions, compliance with current rules and regulations and consistency with the corporate procedure business strategies,
- the timely verification of the effectiveness and fairness of the provisions in connection with which an invoice is issued to the Company, with the involvement of the departments that benefited from service in order to acquire certification of its effective provision of said service and its compliance with the contract object. Special attention must be paid to infra-group transactions entailing the purchase or sale of goods and services and, more generally, the payment of fees in connection with activities carried out in within the Group: in particular, intra-group transactions and/or those implemented with associated parties must always take place according to criteria of substantial correctness and must be regulated in advance on the basis of written contracts, which must be withheld and held on the records of each of the contracting companies. These conditions must be settled at arm’s length, on the basis of assessments of reciprocal economic convenience, moreover in regard to the shared objective of creating value for the whole Group. This is in any case without prejudice to the obligation to comply with the provisions of Articles 2391 of the Italian Civil Code in terms of the directors’ obligations to disclose to the Board any situations of conflict of interests and the consequent passing of the related resolutions with a duly justified resolution and with Articles 2428 of the Italian Civil Code on the obligation to present the most important infra-group transactions in the report on operations,
- the traceability of transactions entailing the transfer and/or deferral of credit positions through the figures of subrogation, the assignment of credits, the assumption of debt, the use of the figure of the delegation, transactions and/or waivers of credit positions and the related justifications,
- the traceability of the process relative to the communications to the Supervisory Authorities to be performed in compliance with the provisions of law and regulations, in view of the objectives of transparency and correct information. Any meetings with the Supervisory Authorities (including during inspections) must involve the corporate representatives expressly delegated to this end, each meeting must be duly documented and take place in the presence of at least two representatives of the Company. In the event of an inspection ordered by the Supervisory Authorities, the Company assures the coordination of all the corporate departments involved, so as to guarantee the most

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>81/157</b>

extensive and timely collaboration with such Authorities, providing the data and documents required promptly and fully,

- suitable cautions aimed at guaranteeing the protection and storage of the documentation containing confidential information so as to prevent any undue access,
- the obligation to invest on the basis of the strategies defined formally in advance by the competent bodies and/or corporate departments.

With specific regard to the preparation of information prospectuses, the Company shall comply with the following principles:

- the verification of the correctness of the data and information each time there is the possibility,
- if the data and/or information used in the prospectus comes from sources outside the Company, these sources must be specified,
- the identification of a person responsible for each preparation - or involvement in the preparation - of an information prospectus,
- timely disclosure to the SB by the transaction manager, of each initiative involving the preparation or involvement in the preparation of information prospectuses and their publication.

All transactions on the Company's share capital, the allocation of profits and reserves, purchases and sales of investments and business units, mergers, spin-offs and demergers, as well as all transactions, including within the group scope, which may potentially harm the integrity of the share capital must be inspired by the following principles:

- respect for the duties, roles and responsibilities defined by the law, the corporate organization chart and the authorization system in carrying out transactions that can in any way impact the integrity of the share capital,
- the disclosure by the corporate management team and the discussion of said transactions in meetings held between the Board of Auditors, the Independent Auditing Firm and the SB,
- the explicit approval by the Board of Directors of Hitachi Rail STS of transactions that may impact the integrity of the share capital,
- the obligation to provide suitable, timely information by the corporate representatives on any situations of conflict of interests, including with reference to appointments held in subsidiaries,
- the identification of the corporate representatives holding positions or carrying out activities potentially able to create situations of conflict of interests, also with reference to the appointments held in subsidiaries and including through the provision for an obligation to sign declarations attesting to the absence of any such situations.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>82/157</b>

With reference to related party transactions, including the management of infra-group transactions , the Company's activities comply with the following principles:

- infra-group transactions must be implemented correctly and transparently in compliance with the principle of autonomy of Group companies and principles of correct management, accounting transparency and the separation of assets, so as to guarantee the protection of the stakeholders of all group companies,
- formal definition of the roles, duties, responsibilities and controls relative to the management of related party transactions in order to guarantee their transparency and compliance with current legislation,
- respect for the roles, duties and responsibilities defined by the corporate organizational chart and the authorization system,
- the management/purchase of investments must take place on the basis of a specific authorization procedure, as envisaged by corporate procedure on M&A transactions (see procedures, in connection with which the roles, duties and responsibilities are defined and specific controls envisaged in relation to the operating process, the pursuit of which must be suitably highlighted),
- the concession and management of the guarantees in the favor of subsidiaries must take place on the basis of a specific authorization procedure, in connection with which roles, duties and responsibilities are defined and specific controls relative to the operating process, the pursuit of which must be suitably highlighted.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>83/157</b>

**9. SPECIAL PART “B1” - CORRUPTION AMONG PRIVATE INDIVIDUALS**

**INTRODUCTION**

The crimes to which this Special Part refer are two specific hypotheses of corporate crime introduced by Art. 25-ter, paragraph 1, letter s-bis of the Decree:

- corruption between private individuals pursuant to Art. 2635 of the Italian Civil Code;
- instigation to corruption among private individuals pursuant to Art. 2635-bis of the Italian Civil Code.

**AREAS EXPOSED TO RISK**

The crime of corruption among private individuals has as its assumption the establishment and conduct of direct or indirect relations, private counterparties, in Italy or abroad.

Therefore, all the corporate areas that, in order to go about their duties, entertain relations with private counterparties or have instrumental functions or facilitate the unlawful conduct in question, are defined as being at risk.

- 001 Relations with customers (Public Administration or private entities) in the management and coordination of commercial activities,**
- 002 Research and negotiation of orders/contracts of sale and maintenance with customers (Public Administration or private entities) also through tenders,**
- 003 Stipulation, execution and management of contracts/orders (Public Administration or private entities),**
- 004 Selection and management of commercial promoters and partners in ATI (temporary associations of enterprises) and/or consortia,**
- 008 Finance and treasury,**
- 009 Management of representation expenses, gifts, sponsorships and donations,**
- 010 Personnel recruitment, hiring and reimbursement of travel expenses management,**
- 011 Procurement of goods, services and consultancies,**
- 015 Relations with third parties for certification activities,**
- 016 Management of relations with the financial market,**
- 017 Management of research and development and intellectual property**

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>84/157</b>

With reference to said areas, below is a description of the related sensitive activities,

With reference to the said areas, in addition to what has already been indicated in Special Section A with reference to public counterparties, below is a description of sensitive activities - referring to the company's current procedural system (for further details, see procedure G-IND A1101 "Internal Regulation for the prevention of 231 Risks") - along with the possible ways in which predicate offenses under Legislative Decree 231/2001 could be committed.

**001 Relations with customers (Public Administration or private entities) in the management and coordination of commercial activities**

As regards relations with private customers in commercial business, the main activities potentially “at risk” identified for the perpetration of the crime of corruption among private individuals are as follows:

- *Management of commercial relations in regard to private customers or subjects appointed by the (public or private) customer*
- *General promotional activities performed on customers of the company*
- *Support and coordination in defining offer strategies for private customers or subjects appointed by the (public or private) customer*

As regards this area, there is a potential risk of the perpetration of the crime of corruption between private parties insofar as, during meetings under the scope of commercial relations, including those relating to the definition of the offer, monies or other benefits may be offered or promised to a customer functionary in order to obtain undue benefit for the Company.

**002 Research and negotiation of orders/contracts of sale and maintenance with customers (Public Administration or private entities) also through tenders**

With regards to relations with private customers, there is the potential risk of the perpetration of the crime of corruption between private parties insofar as monies or other benefits could be promised or offered to a customer functionary in order to obtain undue benefit for the company, such as, for example:

- definition of conditions and/or assessments during the pre-qualification and/or assessment of bids in the company’s favor, to assist it during the selection phase, even if not meeting the necessary requirements,
- responses to requests for information about a tender notice, which gives the company an undue advantage,
- assessments of the offer received and/or definition of contract conditions in the company’s favor, despite the lack of the necessary requirements.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>85/157</b>

The same crimes could be committed in regard to a subject appointed by the customer, for example a consultant assisting it in defining and assessing a bid.

### **003 Stipulation, execution and management of contracts/orders with customers (Public Administration or private entities)**

In this area, there is the potential risk of the perpetration of the crime of corruption between private parties insofar as monies or other benefits could be promised or offered to a customer functionary in order to obtain undue benefit for the company, such as, for example:

- the recognition of new activities or new prices or variants during work, where there is no basis for such,
- failure to note anomalies in works performed or contractual breach, so as to unduly obtain recognition of works progress or the payment of invoices put on hold,
- positive assessments without there being any basis for such or failure to report findings, thereby unduly obtaining the successful outcome of tests or audits performed by the customer in the various phases of order execution.

The same crimes could be committed in regard to a subject appointed by the customers, such as a consultant assisting it in managing the contract.

If false documentation should be supplied by the company to a private customer, which uses it to fraudulently mislead its public administration customer, action in concert in the crime of aggravated fraud to the detriment of the State, may take place.

### **004 Selection and management of commercial promoters and partners in ATI and/or consortia**

The area shows potential risk profiles connected with the perpetration of the crime of association with the intent of committing crime, given that the establishment of Temporary Business Associations or Consortia could be instrumental to the perpetration of crimes, the basis of which consists of the existence of the association, destined to continue over time between the participants, obtaining undue benefit for the company through said association.

### **008 Finance and treasury**

The activity in question presents risk profiles insofar as possible, for the creation of concealed economic funds to be allocated to corrupt private counterparties in order to obtain undue advantages in the Company's favor.

Special attention must be therefore paid first and foremost to defining the financial policies, in such a way as to ensure that they highlight the legitimacy of the choices for the allocation of corporate resources, also in view of a subsequent verification of their effective use.

In this area, the relationship with the subsidiaries for the concession and management of any infra-group guarantees, as well as the management of group treasury, take on particular importance.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>86/157</b>

With regard to the management of relations with banks and insurance companies, in order to obtain loans and guarantees of any type functional to the business, we note that the company’s business requires the availability of facilities for guarantees, as a rule bank bonds, in some cases also insurance bonds, to be given when submitting bids (bid bonds), for the correct completion of the order (performance bonds) and after-sales guarantees (warranty bonds), for the collection of contractual advances (Advance bonds) or the release of guarantee withholdings (retention bonds).

Despite the context regulated by restrictive bank or insurance procedures, in this area there is a potential risk of the perpetration of the crime of corruption between private parties that could take concrete form through the giving or promise of money or other benefits to a functionary of a bank, insurance company or broker of the latter, in order to facilitate the issue of guarantees, even without meeting the necessary requirements or conditions (economic and/or contractual) off the market to the benefit of the Company.

**009 Management of representation expenses, gifts, sponsorships and donations**

The activities in question entail risks that may constitute a vehicle to conceal the undue disbursement in favor of private counterparties with which the Company entertains relations, of amounts of money or benefits of any type in view of the obtaining of undue favors, with the consequent possible integration of the crime of corruption between private individuals.

**010 Personnel recruitment, hiring and reimbursement of travel expenses management**

The area in question entails risk because the selection, hire and management of personnel (e.g. policies of merit) could represent the vehicle through which to obtain under advantages in the event that they should involve a person near a private counterparty.

Consider, merely by way of example, the following hypotheses:

- promise of hiring or hiring of a person or an undue improvement or promise of undue improvement of the conditions of an employee (e.g. in policies of merits) linked by family relationship, affinity or in any case related to a representative of the private customer or subject appointed by it or any private counterparty, as a means by which to cause him to act or fail to act in a manner that is in conflict with official duties or duties of loyalty, thereby harming the relevant company,
- a specific case of corruption between private individuals can abstractly occur in the case of the promise or giving of money or other gains to a representative of the trade union, in order to obtain support and promotion of corporate policies to the benefit of the Company.

Again with regard to the management of personnel, critical aspects may emerge with regards to the planning of corporate objectives and the assignment of the related targets with respect t the prospect of benefits or bonuses (for example in terms of stock options), parameterized to the achievement of particularly ambitious results, there may be a risk that the corporate representative, in order to achieve the result required, shall perpetrate crimes facilitating pursuit of the objective.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>87/157</b>

**011 Procurement of goods, services and consultancies**

The area of procurement may be instrumental to the perpetration of the various crimes. In respect of the crime involved by this special part, we report the promise or giving of money or other gains to an employee of the supplier in order to obtain undue advantage, thereby leading said subject to act or fail to act in breach of the obligations of their position or obligations to loyalty, harming the relevant company.

**015 Relations with third parties for certification activities**

The point in question presents risk profiles insofar as possible for the activity carried out by the Company that includes constant contact with third parties for certification activities including management of any audits connected with preparing, updating the documentation called for by the law and checking effective application of the relevant company requirements.

**016 Management of relations with the financial market**

The point in question presents risk profiles insofar as possible for the relation between the Company and the financial market who potentially and abstractly could commit the crime of market manipulation or make false or misleading statements.

**017 Management of research and development and intellectual property**

The company carries out significant research and development for the introduction of new technological solutions or to improve existing ones. To this end, the company entertains relations with universities and research centers. The corporate Intellectual Property Department, with the support of the Legal Department, assists the development departments in the patent process.

In this area, there is a potential risk of perpetration of the crime of corruption between private parties, which could take place, merely by way of example, in the following ways:

- promise or giving of monies or other benefits to a functionary of the company and/or professional associations supporting the company in the activities necessary to obtaining patents, for example in order to obtain registration of a patent earlier than a competitor,
- promise or giving of money or other gains to a functionary of a competitor company or research center, for example in order to obtain a trade secret.

The management of research and development and intellectual property is an area at risk also for crimes relating to breach of copyright, in this respect, refer to the related Special Part. These same activities could entail relations with entities that may come under the scope of those classifiable as PA, for which reference is made to special part A).

**GENERAL PRINCIPLES OF CONDUCT AND CONTROL**

This Special Part refers to the conduct implemented by directors, managers and employees operating in the areas of the risk activities and external collaborators and partners, as already defined in the General Part (hereinafter all referred to as the “Addressees”).

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>88/157</b>

For more details on the procedures in force for each Risk Area, refer to procedure G-IND A1101 'Internal Regulation for the prevention of 231 Risks'.

In the context of the above conduct, it is forbidden in particular to:

- make promises or undue donations of money to private parties in order to obtain undue benefits,
- distribute gifts and presents outside the provisions of the Code of Ethics and internal regulations (see the corporate procedure governing gifts, hospitality and entertainment expenses - see the attached list of procedures). In any case, any form of gift to private counterparties (including countries where the giving of presents is common practice) or their relatives is prohibited if it might influence the independence in a decision or induce to grant any advantage whatsoever to the Company. Permitted gifts are always of negligible value. Gifts offered or received - except for those of negligible value - must be suitably documented to as to allow for appropriate checks,
- afford other types of benefits (promises of employment, use of corporate assets, improper use of entertainment expenses, etc.) in the favor of private counterparties, which can determine an undue advantage for the Company,
- pay or offer, directly or indirectly, including in the form of aid or contributions, payments or tangible benefits for private counterparties to impact or compensate a deed of their office and secure benefits of any type for the company,
- sign deeds or documents of external relevance to the company in the absence of powers formally attributed or going beyond the powers assigned,
- exert undue pressure or solicitations on private counterparties in the pursuit of their official duties,
- hire personnel who are not necessary or not worthy merely in order to obtain undue benefits,
- acknowledge reimbursements of transfer and entertainment costs that are not suitably justified in connection with the type of activities carried out or without suitable justifying documentation,
- issue requests for purchase that are not matched by a specific, explained need of the company and that are not authorized on the basis of the delegations conferred,
- award supply or subcontracting contracts to persons or companies that are “near to” or “approved” purely in order to obtain undue benefit,
- award supply or subcontracting contracts without the necessary requirements of quality, safety ad value for money of the purchase,
- unlawfully “direct”, through corruption, the tender procedures for the award of supplies in order to have a specific subject named as awardee, including through artifice employed to exclude other participants,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>89/157</b>

- approve invoices payable in respect of entirely or partly non-existent services,
- provide services to business partners and/or consultants without appropriate contractual documentation, justification and authorization,
- acknowledge payments in the favor of external collaborators that are not suitably justified in connection with the type of appointment to be performed, current local practices and market prices,
- provide various forms of aid or contributions that, in the form of sponsorships, instead aim to promote or foster the company's interests,
- grant any discounts, write-offs of credit and/or repayment plans in order to obtain undue advantages in relations with private customers.
- award consultancy appointments/mandates on persons or companies not meeting the requirements of honor, professionalism and reliability,
- use cash as a means of payment and collection outside the cases permitted by corporate procedures or regulations or in any case improperly,
- open current accounts or savings books anonymously or under fictitious names and use any opened in foreign countries,
- order payments or collect monies to/from countries on the main international black lists, without any documentation proving the real, specific needs.

With regards to **relations with private customers, in the management and coordination of commercial activities (001)** and **the search for and negotiation of orders/sales contracts (002)**, the Company complies with the control principles described in Special Part A (Crimes to the detriment of the Public Administration) for the equivalent risk areas . These control principles also apply to relations with subjects appointed by the customer, such as consultants assisting with the definition of tender specifications and the bid assessment:

As regards **relations with private customers in the stipulation, execution and management of contracts/orders (003)**, the Company complies with the control principles described in Special Part A (Crimes to the detriment of the Public Administration) for the equivalent risk area. These control principles also apply to relations with subjects appointed by the customer, such as consultants assisting with contract management.

With reference to the **selection and management of commercial promoters and partners in ATI (temporary associations of enterprises) and/or consortia (004)**, the Company complies with the control principles described in Special Part A (Crimes to the detriment of the Public Administration) for the equivalent risk area

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>90/157</b>

With reference to the **management of financial market relations** functional to the conduct of business, under the scope of finance and treasury (**008**), the Company’s business complies with the following control principles:

- respect for the roles, duties and responsibilities defined by the company organizational chart, the authorization system and the system of delegations and powers of attorney with reference to relations with banks, insurance companies or brokers and their functionaries,
- correctness and transparency in relations with banks, insurance companies or brokers in respect of principles of correct management, transparency, information fairness and in such a way as to guarantee the protection of interlocutors,
- integrity, impartiality and independence, not improperly impacting the decisions of the counterparty and not requesting special treatment. It is in any case prohibited to promise, disburse or receive favors, amounts and benefits of any type,
- completeness, accuracy and truthfulness of all information and data sent to banks, insurance companies or brokers,
- provision for specific contractual cautions aimed at regulating the processing of and access to inside information by banks, insurance companies or brokers in order to guarantee equal information to all interlocutors,
- departments needing surety or a guarantee, essentially the Sales & BD Department and the Delivery Department, prepare periodic medium-term provisions of the needs for guarantees on the basis of which the Finance and Treasury Department negotiates the loans and controls their use,
- loans for surety and guarantees are negotiated by the Finance and Treasury Manager, liaising with the CFO,
- the department needing surety or a guarantee, essentially the Sales & BD Department and the Delivery Department, submits a written request to the Finance and Treasury Department, which is responsible for negotiating it with the bank or broker in compliance with the requirements needed and at the lesser cost. The Legal Department supports the review of the conditions of the surety or guarantee
- the requesting department is also responsible for reporting the expiry of the surety or guarantee in order to have it returned,
- the commission charged by the bank or, through the broker, by the insurance companies, are controlled with the results of the calculations performed by the Finance and Treasury Department.

With reference to **cash flow management** (collections and payments) under the scope of finance and treasury activities (**008**), the Company complies with the principles of control described in Special Part A (Crimes to the detriment of the Public Administration) for the equivalent risk area .

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>91/157</b>

With reference to the **management of representation expenses, gifts, sponsorships and donations (009)**, the Company complies with the control principles described in Special Part A (Crimes to the detriment of the Public Administration) for the equivalent risk area.

With reference to the **Personnel recruitment, hiring and reimbursement of travel expenses management (010)**, the Company complies with the control principles described in Special Part A.

With reference to the **Procurement of goods, services and consultancies (011)**, the Company complies with the control principles described in Special Part A. With reference to the **management of relations with third parties for certification activities (015)**, the Company’s business complies with the following control principles:

- respect for the roles, duties and responsibilities defined by the corporate organizational chart and the authorization system in the management of relations with certification entities/companies,
- during audits and verifications by the certification entities/companies, the departments appointed to entertain relations with such subjects and any other department required to provide support, operate transparently, correctly and in a spirit of collaboration, facilitating verifications and completely and correctly supply the information, data and documentation required,
- employees entertaining relations with representatives of certification entities/companies report promptly to the project team and the respective managers on the critical issues that may arise during assessments/audits,
- the selection of certification entities/companies and the definition of the related appointment is carried out according to the procedures and principles of control of the goods and services procurement processes to which reference is made.

With reference to the **management of research and development and intellectual property activities (017)**, the Company complies with the control principles described in Special Part “I” (Crimes against industry and trade) for the corresponding risk area.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>92/157</b>

## 10.SPECIAL PART “C” - OFFENSES OF MANSLAUGHTER AND GRIEVOUS OR VERY GRIEVOUS BODILY HARM COMMITTED IN BREACH OF HEALTH AND SAFETY AT WORK LEGISLATION

### INTRODUCTION

The crimes to which this Special Part refers are the following pursuant to Art. 25- *septies* of Italian Legislative Decree no. 231/2001:

- manslaughter (Art. 589 of the Italian Criminal Code)
- bodily injury caused through negligence (Art. 590, paragraph 3 of the Italian Criminal Code)

This Model is an integral part and at the same time a summary tool of the health and safety at work management system in place at Hitachi Rail STS S.p.A. and is compliant with Art. 30 of Italian Legislative Decree no. 81/08.

The Company has also adopted an Health and Safety Management System, for which it has obtained ISO 45001 certification, with a view to guaranteeing the achievement of worker protection objectives.

The Company is in fact constantly committed to the protection of worker health and safety, privileging preventive actions and seeking to assure continuous improvement.

To this end, the Company undertakes:

- to comply with legislation and applicable agreements regarding safety at work,
- to involve the whole of the company organization in active safety management,
- to ensure the continuous improvement of the health and safety at work management system and prevention,
- to provide the necessary human and material resources,
- to ensure that workers are sensitized and trained to go about their duties safely and to accept full responsibility for health and safety at work,
- to involve and consult workers, including through their Safety Managers,
- to periodically review the policy and management system implemented,
- to define and spread awareness, within the company, of the health and safety at work objectives and related implementation programs,
- to constantly monitor safety at work, through the verification of the achievement of objectives and system functions.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>93/157</b>

This commitment by the Company comes under the scope of the more general commitment to comply with standards at work.

**HEALTH AND SAFETY MANAGEMENT SYSTEM**

The health and safety management system is part of the integrated management system adopted by the Company, which also includes environmental management. To this end, Hitachi Rail STS has adopted a specific document that describes how the Company's Environment and Safety Management System meets all HSE requirements, defined by the GBMS, international standards UNI EN ISO 45001 and ISO 14001 and the Emas Regulation, to which refer.

This System, which is also consistent with the Company's policy choices in these areas, is structured in the following sections, as shown below:

1. **context of the organisation:** this is an in-depth examination of the Company and the context in which it operates, the counterparties with which it interacts and the definition of the scope and structure of the HSE Management System,
2. **leadership:** this involves the planning and organisation of roles and activities related to environmental protection and health and safety, as well as HSE policies,
3. **HSE planning:** these are the activities aimed at establishing, implementing and maintaining a process to address HSE risks and opportunities, also to ensure compliance with all applicable health, safety or environmental (HSE) compliance obligations within the business, and aimed at setting objectives consistent with company policy, establishing the processes necessary to achieve the objectives, and defining and allocating resources,
4. **support:** these are the activities aimed at regulating the methods of training, consultation and communication and the methods of managing the document and data control system,
5. **operation:** these are the activities aimed at defining organisational structures, responsibilities and operational control methods, the HSE risk reduction process, and emergency management methods,
6. **performance evaluation:** these are the activities aimed at implementing the methods for measuring and monitoring performance, the recording and monitoring of HSE accidents and incidents, audits and periodic review activities in order to assess whether the HSE Management System has been fully implemented and whether it is sufficient for the realisation of the Company's policy and objectives in this area,
7. **improvement:** these are the activities aimed at managing non-conformities and corrective actions, as well as opportunities for improvement.

The Integrated Management System covers every activity of the Company for the two lines of business (LoB):

1. Vehicles (production in the production plants and Service & Maintenance)
2. Rail Control

It also applies to:

- routine activities within the LoB Scope of Work (such as production, installation, periodic maintenance) and non-routine activities (such as mobilisation/demobilisation, emergency conditions, extraordinary maintenance, etc.),

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>94/157</b>

- activities undertaken within the Company's facilities and also outside the confines of the workplace, such as travel to and from sites, customer sites, external sites, project sites, offices in storage areas, canteens and temporary work sites, etc.
- activities undertaken by Company workers, including employees and contractors (and subcontractors), or visitors.

With regard to the prevention of offences in the field of workers' health and safety, the HSE Management System fulfils the obligations set forth in Article 30 of Legislative Decree 81/08.

The main control elements relating to the Health and Safety Management System adopted by the Company are described below.

**The organizational system**

The Company has first prepared an organizational structure with powers, duties and responsibilities for health and safety at work defined formally in line with the company's organizational and functional structure, to which refer.

This organization includes the assignment of delegations pursuant to Article 16 of Legislative Decree 81/08 by the Employer, as well as the presence of key roles such as supervisors and RSPPs (Health and Safety Officers).

In each of the Company's facilities, there is a designated delegate of the Employer. Additionally, in some locations where multiple business lines operate simultaneously, and considering the different nature of the activities, a separate delegate is appointed for each business line, along with dedicated health and safety personnel (e.g., RSPPs). Dedicated health and safety structures are also in place at construction sites (sub-delegates).

Regarding permanent establishments abroad, the Branch Manager is assigned the responsibility of delegate pursuant to Article 16, supported by an HSE Manager to achieve the objectives outlined in the delegation.

**Definition of tasks**

The preventive system in question aims to define the organizational and operative duties and the responsibilities of the company management, officers appointed and workers with specific regard to the safety activities under their purview.

The tasks assigned must correspond to the effective powers.

In particular, the main roles are identified below:

- Employer,
- Managers,
- Appointed persons,
- Prevention and Protection Service Manager (RSPP),
- Prevention and Protection Service Operator,
- Appointed Physician,
- Workers' Safety Representative,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>95/157</b>

- Emergency Response and First Aid Operators,
- Manager responsible for structures containing asbestos,
- HR Manager,
- Workers.

Below are the tasks assigned to the various subjects involved in the corporate safety management system.

### **Employer**

The Employer has been appointed by the Board of Directors of Hitachi Rail STS as one of its members and he is assisted in the exercise of his safety functions by the HSE function, RSPP, managers and supervisors within the scope of the powers and responsibilities assigned to them in the Company.

In accordance with the provisions of Art. 16-17 of Italian Legislative Decree no. 81/08, the Employer (DL) identified by the Board of Directors of Hitachi Rail STS S.p.A. has:

- assessed all risks, with the consequent preparation of the Risk Assessment Document drawn up in compliance with current legislation,
- designated the Prevention and Protection Service Manager (RSPP) and the Service Operators (ASPP) and
- appointed the appointed physician (MC),
- defined a system of functions that covers the entire range of technical skills and powers required to determine, assess, manage and control risks, and a disciplinary system designed to take action against any violations to the measures set forth in the model,
- assigned tasks and responsibilities to the appointed managers for safety, choosing the people in such a way as to have a capillary dissemination throughout the territory and suitable operative oversight. Appointed managers meet extensive requirements of professionalism and have extensive experience in connection with the duties assigned and can, by virtue of the delegation, exercise all powers of organization, management and control required by the specific nature of the duties assigned, as well as autonomous spending power.
- In conjunction with the Risk Prevention and Protection Officer (RSPP) and the managers, complied with its obligations in accordance with Leg. Decree no. 81/08 and, specifically with Articles 17 and 18.

### **Managers**

Managers implement the employer's directives by organizing and supervising the work activity. They work with the employer in the fulfillment of obligations under Article 18 of Italian Legislative Decree 81/2008.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>96/157</b>

Managers who have received from the employer an express delegation of authority under Article 16 of Italian Legislative Decree 81/08 also have the safety obligations and responsibilities specified in the delegation given to them. In general, Managers must:

- Exercise hierarchical and disciplinary powers in regard to all employees. Adopt all organizational, procedural and economic measures, including exceptional expenses, in complete autonomy.
- Identify and promote the necessary investments in terms of safety at work and environmental protection. Define, prepare and issue, with the help of suitable corporate structures and notably the Prevention and Protection Service, all the procedures necessary to ensure the best possible protection of the physical integrity of the people and environmental protection.
- Define and implement training and information procedures and courses for workers on internal accident prevention, safety at work and environmental protection rules.
- Identify the managers and officers responsible for areas/department who must be formally assigned the duties relating to health and safety at work and environmental protection for the respective areas and departments of competence.
- Ensure the assessment of risks to worker health and safety, proposing that the Employer update the Risk Assessment Document (“DVR”).
- Carry out checks and controls on the efficiency, suitability and safety of technical equipment.
- Monitor the constant and timely compliance with the prevention and protection provisions. Define projects and programs to improve safety conditions.
- In the event of the award of works to contractors or self-employed workers, after assessing their technical-professional suitability, they shall liaise with the Prevention and Protection Service to assess application of safety regulations in connection with specific works,
- Identify the appointed person or persons in charge of carrying out supervisory activities.

As previously mentioned, regarding permanent establishments abroad, the delegation for health, safety, and environmental matters is assigned to the Legal Representative of the Branch (Branch Manager). The Branch Manager is supported by the HSE team to achieve the objectives outlined in the delegation.

### **Appointed officers**

Appointed Officers, in compliance with Italian Legislative Decree no. 81/2008, accept the obligations pursuant to Art. 19 with respect to all the structures and persons beneath them. In particular, they are responsible for ensuring that workers' behavior complies with company directives and current health and safety regulations. Additionally, they are tasked with supervision and control within the scope of work activities. In order to perform the duties assigned them, they

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>97/157</b>

can arrange for all interventions immediately necessary according to the corporate procedures. Under the scope of the corporate safety system, they shall, in the pertinent areas:

- supervise and monitor workers' compliance with legal obligations and company regulations regarding workplace health and safety, as well as the proper use of collective protective equipment and personal protective equipment (PPE) provided to them. If they detect non-compliant behaviors that violate the instructions given by the Employer's Delegate for collective and individual protection, they intervene to correct the behavior by providing the necessary guidance. In cases where the instructions are not followed or non-compliance persists, they suspend the worker's activity and inform their direct supervisors,
- promptly report to the Delegates any deficiencies in equipment, work tools, or PPE, as well as any other hazardous conditions that arise during work and come to their attention based on their training,
- if deficiencies in equipment, work tools, or other hazardous conditions are identified during supervision, they temporarily suspend the activity if necessary and promptly report any detected non-conformities to the Employer's Delegate.

**Prevention and Protection Service Manager (RSPP)**

The Prevention and Protection Service Manager (RSPP) in accordance with Articles 17, 32 *et seq.* of Italian Legislative Decree no. 81/08 has been appointed by means of letter signed by the Employer. The manager in question is trained in the manner prescribed by current applicable legislation (i.e. through the attendance of specific risk prevention and protection courses, including as regards ergonomics and psychological-social aspects, as well as periodic refresher courses required by the law).

The RSPP operates on the staff of the Employer and manages the Prevention and Protection Service (SPP), whose main tasks are to support the Employer in the Risk Assessment in the Planning of actions aimed at improving safety conditions, in supporting the local sites present (local units and sites) and in coordinating the various sites and in supervisory duties.

More specifically, the RSPP and the risk prevention and protection structure (SPP) shall in compliance with Art. 33 of Italian Legislative Decree no. 81/08:

- identify the risk factors, assessing the risks and identifying the measures (to be taken) for the safety and health of the workplace, in accordance with the current regulations on the basis of their specific knowledge of the organization of the undertaking,
- develop, within its competence, the preventive and protective measures referred to in Article 28, paragraph 2, and the control systems for such measures,
- develop the safety procedures for the various undertaking activities,
- propose workers' training and information programs,
- participate in consultations on the subject of safeguarding health and safety at work, as well as attending the periodic meeting referred to in article 35,
- supply workers with the information referred to in article 36.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>98/157</b>

- support the local units and sites in preparing all the documents necessary to an effective management of prevention and safety,
- support the Employer and SB in supervisory action through periodic audits,
- call and attend periodic health and safety meetings and the regular meeting pursuant to Art. 35 of Italian Legislative Decree no. 81/08,
- constantly monitor and spread awareness of the evolution of the regulatory framework on health and safety at work.

**Prevention and Protection Service Operators (ASPP)**

The Prevention and Protection Service Operators (ASPP) have been designed by letter signed by the Employer. They have been trained in the manner prescribed by current legislation on the matter pursuant to Articles 31 and 32 of Italian Legislative Decree no. 81/08 (i.e. by means of the attendance of specific courses on risk prevention and protection as well as the legal periodic updates).

They are classified in the direct central structure by the RSP and operate in the peripheral structures with supporting, coordination and reporting duties.

*Appointed Physician*

In accordance with Art. 38 of Italian Legislative Decree no. 81/08, the Appointed Physicians, specialists in occupational medicine, are appointed by specific letter signed by the Company’s Employer. Each appointed physician shall, at the relevant site and in particular:

- take part in risk assessments and the drafting of the related document (DVR),
- carry out preventive assessments aimed at noting the absence of contraindications for the work to which workers are assigned, in order to assess their fitness for the specific task,
- carry out periodic medical checks to check workers’ health and to express an opinion of their fitness to undertake the specific duties,
- manage the medical records and all legal documentation,
- collaborate towards the preparation of measures to protect the health ad psychological and physical well-being of workers,
- together with the Prevention and Protection Service Manager, periodically inspect the workplace,
- attend periodic health and safety meetings and the regular meeting pursuant to Art. 35 for the Legislative Decree no. 81/08.

In connection with the company’s operating structure, structured over multiple offices and countless sites, in order to standardize the risk assessment and consequent health protocols, the employer appoints one of the appointed physicians as **coordinating physician**.

**Workers’ Safety Representative (RLS)**

The Workers’ Safety Representative is the person elected or appointed to represent workers on matters related to health and safety in the workplace. As RLS, he has specific prerogatives and

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>99/157</b>

rights to participation/consultation under the scope of the most relevant decision-making processes regarding health and safety in the workplace and performs controls on the initiatives taken by the Company in this area.

### **Emergency Response and First Aid Operators**

Within each site and construction site, workers have also been designated to carry out the following tasks:

- **emergency operator**
- **first aid operator**

The Operators have been appointed by a specific letter of appointment - after consulting with the RLS. They have completed specific courses on the type and level of risks present in the contexts in which they operate and are subjected to medical check-ups for fitness.

### **Manager responsible for structures containing asbestos**

As regards the requirements envisaged by Article 12 of Italian Law no. 257/92 and Ministerial Decree of 9/6/1994, the Manager of the structures containing asbestos must ensure compliance with the rules and procedures and, in particular:

- examine the register of structures containing asbestos, which is delivered to him,
- make sure that documentation is supplied relative to the structures containing asbestos to the competent administrative authorities,
- inspect the places with the presence of asbestos at least once a year and, in any case, each time such should be necessary following significant external events, which may damage the materials, such as, for example, a hailstorm, a whirlwind, etc.,
- in the event of changes to the situation defined by the record of structures containing asbestos, draft a detailed report filling in a sheet like that contained as an annex to the Ministerial Decree of 9/6/1994, the report must be complete with photographic documentation and documents showing the location of the materials containing asbestos,
- if interventions are needed that may disturb the materials containing asbestos or the removal of asbestos, specific procedures must be observed, which are laid down by the law, with the involvement of specialized enterprises and work plans approved by the Supervisory Bodies.

### **HR Manager**

The HR Manager maintains relations between the workers and the company on topics relating to prevention and safety, in particular:

- he assists the Employer in relations with the RLS, with trade union organizations and employees in general,
- he controls the formal correctness of the legal procedures relating to the keeping of the medical documentation, the sending to the appointed entities and the delivery to the individual workers of documentation in the event of termination of employment,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>100/157</b>

- he collaborates with the Prevention and Protection Service in archiving information about personnel training.

At each Local Unit, the Employer delegates a representative of the HR Department to carry out all procedures relative to the reporting of employee injuries of the reference Local Unit in regard to INAIL and E.R. Authorities.

### **Workers**

Workers contribute, along with the Employer, Manager and Appointed Officers, to fulfilling the obligations established to protect health and safety in the workplace. To this end, pursuant to Article 20 of Legislative Decree 81/08, workers are required to:

- properly use work equipment, transportation means, and safety devices provided to them for collective and individual protection,
- comply with instructions and directives issued by the Employer, Delegates, and Supervisors to ensure collective and individual protection,
- immediately report to Managers or Appointed Officers any deficiencies in equipment or safety devices, as well as any hazardous conditions. In urgent situations, within their competence and capabilities, they must take immediate action to eliminate or reduce serious and imminent dangers,
- participate in training and education programs organized by the Employer, as well as in medical check-ups arranged by the Appointed Physician.

### **Training, communication and teaching**

The teaching and training of personnel with specific regards to health and safety at work are an essential element for the effectiveness and suitability of the related preventive system.

The absolution of duties that can somehow impact health and safety at work calls for suitable staff training requires suitable personnel training, to be verified and driven through the delivery of teaching and training aimed at making sure that all personnel, at all levels, are aware of the importance of the conformity of their actions with the organizational model and the possible consequences due to conduct that differs from the rules dictated by model.

To this end, the Company makes sure that each worker/corporate operator receives sufficient, adequate training with respect to their workplace and duties. Training is envisaged at the moment of hiring, transfer or change of duties or when introducing new work equipment or new technology, any new hazardous substances and products, in relation to concrete needs noted over time.

In implementation of the annual training plan, the Company defines the types of courses delivered and the frequency of delivery, taking into account the need to identify specific differentiated training paths according to the type of subjects involved and assuring full documentation of the training activities carried out.

The Company also assures the circulation of information within the company to foster the involvement of all those involved and allow awareness and suitable commitment on all levels through:

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>101/157</b>

- preventive consultation on the identification and assessment of risks and definition of preventive measures,
- regular meetings.

The circulation of information within the company is an essential element in order to guarantee suitable levels of awareness and commitment regarding the policy adopted in terms of health and safety at work and is based on the cooperation of all subjects involved, within and/or outside the company. The communication process is essential to have the personnel involved and participating in the health and safety at work management system and to achieve the objectives set to implement the corporate policy on the matter.

**RISK FACTORS EXISTING IN HITACHI RAIL STS**

According to the provisions of the Confindustria Guidelines, the adoption and effective implementation of the Model calls for a preliminary risk assessment with a view to identifying, through the inventory and mapping of business activities and areas, the risks of perpetration of the crimes envisaged by the decree and the assessment of the internal control system and its capacity to mitigate the risks identified.

With reference to the crimes in breach of health and safety at work standards (risk area **018**), these same guidelines highlight the impossibility of excluding, *a priori*, any area of activity as such crimes could involve all company members.

In addition, as regards the identification and analysis of potential risks and the possible methods by which crimes may be committed, on the basis of the mentioned guidelines and by virtue of the already discussed integrated nature of the health and safety at work management system in place at the company, the analysis coincides with the working risk assessment performed by the company on the basis of the accident prevention legislation in force, including in accordance with Articles 28 *et seq.* of Italian Legislative Decree no. 81/08.

In order to prepare this Special Part, Hitachi Rail STS has therefore taken into account the Risk Assessment Document adopted in accordance with Articles 17, letter a) and 28 of Italian Legislative Decree no. 81/08.

For an assessment of its completeness, the method used to identify Dangers and quantify Risks has been taken into account, an essential element in order to guarantee a suitable assessment of “all” risks present (as required by Decree no. 81/08) and the consequent implementation of provisions able to improve worker health and safety, this is an essential basis for the prevention of crimes pursuant to Articles 589 and 590 of the Italian Criminal Code.

Special attention has been paid to groups of workers present in the company that, regardless of the duties performed, may be considered as potentially exposed to specific risks, including in connection with gender differences.

On a case-by-case basis, when Hitachi Rail STS operates in places where it does not have legal liability, safety measures will be adopted through the documents envisaged by the law, as may be necessary to cope with the risks present in connection with the actual situation.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>102/157</b>

**GENERAL PRINCIPLES OF CONDUCT AND CONTROL REGARDING HEALTH AND SAFETY AT WORK**

In order to prevent and, where possible, avoid the occurrence of the aforementioned offenses, the addressers of the Model are required to:

- comply with all laws, regulations, and any other relevant requirements related to health and safety applicable to the company,
- follow the current company procedures and standards in the area of health and safety,
- enhance the quality of the work environments and ensure the health and safety of employees.

For more details on the procedures in force for each Risk Area, refer to procedure G-IND A1101 'Internal Regulation for the prevention of 231 Risks'.

Accident prevention and the protection of health and safety at work represent the company's essential need to protect its human resources and third parties.

All those who, as a result of the position and role held, are responsible for specific requirements or involved in processes relative to the protection of health and safety at work shall comply with all current prevention legislation, in particular the implementation of the requirements laid down by Italian Legislative Decree no. 81/08 and comply with the applicable corporate regulations and procedures.

Our company undertakes to guarantee a work environment that is compliant with current health and safety standards, promoting responsible behaviour and preserving, through monitoring, managing and preventing the risks connected with the professional activities, the health and safety of all employees and collaborators.

To this end, the Company takes the most appropriate steps to avoid risks connected with the conduct of its business and, where this is not possible, to suitably assess existing risks with the aim of combating them directly at source and guaranteeing their elimination or, where not possible, handling them.

All employees and collaborators as well as all those who, although external to the Company, operate directly or indirectly for Hitachi Rail STS, are required to comply scrupulously with all rules and obligations deriving from reference health, safety and environment regulations and to comply with all measures required by internal regulations and procedures.

Under the scope of their duties, employees/collaborators take part in the risk prevention and health and safety protection process in regard to themselves, colleagues and third parties.

As part of its activities, the company undertakes to adapt the work to the person, including as regards the design of the work station and the choice of working equipment and methods and production, in particular in order to attenuate monotonous and repetitive work and reduce the effects of such work on health.

As regards health and safety at work, the company also undertakes to operate:

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>103/157</b>

- a) taking into account the degree of evolution of technique,
- b) replacing what is dangerous with what is not, or with what is less dangerous,
- c) suitably planning prevention and aiming to ensure a consistent overview that takes into account and includes technique, work organization, working conditions, social relations and the impact of workplace factors,
- d) prioritizing collective protective measures over personal protective measures,
- e) giving suitable instructions to Personnel.

These principles are used in order to identify and adopt measures necessary to protect worker health and safety.

As regards the Safety System management process, all Addressees of this document must:

- envisage suitable procedures for the archiving of all documentation produced during the process activities and all relevant information about the activity, so as to reconstruct, clearly and transparently, all actions that have led to the conclusion of a process for the implementation and maintenance of the Company's Safety System,
- prepare all documentation, including annexes, in compliance with the requirements laid down by health and safety at work standards (e.g. keep copies of all meeting minutes, relative to training, documents appointing legally-required subjects, etc.).

All those concerned must comply with these principles, in particular when decisions or choices need to be made and, thereafter, when they need to be implemented.

Hitachi Rail STS also undertakes to prevent and repress any conduct and practices that may have the effect of mortifying the employee in his capacities and professional expectations, or resulting in his exclusion in the workplace, discrediting or the harming of his image.

In particular, the following is prohibited:

- to expose workers to risks to their health and safety,
- engage in imprudent, negligent or reckless conduct that may endanger their own safety or that of third parties in the workplace,
- to use workers who are even only temporarily unfit for works for which they are not suited and that, consequently, expose them to higher risk, in order to achieve economic advantages for the Company,
- to ask a worker without training or with insufficient training on health and safety at work to carry out operations exposing him to risk,
- perform work activities and operate machinery or equipment without having previously received adequate instructions on how to do so or without having previously attended training courses,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>104/157</b>

- not to supply workers with personal or group protection equipment found to be necessary following the risk assessment,
- not to grant the necessary time to subjects acting in the field of prevention and safety (Prevention and Protection Service Manager, Appointed Physician, Prevention and Protection Service operators, Workers' Safety Representative) to fully go about their duties.

Furthermore, all internal Addressees of the Model are obliged, by way of example, to

- comply with the provisions and instructions issued by the Employer and/or his delegates for the purposes of safety, by the managers and the persons in charge of safety for the purposes of collective and individual protection,
- correctly use machinery and equipment, means of transport and other work equipment, as well as safety devices and PPE,
- immediately report to the employer and/or his delegates, to the Prevention and Protection Service and to the other subjects involved in the safety management system, any deficiencies in the means and devices referred to in the above points, as well as any other dangerous conditions of which they become aware, taking direct action, in case of urgency, within their competences and possibilities, to eliminate or reduce such deficiencies or dangers, informing the Workers' Safety Representatives,
- undergo the required health checks.

In general, all internal addressers of the Model must adhere to the defined measures in order to preserve the safety and health of workers and promptly report any signs of risk and/or danger, incidents (regardless of their severity), and violations of behavioral rules and company procedures to the relevant internal structures.

Furthermore, regarding the management of obligations related to health and safety at work, the Company's activities must comply with the following control principles:

- compliance with legal provisions regarding the health and safety of workers in the workplace,
- identification and traceability, by means of service orders and delegations issued by the competent subjects, of responsibilities relating to health and safety at work, with particular reference to the Employer, RSPP, first aid workers, emergency workers and RLS. These responsibilities are promptly disclosed to third parties concerned in the cases envisaged (e.g. health authorities, employment inspectorate, etc.),
- express appointment of the Appointed Physicians, who must formally accept the appointment, structuring and adjustment of information flows to the Appointed Physician in connection with the processes and risks connected with the company business,
- identification of dangers and assessment of risks to worker health and safety by the Employer (including through the Prevention and Protection Service (SPP), taking due

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>105/157</b>

account of the corporate structure, the nature of the business, the location of the premises and work areas, organization of personnel, specific substances, machinery, equipment and plants used in the activities and related protection cycles. Risk assessment is documented through the processing, in accordance with current accident prevention legislation, of a Risk Assessment Document,

- adoption of a suitable system for fire prevention and worker evacuation, which envisages:
  - the conduct and documentation of periodic evacuation drills on the base,
  - the preparation and update of the fire DVR in the workplace, performed by the Employer (including through the SPP),
- carrying out of periodic chemical, physical and biological environmental analyses, to:
  - fulfill regulatory provisions on worker protection against the risks deriving from exposure to chemical, physical and biological agents while at work,
  - ascertain the environmental situation and professional exposure to chemical pollutants connected with existing works,
  - examine the situation of the plants in terms of the prevention measures adopted,
- preparation of a company Health Plan to ensure the implementation of the measures necessary to guarantee worker health protection,
- definition, implementation and monitoring of a training, information and engagement program on health and safety at work, which involves the timely informing of Workers through the definition of roles and responsibilities, the definition of the types of courses delivered and the frequency of delivery, the definition of specific training courses, differentiated according to the type of subjects involved, the definition of the procedures of the relevant documentation, definition of an annual training plan,
- implementation of an information flow system that enables the circulation of information within the company to foster the engagement and awareness of the Addressees and ensure the timely evidence of any shortcomings or breaches of the Model,
- the RLS must be able to verify, including through gaining access to the relevant company information and documentation, compliance with the application of safety measures and protection measures,
- periodic monitoring of the effectiveness of the prevention and protection measures in place, in order to find suitable points for improvement,
- with regards to first aid and accident management, clear identification of the tasks and duties of all employees if incidents and/or injuries should take place or structural and organizational shortcomings should be found, which may impact safety,
- provision for a system to log the injuries and/or incidents,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>106/157</b>

- monitoring and analysis of every workplace accident that occurs, in order to identify any deficiencies in the health and safety management system and to determine the corrective actions to be taken,
- formalization and publication of the prohibition on smoking in all workplaces, with specific controls and supervisory measures,
- formalization and publication of the prohibition for Workers who have not in this respect received adequate instructions or authorizations to access zones exposing them to serious, specific risks,
- formalization and publication of the prohibition to ask Workers to resume work in situation where a serious, immediate danger remains,
- in internal and external transfers, both using own and corporate vehicles, all precautions must be taken in respect of health and safety at work (e.g. verification of the regular maintenance of motor vehicles, respect for road signs, verification of regular insurance cover, use of personal or group protection equipment, etc.),
- guarantee of the ordinary and extraordinary maintenance of the corporate safety devices. The environments, plants machinery and generic and specific equipment must be subject to scheduled ordinary maintenance with specific regard to safety devices, in compliance with the manufacturers' indications and documented evidence must be provided to this effect,
- in supplier selection (in particular contractors and works suppliers), the costs for safety at work must be requested and assessed. This expense item must be indicated specifically in the contracts and must not be discounted,
- formal communication to contractors, in the case of outsourcing work, services, or supplies by the Company, regarding the risks present in the work environments where they are expected to operate,
- tenders, must be assigned, verified and managed and thereafter monitored on the basis of and in compliance with specific formalized internal rules. In the assignment of a tender, the internal procedures must envisage that, where considered appropriate by the SPP according to the risks deriving from the tender, before order execution, a check is run to ensure that all documentation is compliant with current rules and regulations and that all requirements envisaged by current rules and regulations and the company safety procedures, have been met,
- a control system must be defined and implemented that is able to guarantee the constant registration, including through the potential preparation of specific reports of the audits carried out by the Company on health and safety at work and the implementation of corrective action must be assured,
- a verification must be envisaged of the achievement of objectives and a verification of the system functions, through two monitoring levels to be implemented respectively when planning, in regard to the procedures and responsibility for achieving objectives and ex

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>107/157</b>

post in order to verify the compliance of the system with that planned, the concrete implementation and maintenance procedures.

**Risk Assessment Documents**

Hitachi Rail STS has a set of procedural protocols overseeing the corporate activities able to guarantee adequate prevention.

The most important documents on health and safety at work prepared in Hitachi Rail STS S.p.A. are as follows:

**Risk Assessment and emergency management Documents**

Risk Assessment Document (DVR)

The DL has prepared the risk assessment document according to the indications given in Art. 17, 28 and 29 of Consolidated Text 81/08. The risk assessment has been carried out taking into account the choice of work equipment, chemical substances and products used and the layout of the workplaces and regards all risks to worker health and safety. This document contains specified criteria for the preparation and indication of prevention and protection measures adopted and to be adopted and the identification of the procedures for the implementation of the measures to be adopted as well as the roles of the organization that must be envisaged.

Consolidated Document for the Assessment of Risks of Interference (DUVRI) for tendered works

In this document, prepared in accordance with Article 26 of Leg. Decree no. 81/08, the focus is on works contracted out and to be carried out in the places of which Hitachi Rail STS has legal availability. In this event, in fact the client must verify the technical-professional suitability of the contractors or self-employed workers in connection with the works to be contracted or works contracts and provide them with detailed information about the specific risks existing in the area in which they will be operating and the prevention and emergency measures adopted in connection with its business. The employer shall also cooperate towards the implementation of prevention and protection measures of risks at work and coordinate the interventions for protection against and prevention of the risks to which the workers are exposed, including in order to eliminate the risks due to the interference of the works of the various enterprises involved in the execution of the work as a whole.

Safety plans for temporary or mobile sites

In the event of temporary or mobile sites as regulated by Articles 88 *et seq.* of Consolidated Law no. 81/08, it is envisaged that the safety-related aspects are regulated through the documentation and safety plans specifically envisaged by Title IV of the Decree, prepared over time by the competent figures envisaged by the law, and that project managers and safety coordinators will be appointed.

**Emergency Management Plan**

The Plan sets out provisions on the involvement of personnel and vehicles in incidents (e.g. fire,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>108/157</b>

terrorism, explosion, gas leak, etc.) and natural events (e.g. floods, earthquakes, etc.). It sets out the procedures that must be applied and, therefore, formalizes the conduct to be adopted (from the signaling of the emergency to its resolution), depending on the different types of events occurring.

In addition to the documents mentioned above, all the **documents that make up the HSE Management System** are included.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>109/157</b>

**11.SPECIAL PART “C1” - CRIMES OF EMPLOYMENT OF CITIZENS OF THIRD COUNTRIES WITH INVALID RESIDENCY AND ENSLAVEMENT OR MAINTAINING IN SLAVERY**

**INTRODUCTION**

The crimes to which this Special Part refers are the following pursuant to Art. 25-*duodecies* of Italian Legislative Decree no. 231/2001, as introduced by Italian Legislative Decree no. 109 of 7.16.2012:

- Art. 22, paragraph 12-bis of Italian Legislative Decree no. 286/1998,
- Art. 12, paragraphs 3, 3-bis, 3-ter and 5 of Italian Legislative Decree no. 286/1998

and the following Art. 25 - *quinquies* of Italian Legislative Decree no. 231/2001, as introduced by Italian Law no. 228/2003 and subsequently amended by Italian Legislative Decree no. 24 of March 04, 2014:

- enslavement or maintaining in slavery or servitude (Art. 600 of the Italian Criminal Code),
- child prostitution (Art. 600-bis of the Italian Criminal Code),
- child pornography (Art. 600-ter of the Italian Criminal Code),
- possession of pornographic material (Art. 600-quater),
- virtual pornography (Art. 600-quater1 of the Italian Criminal Code),
- tourism initiatives aimed at exploiting child prostitution (Art. 600-quinquies of the Italian Criminal Code),
- people trafficking (Art. 610 of the Italian Criminal Code),
- purchase and sale of slaves (Art. 602 of the Italian Criminal Code),
- unlawful intermediation and exploitation of labor (Art. 603-bis),
- solicitation of children (Art. 609-undecies).

**AREAS EXPOSED TO RISK**

The areas considered as at risk for the crime of the use of third-country citizens whose stay is irregular, are as follows:

- 010 Personnel recruitment, hiring and reimbursement of travel expenses management,**
- 011 Procurement of goods, services and consultancies.**

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>110/157</b>

With reference to the above-mentioned Risk Areas, refer to Special Section A for a description of sensitive activities and to the system of company procedures in force for further details (procedure G-IND A1101 “Internal Regulation for the prevention of 231 Risks”).

## **GENERAL PRINCIPLES OF CONDUCT AND CONTROL**

This Special Part refers to the conduct implemented by directors, managers and employees operating in the areas of the risk activities and external collaborators and partners, as already defined in the General Part (hereinafter all referred to as the “Addressees”).

For more details on the procedures in force for each Risk Area, refer to procedure G-IND A1101 ‘Internal Regulation for the prevention of 231 Risks’.

In the context of the above conduct, it is forbidden in particular to:

- to uphold, promote, collaborate or give rise to the upholding of conduct such as, considered individually or collectively, to form the crimes considered under *Article 25-duodecies* and *Article 25-quinquies*, limited to the crime of enslavement or maintaining in slavery of the Decree, also in the form of action in concert,
- behave in such a way that, although not constituting an offense among those considered above, could potentially become such,
- in breach of the law, current regulations and corporate procedures or in any case that is not in line with the principles expressed by this Model and the Code of Ethics.

The Model Addressees shall also comply with the following principles:

- always consider the protection of workers prevalent over any economic consideration,
- not make any use of child labor and not collaborate with any subjects doing so,
- guarantee working conditions that respect the dignity of the person,
- verify, at the time of hiring and throughout employment, that any workers from other countries have valid residency permits,
- obtain from enterprises operating at corporate sites and offices, a declaration that their employees and personnel continuously present at the company, have a valid residency permit,
- provide for specific contractual clauses in the orders/contracts in order to ensure compliance with labor contracting legislation as well as with the Code of Ethics (Hitachi Group Code of Ethics and Business Conduct) and the Model,
- the measures must be envisaged set out in the corporate procedures aimed at preventing the use of unlawful labor and protecting workers.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>111/157</b>

With regard to the aforementioned areas of criminal risk, reference is made to the **control principles described in Part A** of the Model (Crimes against the Public Administration) for the corresponding risk areas

In addition, the principles of conduct required **to protect health and safety at work**, as per Special Part C (Manslaughter and grievous or very grievous bodily harm committed in breach of accident prevention legislation and the protection of health and safety at work), also apply to this risk area.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>112/157</b>

## 12. SPECIAL PART “D” - FENCING, MONEY LAUNDERING AND USING ILLEGALLY OBTAINED MONEY, ASSETS OR OTHER ILL-GOTTEN GAINS, AND SELF-LAUNDERING, OFFENSES RELATING TO NON-CASH MEANS OF PAYMENT

### INTRODUCTION

The crimes to which this Special Part refers are the following pursuant to Art. 25-octies and Art. 25-octies.1 of Italian Legislative Decree no. 231/2001:

*with reference to Article 25-octies:*

- handling stolen goods (Art. 648 of the Italian Criminal Code)
- laundering (Art. 648 bis of the Italian Criminal Code)
- use of money, goods or utilities of unlawful origin (Art. 648 ter of the Italian Criminal Code)
- self-laundering (Art. 648 ter 1 of the Italian Criminal Code)

*with reference to Article 25-octies.1:*

- Unlawful use and forgery of non-cash means of payment (Art. 493-ter of the Italian Criminal Code);
- Possession and dissemination of equipment, devices or computer programs aimed at committing offences concerning non-cash means of payment (Art. 493-quarter of the Italian Criminal Code) Fraudulent transfer of values (Art. 512-bis of the Italian Criminal Code)

### AREAS EXPOSED TO RISK

The risk areas identified consist of the following activities:

**008 Finance and treasury**

**011 Procurement of goods, services and consultancies**

**014 Management of the general accounting and preparation of the draft consolidated and statutory financial statements and any equity positions, including when performing extraordinary transactions**

**019 Management of activities related to the assumption/acquisition of investments**

**020 Management of administrative and accounting activities for consortia in which the Company participates**

With reference to the above-mentioned Risk Areas, refer to **Special Section A** and to **Special Section B** for a description of sensitive activities and to the system of company procedures in

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>113/157</b>

force for further details (procedure G-IND A1101 “Internal Regulation for the prevention of 231 Risks”).

Below is a description of the possible ways in which predicate offenses under Legislative Decree 231/2001 could be committed.

### **008 Finance and treasury**

With reference to cash and financial flows, there could potentially be a risk, albeit only a remote one, of the committing of the crime of laundering and self-laundering of monies or other benefits using the transaction as cover, for:

- the handling or transfer of funds by or in the favor of third parties located in “tax havens” or “countries with preferential tax regimes” (or whose supporting banks for the transaction are located in such countries), without there being an underlying cause justifying the transfer (i.e. without there being any business relationship between the payment recipient and the party ordering the relevant payment), or in the presence of a cause that cannot concretely be ascertained (e.g. payment of intangible and/or consultancy services),
- transactions involving the frequent opening and closing of bank accounts with banks based in “tax havens” or “countries with preferential tax regimes”, without this appearing to be justified in light of objective needs or the business carried out.

### **011 Procurement of goods, services and consultancies**

With reference to the crime of handling stolen goods, the Company considers it appropriate to view the goods purchases management process as a possible risk area, defining protocols to oversee the potential perpetration of the crime, including:

- the register of suppliers and their assessment,
- verification, through the available information, of the commercial counterparties, so as to ascertain the relative respectability and reliability before starting business relations with them, etc.

### **014 Management of the general accounting and preparation of the draft consolidated and statutory financial statements and any equity positions, including when performing extraordinary transactions**

With reference to the sensitive area connected to the management of general accounting, the risk of the perpetration of said crime may, by way of principle, occur in the event of:

- frequent purchases of real estate in “tax havens” or “preferential tax regime countries”,
- purchases of luxury goods of high value, not consistent with the corporate business.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>114/157</b>

**019 Management of activities related to the assumption/acquisition of investments**

With reference to the sensitive area connected with the holding of assumption/acquisition of investments, there could potentially be a risk, albeit only a remote one, of the committing of the crime of laundering of monies or other benefits using the transaction as cover, to:

- replace or transfer goods or other benefits from crime committed without intent,
- carry out, in connection with said assets, other transactions aimed at hindering the identification of their unlawful origin,
- use in economic or financial activities of money, goods or other benefits of illegal origin.

And, in particular, the unlawful conduct may be implemented through:

- payment of the investments acquired through the use of cash or inappropriate payment means with respect to common practice,
- acquisition of investments in companies with their registered office in foreign countries known as “off-shore centers” or characterized by preferential tax regimes or those covered by bank secrecy or indicated by the Financial Action Task Force (FATF) as non-cooperative companies,
- establishment of fiduciary foreign companies and “dummy” companies or the acquisition of investments in such,
- establishment of particularly complex, articulated corporate structures, also in connection with the distribution of investments and placement abroad or one or more companies,
- acquisition of investments in exchange for considerations of value that is clearly different from market value.

**D.5 Management of the administrative and accounting activities activities for consortia in which the Company participates**

With regards to the outlining and identification of sensitive and relevant areas in accordance with the Decree, it is noted that some of the subjects indicated by Italian Legislative Decree no. 231 of 2007 (Articles 11 *et seq.*) on money laundering, although not qualified intermediaries and not requiring qualification, are in any case the addressees of specific duties in terms of money laundering. Such subjects include, amongst others:

- agencies involved in real estate mediation,
- the management of casinos,
- trade, imports and exports of gold
- debt collection,
- the subjects registered on the list of accountants and expert accountants, on the register of auditors of accounts, on the list of registered accountants and on the list of employment consultants,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>115/157</b>

- notaries and lawyers, when, for or on behalf of their clients, they carry out any financial or real estate transaction and when they assist their clients in designing or pursuing transactions involving, amongst others:
  - i) the transfer by any title of real estate or economic business,
  - ii) the management of money, financial instruments or other assets,
  - iii) the establishment, management or administration of companies, entities, trusts, etc.,
- all other subjects providing services supplied by experts, consultants and other subjects professionally going about the accounting and tax business (Art. 12, paragraph 1, point b) Italian Legislative Decree no. 231/07).

Under the scope of its business, Hitachi Rail STS takes part, as a consortium company, in consortia established in order to coordinate the design, management and execution of works.

Under the scope of these consortia, the Company acts as General Coordinator, also keeping and managing the accounts of the consortia of which it is a member. The role of General Coordinator is remunerated in accordance with agreements stipulated between the consortium companies.

The above services can only be justified with the participation of Hitachi Rail STS in the consortium and the role of General Coordinator, as the service is functional to the organization and correct function of the consortium.

Therefore the Company - in accordance with Decree no. 60 of the Ministry of Economy and Finance of April 10, 2007, which, amongst others, corrects the earlier Ministerial Decree 141/2006 on anti money laundering obligations for professionals - could be a subject professionally carrying out accounting and, therefore, the addressee of provisions on anti money for the identification, storage of information for anti money laundering purposes and reporting of suspicious transactions to the Consolidated Archives. In the uncertainty of interpretation and for the sake of prudence, Hitachi Rail STS considers itself to be an addressee of said rules.

## **GENERAL PRINCIPLES OF CONDUCT AND CONTROL**

The Company operates in such a way as to foster the prevention of money laundering, self-laundering, handling stolen goods and the use of items of unlawful origin.

More specifically, the corporate procedures aimed at preventing money laundering and self-laundering are intended to:

- define roles and responsibilities in the management of the purchase verification process,
- identify the reliability of suppliers in order to verify their reliability also in terms of the correctness and traceability of economic transactions with them, avoiding any onset or pursuit of transactions with subjects that do not have or maintain over time suitable requirements of traceability and correctness,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>116/157</b>

- check through the available information, of the commercial counterparties, so as to ascertain the relative respectability and reliability before starting business relations with them,
- monitor that suppliers retain their requirements of reliability, correctness, professionalism and integrity over time,
- select professionals and partners on the basis of criteria of transparency, economics and correctness, guaranteeing the traceability of the activities aimed at proving said criteria,
- carry out due diligence aimed at assessing the professionalism, competence and experience of the professional, as well as identifying any incompatibilities and conflicts of interests,
- ascertain the integrity requirements of the professional and verify the existence of any criminal sentences or sanctions against him,
- ascertain the location of the site or residence of the Professional, which must not be in a preferential tax regime country, unless contracts are to be stipulated with professionals resident in preferential tax regimes and this country is the same in which the professional services will be provided,
- guarantee the suitability of the assessment process for the acquisition of investments in an Italian or foreign legal entity and the identity of the counterparty,
- determine the minimum requirements to be met by bidders and set the criteria for assessing bids in standard contracts,
- identify the body/unit responsible for executing the contract, indicating the duties, roles and responsibilities,
- verify the regularity of payments, with reference to the complete matching of recipients/orderers of payments and counterparties effectively involved in the transactions,
- perform formal and substantive controls over corporate cash flows, with reference to payments to third parties and infra-group payments/transactions, taking into particular account the registered office of the counterparty company, the credit institutes used and any corporate screens and trust structures used for extraordinary operations or transactions,
- regulate the recording and storage of data relative to the transactions, including those relating to infra-group transactions,
- guarantee the preparation and update of the database of suppliers,
- establish contractual standards for the issue of purchase contracts/orders,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>117/157</b>

- guarantee the correct management of the tax policy, including with reference to any transactions with the countries pursuant to the Ministerial Decrees of November 21, 2001 and January 23, 2002 as subsequently amended and supplemented,
- guarantee the signaling of transactions that look suspicious in respect of the legitimacy of the origin of the amounts concerned by the transaction or reliability and transparency of the counterparty,
- fulfill anti money laundering requirements assigned to the Company in accordance with Italian Legislative Decree no. 231/2007 (Communication of breaches of the prohibition to transfer cash or securities to the bearer over and above 12,500 euros/Due diligence on customers and the recording of professional services in the Archives/Reporting of suspicious transactions to the FIU/Training of employees and collaborators), taking care, within the limits of the relevant attributions, to avoid any conduct that may, in any way, suggest conduct typical of the crime of money laundering (Art. 68-bis of the Italian Criminal Code) or the use of monies, goods or benefits of unlawful origin pursuant to Art. 648 - ter of the Italian Criminal Code,
- identify and implement specific internal control programs, also with regard to the matter under review, with specific regards to the management of payments and treasury, agreements/joint ventures with other enterprises, inter-company transactions, taking particular account of the economic fairness of any investments,
- ensure the constant training and information of corporate representatives on topics relating to the prevention of money laundering,
- highlight the activities and controls performed.

In addition, in going about their corporate duties and tasks, Addressees must comply with all rules regarding the limits to the use of cash and securities to bearers, envisaged by Italian Legislative Decree no. 231/2007, as amended both in connection with the management of cash flows coming under the purview of the Company and in connection with the management of cash flows on behalf of customer businesses through outsourcing.

To this end, merely by way of example, it is expressly prohibited:

- to transfer for any purpose between different subjects, except through banks or electronic money institutions or Poste Italiane S.p.A., cash or bank or post office bearer deposit books or bearer securities in euros or foreign currencies, when the value of the transaction, even if split, amounts equal to or greater than the limits under Italian Legislative Decree 231/2007, as amended,
- to issue bank and post office checks for amounts equal to or greater than the amounts referred to in Italian Legislative Decree 231/2007, as amended that do not indicate the name or company name of the beneficiary and the clause on non-transferability,
- to transfer bank and post office checks issued to the order of the drawer to subjects other than banks or Poste Italiane S.p.A.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>118/157</b>

Moreover, the Company operates in a way that promotes the prevention of unlawful conduct in the use of payment instruments other than cash and in the transfer of assets.

In particular, the corporate procedures aimed at preventing the offenses covered in this Special Section are designed to:

- manage all relationships and transactions with financial institutions (e.g., opening bank accounts, renegotiating financial terms, and handling any contractual relationship with designated banks) in compliance with the delegated powers and proxies granted,
- ensure the segregation of duties between those managing bank accounts, those performing bank reconciliations, and those approving transactions,
- formally assign roles and responsibilities regarding the management of monetary and financial flows, in accordance with the existing system of proxies/delegations and in compliance with the defined signing authorities,
- define and implement control and monitoring activities to ensure that each payment and receipt corresponds with the supporting accounting and contractual documentation,
- maintain segregation of duties between those approving invoices and those processing payments,
- define and implement specific verification activities for payments and receipts deemed unusual based on counterpart, amount, type, purpose, frequency, or other parameters,
- prohibit the acceptance or execution of payment orders from unidentified parties,
- exclusive use of banking channels and other accredited financial intermediaries subject to EU regulations or credit/financial institutions located in a non-EU state that enforces anti-money laundering obligations equivalent to those established by law and ensures compliance monitoring,
- management of compliance requirements related to anti-money laundering regulations,
- establishment of amount limits/maximum allocation for petty cash, including transaction-specific limits,
- mandatory attachment of supporting documents for each petty cash expense, submitted to the designated structure for verification and accounting registration,
- formal authorization for the issuance and revocation of corporate credit cards, including regulations on usage and allowable expense types,
- identification of personnel responsible for corporate credit card management, with clearly defined tasks, roles, and responsibilities in line with delegated authority levels,
- definition of criteria for the issuance of corporate credit cards and their usage guidelines,
- specification of expense reporting procedures for corporate credit cardholders,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>119/157</b>

- implementation of monitoring and verification activities to ensure accurate reporting of expenses incurred using corporate credit cards,
- reconciliation of corporate credit card expenses (based on bank statements) with submitted expense reports.

Addressees must notify the Supervisory Body of any suspicious transactions or breaches of the rules of conduct specified above, of which they have become aware during the professional activities carried out.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>120/157</b>

## **13.SPECIAL PART “E” - COMPUTER CRIMES AND UNLAWFUL PROCESSING OF DATA AND CRIMES INVOLVING THE BREACH OF COPYRIGHT**

### **INTRODUCTION**

The crimes to which this Special Part refers are the following pursuant to Art. 24-bis of Italian Legislative Decree no. 231/2001:

a) crimes involving “cyber damage” (Art. 24 bis, paragraph 1):

- unlawful access to a computer or telematic system (Art. 615 ter of the Italian Criminal Code),
- interception, impediment or unlawful interruption of computer or telematic communications (Art. 617 quater of the Italian Criminal Code),
- unauthorized possession, dissemination and installation of equipment aimed at intercepting, preventing or interrupting computer or telematic communications (Art. 617 quinquies of the Italian Criminal Code),
- damage of information, data and computer programs (Art. 635 bis of the Italian Criminal Code),
- damage of information, data and computer programs used by the State or by other public body or, in any case, of public utility (Art. 635 ter of the Italian Criminal Code),
- damage of computer or telematic systems (Art. 635 quater of the Italian Criminal Code),
- damage of computer or telematic systems of public utility (Art. 635 quinquies of the Italian Criminal Code),

b) crime of cyber extortion (Art. 629, paragraph 3 of the Italian Criminal Code) pursuant to Article 24-bis, paragraph 1-bis.

c) crimes deriving from the possession or disclosure of codes or other methods aiming to cause cyber damage (Art. 24 bis, paragraph 2):

- unauthorized possession, dissemination and installation of information technology equipment, codes or other methods intended to access an IT or telematic system (Art. 615 quater of the Italian Criminal Code),
- unauthorized possession, distribution and installation of equipment, devices or software aimed at damaging or disrupting an IT or telecommunication system (Art. 635-quater.1 of the Italian Criminal Code).

d) crimes relating to falsity in an electronic document and fraud of the subject providing certification services through the digital signature (Art. 24 bis, paragraph 3):

- computer fraud of the party providing electronic signature certification services (Art. 640 quinquies of the Italian Criminal Code),
- falsehood in a public computer document or one with evidential efficiency (Art. 491-bis of the Italian Criminal Code).

e) crime relating to the definition of the national cybernetic security perimeter.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>121/157</b>

Art. 25 novies envisages the liability of entities in connection with crimes relating to the Protection of copyright, and other crimes connected with its execution (Articles 171, paragraph 1, letter a-bis) and paragraph 3, Art. 171 bis, Art. 171 ter, Art. 171 septies and Art. 171 octies of Italian Law no. 633/1941).

**AREAS EXPOSED TO RISK**

The areas considered at risk in connection with computer crimes and the crimes of counterfeiting, alteration or use of distinctive marks on engineering works or industrial products, under the scope of the activities carried out by Hitachi Rail STS, are as follows:

- 021 Development of the signaling applications,**
- 022 Assistance and maintenance of signaling applications,**
- 023 Installation of the technological signaling infrastructure at the client’s premises,**
- 024 Assistance and maintenance of technological infrastructure,**
- 025 Management of the data in the accounting systems,**
- 026 Management of copyright protected works .**

With reference to the above areas, below is a description of sensitive activities - referring to the company's current procedural system (for further details, see procedure G-IND A1101 "Internal Regulation for the prevention of 231 Risks") - along with the possible ways in which predicate offenses under Legislative Decree 231/2001 could be committed.

**021 Development of signaling applications**

With reference to the development of vital<sup>2</sup> and non vital<sup>3</sup> signaling applications, the following occasions for crime have been hypothesized:

- unlawful distribution by the programmer of access codes (e.g. backdoor) to the client computer system, obtained during the development of the application, in order to achieve an economic advantage for the company,
- unlawful installation of programs/procedures aimed at damaging the application, in order to increase the requests for assistance and technical intervention placed by the client.

**022 Assistance and maintenance of signaling applications**

With reference to the assistance and maintenance of vital and non vital signaling applications, the following occasions for crime have been hypothesized:

- falsification of the trace of the system logs and data contained in the juridical recorder<sup>4</sup>, providing evidence in the criminal proceedings, in order to exclude liability or attenuate the evidence position of the entity during a trial,

<sup>2</sup>The vital system guarantees the safety of railway circulation, minimizing the risk of incident potentially involving passengers.

<sup>3</sup>The non-vital system supports the management of railway circulation.

<sup>4</sup> The juridical recorder is an activity log system (events and parameters relating to driving actions) of the carriers.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>122/157</b>

- unlawful access/maintenance by the operator in the client application in order to carry out an unauthorized activity to the benefit of the Company,
- unlawful distribution of access codes (e.g. backdoor) to the client computer system, in order to achieve an economic advantage for the company,
- damage of the public or private application, altering or erasing data and programs or making the system partially or totally unusable in order to increase the requests for assistance and technical intervention of the client,
- damage of the public or private application, between expiry of the warranty period - set contractually at the time the application is installed - and stipulation of the maintenance contract, in order to reduce the time required to stipulate the maintenance contract,
- damage of the public or private application, in order to increase the requests for intervention before stipulation/renewal of the maintenance contract and increase the cost of the assistance service.

**023 Installation of the technological signaling infrastructure at the client’s premises**

With reference to the installation of the technological signaling infrastructure at the client’s premises, the following occasions for crime have been hypothesized:

- unlawful installation of equipment aiming to damage the information system, in order to increase requests for assistance and technical intervention by clients or increase sales of new Company products.

**024 Assistance and maintenance of technological infrastructure**

With reference to the assistance and maintenance of vital and non-vital technological infrastructure, the following occasions for crime have been hypothesized:

- unlawful access/maintenance by the operator in the client technological infrastructure in order to carry out an unauthorized activity to the benefit of the Company,
- unlawful installation of equipment aiming to damage the information system, in order to increase requests for assistance and technical intervention by clients or increase sales of new Company products,
- damage of the public or private infrastructure, altering or erasing data and programs or making the system partially or totally unusable in order to increase the requests for assistance and technical intervention of the client or increase sales of new Company products,
- damage to the public or private infrastructure, between expiry of the warranty period - set contractually at the time the infrastructure is installed - and stipulation of the maintenance contract, in order to reduce the time required to stipulate the maintenance contract,
- damage to the public or private infrastructure, in order to increase the requests for intervention before stipulation/renewal of the maintenance contract and increase the cost of the assistance service.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>123/157</b>

**025 Management of the data in the accounting systems**

With reference to the management of data in the accounting systems, the following occasions for crime have been hypothesized:

- alteration and falsification of data that flows into the accounts in order to avoid any detection of errors and anomalies during assessments or audits performed by the competent authorities,

**026 Management of copyright protected works**

It is observed that crimes of breach of copyright may take place significantly through the use of computer programs and systems: these crimes may therefore be committed in many areas of activity, given the ample possibility of access by employees and collaborators to computer and telematic data and instruments in the context of the ordinary business activities.

With reference to the management of works protected by copyright (or license), the following occasions for the perpetration of crime have been hypothesized:

- the making available, with release into a system of telematic networks, of audio and video files, programs for processor, industrial designs protected by copyright, without the necessary authorizations, in order to facilitate the application of specific corporate departments,
- unlawful duplication of a computer program for distribution to employees or a group company, so that they can use it in their regular operations,
- unlawful use of images taken from external “image databases” supplied by a consultancy firm for specific purposes in the context of corporate publications or the organization of institutional events,
- unlawful use of intellectual works (e.g. software) acquired unlawfully from a third party.

**GENERAL PRINCIPLES OF CONDUCT AND CONTROL**

For more details on the procedures in force for each Risk Area, refer to procedure G-IND A1101 ‘Internal Regulation for the prevention of 231 Risks’.

The following general rules of conduct apply to the “Addressees” of this Model, who, for any reason, are:

- designated or appointed for the development and installation of vital and non-vital system signaling applications,
- designated or appointed for the assistance and maintenance of the vital and non-vital technological infrastructure and signaling applications,
- designated or appointed for the installation of the technological signaling infrastructure at the client’s premises,
- designated or appointed for the management of data in the accounting systems,
- designated or appointed for the management of intellectual property

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>124/157</b>

With regards to the use and management of computer data, systems, instruments or documents or any other type covered by copyright, all Addressees shall:

- assure the integrity and non-alterability of data, information and computer programs that constitute the tool by which to go about work and the entire computer and telematic assets of the company,
- contribute towards the promotion of a suitable level of safeguarding of third party computer and telematic assets, both private and public, in compliance with the preventive and subsequent control methods implemented by the company,
- apply the procedures aimed at preventing and/or hindering the perpetration of crimes with regards to the works of any type covered by copyright.

Said Addressees are specifically prohibited from:

- implementing, collaborating or giving rise to conduct, which, individually or collectively, may give rise directly or indirectly to any of the offenses considered in this Special Part (Art. 24-bis and 25-novies of Italian Legislative Decree no. 231/01) also in the form of action in concert,
- act in any way that is in breach of current law, regulation and corporate procedures or in any case not in line with the principles expressed by this Model and Code of Ethics,
- alter or falsify computerized documents of any type,
- damage or even only alter the function of a third party computer or telematic system as well as the pertinent data, information and programs,
- access without right to data, information or programs contained in third party computer or telematic systems in order to procure undue benefit for the company,
- unduly use, exploit, distribute or reproduce, by any title, in any form, for profit or personal gain, intellectual works of any type covered by copyright.

In particular, for each sensitive area, the following control protocols apply, aimed at mitigating the risk of perpetration of the types of crime envisaged by Art. 24-bis and 25-novies of the Decree:

With reference to the **development of signaling applications (021)**:

- the development of vital and non-vital applications is regulated by a specific method that assures the complete traceability and control of the software life cycle,
- the development of vital and non-vital applications is restricted to specific corporate departments identified in the job descriptions,
- the logical accesses to the systems assigned to the development of vital and non-vital applications are regulated by suitable segregation systems (username and password for the logical segregation of accesses to the computer systems).

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>125/157</b>

- the integrity of the vital application is preserved by a process of multiple verifications and validations (V&V) in accordance with the standards envisaged by European CENELEC standards for rail circulation,
- the integrity of the non-vital application is preserved by the passing of the “factory and acceptance test”, after which a test report is produced.

With reference to the **assistance and maintenance of signaling applications (022)** and **assistance and maintenance of technological infrastructure (024)**:

- the integrity of the juridical recorder is preserved by a process of multiple verifications and validations (V&V) in accordance with the standards envisaged by European CENELEC standards for rail circulation,
- the juridical recorder is situated on the railway vehicles and the client infrastructure with characteristics such as to make interaction impossible and therefore access to the system through remote connections,
- the physical accesses to the assistance areas are regulated by suitable segregation systems (badges with electronic chip for access to Customer Service offices and identification of predefined stations through controlled routing systems),
- access to the client system is only permitted to authorized personnel of the competent corporate departments,
- access to the application/infrastructure for corrective purposes is only carried out following a request for intervention of the client to which a ticket is assigned. After consulting with the competent departments, the client is sent a communication indicating the technical problem noted, the type of intervention to be performed and the time estimated for solving it. This communication is followed by client authorization,
- logical accesses to non-vital applications/infrastructures are regulated by suitable segregation systems,
- remote access to the non-vital signaling application by means of mobile supports (e.g. portable PCs) is validated by the Hitachi Rail STS authentication system,
- all accesses are tracked in a system log report, which makes it possible to trace the user and connection time,
- there are tools and processes that, if necessary or on request, can analyze the activities carried out by authorized personnel by means of access to the client SI,
- restricted access to the vital system is guaranteed by the impossibility of system interaction via remote connections insofar as it is a closed system, protected by a metal structure (cabinets) equipped with a mechanical system,
- the integrity of the vital application is preserved by a process of multiple verifications and validations (V&V) in accordance with the standards envisaged by European CENELEC standards for rail circulation,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>126/157</b>

- the correct function of the system is guaranteed through connections aimed at assuring the constant diagnosis of the client application and infrastructure,
- in cases of connections aimed at assuring the constant diagnosis of the system for the preventive maintenance of the client application and infrastructure, access is only granted to authorized users without edit/write functions, and whose privileges are limited to the collection/vision of data useful for diagnosis,
- technical assistance services from a remote position are normally included in the supply contracts for the entire duration of the warranty, from when the application/infrastructure is installed at the client's premises,
- technical assistance from a remote position is managed, following expiry of the warranty, through a maintenance contract that typically includes payment of fixed monthly charges by the client, regardless of the number of interventions requested/performed, therefore, the increase in the number of interventions does not result in increased earnings,
- any damages caused to the client Information System or application during the performance of the assistance services may be claimed by the client, demanding Hitachi Rail STS pay compensation,
- situations of structural obsolescence of the equipment, aimed at having a technical proposal issued for suitable replacement are managed, from a technical, contractual and commercial viewpoint, by different departments, in implementation of a suitable system of segregation of roles and responsibilities,
- the proposed sale of new products, following the ascertained obsolescence of the equipment, is performed with due notice and through the definition of a technical project with related estimate of costs,
- once a year, the department managers analyze the statistical and time series of maintenance interventions, with reference to contracts for which the warranty period is approaching expiry or being renewed, in order to note any anomalies. The results of the verification are set out in a summary report.

With reference to the **installation of the technological signaling infrastructure at the client's premises (023)**:

- access to the client infrastructure is only permitted to authorized personnel of the competent corporate departments,
- technical assistance services are normally included in the supply contracts for the entire duration the warranty, from when the infrastructure is installed at the client's premises,
- the contract contains clauses that envisage payment of a penalty by Hitachi Rail STS in the event of damages caused to the client information system,
- correct system function is guaranteed through connections aimed at assuring the constant diagnosis of the client infrastructure.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>127/157</b>

With reference to the **management of data in the accounting systems (025)**:

- the duties and tasks assigned to the system administrators are included in the company job descriptions,
- the accounting and administrative systems of the company are protected by a profiling mechanism that guarantees the inhibition of transactions in connection with the tasks and duties of each user,
- the company's accounting and administrative systems are equipped with log reports that track the activities performed, the user and the date of the transaction. The log reports are periodically reviewed by the IT department and by the Department Managers,
- the accounting and administrative systems are equipped with back-up procedures to restore the integrity of data and documents,
- system administrator accesses are logged in specific reports.

With reference to the **management of copyright protected works (026)**:

- the company is equipped with an IT governance system and procedures for the management of data and information integrity and security and to manage network infrastructures,
- employees shall use the IT tools and systems according to corporate policies and procedures (see the policy on the use of ICT means - see attached list of procedures),
- periodic checks are performed on the system and application logs in order to promptly identify activities in conflict with corporate procedures, as well as controls on the network in order to verify the existence of any unauthorized accesses and devices,
- the company's technological instruments can prevent and/or impede the perpetration of cyber crimes or breaches of copyright by company representatives through, in particular, undue or unauthorized use of passwords, the possession or installation of software not envisaged by the corporate procedures, devices able to interrupt services or intercept, access to protected sites or sites that cannot be visited,
- the company has adopted procedures aimed at guaranteeing the suitability of the information made available to the public by means of the Internet and programs and other intellectual works covered by copyright,
- specific measures are taken to guarantee the correct use of the materials covered by intellectual property rights, including through procedures controlling the installation of software on the operating systems,
- specific controls are defined and implemented to protect the documents on the basis of their classification.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>128/157</b>

## 14. SPECIAL PART “F” - ORGANIZED CRIME

### INTRODUCTION

The crimes subject of this Special Part refers are the following (pursuant to Art. 24-ter of Italian Legislative Decree no. 231/2001):

- association with the intent to commit crime (Art. 416 of the Italian Criminal Code),
- Mafia-type association, including foreign (Art. 416-bis of the Italian Criminal Code),
- political-Mafia electoral exchange (Art. 416-ter of the Italian Criminal Code)
- seizure of persons for the purposes of kidnapping or extortion (Art. 630 of the Italian Criminal Code),
- criminal association for the trafficking of illegal drugs and psychotropic substances (Art. 74 of Italian Presidential Decree no. 309 of October 09, 1990)
- crimes of illegal manufacture, introduction into the State, marketing, sale, possession and possession in a public place or place open to the public, or war or war-type weapons or part thereof, of explosives, unlawful weapons and more common shooting weapons, except for those envisaged by Art. 2, paragraph three of Italian Law no. 110 of April 18, 1975 (Art. 407, paragraph 2, letter a), point 5) of the Italian Code of Criminal Procedure).

It is recalled that in accordance with Art. 10 of Italian Law no. 146/2006, the crimes pursuant to Articles 416 of the Italian Criminal Code, 416-bis of the Italian Criminal Code and 74 of Italian Presidential Decree (309/1990) apply even if committed in a transnational manner.

The following crime of association also applies but only if committed in a transnational manner:

- association with the intent to commit crime aimed at the smuggling of processed foreign tobacco (Art. 291-quater of Italian Presidential Decree 43/1973),

Crimes of association constitute autonomous crime figures with respect to the scope crimes and are considered as committed even if none of the crimes hypothesized have been committed.

### AREAS EXPOSED TO RISK

Due to the specific nature of the crimes of association, perpetration of which is regardless of the type of crime scope, which may also be crimes not included amongst the Decree predicate offenses and taking into account the multiple relations the Company entertains with third parties, the risk area can be defined as disseminated throughout the company and not located in specific corporate areas at risk.

However, areas can be identified (both in terms of direct area and support area) in which the possibility of deviated conduct is more easily identified if it is considered that the essential element for liability is the interest or benefit of the Entity.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>129/157</b>

By way of example, these areas of activity are highlighted:

- 001 Relations with customers (Public Administration or private entities) in the management and coordination of commercial activities,**
- 002 Research and negotiation of orders/contracts of sale and maintenance with customers (Public Administration or private entities) also through tenders,**
- 004 Selection and management of commercial promoters and partners in ATI (temporary associations of enterprises) and/or consortia,**
- 010 Personnel recruitment, hiring and reimbursement of travel expenses management,**
- 011 Procurement of goods, services and consultancies,**
- 014 Management of the general accounting and preparation of the draft consolidated and statutory financial statements and any equity positions, including when performing extraordinary transactions.**

With reference to the above-mentioned Risk Areas, refer to **Special Section A and Special Section B** for a description of sensitive activities and to the system of company procedures in force for further details (procedure G-IND A1101 “Internal Regulation for the prevention of 231 Risks”).

**GENERAL PRINCIPLES OF CONDUCT AND CONTROL**

The addressees of this special part are the members of the Board of Directors and the Board of Auditors, the managers, employees, collaborators and third parties operating in the above-specified risk areas and all those entertaining commercial or financial relations with the Company.

For more details on the procedures in force for each Risk Area, refer to procedure G-IND A1101 ‘Internal Regulation for the prevention of 231 Risks’.

A special mention must go to the aggravated hypothesis envisaged by the last paragraph of Art. 24-ter of the Decree (the hypothesis of the entity or its organizational unit permanently used to allow or facilitate the perpetration of organized crime), which envisages an autonomous criminal offense for which those holding senior positions within the company are particularly at risk.

The general principles of conduct are recalled envisaged by the Code of Ethics (Hitachi Group Code of Ethics and Business Conduct), with which all addressees are required to comply. More specifically, the following conduct is prohibited:

- such as to constitute the crimes considered above (Art. 24 ter of the Decree and, for the perpetration of crimes in a transnational manner, Art. 10 of Italian Law no. 146/2006) or such as to facilitate their perpetration,
- conduct which, although in itself does not constitute a liable offense under the scope of those set out above, could be considered potentially risky,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>130/157</b>

- in breach of the law, current regulations and corporate procedures or in any case that is not in line with the principles expressed by this Model and the Code of Ethics.

All those operating on behalf of the Company are required to act in compliance with principles of integrity, prudence, correctness, transparency and honesty, observing the following provisions:

- anyone acting for or on behalf of Hitachi Rail STS who comes into contact with third parties with which the company intends to entertain commercial relations or with which it entertains institutional, social, political or any other relations, is obliged to:
  - inform such subjects of the commitments and obligations imposed by the Code of Ethics,
  - adopt internal initiatives as necessary in the event of refusal by third parties to comply with the Code of Ethics or observe the provisions of said Code.
- all relations with agents, intermediaries and business partners must be hinged on principles of transparency and integrity and must envisage provisions and fees in line with market practice and ascertaining that there are no aspects that may foster the perpetration of crime in Italy or abroad, by third parties,
- constant, continuous verification of the correctness, effectiveness, fairness and compliance with the social interests of the provisions requested, supplied by or in the favor of third parties, so as to guarantee the establishment and maintenance of only correct commercial, financial and consultancy relations that are properly in line with corporate interests and effective, transparent and fair,
- prudence, accuracy and objectivity in the selection, identification or in any case in the assumption and continuation of relations with third parties and the determination of the conditions relating to the relationship in order to prevent the risk of making contact with subjects belonging to national or transnational criminal associations of all types,
- with respect to the law, regulations issued by the competent authorities and internal procedures relative to the management of delegations of spending powers,
- absolute correctness, transparency and accuracy in accounting entries and tax compliance and the audits required.

In the context of the above conduct, it is forbidden to:

- behave in any way that could be detrimental to the integrity, autonomy or image of the Company or other companies of the Group,
- establish relations with subjects, entities, companies or associations established in any form, in Italy or abroad, which are known or expected or suspected of being part of or in any case linked to or entertaining relations of any type with criminal associations or groups,
- establish relations with subjects who refuse or are reticent to provide relevant information for their correct, effective and complete knowledge or with respect to which there are suspicions as to potential operation in uncollaborative countries, or which request or offer

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>131/157</b>

services that, although abstractly beneficial to the Company, are somewhat suspicious or irregular, or which may act in conflict with laws and regulations on the circulation of tax or accounting capital and goods,

- unduly promise or pay amounts or goods in kind to any subject to promote or foster the interests of the Company or Group or directly or indirectly impact competition or the market,
- pay fees to suppliers, consultants or other collaborators without due justification and without any formalized agreements,
- use anonymous instruments to carry out money transfer operations,
- establish relations or perform transactions with subjects if there is a grounded suspicion that such may expose the Company to the risk of one or more crimes being committed.
- transfer money or supply fictitious intercompany services that are not necessary or not in line with market prices and/or not defined in specific service contracts, in order to determine incorrect/untruthful taxable income or create funds that can be used for corruption.

With regard to the aforementioned areas of criminal risk, reference is made to the control principles described in **Special Part A** of the Model (Crimes against the Public Administration) and **Special Part B** (Corporate Offenses) for the corresponding risk areas.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>132/157</b>

**15. SPECIAL PART “G” - CRIMES IN BREACH OF ENVIRONMENTAL STANDARDS AND CRIMES AGAINST THE CULTURAL HERITAGE AND LOOTING OF LANDSCAPES**

**INTRODUCTION**

The crimes to which this Special Part refers are the following pursuant to Art. 25-undecies, 25-septiesdecies and art 25-duodevicies of Italian Legislative Decree no. 231/2001)::

- **crimes envisaged by the Italian Criminal Code:**  
*with reference to Article 25-undecies:*
  - environmental pollution (Art. 452-bis of the Italian Criminal Code),
  - environmental disaster (Art. 452-quater Italian Criminal Code),
  - culpable offense against the environment (Art. 452-quinquies Italian Criminal Code),
  - aggravating circumstances (Art. 452-octies of the Italian Criminal Code),
  - trafficking and abandonment of highly radioactive materials (Art. 452-sexies of the Italian Criminal Code),
  - killing, destruction, capture, withdrawal and possession of protected wild plant or animal species (Art. 727-bis of the Italian Criminal Code),
  - destruction or deterioration of habitat within a protected site (Art. 733-bis of the Italian Criminal Code):*with reference to Article 25 septiesdecies and Article 25-duodevicies:*
  - theft of cultural property (Art. 518-bis of the Italian Criminal Code);
  - misappropriation of cultural property (Art. 518-ter of the Italian Criminal Code);
  - receiving of cultural property (Art. 518-quater of the Italian Criminal Code);
  - money laundering of cultural property (Art. 518-sexies of the Italian Criminal Code);
  - devastation and looting of cultural and landscape heritage (Art. 518-terdecies of the Italian Criminal Code).
- **crimes envisaged by Italian Legislative Decree no. 152/2006 (Environmental standards),**
  - Art. 137 paragraphs 2, 3, 5, 11 and 13,
  - Art. 256, paragraphs 1, 3, , first and second periods, 4, 5 and 6 first period,
  - Art. 257, paragraphs 1 and 2,
  - Art. 258, paragraph 4, second period,
  - Art. 259, paragraph 1:
  - Art. 260, paragraph 1 and 2 (today Art. 452-quaterdecies of the Italian Criminal Code),
  - Art. 279, paragraph 5:
- **crimes envisaged by Italian Law no. 150/1992 on the international trade of animal and plant species in danger of extinction**
  - Art. 1, paragraphs 1 and 2,
  - Art. 2, paragraphs 1 and 2,
  - Art. 6, paragraph 4:
  - Art. 3-bis paragraph 1,
- **crimes envisaged by Italian Law no. 549/1993 on the protection of atmospheric ozone**

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>133/157</b>

- Art. 3, paragraph 6:
- **crimes envisaged by Italian Legislative Decree no. 202/2007 on the pollution caused by ships**
- Art. 8, paragraphs 1 and 2,
- Art. 9, paragraphs 1 and 2.

This special part of the Model is an integral part of the environmental management system in place at Hitachi Rail STS S.p.A aimed at assuring the continuous improvement of environmental aspects in offices and on sites.

The Company has adopted an Environmental Management System, for which it has obtained ISO 14001 certification, with a view to guaranteeing the achievement of environmental protection objectives.

In this regard, the Company is committed to pursuing environmental protection and ensures:

- compliance with national, European, and local environmental legislation, as well as specific regulations,
- responsible execution of its activities to prevent, control, and minimize potential environmental impacts,
- prevention of air, soil, subsoil, and water pollution,
- proper waste management,
- preservation of natural habitats, particularly in protected areas,
- protection of endangered or otherwise protected animal and plant species.

It therefore undertakes to achieve the following objectives:

- to improve its activities also with a view to reducing its overall impact in terms of the climate-altering gases released into the atmosphere.
- to operate as a guarantee of compliance with the legal provisions applicable to its processes, by means of the formalization of procedures that facilitate awareness of the reference legislative framework,
- to prevent environmental pollution,
- to identify the significant direct and indirect environmental aspects for the offices and sites in order to control and monitor the impacts on the environment,
- to involve and sensitize the personnel and suppliers and contractors in regard to environmental topics,
- to improve environmental performance through the achievement of ever more ambitious thresholds, with the economically-feasible application of the best environmental technologies available
- compatibly with the technological evolution of the industry and with budget possibilities,
- to define indicators for easier performance control,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>134/157</b>

- to start an open dialog with the Public Authorities, the communities and the public to ensure a proper understanding of the actual environmental impacts and to collaborate towards the update of environmental regulations.

All corporate entities are in charge of assuring the scrupulous observance of the principles of the Environmental Management System, the preparation and update of which involves them actively.

## **THE ENVIRONMENTAL MANAGEMENT SYSTEM**

### **The organizational system**

The Environmental Management System, as previously mentioned in Special Section C, is part of the broader integrated management system adopted by the Company. For further details, please refer to Special Section C and the dedicated document outlining the Company's Environmental and Safety Management System.

The environmental management system compliant with standard UNI EN ISO 14001 assures:

- knowledge of the environmental legislation effectively applicable to the business activities,
- the analysis of the significant environmental aspects of the organization as a whole and with reference to the specific temporary and/or mobile site,
- the planning of the operative control activities necessary to guarantee compliance with the relevant environmental provisions (of the law and/or contract) and other internal provisions as may be envisaged, according to the enterprise's environmental sensitivity and its reference context, to implement its environmental policy and achieve the environmental thresholds and objectives of said enterprise,
- the sensitization and training of personnel, with specific reference to those responsible for coordination and control,
- awareness and training of personnel, with particular focus on those with coordination and supervisory responsibilities,
- the possibility of measuring the organization's environmental performance,
- the preparation and storage of records that can show the company management team and third parties compliance with all applicable environmental provisions.

With the support of HSE, the Employer organizes environmental training for all those identified as responsible for fulfillment of the related requirements.

### **Definition of tasks**

The company Hitachi Rail STS S.p.A. is organized in the various functionally autonomous sites (sites and offices) through a system of delegations.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>135/157</b>

This system of delegations applies both for orders acquired directly by the Company and the participation in temporary associations of enterprises (ATI) with other partners, as per the agreements defined in the specific grouping.

The environmental function delegations, granted by the Employer of the Company, outline the elements to ensure the effective exercise of powers by the delegated individuals, the monitoring of risks, and the possibility of direct intervention if unforeseen and unpredictable circumstances, as well as emergency situations, require the adoption of prompt and targeted actions for their management and the restoration of normal operations.

In the case of foreign branches, the Branch Manager also receives the environmental delegation. He/she relies on the support of the HSE team to achieve the objectives outlined in the delegation.

The system of delegations defines powers, duties and responsibilities on environmental protection, as follows:

### **Employer**

The employer guarantees compliance with the environmental procedures envisaged by the Integrated Management System (IMS) through the HSE function, Managers (Plant Managers, Site Managers and Branch Managers) to the extent of their responsibility, by:

- attributing to the hierarchical line below him (Site Foreman and Site Manager, first and foremost) specific powers and duties to guarantee compliance with the law and regulations on environmental matters, as applicable to the relevant site, assessing the requirements of professionalism and competence and attributing them delegations and powers as necessary,
- monitoring the application of the delegated duties.
- With the collaboration of HSE, the Employer organizes environmental audits and supervision, in particular to make sure that:
  - o all workers have received suitable information/training on environmental and pollution prevention matters, including as regards environmental crimes,
  - o the necessary environmental authorizations for Hitachi Rail STS to go about its business are suitable and maintained valid and effective,
  - o the procedures to be adopted in the event of an environmental emergency are adequate and periodically verified,
  - o a register is kept noting any incidents with significant environmental impacts in chronological order.

### **Technical Site Director and Site Manager**

The Technical Site Director and Site Manager must fulfill all obligations received by delegation from the Employer, monitoring compliance with environmental provisions in the site/office by the hierarchical line beneath them.

With the help of the appointed persons, the Technical Site Director or Site Manager shall:

- supervise observance of the environmental legislation and other environmental protection measures envisaged,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>136/157</b>

- guarantee that the environment management system, made operative through the preparation of the Initial Environmental Analysis, is effective,
- ensure application of the procedures to be adopted in the event of an environmental emergency,
- manage the site taking into account the other activities carried out at or near the site,
- prepare and manage a register noting any incidents with negative environmental impacts in chronological order.

**Site Foreman**

As person appointed to carry out the activities connected with the development, including compliance with environmental legislation, the Site Foreman must:

- implement measures to prevent the environmental impacts resulting from the Initial Environmental Analysis (AAI),
- highlight any shortcomings in the prevention of environmental impacts,
- intervene in environmental emergency situations by taking the measures set forth in the AAI,
- monitor compliance with rules on the prevention of environmental impacts,
- monitor the efficiency of the measures, equipment and machinery.

**Facility Manager**

The Facility Manager, by virtue of a specific sub-delegation, assumes responsibility for some of the activities related to the management of waste generated within the relevant plant. Specifically, they must:

- complete and sign the Waste Transport Form as specified in Article 193 of Legislative Decree 152/2006.

The powers, duties and responsibilities of the Employer and Site Director or Site Manager, as regards authorizations, analyses of environmental impacts, waste management and operative control for the environment, are regulated as follows.

**Authorizations****Employer**

If new activities are started, with the help of HSE, the Employer shall:

- verify that the necessary environmental documentation, prepared by the Project Manager with the assistance of the Site Director and/or Site Manager, is complete,
- ensure that works are not started before authorization is obtained.

**Technical Site Director and Site Manager**

In the event of activities in progress, the Technical Site Director or Site Manager shall:

- keep current authorizations up-to-date,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>137/157</b>

- verify the need for new authorizations or the supplementation/change of those in place,
- take action to obtain such authorizations,
- notify the Employer of such new authorizations necessary and obtained.

### **Analysis of the environmental impacts**

#### **Employer**

In collaboration with the Head of HSE, the Managers and Technical Site Directors, the Employer prepares the environmental impact assessments (Initial Environmental Analysis, AAI) related to:

- the activities carried out at the various sites (Genoa, Naples, Tito, Piossasco, Pistoia and Reggio Calabria),
- the activities carried out at temporary or mobile sites,
- after-sales assistance activities,

identifying the consequent measures to prevent negative environmental impacts, including the program of measures considered appropriate to guarantee an improvement in the environmental compatibility of the activities carried out and emergency management over time.

#### **Technical Site Director and Site Manager**

The Technical Site Director or Site Manager shall, also using the support of HSE:

- analyze the specific environmental impacts deriving from the works envisaged and site organization,
- identify a program of measures deemed appropriate to guarantee the prevention of pollution and the reduction of the main environmental impacts.

### **Waste management**

#### **Employer**

In order to guarantee correct waste management, the Employer has issued a procedure in which:

- the main categories of waste are identified and the correct methods for its temporary deposit, with particular reference to hazardous and non-hazardous special waste,
- the methods are defined used to confer waste to the collection and disposal companies, including the criteria for verifying that they have the necessary authorizations,
- the periodic due dates set by current legislation (Italian Legislative Decree no. 152/2006 as subsequently amended and supplemented) are summarized.

Through collaborators, the Employer verifies the correct application of the procedure, receiving the relevant reports.

#### **Technical Site Director and Site Manager**

The Site Directors and Site Managers are responsible for the correct application of the procedure for the classification, storage and disposal of waste produced at their site, in particular:

- the responsibilities must be identified for managing waste on the site,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>138/157</b>

- the correct classification, deposit and disposal of the waste produced by Hitachi Rail STS must be verified, as well as its registration,
- instructions must be given to ensure the rigorous surveillance of compliance with contractual requirements governing the management of waste produced by third parties on the site and documented evidence obtained.

## **RISK FACTORS EXISTING IN HITACHI RAIL STS S.P.A**

With reference to the crimes in breach of environmental standards (risk area **027**), Hitachi Rail STS acknowledges the environment as a primary asset to be safeguarded and, to this end, plans its activities looking to strike a balance between economic initiatives and essential needs to protect the environment. The Company is constantly committed to ensuring that company operations are carried out in complete respect of the environment, also taking into account the development of the regulations and scientific innovations on the matter.

In the activities it manages with various roles in the offices and sites, Hitachi Rail STS could commit breaches of some of the laws mentioned under Article 25 undecies, 25 septiesdecies and 25 duodevicies of Italian Legislative Decree no. 231/01, in particular, in the opening and/or changing of new sites/offices and their management.

Furthermore, the certification of the system required the mapping of areas/processes at risk of environmental crime, with the identification of environmental impacts and the assessment of related risks and impacts. It also involved defining measures to eliminate or minimize these risks, as well as evaluating the effectiveness of the measures implemented.

## **GENERAL PRINCIPLES OF CONDUCT AND CONTROL**

All those operating for and with Hitachi Rail STS and, in particular, those who, for any reason, oversee or control the Company's activities, on its behalf or in its interests, must apply the general principles of conduct indicated below.

For more details on the procedures in force for each Risk Area, refer to procedure G-IND A1101 'Internal Regulation for the prevention of 231 Risks'.

Generally, conduct must be compliant with the provisions of law and internal procedures and it is prohibited to implement, collaborate towards or give rise to any conduct such that, considered individually or collectively, could directly or indirectly determine the types of crime envisaged to protect the cultural heritage and to prevent looting of landscapes.

More specifically, consistently with compliance with the ethical principles that have always guided the Company's action, below is a list of the main obligations that must be observed by the addressees of this Model:

- rigorously observe the rules, regulations and procedures on environmental matters that regulate the conduct of work at the sites and offices of Hitachi Rail STS,
- commit to mitigating and controlling its environmental impact,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>139/157</b>

- before starting work, obtain the necessary environmental authorizations and comply with the relevant terms and conditions,
- obtain evidence from suppliers and other third parties, on the basis of the nature of the services provided, of compliance with environmental regulations,
- comply, each insofar as coming under their sphere of operations and competence, with the current provisions on separate waste collection,
- dispose of the waste produced, appointing the third party entities authorized to collect in compliance with authorization procedures,
- observe the rules and procedures for preparing the loading-unloading register and other systems for the control of waste traceability,
- notify the competent departments of any environmental emergencies,
- notify the competent departments of any inefficiencies and misalignments in environmental management,
- request authorization to connect for domestic drains and industrial establishments,
- comply, each insofar as coming under their sphere of operations and competence, with the current provisions on water drains,
- observe the rules for the respect of limit values for waste water,
- obtain evidence of samples and analyses in compliance with environmental standards and the rules of the competent bodies,
- verify the need for authorization to release emissions into the atmosphere and obtain such where necessary,
- correctly manage substances that are harmful to the ozone layer,
- observe the rules for respecting the landscape,
- observe the rules put in place to protect the landscape particularly when opening new construction sites.

Additionally, any behavior aimed at the following is strictly prohibited:

- managing, directly or indirectly, waste (collection, transportation, recovery, disposal, trading, brokering) without proper authorization, registration, or notification,
- establishing or managing, directly or indirectly, an illegal waste dump,
- introducing waste containing harmful and dangerous substances for the environment into the company,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>140/157</b>

- mixing, directly or indirectly, hazardous waste with different levels of hazardous properties or hazardous waste with non-hazardous waste, substances, and/or other materials without authorization,
- preparing false waste analysis certificates regarding the nature, composition, and chemical-physical characteristics, or using a false certificate during the transportation of waste, even in terms of mere facilitation,
- engaging in, directly or indirectly, organized activities for the illegal trafficking of waste
- establishing relationships with external companies that do not meet adequate technical-professional standards or ethical conduct, or that lack the necessary authorizations to carry out waste collection, transportation, and disposal activities on behalf of Hitachi Rail STS,
- discharging, directly or indirectly, on soil, subsoil, or groundwater,
- diluting discharges, as emission limit values cannot, under any circumstances, be achieved by dilution with water taken solely for that purpose,
- producing, directly or indirectly, atmospheric emissions in violation of emission limit values, causing simultaneous exceedance of air quality limit values set by current regulations,
- using ozone-depleting substances, either directly or indirectly, without proper authorization,
- harming or endangering, directly or indirectly, public safety, wildlife, or plant life, with particular regard to protected or endangered species or protected habitats.

As, in addition, under the scope of the risk areas, the conduct of third party companies to which the organization may entrust part of the activities becomes important, the specific control principles envisage the existence of a company regulation governing the selection of partners and suppliers, regulating the relevant contractual aspects and monitoring performance, with a view to guaranteeing that the partners and suppliers to which activities relevant in environmental terms are entrusted are suitable in technical, professional and authorization terms and are contractually bound to comply with current environmental standards and the specific requirements laid down by the organization. More specifically, this company regulation defines the roles, responsibilities and operating procedures for:

- the identification of the types of partners and suppliers of environmental relevance,
- the initial qualification of partners and suppliers through the verification of compliance with the regulatory requirements applicable to them and their environmental performance,
- the definition of information that must be given to partners and suppliers about the rules and regulations to be respected when going about their activities in a partnership and/or on behalf of the Company,
- supervision of the partners' and suppliers' work,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>141/157</b>

- reporting of any discrepancies/potential discrepancies with respect to the provisions of current environmental standards and the specific requirements established by the organization and the definition of corrective action aiming to avoid any repetition of the discrepancies/potential discrepancies identified,
- traceability of all activities relating to the selection process and assignment to third parties of activities of environmental relevance and all activities relative to the performance monitoring process of partners and suppliers.

In addition, with reference to the management of environmental obligations, the Company's activities must comply with the following control principles:

- monitor the proper management of waste. In particular, ensure:
  - o the classification of waste produced within the company's activities is in compliance with the provisions established by current legislation and competent Authorities (paying particular attention to the mapping of newly introduced products), as well as company procedures,
  - o waste collection, transport, recovery, and disposal activities are entrusted exclusively to authorized companies that have been formally selected beforehand,
  - o where applicable, verify during the assignment of waste disposal or recovery activities to authorized companies that: (a) the validity date of the authorization; (b) the type and quantity of waste for which the authorization to carry out disposal or recovery activities has been granted; (c) the location of the disposal facility; and (d) the treatment or recovery method;
  - o conduct periodic controls on the suppliers entrusted with the above activities,
  - o where applicable, verify during the transportation of waste to authorized companies: (a) the validity date of the authorization; (b) the type and registration number of the vehicle; (c) the authorized CER codes; o Ensure that special waste is stored in appropriate, dedicated facilities for this purpose.
- in contracts with suppliers entrusted with waste disposal activities, include (in addition to the 231 Clause) provisions that ensure the suppliers/contractors/subcontractors guarantee the possession of all necessary authorizations to carry out the activities covered by the contract, as well as the obligation to promptly communicate any modifications/revocation of the received authorizations, etc.
- ensure the maintenance of a chronological register for waste loading and unloading, and the identification form, in accordance with the provisions of current legislation (D.Lgs. 59/2023), with signatures made exclusively by previously qualified and designated personnel.
- ensure all waste produced is correctly registered in the chronological waste loading and unloading register, in compliance with the provisions of D.Lgs. 59/2023.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>142/157</b>

- ensure the constant completion and updating of the waste register and form, ensuring full compliance with regulatory requirements and the integrity of the documentation.
- entrust waste management operations to qualified companies that are regularly registered in the register governed by the applicable regulations.

**Procedural System**

Hitachi Rail STS has adopted a series of rules and procedures, both globally (valid for all Group companies, including abroad) and locally. For more details refer to procedure G-IND A1101 'Internal Regulation for the prevention of 231 Risks' and to all the documents of the HSE Management System.

More specifically, the applicable global procedures are:

- management of the environmental aspects and impacts, including those relative to environmental offenses: the procedure presents the tasks and procedures by which to identify the environmental aspects, to assess the environmental impacts in normal, abnormal and emergency conditions,
- emergency management: the procedure highlights the duties and procedures for emergency management, which impact the environment,
- management of environmental pollution and incidents: the procedure explains the duties and procedures by which to formalize and manage environmental pollution and incidents,
- management of operative control: the procedure explains duties and procedures for the management of significant environmental aspects,
- management of legislative compliance and environmental monitoring: the procedure presents duties and procedures for environmental legislative updates, for the verification of compliance and for the surveillance and monitoring of environmental aspects.

The following procedures (termed "instructions") have been implemented:

- management of environmental impacts and aspects: the instruction describes duties, roles and responsibilities for the definition of the criteria identified, the assessment of environmental impacts and aspects in normal, abnormal and emergency conditions, initial environmental analysis (AAI), environmental declaration (DA) and environmental management plan (for sites),
- emergency management: the instruction describes the tasks, roles and responsibilities for emergency management that impact the environment in accordance with current legislation,
- management of environmental pollution and incidents: the instruction describes the duties, roles and responsibilities for the management of environmental pollution and incidents in accordance with current legislation,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>143/157</b>

- management of operative control: the instruction describes duties and procedures for the management of significant environmental aspects, with specific attention to:
  - waste management,
  - management of dangerous substances,
  - management of site environmental aspects (noise, emissions, powders, etc.).

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>144/157</b>

## 16. SPECIAL PART "H" - CRIMES CONCERNING OBSTRUCTION OF JUSTICE

### INTRODUCTION

The crimes to which this Special Part refers are as follows:

- inducement to not make statements or to make false statements to the judicial authority pursuant to Art. 377 *bis* of the Italian Criminal Code and envisaged in the Decree by Art. 25 *decies*,
- personal aiding and abetting: pursuant to Art. 378 of the Italian Criminal Code in accordance with Art. 10, paragraph 9 of Italian Law no. 146 of 03.16.2006.

### AREAS EXPOSED TO RISK

The risk areas identified consist of the following activities:

**007 Management of judicial and extrajudicial disputes and relations with the Judicial Authorities,**

**008 Finance and treasury,**

**009 Management of representation expenses, gifts, sponsorships and donations,**

**010 Personnel recruitment, hiring and reimbursement of travel expenses management,**

**011 Procurement of goods, services and consultancies.**

With reference to the above-mentioned Risk Areas, **refer to Special Section A** for a description of sensitive activities and to the system of company procedures in force for further details (procedure G-IND A1101 "Internal Regulation for the prevention of 231 Risks").

Here are some examples of possible ways of committing predicate offenses under Legislative Decree 231/2001.

With regards to the **Management of judicial and extrajudicial disputes and relations with the Judicial Authorities (007)** is identified as an area at risk of the crime of inducement not to make declarations or to make false declarations to the legal authorities. This area includes the activities relating to disputes managed by the company, including on an international level, in an administrative, criminal or civil court.

Merely by way of example, we can, for example, mention the hypothesis whereby a person, called to make a declaration to the legal authorities in connection with the perpetration of a crime abstracting involving the Company's liability, is caused, through threats (e.g. dismissal) or offers (e.g. promotion) to lie or not to make the declarations requested by the legal authorities, which may determine the Company's involvement in the proceedings.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>145/157</b>

As regards the crime of aiding and abetting, again by way of example, the hypothesis can be mentioned whereby logistic support (e.g. cover for a mission) is provided to a company representative under investigation for crimes committed abroad.

The risk areas 008, 009, 010 and 011 are considered as areas instrumental to the perpetration of the crime of inducement not to make declarations or to make false declarations to the legal authorities. In accordance with Art. 377-bis of the Italian Criminal Code, a subject can be induced not to make a declaration or to make false declarations to the legal authorities with violence or threats or offers of money or other gains.

**GENERAL PRINCIPLES OF CONDUCT AND CONTROL**

This Special Part refers to the conduct implemented by directors, managers and employees operating in the areas of the risk activities and external collaborators and partners, as already defined in the General Part (hereinafter all referred to as the “Addressees”).

For more details on the procedures in force for each Risk Area, refer to procedure G-IND A1101 ‘Internal Regulation for the prevention of 231 Risks’.

The Company pursues a policy of transparency in relations with the Legal Authority and, more generally, with all Authorities with tasks of verification and control relating to the activities performed by the Company. To this end, the provisions of this Special Part are considered valid not only in regard to the bodies of the legal authority in this capacity, but also those holding control duties for the public administration or other entities.

This Special Part envisages the express prohibition for said Addressees of behaving in any way:

- such as to constitute the crimes considered in this special part (25-*decies* of the Decree and Italian Law no. 146/ 2006 and Art. 10 paragraph 9), also in the form of acting in concert,
- which, although in itself does not constitute a liable offense under the scope of those set out above, could be considered potentially such,
- in breach of the law, current regulations and corporate procedures or in any case that is not in line with the principles expressed by this Model and the Code of Ethics,
- to coerce, in any way and using any means, in the interests or to the benefit of the company, the desire to answer the legal authority of persons called to make declarations or to cause them to avail themselves of the faculty not to answer,
- to encourage, in any way, persons called to make declarations to the legal authority to make untrue declarations,
- to disburse, offer or promise money, gifts, presents or other advantages to persons called to make declarations before the legal authority.

The Model Addressees shall also comply with the following principles:

- to base their work and operations on complete compliance with current legislation and the Model and Code of Ethics,
- to maintain clear, transparent, diligent and collaborative conduct with the legal authority,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>146/157</b>

- to make truthful, transparent and complete declarations to the legal authorities, representative of the facts.

With regard to the aforementioned areas of criminal risk, **reference is made to the control principles described in Special Part A** of the Model (Crimes against the Public Administration) for the corresponding risk areas.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>147/157</b>

## 18. SPECIAL PART “I” - CRIMES AGAINST INDUSTRY AND TRADE AND COUNTERFEITING CURRENCY, LEGAL TENDER, DUTY STAMPS, AND DISTINCTIVE SIGNS OR MARKS

### INTRODUCTION

The crimes to which this Special Part refers are some of the crimes against industry and trade pursuant to Art. 25-bis 1 and Art. 25-bis of the Decree, as follows:

*With reference to Article 25-bis 1:*

- Disturbance of the freedom of industry or trade (Art. 513 of the Italian Criminal Code)
- Fraud against national industries (Art. 514 of the Italian Criminal Code)
- Fraud in trade (Art. 515 of the Italian Criminal Code)
- Sale of non-genuine foods marketed as genuine (Art. 516 of the Italian Criminal Code)
- Unlawful competition with threats or violence. (Article 513 bis of the Italian Criminal Code)
- Sale of industrial products with untruthful markings (Art. 517 of the Italian Criminal Code)
- Manufacture and sale of goods developed with the usurpation of industrial property rights (Art. 517-ter of the Italian Criminal Code)
- Counterfeiting of geographical indications or denomination of origin of agricultural food products (Art. 517-quater of the Italian Criminal Code).

And, amongst the crimes pursuant to Art. 25-bis (crimes of forgery of money, public credit cards, stamp duty and identification instruments or marks), the situation envisaged by Art. 473 of the Italian Criminal Code “counterfeiting, alteration or use of distinctive marks or signs of intellectual works or industrial products”.

With regards to the case of Article 473, confiscation is always ordered of the objects that were used or intended to commit the crime and the objects that are the subject, product, price or profit, to whomever they belong. If no longer available, the court orders the confiscation of the goods available to the perpetrator for a value equal to the amount of the profit.

Confiscation does not apply when the objects that were used or assigned to commit the crime, or concerned therewith, the product, price or profit, belong to persons unrelated to the crime, if they can prove that there were unable to foresee the criminal use, even on an occasional basis, or criminal origin and that there was no lack of vigilance. In addition, again with reference to the situation pursuant to Art. 473 of the Italian Criminal Code, if the crime is committed systematically or through the preparation of organized means and activities, the criminal code envisages a specific aggravating circumstance.

The principles of conduct and control envisaged in this Special Part are considered abstractly able also to prevent the other types of crime, pursuant to Art. 25 bis, letter f-bis and Art. 25-bis1, not listed above, although not seeing any concrete risk of such being committed.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>148/157</b>

**AREAS EXPOSED TO RISK**

The areas considered at risk for crimes against industry and trade are as follows:

**003 Stipulation, execution and management of contracts/orders (Public Administration or private entities)**

**017 Management of research and development and intellectual property.**

With reference to the above areas, below is a description of sensitive activities - referring to the company's current procedural system (for further details, see procedure G-IND A1101 "Internal Regulation for the prevention of 231 Risks") - along with the possible ways in which predicate offenses under Legislative Decree 231/2001 could be committed.

**003 Stipulation, execution and management of contracts/orders (Public Administration or private entities)**

With reference to stipulation, execution and management of contracts/orders (Public Administration or private entities), the crime could be committed in the following hypotheses:

- destruction/damage of products or components of third party companies competitors of the company in the interests and to the benefit of the company.,
- delivery of a product that is partly different to the technical specifications requested by the client,
- use of intellectual works e.g. software, including of third parties, which recall similar works merely in order to mislead the final buyer,
- threatening a competitor with unfair damages (e.g. damages to image) to obtain an undue benefit (e.g. withdrawal from the tender, price reduction, etc.).

**017 Management of research and development and intellectual property.**

With regards to the management of research and development and intellectual property, the crime could be committed in the following hypotheses:

- pursuit and/or use, during development and/or production, of applications or products whose intellectual property is owned by third parties, without paying them the charges due to them by rights of ownership,
- counterfeiting, alteration or use of distinctive marks, intellectual works or industrial products for the sole purpose of misleading the end buyer.

**GENERAL PRINCIPLES OF CONDUCT AND CONTROL**

This Special Part refers to the conduct implemented by directors, managers and employees operating in the areas of the risk activities and external collaborators and partners, as already defined in the General Part (hereinafter all referred to as the "Addressees").

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>149/157</b>

For more details on the procedures in force for each Risk Area, refer to procedure G-IND A1101 'Internal Regulation for the prevention of 231 Risks'.

In the context of the above conduct it is forbidden in particular to:

- behave in such a way as to constitute the crimes considered in this special part (25 bis, letter f-bis and Art. 25-bis1 of the Decree), also in the form of acting in concert,
- behave in such a way that, although not constituting an offense among those considered above, could potentially become such,
- act in any way that is in breach of current law, regulation and corporate procedures or in any case not in line with principles expressed by this Model and Code of Ethics,
- act violently or with intimidation or impact the commercial, industrial or production activities of third parties in order to hinder/eliminate competition,
- act in such a way as to discourage the participation of other bidders, in the case of public tenders, or to obtain information useful to procuring unfair advantage to the detriment of other subjects involved,
- implement collusive agreements with other enterprises aimed at obtaining the award of tender contracts to the detriment of other bidders, or discourage bidders from submitting competitive bids,
- implement acts of violence on third party property (e.g. damage or transform goods of third parties/competitors)
- spread news and reviews of the products and activities of a bidder such as to discredit it or misappropriate values of the products or enterprise of a competitor,
- directly or indirectly use any means that do not comply with the principles of professional correctness and are likely to damage the business of others, acts in unfair competition,
- use, in any way, shape or form, trademarks, patents, names and other distinctive markings of which it does not have exclusive ownership and/or legitimate title to use,
- market industrial products with patents, trademarks or other distinctive markings that are counterfeit or altered or not owned,
- sell intellectual works or industrial products with names, marks or logos such as to mislead the buyer as to the origin, source or quality of the work or product
- act in unfair competition and, in particular:
  - use names or logos that can cause confusion with names or logos legitimately used by others or slavishly imitate the products of a bidder or use any other means able to create confusion with the products and business of a competitor,
  - counterfeit, alter or use goods of any kind with counterfeit trademarks or industrial titles in order to damage the manufacturers,
  - sell or otherwise put into circulation intellectual products with national or foreign names, marks or logos able to mislead the counterparty or create potential confusion with similar products.

The Model Addressees shall also comply with the following principles:

- all activities and operations carried out on behalf of the company are based on complete compliance with current laws and the principles of correctness, transparency, good faith and the traceability of documentation:

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>150/157</b>

- maximum compliance is assured between the effective conduct and that required by internal procedures, paying particularly close attention to all aspects regarding “sensitive” activities in areas “at risk of crime”,
- those performing controls and supervision in respect of compliance linked to the fulfillment of such “sensitive” activities pay particularly close attention to the fulfillment of said requirements:

With reference to the **management of research and development and intellectual property (017)**, the Company’s business complies with the following control principles:

- the company has defined procedures, organizational roles and powers for the protection of its own and third party intellectual property rights, such as patents, trademarks, know-how, copyright and other rights,
- relations with the competent Patents and Trademarks Office for the registration of trademarks/brand names or the renewal of registered trademarks, are handled by specialized technical firms,
- ownership of industrial property rights is protected by means of specific contractual clauses in regard to suppliers and customers, which may provide for restrictions on the use of trademarks/patents/licenses, in the case of collaborations with partners, the parties concerned specifically agree on industrial property rights in collaboration agreements, the company can therefore use third party patented systems and/or products only upon obtaining advance formal authorization under the scope of the contract, similarly, the company can use software developed by third parties only upon obtaining prior specific authorization under the scope of agreements (with the exclusion of open source software for which only respect of the related license is required),
- to make sure that a product developed in-house has not already been patented by third parties, specific checks are run (searches in past records),
- if deemed necessary, specialized external companies can be appointed (patent agents) or alternatively searches can be carried out autonomously, accessing reference international databases, in order to verify the existence of previous registered brand names and/or trademarks,
- the external company issues a written report with the results of the searches performed and the situation of the registered trademarks and/or brand names,
- there is a database that keeps track of the trademarks and patents available to the company,
- the Intellectual Property Department coordinates the management of the group’s industrial property through a specific IP Committee, which includes the managers of the technical departments,
- corporate publications and software are protected by copyright and the publication of technical information is authorized by the Intellectual Property Department,
- express prohibition of assigning benefits, such as, for example, a promise of employment, to officers of companies and/or university researchers/research centers in order to obtain a trade secret unlawfully.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>151/157</b>

With regard to the remaining areas of criminal risk, **reference is made to the control principles described in Special Part A** of the Model (Crimes against the Public Administration) for the corresponding risk areas

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>152/157</b>

## 19. SPECIAL PART “L” - TAX OFFENSES

### INTRODUCTION

The crimes to which this Special Part refers are the following pursuant to Art. 25-*quinquiesdecies* of Italian Legislative Decree no. 231/2001:

- Fraudulent declaration by using invoices or other documents for non-existent transactions (Art. 2, paragraph 1 e 2-bis, Italian Legislative Decree no. 74/2000),
- Fraudulent declaration through other devices (Art. 3 of Italian Legislative Decree no. 74/2000),
- Issuing of invoices or other documents for non-existent transactions (Art. 8 of Italian Legislative Decree no. 74/2000),
- Concealment or destruction of accounting documents (Art. 10 of Italian Legislative Decree no. 74/2000),
- Fraudulent avoidance of tax payments (Art. 11 of Italian Legislative Decree no. 74/2000),
- False declaration (Art. 4, Italian Legislative Decree no. 74/2000),
- Omitted declaration (Art. 5, Italian Legislative Decree no. 74/2000),
- Undue offsetting (Art. 10 quater of Italian Legislative Decree no. 74/2000).

### AREAS EXPOSED TO RISK

The areas of activity considered as more specifically at risk for this Special Part are:

**011 Procurement of goods, services and consultancies**

**028 Invoicing/reporting management**

**029 Management of tax compliance: preparation and sending of data to the tax records and payment of tax**

With reference to the above-mentioned Risk Areas, **refer to Special Section A and Special Section B** for a description of sensitive activities and to the system of company procedures in force for further details (procedure G-IND A1101 “Internal Regulation for the prevention of 231 Risks”).

### GENERAL PRINCIPLES OF CONDUCT AND CONTROL

For more details on the procedures in force for each Risk Area, refer to procedure G-IND A1101 ‘Internal Regulation for the prevention of 231 Risks’.

The Company has principles of conduct able to eliminate the risk of the perpetration of crimes indicated in this Special Part.

More specifically, accounts are kept in compliance with current laws and regulations, the provisions of the Code of Ethics and the Company’s values and policies.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>153/157</b>

Administrative and tax activities are managed by a specific Organizational Unit equipped with registered regulations indicating the tasks and activities performed by each senior figure. More specifically, the roles are important of the Administration, Finance and Auditing Manager and the Management Control Manager.

The unit has operating instructions and procedures that are particularly detailed.

The general principles of conduct regard:

- Segregation of activities: both as regards active and passive invoicing, the principle of separation of assets is applied between the party choosing a supplier, the party executing the order and the party controlling the invoices.
- Powers of authorization and signature, the powers of organization and signature are consistent with the organizational and managerial responsibilities assigned and clearly defined and known within the company.
- Traceability: each transaction is suitably recorded. The decision-making, authorization and pursuit of the sensitive activity can be verified *ex post* by means of specific documented support.

The aim of this Special Part is that all addressees shall behave in such a way as to prevent the onset of the crimes envisaged.

As concerns the risk area “**management of tax compliance**” (029), the following apply:

- a) Prohibitions:
  - Pursue tax evasion purposes,
  - Include fictitious liabilities in tax declarations and their preparation, using invoices or other documents for non-existent transactions. In this regard, they must check that the invoices and accounting documents refer to provisions effectively made by the issuer and received by the company,
- b) Obligations:
  - check that the invoices and accounting documents refer to provisions effectively made by the issuer and received by the company,
  - abstain from carrying out simulated transactions and use of false documents or other fraudulent means to hinder the assessment and mislead the financial administration,
  - abstain from specifying in income tax or VAT returns assets for an amount that falls below the effective value or fictitious liabilities or fictitious withholdings or receivables,
  - abstain from issuing or producing invoices or other documents for non-existent transactions in order to allow third parties to avoid income tax or VAT,
  - abstain from concealing or destroying all or part of accounting records or documents listed as compulsory so as to prevent the reconstruction of income or business volumes in order to avoid income tax or VAT or allow third parties to avoid such,
  - abstain from the simulated disposal or implementation of other fraudulent acts on their own or other assets which entirely or partly makes the compulsory collection procedure by the financial administration ineffective, with the aim of avoiding payment of income tax or VAT or interest or administrative sanctions relative to such tax,
  - act externally within the limits of the powers conferred,

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>154/157</b>

- prepare specific protocols hinged on complete transparency in the case of relations with companies based abroad.

In addition, the Company's activities conform to the following control principles:

- formal identification of the company figures responsible for preparing the payment/declaration models (e.g. income tax return, VAT, 770, etc.),
- conducting checks on the accuracy of the prepared tax declaration models,
- monitoring the deadlines for submitting tax returns,
- formal approval of the prepared declarations and their submission (including electronic submission) to the competent Authorities, in full compliance with the system of delegations, powers of attorney, and organizational responsibilities in place,
- formal definition of the authorization procedures for the payment of taxes.

With regard to the aforementioned areas of criminal risk, **reference is made to the control principles described in Special Section A** (Crimes against the Public Administration) and in **Special Section B** (Corporate Offenses) of the Model for the corresponding risk areas.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>155/157</b>

**20. SPECIAL PART “M” – SMUGGLING**

**INTRODUCTION**

The crime of smuggling are covered by Legislative Decree 141/2024.:

- Smuggling for failure to declare (art. 78 Legislative Decree 141/2024);
- Smuggling for false declaration (art. 79 Legislative Decree 141/2024);
- Smuggling for improper use of goods imported with full or partial reduction of duties (art. 81 Legislative Decree 141/2024);
- Smuggling in the export of goods eligible for duty refunds (art. 82 Legislative Decree 141/2024);
- Smuggling in temporary exportation (art. 83 Legislative Decree 141/2024).

**AREAS EXPOSED TO RISK**

The following areas are considered as being at risk of the crime of smuggling:

- 008 finance and treasury**
- 030 import/export**

With reference to the above-mentioned Risk Areas, **refer to Special Section A and to Special Section D** for a description of sensitive activities and to the system of company procedures in force for further details (procedure G-IND A1101 “Internal Regulation for the prevention of 231 Risks”).

**GENERAL PRINCIPLES OF CONDUCT AND CONTROL**

This Special Part refers to the conduct implemented by directors, managers and employees operating in the areas of the risk activities and external collaborators and partners, as already defined in the General Part (hereinafter all referred to as the “Addressees”).

For more details on the procedures in force for each Risk Area, refer to procedure G-IND A1101 ‘Internal Regulation for the prevention of 231 Risks’.

This Special Part envisages the express prohibition for said Addressees of behaving in any way:

- such as to constitute the crimes considered in this special part, also in the form of acting in concert,
- which, although in itself does not constitute a liable offense under the scope of those set out above, could be considered potentially such,
- in breach of the law, current regulations and corporate procedures or in any case that is not in line with the principles expressed by this Model and the Code of Ethics,

The Model Addressees shall also comply with the following principles:

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>156/157</b>

- to base their work and operations on complete compliance with current legislation and the Model and Code of Ethics
- to maintain clear, transparent, diligent and collaborative conduct with the legal authority.

With reference to the import/export risk area (030), the Company's activities comply with the following control principles:

- regarding the purchase of imported goods from abroad, formalization of standard contractual clauses related to the compliance with customs obligations when required,
- obligation to carry out import operations in such a way as to ensure the correct management of the amounts to be paid to the Customs Agency,
- definition of a continuous monitoring process of the evolution of the regulatory framework,
- definition and provision of appropriate training for staff involved in the customs process,
- assignment of roles, tasks, and responsibilities in customs matters,
- archiving of documentation produced during customs operations.

With regard to the risk area **finance and treasury (008)**, reference is made to the control principles described in Special Section A (Crimes against the Public Administration) and to **Special Section D** (Money Receiving and laundering) of the Model for the corresponding risk areas.

Title	Code	Country	Rev	Page
<b>Organizational, Management and Control Model (Legislative Decree 231/01)</b>	<b>G-MNL A1100</b>	<b>ALL</b>	<b>01</b>	<b>157/157</b>