



DAIKIN APPLIED EUROPE S.p.A.

Summary Document
relating to

Model of Organisation and Management
Legislative Decree no. 231/2001

“Organisational Model”

Special Part A

Offences relating to health and safety at work

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1 OFFENCES RELATING TO HEALTH AND SAFETY AT WORK

1.1 Introduction

Art. 25septies of Legislative Decree 231/01, introduced by art. 9 of Law no. 123/2007 on “Measures concerning the protection of health and safety at work and delegation to the Government for the reorganisation and reform of the law”, and subsequently amended by art. 300 of Legislative Decree no. 81/08 has included the category of offences of administrative liability, offences of manslaughter and grievous bodily harm, in violation of the rules on protection of health and safety at work.

Below is the full text of art. 25septies:

Manslaughter and negligent serious injury committed in violation of the rules on the protection of health and safety at work

In relation to the crime referred to in Article 589 of the Penal Code, committed in violation of Article 55, paragraph 2, of Legislative Decree implementing the enabling provisions of the Law of 3 August 2007, no. 123, in the field of health and safety at work, we apply a financial penalty in the amount of 1,000 shares. In the case of conviction for the offence referred to in the preceding period, the prohibitory sanctions referred to in Article 9, paragraph 2, apply for a period not less than three months and not exceeding one year.

2. Except as provided in paragraph 1, in connection with the crime referred to in Article 589 of the Penal Code, committed in violation of the rules on protection of health and safety at work, a financial penalty equivalent to the value of not less than 250 shares and not more than 500 shares is applied. In the case of conviction for the offence referred to in the preceding period, the prohibitory sanctions referred to in Article 9, paragraph 2, apply for a period not less than three months and not exceeding one year.

3. In relation to the crime referred to in Article 590, third paragraph, of the Penal Code, committed in violation of the rules on protection of health and safety at work, a financial penalty equivalent to a value not exceeding 250 shares is applied. In the case of conviction for the offence referred to in the preceding period, the prohibitory sanctions referred to in Article 9, paragraph 2, apply for a period not exceeding six months.

The predictive offences described below are those set out under Article 25septies of Legislative Decree no. 231/01

1.2 The types of offences

Culpable homicide (art. 589 Criminal Code) committed in violation of art. 55 paragraph 2 of Legislative Decree no. 81/08

“Whoever causes the death of a person shall be punished with imprisonment for between six months and five years. If the offence is committed in violation of the rules ... for the prevention of accidents at work, the penalty shall be imprisonment from two to seven years. In the case of the death of several people, or the death of one or more persons and injuries to one or more persons, the penalty for the most serious violation is increased by up to three times, but the penalty cannot exceed fifteen years”.

Sanctions for the employer and manager (art. 55, paragraph 2, Legislative Decree no. 81/08)

1. The employer is liable to imprisonment for three to six months or a fine of € 2,500.00 to € 6,400.00 for: a) the infringement of Article 29, paragraph 1; b) failure to appoint a person in charge of health and safety under Article 17, paragraph 1, letter b), or for the violation of Article 34, paragraph 2;

2. In the cases referred to in paragraph 1, letter a), a term of imprisonment of from four to eight months applies if the violation is committed:

- a) in the companies referred to in Article 31, paragraph 6, letters a), b), c), d), f) and g);
- b) in companies where activities which expose workers to biological hazards referred to in Article 268, paragraph 1, letters c) and d), from explosive atmospheres, mutagens, carcinogens, and maintenance activity, removal, disposal and remediation of asbestos;
- c) the activities governed by Section IV are characterised by the presence of several companies and for which the volume of work is not less than 200 man-days.

Culpable homicide (art. 589 Criminal Code) committed in violation of the rules on the protection of health and safety at work

“Whoever causes the death of a person shall be punished with imprisonment for between six months and five years. If the offence is committed in violation of the rules for the prevention of accidents at work, the penalty shall be imprisonment from two to seven years.... In the case of the death of several people, or the death of one or more persons and injuries to one or more persons, the penalty for the most serious violation is increased by up to three times, but the penalty cannot exceed fifteen years”.

Personal injury or grievous bodily harm (art. 590, paragraph 3 of the Criminal Code), committed in violation of the rules on the protection of health and safety at work

“... If the facts referred to in the second paragraph (if the personal injury is serious or very serious) are committed in violation of the rules ... for the prevention of accidents at work, the penalty for serious injury shall be imprisonment from six months to two years or a fine of € 500.00 and € 2,000.00 and the punishment for the serious bodily injury shall be imprisonment of between one to three years. ...”

1.3 Legislative Decree no. 81/2008

The provisions contained in this decree enact art. 1 of Law no. 123/2007 for the reorganisation and reform of existing rules in the field of health and safety of workers in the workplace, through its reorganisation and coordination in a legal text.

Art. 30 of Legislative Decree no. 81/08, in particular, is the responsibility of the Entity, in order that with the Model in question it is possible to obtain exemption from administrative liability pursuant to Legislative Decree no. 31/01 (so-called extenuating circumstances), the burden of implementing a business system for the fulfilment of all legal obligations relating to:

- compliance with the technical and structural laws relating to equipment, facilities, workplaces and chemical, physical and biological agents;
- the activities of risk assessment and preparation of measures for prevention and protection;
- organisational activities such emergencies, first aid, management of tenders, periodic safety meetings, consultation with workers’ safety representatives;
- health surveillance activities;
- activities of training and informing workers;
- supervision activities with reference to compliance with the procedures and instructions on safety at work by workers;
- the acquisition of documentation and certificates required by law;
- the periodic checks on the application and effectiveness of the procedures adopted.

The Entity also, pursuant to what is stipulated under art. 30 of Legislative Decree 81/08, shall ensure that the Model provides:

- appropriate systems to register that all the activities necessary to ensure compliance with the above legal obligations have been carried out;
- articulation of functions, as required by the nature and size of the organisation and the type of activity, which ensures the technical skills and powers necessary for the verification, evaluation, management and control of the risk;
- a disciplinary system to sanction non-compliance with the measures set out in the Model;
- a suitable system for monitoring the implementation of this Model and the maintenance over time of the eligibility conditions of the measures taken;
- the review and possible modification of the Model when significant violations of the rules relating to accident prevention and hygiene at work are found, at the time of changes to the organisation and activity.

Lastly, paragraph 5, provides that “In the first application, the models of business organisation defined in accordance with the UNI-INAIL for a system of management of health and safety at work (OHSMS) dated 28 September 2001 or BS OHSAS 18001:2007/ISO 45001:2015, are presumed to comply with the requirements referred to in this article for the corresponding parts.”

1.4 Sensitive activities

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1.5 Company commitments relating to health and safety at work

Daikin Applied Europe is committed to conducting its business in full compliance with mandatory legislation for the protection of health and safety in the workplace that are expressed and accomplished through a Health and Safety Policy that is based on the following fundamental principles:

- ensure a safe and healthy working environment at the production sites and offices in which work is carried out and prepare appropriate preventive measures to reduce the risks of accidents and injuries caused from work, by minimizing, so far as possible, the causes of the risks associated with the working environment;
- constant commitment to compliance with applicable legal requirements, the Model of Organisation and Management adopted by the Company pursuant to Legislative Decree no. 231/01 and other rules of the group in terms of health and safety, to ensure the safety and health of workers and to prevent the commission of the offences that would give rise, in relation to the Company, to the administrative liability pursuant to the Legislative Decree no. 231/01 art. 25-*septies*;
- constant commitment to research opportunities for continuous improvement in performance related to aspects of health and safety in the workplace;
- creation of performance indicators to monitor the performance of planned objectives and targets;
- involvement and awareness by the entire management structure, all employees and those who work on behalf of the organisation in working towards a culture of accountability, participation and support for health and safety;
- communication of the policy to stakeholders through the transmission to providers and the public in general, to involve them in corporate strategies in the field of health and safety;
- design of products and processes to ensure maximum customer satisfaction and prevent or minimize risks to health and safety during the construction, operation, maintenance and disposal of its products and systems, with the use of the best economically viable available technologies;

- commitment to inform, train, motivate and involve all employees to carry out their duties in accordance with the objectives by providing them with adequate training to respond effectively to emergencies and make sure that even those who work on behalf of the organisation bring their various activities in line with the policy and the Model of Organisation and Management adopted by the Company pursuant to Legislative Decree no. 231/01;
- search for suppliers, subcontractors and qualified partners with regard to the criteria set by the Company internally in relation to aspects regarding health and safety;
- the provision of a disciplinary system to punish any failures to comply with the measures indicated in the Organisational Model in order to prevent the offences pursuant to art. 25^{septies} of Legislative Decree no. 231/01;
- the provision of organisational flows from staff to the Company's Supervisory Body in respect of incidents, near misses and with regard to any critical event capable of resulting in a possible legal breach;
- provision of a specific system of delegation of responsibilities, as envisaged by art. 16 of Legislative Decree no. 81/08, for the purpose of a proper and more effective management of the obligations deriving from the legislation on health and safety in the workplace in all locations;
- provision of appropriate information flows from the above delegated parties to the Employer, in relation to the activity performed (periodic reporting of the obligations in place and the prevention and protection measures adopted as well as the monitoring and control activities carried out and the results of the same);
- provision of a system to supervise the parties delegated by the Employer, also by means of external consultants (*auditors*) appointed by the Employer;
- provision of appropriate information flows from the appointed auditors to the Employer.

Daikin Applied Europe is committed to ensuring compliance with the legislation on the protection of health and safety in the workplace operating in compliance with the provisions of Legislative Decree no. 81/08 et seq.

It, therefore, has adopted an organisational structure consistent with that required by the accident regulations in force, in order to eliminate or, where that is not possible, then reduce and manage the risks to workers.

Daikin Applied Europe, in developing its service of prevention and protection, and without prejudice to its legal responsibilities in this regard, has:

- established an official system of powers and authority for each of the Company's operational sites that meets the following requirements: i) the qualifications and professional skills of the proxy be in line with the organisational and management responsibilities assigned, providing, when required, for an indication of the levels of expenditure that can be approved; ii) express acceptance by the proxy and consequent taking on of the relevant obligations; iii) clear definition thereof, and of the respective contents and areas of operation; iv) knowledge within the Company and advertisement to external partners; v) definition of corporate roles with powers of expenditure, specifying the limits and nature of said expenditure;
- performed the assessment of the risks for health and safety at work;
- set up the prevention and protection unit;
- appointed the person in charge of prevention and protection;
- designated the workers in charge of fire prevention, emergency management and first aid;

- designated the workers' safety representatives;
- set up the health surveillance unit;
- defined an emergency plan;
- defined, formalised and implemented a set of procedures for health and safety in the workplace;
- organised training / information activity on health and safety at work.

Daikin Applied Europe, in addition, in order to comply with the provisions of art. 30 of Legislative Decree no. 81/08, has voluntarily established and implemented a Business Management System for the Health and Safety of Workers in accordance with standard ISO 45001:2018, ensuring the fulfilment of the specific legal obligations required by the legislature in this article.

The Management System for Health and Safety in the Workplace, as defined by Daikin Applied Europe, is in line with the requirements of Legislative Decree 231/01, that is to say it also aims to prevent the health and safety offences indicated in art. 25-*septies*.

With particular reference to the management of the health emergency arising from the Coronavirus "Covid-19" and the prevention of related risks, the Company:

- appointed an internal Covid-19 Safety Committee, consisting of the Employer, the Employer's Safety Delegates, the Competent Doctor, the RSPP, the RLS/RSU, the Legal & Compliance Manager and the HR Manager, to coordinate pandemic and health emergency management activities and to apply the health and safety protocols in force at the time;
- has defined, adopted and communicated to personnel the procedures, instructions/information and measures for the prevention of contagions, supplementary to the DVR, consistent with and in application of the provisions and protocols in this regard issued (and from time to time in force and applicable) by the Government and the national and regional Authorities. The measures adopted by the Company provide, according to a greater or lesser level of intensity depending on the greater or lesser seriousness of the emergency situation resulting from the Covid-19 pandemic, inter alia:
 - a. making workplaces safe by reorganising all company spaces, spacing workstations, ventilating offices, working shifts, limiting face-to-face meetings and travel, closing common areas (e.g. dining rooms), restricting the access of workers and outsiders;
 - b. organising and using agile and remote working modes (smart working), as far as possible and necessary, providing staff with appropriate technological tools and connection systems;
 - c. providing staff with appropriate anti-contagions protective devices (masks and hygiene products);
 - d. the intensification of cleaning and sanitising activities in the workplace (including air conditioning systems and their filters), including the use of specific sanitising products;
 - e. the use of body temperature monitors, where compulsory or optional, without storing biometric data and in any case respecting the confidentiality and privacy of each individual;
 - f. staff training, aimed at achieving maximum knowledge of the procedures to be followed and maximum awareness of the risks of infection;
 - g. compliance with specific rules of conduct in the event of a worker becoming infected, including cooperation with the territorial health authorities in tracing the relevant close contacts;
- has defined an internal control system for verifying the correct application of the procedures and prevention measures and anti-contagions protocols adopted and for verifying the requirements for access to work in safety and in compliance with current legislation (including verification of possession of the green pass, as confirmation of vaccination or of a negative swab);

- constantly monitors existing and applicable regulations on health emergency management and prevention of Covid-19 infections;
- monitors the adequacy of the procedures and measures adopted to prevent Covid-19 infections, in order to ensure that they are consistent with the relevant provisions and protocols issued (or to be issued) by the Government and by national and regional Authorities.

1.6 Principles and rules of behaviour for Recipients

All Recipients of this Special Section must:

- refrain from engaging in conduct liable to commit the offences pursuant to this chapter of the Special Section;
- refrain from engaging in conduct which, although not included in the offences provided for in this chapter of the Special Section, have the potential to be considered as such;
- act in respect of the powers of representation, signature, within the scope of the duties and proxies conferred;
- behave in an ethical and transparent manner in all activities, in accordance with the law and internal company procedures;
- when managing inspections, provide maximum co-operation and transparency in relations with the officers of the Inspecting Body (providing the inspectors with suitable structures and making available the company documents required and requested), according to principles of good faith and truthfulness, notifying the Officers responsible of any critical situations that may emerge at that time.

In carrying out activities considered at risk in order to prevent the offences considered in this Special Section from being committed, recipients are expressly required to follow the rules of conduct listed below, and also to respect the standards of conduct contained in the organisational documents mentioned below:

- comply with the corporate health and safety policy;
- operate in full compliance with applicable laws relating to the environment;
- act in respect and within the scope of the duties and proxies conferred;
- observe the standards of conduct set out in this special section, in the Code of Ethics and in the system for management of health and safety at work defined in accordance with ISO 45001:2018;
- observe the rules, procedures and operating instructions that are intended to prevent the possible commission of environmental offences under art. 25^{septies} of Legislative Decree no. 231/01, the violation of which can result in the possible imposing of disciplinary sanctions in accordance with the provisions of the disciplinary system adopted by the Company pursuant to Legislative Decree no. 231/2001;
- know the company organisational chart and the organisational diagrams;
- comply with the provisions and instructions given by the employer, the workplace safety delegate and other officers in charge;
- prepare and preserve the documentation relating to compliance with the requirements regarding health and safety at work, in this way allowing control over the behaviour and activities carried out;
- refrain from carrying out operations or manoeuvres that are not part of their job or, at least, that are liable to present risks for the health and safety of workers;
- immediately report any situation of perceived danger, both potential and real, in terms of health and safety in the workplace;
- participate in training programmes.

Daikin Applied Europe also deems the following to be binding:

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For *third party suppliers*:

- a. ensuring their technical and professional competence in relation to the work to be performed in work or supply contracts;
- b. taking due note of the information provided by the workplace safety delegate or by employer regarding the specific risks to the environment in which they will work and preventive measures and emergency measures taken by the workplace safety delegate employer;
- c. cooperating with the workplace safety delegate and/or employer in the implementation of measures to prevent and protect against hazards in the workplace relating to the work covered by the contract or of work or of administration;
- d. coordinating, with the workplace safety delegate and/or employer, interventions to prevent and protect against the risks to which workers are exposed;
- e. enforcing the ban on manufacturing selling, leasing and granting use of work equipment, personal protective equipment and installations which do not comply with the laws and regulations regarding health and safety in the workplace;
- f. complying with the general principles of prevention in the field of health and safety at work at the time of the design and technical choices, choosing equipment, components and protective devices complying with the laws and regulations in force.

1.7 Specific procedures and Operating Instructions

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1.8 Checks and information flow to the Supervisory Board

The Supervisory Body carries out periodic inspections, as defined by second-level management tasks carried out by the Company in the field of health and safety in the workplace. It also checks the adequacy of and compliance with the Model, Code of Ethics and corporate procedures that the Company has established in the field of health and safety in the workplace.

All business functions, senior management and/or those subject to management and the members of the corporate bodies, have an obligation to promptly inform the Supervisory Body of any requests formulated or of the occurrence of events or circumstances such as to suggest the committing of a possible offence under Article 25-*septies*, Legislative Decree no. 231/01.

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