

INWIT

INWIT

Infrastrutture Wireless Italiane

ANTI-CORRUPTION POLICY

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CONTENTS

1.	INTRODUCTION.....	3
2.	RECIPIENTS AND SCOPE OF APPLICATION.....	3
3.	PURPOSE.....	3
4.	REFERENCES.....	3
5.	DESCRIPTION OF THE PROCESS AND RESPONSIBILITIES.....	4
6.	SENSITIVE AREAS AND RULES OF CONDUCT.....	5
7.	ANTI-CORRUPTION DUE DILIGENCE.....	8
8.	FINAL PROVISIONS.....	9
9.	GLOSSARY.....	9

1. INTRODUCTION

INWIT adapts its activities to comply with the values and principles contained in the Code of Ethics and Conduct, in the conviction that the conduct of its affairs cannot disregard ethics and transparency.

In this context, INWIT rejects any kind of corruption, in accordance with the “zero tolerance” principle, and adopts all suitable measures to prevent such risk.

2. RECIPIENTS AND SCOPE OF APPLICATION

The Policy applies to Company Representatives and external individuals based on the provisions of the specific contractual clauses.

3. PURPOSE

The purpose of the Policy is to strengthen awareness of the potential corruption risk to which the work activities are exposed, making everyone responsible for the correct management of relations with internal or external parties, be they public or private.

4. REFERENCES

1. Italian Criminal Code - art. 317 et seq.
2. Italian Civil Code - art. 2635 and art. 2635 *bis*
3. Law n. 190/2012
4. Italian Legislative Decree 231/01
5. International treaties against corruption, such as the OECD Anti-Bribery Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the United Nations Convention against Corruption
6. US Foreign Corrupt Practices Act (FCPA)
7. UK Bribery Act
8. International standard ISO 37001:2016 on anti-bribery management systems
9. Knowledge Management Framework
10. Organisational Model 231 (including the Code of Ethics and Conduct)
11. Whistleblowing Procedure
12. “Management of conflicts of interest” Procedure
13. “Third Party Management Model” Policy
14. “Management of donations and gifts” Procedure

5. DESCRIPTION OF THE PROCESS AND RESPONSIBILITIES

Each Company Representative, within the scope of their activities, contributes to the prevention and fight against corruption in the public and private sectors. To this end, each of them are prohibited from:

- i. offering, giving, promising, authorising, instigating, soliciting, inducing, forcing to promise or give, directly or indirectly – money or other benefits to a Public Official, Private Entity or any other subject, on their own behalf or that of others;
- ii. Accepting, receiving – directly or indirectly – money or other benefits from a Public Official, Private Entity or any other subject, on their own behalf or that of others

In order to obtain, ensure or maintain – through actions or omissions – an undue advantage, including through third parties, in the interest, to the benefit or to the detriment of the Company.

At the same time, the Company undertakes to:

- formalise the separation of roles and responsibilities, defining spending powers consistent with the Company's organisational and representational structure;
- ensure that the individual phases of each company process can be traced, by archiving the relative documentation;
- set up specific authorisation levels and obligations to report to the hierarchical superior;
- Identify, within the company departments, the persons tasked with interacting with the Public Administration.

5.1 APPLICATION AND INTERPRETATION OF THE POLICY

The R&C department ensures the Policy complies with the legislative and regulatory framework in force and checks its correct application.

Any concerns about the interpretation or application of the Policy can be reported to the Head of R&C or, when persons outside the Company are concerned, to the contract manager of reference. This latter, in turn, shall contact the Head of R&C.

Similarly, any concerns relating to payments to be made or the management of relations with external parties must be reported to the Head of R&C before any action is taken.

5.2 REPORTS AND VIOLATIONS

Anyone who detects behaviour that could potentially assimilate corrupt conduct carried out in the interest, to the advantage or to the detriment of the Company or in any case a presumed breach of the Policy, must report it without delay using the specific channel indicated in the whistleblowing procedure.

Without prejudice to any criminally relevant circumstances, confirmation of a violation of the Policy may give rise to a disciplinary measure against the employee who committed the breach, with the application of one of the penalties laid down in the current Collective Employment Agreement for TLC, commensurate with the degree of non-compliance found.

Similarly, if persons outside the Company are found to have breached the Policy the appropriate legal and/or contractual actions shall be taken. Such violations are in any case considered a serious breach

of a contractual obligation and may result in termination of the contract, without prejudice to any compensation for damage suffered by the Company.

Lastly, each Company Representative who detects a situation of potential or actual conflict of interest must report it without delay to the Head of R&C in compliance with the specific company procedure.

5.3 PERSONNEL AWARENESS RAISING, TRAINING AND INFORMATION

The R&C department, with the organisational support of HR, plans and delivers the awareness raising and training initiatives for Company Representatives in order to spread knowledge about the anti-corruption regulations and principles as well as awareness of the related risks. In particular, the planning of training courses for the whole company population, including new hires, must be ensured.

In order to ensure adequate information, the Policy is published on the Company's Intranet and on its institutional website.

6. SENSITIVE AREAS AND RULES OF CONDUCT

As part of the activities carried out by the Company, some areas more exposed to the risk of corruption were identified ("sensitive areas"), described in the following paragraphs.

6.1 RELATIONS WITH THIRD PARTIES

The management of relations with Third Parties must be conducted following the principles of transparency and fairness right from the selection phase, ensuring their traceability.

Particular attention must be paid in relations with:

- Public Officials, in managing participation in tenders, including public ones, or procedures to obtain disbursements, loans, and in dispute management;
- third parties, such as suppliers, customers, intermediaries, business partners, consultants, agencies, lessors, in the selection, formalisation and management of the relative contractual relationships;
- Private Entities with whom INWIT engages for institutional, training, professional or business activities.

In order to ensure the reliability and integrity of Third Parties, INWIT – before formalising the relationship – carries out specific checks, in the cases and in accordance with the provisions of the "Third Party Management Model" Policy and Model 231 (Anti-Corruption Due Diligence).

In any case, the head of each company department depending on the type of relationship must:

- ensure that its collaborators know and comply with the principles and rules of conduct laid down in this Policy;
- adopt tools that ensure that communications and payments can be traced;
- adopt criteria that ensure the correspondence and fairness of the sum paid for the service agreed and provided;
- provide specific contractual clauses on anti-corruption;
- Report to the Head of R&C any requests for payments that are not due or that lack an underlying contract.

6.2 INSPECTIONS AND CHECKS BY THE PUBLIC AUTHORITIES

Without prejudice to the provisions of Model 231, during inspections and checks by Public Officials, each Company Representative has a duty to:

- act in compliance with the existing power structure;
- inform the LCA department without delay;
- act, where possible, in the presence of at least two Company Representatives;
- ensure the traceability of the activities carried out and any irregularities established and fines imposed.

If there are concerns about the correctness of the conduct of the Public Officials or at the request of the latter, it is mandatory to refrain from taking initiatives and to report the situation to the Head of R&C.

6.3 POLITICAL CONTRIBUTIONS

In line with the provisions of the Code of Ethics and Conduct, the Company Representatives may not offer, in Italy or abroad – directly or indirectly – loans or other types of aid to political campaigns, political parties, their representatives or candidates on behalf of INWIT.

Political contributions include, by way of example, money, goods, services, the provision of company resources (venues, technologies, staff, etc.).

6.4 EVENTS AND SPONSORSHIP

Without prejudice to the provisions of Model 231 and the company procedure in force, as part of the organisation of events and sponsorships, it is mandatory for the heads of the company departments to:

- check the actual provision of the service requested and the fairness with respect to the sum agreed;
- archive the relative documentation;
- provide specific contractual clauses on anti-corruption.

In order to ensure the reliability and integrity of the potential beneficiaries, INWIT – before formalising the relationship – carries out specific checks, in the cases and in accordance with the provisions of the “Third Party Management Model” Policy and Model 231 (Anti-Corruption Due Diligence).

6.5 GIFTS, DONATIONS AND ENTERTAINMENT EXPENSES

Gifts, donations and entertainment expenses are admitted within the limits and terms laid down in Model 231 and company procedures.

In particular, the Company Representatives are required to:

- act in compliance with the existing power structure and authorisation levels;
- donate or receive gifts of any kind only if they are of low value and never in order to influence the beneficiary’s independence of judgement;

- grant donations of any kind in accordance with the procedures and criteria defined in the annual planning of donations and gifts;
- define the entertainment expenses, ensuring that the expenses are proportional to the related activity undertaken in compliance with the company objectives defined;
- provide specific contractual clauses on anti-corruption.

Moreover, with particular reference to gifts, INWIT has set up a specific gift register in order to ensure their traceability in accordance with the provisions of the specific procedure.

In order to ensure the reliability and integrity of the potential beneficiaries, INWIT – before formalising the gift, donation or expense – carries out specific checks, in the cases and in accordance with the provisions of the “Third Party Management Model” Policy and Model 231 (Anti-Corruption Due Diligence).

Lastly, each Company Representative who receives a gift or another benefit that is not in line with company procedures must inform the Head of R&C.

6.6 PERSONNEL MANAGEMENT

The entire staff management process is based on criteria of transparency and meritocracy in the interest of the Company.

In particular, the competent departments of the company, as per the appropriate company procedures:

- in the staff selection phase, identify any direct or indirect relationships, including those that existed in the past, between the candidate and the Public Administration;
- adopt suitable measures to identify potential or actual situations in which the candidate has a conflict of interest at the time of hiring;
- define, in a transparent manner, the objectives and criteria for awarding bonuses, of any kind, to the Company Representatives, ensuring their traceability;
- adopt tools capable of ensuring the traceability of requests for the reimbursement of expenses, the relative authorisations and reporting.

Lastly, before they are formally hired, each candidate must sign a declaration of commitment to comply with this Policy and the legislation referred to therein.

6.7 M&A

During M&A transactions, such as mergers, acquisitions, demergers, disposals or the acquisition of business branches and joint ventures, the competent departments of the company must carry out an in-depth analysis of the counterparty/partner in order to check whether the requirements laid down by current regulations and this Policy have been met, in the cases and in accordance with the “Third Party Management Model” Policy and Model 231 (Anti-Corruption Due diligence).

In any case, it is mandatory to:

- ascertain pending charges and convictions issued against the target entity and Relevant Natural Persons;
- identify potential corruption risk areas of the target entity;
- provide specific contractual clauses on anti-corruption.

6.8 FACILITATING PAYMENTS

Although some legislation and practices in other countries allow the use of Facilitating Payments, INWIT prohibits any form of Facilitating Payments promised, offered or received for the purpose of speeding up or facilitating the execution of a service in Italy or abroad.

7. ANTI-CORRUPTION DUE DILIGENCE

In order to identify the main corruption risk factors, INWIT – in the cases and according to the procedures laid down in the “Third Party Management Model” Policy – makes checks on Third Parties with whom it intends to establish a contractual or commercial relationship or complete an M&A transaction, ascertaining their reputational, economic and financial reliability and checking that they meet the requirements of honesty, integrity and professionalism of Relevant Natural Persons (Anti-Corruption Due Diligence).

In the case of entities, whether they be companies, associations, foundations or public administrations, the competent departments of the company ascertain the adoption of an anti-corruption policy that at least complies with the anti-corruption regulations in the reference country. The absence of anti-corruption safeguards must be reported to the Head of R&C.

Moreover, the competent departments of the company acquire information on the chain of control and the ownership structure of the counterparty subject to due diligence in order to check the identity and ownership of the target company or partner as well as the actual beneficiary of gifts, donations and sponsorships.

In detail, during the Anti-corruption Due Diligence checks must be carried out, in a timely manner with respect to the negotiation of the transaction/contract, on at least the following aspects:

- (i) presence in the Reference Lists;
- (ii) the existence of any privileged/conflict of interest relationships;
- (iii) pending criminal proceedings or processes for crimes against the public administration, corruption between private parties, included in attempted form, and/or for offences pursuant to legislative decree 231/01 committed by the target entity and/or Relevant Natural Persons or criminal conviction sentences, even if not final, or criminal decrees, even if not irrevocable, for the aforementioned crimes and/or offences issued against the target entity and/or Relevant Natural Persons. This research can also be carried out through sources in the public domain, e.g. the press, the Internet, any other type of database available (in this latter case, for instance, by entering into the search engine the name of the counterparty subject to due diligence and, in the case of an entity, its owners and the words “corruption”, “abuse of office”, “recycling”, “fraud”, etc., in both Italian and English);
- (iv) the adoption of or at least an undertaking to adopt adequate anti-corruption policies and procedures.

Upon completion of the analyses conducted, the corruption risk profiles (red flags) shall be identified, which may consist of:

- missing or false information detected on the chain of control and/or the identity of the last beneficiary;
- a request to use consultants, agents and intermediaries who have close links with a government or with a political party or who have been reported by a Public Official;
- professional activities of the counterparty subject to due diligence not consistent/compliant with the transaction/contractual service subject of the relationship with INWIT;

- requests for payment (i) in cash, (ii) to an entity or natural person other than the counterparty subject to due diligence and having no connection to it; (iii) in countries at risk without there being any connection; (iv) to a bank account registered in a country that is not a country in which the counterparty subject to due diligence resides or performs the service; (v) to an encrypted bank account or using other methods aimed at evading accounting or tax laws (vi) that are excessive and unreasonable in relation to the service; (vii) reimbursement of expenses that are undocumented or poorly documented;
- refusal to undertake to provide the information requested, in compliance with this Policy.

It might also emerge that the counterparty subject to due diligence is owned by a Public Official or by a family member of a Public Official or that the transaction/activity covered by the potential contract involves a Public Official or a public entity or a business partner with a questionable ethical reputation with particular reference to corruption or who requests an improper payment or benefit.

This list should not be considered comprehensive; circumstances may arise that create a danger of corrupt conduct occurring.

If one or more red flags are detected once the checks are complete, the competent department shall promptly inform the Head of R&C in order to assess the measures to be adopted based on the degree of risk.

Once the relationship has been formalised, the department responsible for its management shall monitor compliance with the anti-corruption undertakings given and report any violations to the Head of R&C.

Any further aspects relating to due diligence on third parties are governed by the specific “Third Party Management Model” Policy to which reference is made.

8. FINAL PROVISIONS

The Company’s Board of Directors is responsible for approving the Policy and subsequent amendments, except for the updates required by regulatory changes or internal organisational changes. In such cases, amendments to the document are made by the Chairman of the Board of Directors or the Chief Executive Officer who inform the Board of this at the first appropriate meeting.

9. GLOSSARY

ITEM	DESCRIPTION
Collective Employment Agreement for TLC	The National Collective Employment Agreement for employees of Telecommunications companies
Private Entity	companies, associations, including unrecognised ones, foundations, non-profit organisations or any other entity, including those without a legal personality.

Company Representatives	managers and employees, including interns and atypical collaborators, of INWIT as well as members of the management and control bodies and of other bodies where not included in those already mentioned
HR	the company's Human Resources department
<i>Facilitating Payments</i>	indicates the payments made for the purpose of speeding up or ensuring the performance of an activity in the exercise of a public duty considered routine
INWIT or the Company	Infrastrutture Wireless Italiane S.p.A.
LCA	the company's Legal & Corporate Affairs department
Reference Lists	The lists drawn up by national, European and international institutions (OFAC, EU, FATF, etc.) containing a list of persons, groups and entities designated and subject to fines in the scope of measures to combat terrorism and money laundering.
Model 231	The Organisation and Management Model pursuant to legislative decree 231/01 adopted by INWIT
P.A.	Public Administration
Relevant Natural persons	The individual subject with whom the relationship is to be established or, in the case of entities, the shareholders if natural persons, legal representatives, general managers, members of the administrative and control bodies and key managers, as well as the corresponding subjects as per the laws of other countries.
Public Official	public officials, persons appointed to public service and more generally the representatives of public national, local, European, international public administrations or of foreign countries. By way of example, these include: magistrates, including of international courts, members of parliament, ministers, mayors, officials of Consob, the Italian Competition Authority, the Italian Data Protection Authority, ASL (Local Health Agencies), ARPA (Regional Environmental Protection Agency), police forces, notaries, commissioners of public tenders, etc.
R&C	the company's Risk & Compliance department
Third Parties	Public Officials, Private Entities, third parties such as subjects/entities with whom the Company interacts in business operations through commercial, contractual or other relationships. These include, but are not limited to, customers, suppliers, lessors, business partners, intermediaries, agencies, consultants, sponsored individuals.