

## Italian Legislative Decree n. 231 of 8 June 2001 Management, Organization and Control Model.

The Italian regulations pertaining to the “Administrative liabilities of legal entities deriving from offences” contained with Legislative Decree n. 231 of 8 June 2001 (henceforth, “Legislative Decree no. 231 of 2001” or “Decree”) represent a fundamental revolution in the Italian criminal and public legal framework.

It states that legal entities, may be held liable – and therefore sanctioned by administrative means or criminal proceedings – in relation to certain crimes which are committed or attempted in Italy or abroad in the interest or benefit of the Company. The companies may, in any case, adopt Organizational, Managerial and Control models which are suitable for preventing the crimes themselves.

Companies are subject to monetary penalties and/or interdiction, for any typical offences committed or any attempts to commit offences in the interest or to the advantage of the company itself:

- by individuals who are representatives, directors or managers of the company or of one of its organizational unit that has financial and functional independence, or by individuals who are responsible for managing or controlling the company (individuals in apical positions or “apicals”);
- by individuals who are managed or supervised by an individual in an apical position (individuals under the command of others).

There are no differences between foreign and national companies.

## The international origin of the new law

By way of implementation of the delegation under Article 11 of Law n. 300 of 29 September 2000, on 8 June 2001 Legislative Decree no. 231 was adopted, aligning national legislation with the international conventions on the liability of legal persons.

## Brenntag’s 231 Model System

The Decree establish on one hand the administrative liability of Entities and on the other hand provides that an Entity shall not be liable where it can prove that it adopted and effectively implemented, before the offence was committed, “an appropriate Organisation, Management and Control model to prevent offences of the kind that has occurred” (hereinafter also the “Model”). Article 6 of the Decree also provides for creation of an internal Control Body (so called “ODV”) within the Entity, tasked with monitoring the operation, effective implementation and observance of the model, and with updating the model.

For those reasons, Brenntag has appointed on June 28<sup>th</sup> 2019 its own Control Body (ODV) which is made up by two external members and has implemented its own Model pursuant to Italian Legislative Decree to prevent offences of the kind reported into the Decree, based, of course, on a prior assessment. The Brenntag’s 231 Model meet the following requirements:

- identify the activities which may give rise to the offences listed in the Decree;
- define the procedures through which Brenntag makes and implements decisions relating to the offences to be prevented;
- define procedures for managing financial resources to prevent offences from being committed;

- establish reporting obligations to the Control Body (ODV) responsible for monitoring Model operation and compliance;
- training of Brenntag's employees at all levels;
- put in place an effective disciplinary system to punish non-compliance with the measures required by the Model.

To make the Model much effective, Brenntag has adopted also an internal Control System (eg. Audit).

## Macro types of control

Brenntag's has implemented several control activities at all operational levels, which make it possible to univocally and formally identify responsibilities, in particular as concerns performing controls and correcting any irregularities found.

Macro types of control:

- line controls, aimed at ensuring the correct application of day-to-day activities and single transactions. Such controls are carried out by company structures (business or administration) or incorporated in IT procedures or executed as part of back office activities;
- risk management controls and compliance controls, made up of policies and procedures to identify, assess, check and manage the risk of non-compliance with laws, supervisory authority measures or self-regulating codes, as well as any other rule which may apply to Brenntag;
- internal auditing, aimed at identifying anomalous trends, violations of procedures and regulations, as well as assessing the overall functioning of the internal control system;
- assure that natural persons and or legal entities executing works, supplying goods and or providing services to Brenntag are compliant with the general principles of the Model and the Code of Ethics;
- add contractual clauses in our General Terms

## How administrative responsibility connects with Brenntag's Code of Ethics

Brenntag's Code of Ethics sets out the expectations for business that the Company and its employees recognise, accept and promote. The Control Structure and other forms of control and monitoring are requirements of Model 231 and are reflected throughout the Code of Ethics.

People interactions with suppliers, customers and stakeholders must be carried out in a transparent, honest and in full compliance with antitrust and Anti-corruption rules and regulations. The Code of Ethics requires that all Brenntag's employees respect its principles and details in their actions and behaviour while performing their functions according to their responsibilities.

Compliance with the Code and Model 231 is a fundamental component of work quality and professional performance.

For any further detail or clarifications please contact us at the following mail address:

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