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Issue 2023

Global Trade Control and Economic Sanctions Compliance Policy



Control and Economic Sanctions Compliance Policy

Code: GPL.101.23	Issue: 01 (10.23) – BoD approval 03 October 2023
Purpose	Express DN Group is committed to ensure compliance with laws and legislation relating to trade and economic sanctions in all jurisdictions in which it operates.
What I have to do	Read the Policy and fully comply with the principle explained.
Sponsor	<i>Chief Legal Officer</i>
Key Content Owner	<i>DN Compliance Manager</i>
Other impacted functions	All functions
References	<ul style="list-style-type: none"> ▪ Main legal references (this is not an exhaustive list): <ul style="list-style-type: none"> • EU <ul style="list-style-type: none"> - Regulation (EU) No 821/2021 setting up a Union regime for the control of exports, brokering, technical assistance, transit and transfer of dual-use items. Here below, a list of the main regulations setting out sanction's programs referred to some specific Countries: - Regulation (EU) No 267/2012 concerning restrictive measures against Iran. - Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine. - Regulation (EC) No 765/2006 concerning restrictive measures against President Lukashenko and certain officials of Belarus. • USA <ul style="list-style-type: none"> - Export Administrations Regulations (EAR). - International Trade in Arms Regulations (ITAR). - Sanctions programs referred to specific Countries ▪ GPL.93.22 - Global Whistleblowing Policy
Superseded Docs	<i>None</i>
Applicability	All De Nora Legal Entities
Distribution	All Personnel and Third Parties
Approver	<p><i>Signature on behalf of the Industrie De Nora's Board of Directors</i></p> <p>Paolo Dellachà <i>Chief Executive Officer</i></p> 

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Acronyms and Definitions

All the followings identified terms will be used in the text of the policy starting with a capital letter.

- **Controlled Item (Or "Controlled Product")** = Item falling within the scope of application of the specific Reference Legislation, which imposes controls on trade of Products.
- **Counterparty** = Person with which DN Group establishes or intends to establish a Transaction (contractual or pre-contractual) aimed at the purchase or sale of an Item.
- **DN** = Industrie De Nora S.p.A.
- **Economic Sanctions (Or "Restrictive Measures")** = Commercial and financial restrictions adopted by some States against Sensitive Countries, as a tool for implementing foreign policy goals.
- **Employee** = Any person who has a working relationship with a Legal Entity regardless of the title and nature of the relationship (employee, self-employed, etc.).
- **Escalation Process (Or "Escalation")** = Special procedure aimed at identifying roles and responsibilities in the event of commercial activities with Sensitive Countries or Restricted Persons or concerning Controlled Items, as part of the process of compliance with the Reference Legislation.
- **EU** = European Union
- **Governing Body** = Corporate body that has the ultimate responsibility and authority for an organization's activities and governance to which Top Management reports and by which Top Management is held accountable.
- **Governmental Authorities (Or "Authorities")** = Public authorities legally entitled to the application and/or enforcement of the Reference Legislation.
- **Group or DN Group** = DN and all its Subsidiaries
- **GTCR** = Global Trade Compliance Responsible
- **HR** = Human Resources
- **Internal Compliance Program (Or "ICP")** = Work Instruction or Local policy focus on Trade and Economic Sanctions governing the activities covered by this Policy which the Legal Entities undertake to adopt.
- **IA** = Internal Audit
- **Item (Or "Product")** = Any product, machinery, equipment, component, technology (in the form of technical data and technical assistance), software, service and spare part (unless otherwise specified), whether or not it constitutes or includes Controlled Items.
- **Key User** = Are the Employees identified to ensure the implementation of the ICPs within each function, managing the relevant processes.
- **LTCR** = Local Trade Compliance Responsible
- **Person** = Natural person, legal person, entity.
- **Reference Legislation** = Regulatory instruments on Trade Control and/or Restrictive measures applicable, directly or indirectly, to DN and the Subsidiaries.
- **Restricted Person** = Subject whose identification elements coincide with those of a designated Person in the context of restrictive measures, with whom it is forbidden to carry out, directly or indirectly, Transactions in violation of the applicable regulations. This definition extends to Persons who are owned or controlled by it, or who act in its name.
- **Sensitive Country** = Country towards which international economic sanctions are in force according to the Reference Legislation.
- **Subsidiary** = any entity directly or indirectly controlled by Industrie De Nora S.p.A.
- **Trade Control** = Controls on Transactions involving the providing or acquiring of Items, imposed by the Reference Legislation.

Distribution: All DN Personnel and third parties

- **Transaction** = Any commercial (including the transfer of technology) or financial Transactions, active or passive, including the pre-contractual phase and the execution of the contract / agreement, relating (or not) to exports / imports / transfers.

1. Key Principles

DN Group is committed to comply with all relevant domestic and foreign laws and regulations relating to Trade Control and Economic Sanctions (Reference Legislation).

In particular, as an EU-based company, Industrie De Nora S.p.A. is strongly committed in ensuring compliance of the Group's activities with the legislation adopted by the European Union.

Generally, these laws and regulations affect our business activities, including:

- conducting business relationships with Persons or in countries and/or sectors targeted by Economic Sanctions;
- the selling of Items to our foreign markets, by setting out controls aimed at limiting the supply of certain strategic Items.

It is essential to comply with the controls failure would bring serious penalties for Industrie De Nora S.p.A. and/or the entities of the Group and for the individuals concerned.

This Policy is adopted with the purpose of defining the principles aimed at achieving DN's full compliance with the Reference Legislation. In conformity with this Policy all Employees and persons acting on its behalf or to further its business interests shall comply with the Trade Control laws and regulations, including Economic Sanctions, to contribute to sustainable business footprint, which are recognized Industrie De Nora strengths.

2. Organizational structure and responsibility

DN Governing body and Top Management are fully committed to build compliance leadership and corporate compliance culture on Trade Control and International Economic Sanctions. At this regard, DN Governing body and Top Management promote the implementation of the Policy and ensure that all the DN Group operates in compliance with the Reference Legislation, to safeguard the Group's business and reputation.

At Group level the *DN Compliance Manager* acts as a *Global Trade Compliance Responsible*, ensuring the implementation of this Policy and supporting the local functions.

An organizational structure allowing each legal entities of the Group to conduct internal compliance controls shall be defined in the Work Instructions (ICPs) and/or Local Policies as per paragraph 3 below.

3. Implementation

After the issuing of this Policy, the following principles should be operatively declined in detailed Work Instructions (ICPs) or Local Policies which will be progressively adopted by DN and the Subsidiaries, setting out the internal compliance controls to be followed to ensure compliance with the Reference Legislation.

Based on the organizational structure of DN and Subsidiaries, the internal compliance controls are carried out - under the coordination of a Local Trade Compliance Responsible (LTCR) - by specific Key Users (such as procurement, sales, finance etc.), identified according to their own skills and degree of responsibility.

3.1. General Internal compliance controls and safeguard clauses

Generally, DN and the Subsidiaries through its relevant Key Users must verify, to ensure compliance with the Reference Legislation if there are any restrictions in force with regard to a specific Transaction, checking the existence of prohibitions and restrictions concerning:

- a. Sensitive Countries;
- b. Restricted Persons;
- c. Controlled Items.

Therefore, before performing any Transaction, the related risks associated shall be evaluated and, if necessary, the following internal compliance controls shall be conducted:

- i. screening of the Counterparties and end-users to exclude that they are Restricted Persons;
- ii. technical review of the Items involved in the Transactions with respect to the applicable Trade Control legislation.

DN and the Subsidiaries shall ensure physical and information security concerning the Controlled Items. Relevant documents and information for the purposes of the Policy shall be stored physically and/or electronically, for allowing any subsequent verification.

Moreover, to relieve the Group of any liability deriving from non-compliance with the Reference Legislation to mitigate commercial risks arising from the Transactions, specific safeguard clauses shall be introduced in the contractual documents concluded by DN and the Subsidiaries.

DN Group ensures that any potential violation of the legislation on Trade Control and/or on International Economic Sanctions is timely subject to the checks needed and that any remedial action is taken as quickly as possible, to mitigate any negative consequences and ensure that similar violations are not committed again.

3.2. Reporting and consequences of the breaches

Actual or suspected breaches of this Policy and/or of the Reference Legislation must be reported to the *Global or Local Trade Compliance Responsible* as soon as possible for further guidance or alternatively throughout channels made available in accordance with the *GPL.93.22 Global Whistleblowing Policy*.

Employees and persons acting on behalf or to further business interests of DN Group are required to comply with the provisions contained in Reference Legislation and the principle included in this Policy. If the infringement is committed by Employees, Local HR and Local Legal, supported by Corporate HR and Corporate Legal, will take prompt measures to mitigate the violation(s) and to sanction the misconduct(s) adopting disciplinary measure according to the legislation applicable to the employment relationship. Infringement committed by persons acting on behalf or to further business interests of DN Group may determine, as envisaged by the specific safeguard clauses, a breach of the contractual relationship. In addition, anyone may be liable for compensation claims or legal action before the competent authorities, including the criminal courts.

3.3. Audit

- **Internal**

IA function may verify Transactions' compliance with the Reference Legislation, also ascertaining whether internal compliance controls on Transactions were performed by the Employees.

- **External**

External audits can be performed by competent Governmental Authorities, to verify compliance with the Reference Legislation.

To this purpose, competent Governmental Authorities can initiate audit activities (e.g., inspections of the premises, interviews, document requests, etc.) related to Transactions carried out by DN and the Subsidiaries, based on a randomized control approach or on specific reports made by other public authorities (e.g., law enforcement bodies, security services, etc.).

All Employees must cooperate fairly and correctly with such Authorities during any audit activity.

In case alleged breaches of the Reference Legislation are identified, the conduct of these external audit activities may lead to administrative or criminal proceedings aimed at determining the liability of DN and the Subsidiaries and/or Employees for the alleged breaches.

4. Change log

Issue	Change description / Reason for Change	Interested Chapters
1 (10.2023)	First issue	