



**ORGANISATION AND MANAGEMENT
MODEL**

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GENERAL SECTION

GENERAL SECTION

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1. LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001, ON THE ADMINISTRATIVE LIABILITY OF LEGAL ENTITIES, COMPANIES AND ASSOCIATIONS, INCLUDING THOSE WITHOUT LEGAL STATUS

1.1 The administrative liability of legal entities

Implementing Enabling Law no. 300 of 29 September 2000, Legislative Decree no. 231 of 8 June 2001 introduced in Italy the “Regulations on the administrative liabilities of legal entities, companies and associations, including those without legal status” (hereinafter, for brevity, also “LD. 231/2001” or the “Decree”), as part of a set of legislative measures against corruption, also designed to adapt the Italian regulations on the liability of legal entities to a number of International Agreements previously adhered to by Italy.

LD 231/2001 establishes a regime of administrative liability (substantially comparable to criminal liability) for legal entities¹ (hereinafter, for brevity, the “Entity/Entities”), which is added to the liability of the natural person (as identified more clearly below) who is the material author of the crime, and which aims to involve in the punishment of the crime the Entities in the interest of whom and to the advantage of whom the crime has been committed. This administrative liability applies solely to the crimes specifically listed in the aforementioned Legislative Decree no. 231 of 2001.

Article 4 of the Decree also identifies a liability, which arises in some cases, and in the conditions provided for in articles 7, 8, 9 and 10 of the Italian Penal Code, of Entities having their registered office in Italy for crimes committed by natural persons (as identified more clearly below) abroad, provided that the Entity is not prosecuted for the crime by the Courts of the place where the crime was committed.

1.2 Persons subject to Legislative Decree no. 231 of 2001

The subjects who, by committing a crime in the interest, or to the advantage, of an Entity may determine the liability of the Entity are listed below:

- (i) Natural persons who are representatives, directors or managers of the Entity or one of its organisational units with financial and functional autonomy, as well as persons who exercise, ever *de facto*,

¹ Art. 1 of Legislative Decree no. 231 of 2001 has defined the subjects that come under the scope of the regulations as “*entities with legal status, companies and associations, including those without legal status*”. Accordingly, the Decree applies to the following entities:

- Private entities, i.e., entities with legal status and associations with or without legal status;
- Public entities without public powers (the so-called “financial public entities”);
- Mixed public / private entities (the so-called “mixed companies”).

Excluded from the number of Addressees are: the State, territorial public entities (Regions, Provinces, Municipalities and Mountain Communities), non financial public entities and, in general, all the entites performing functions of constitutional relevance (Chamber of Deputies, Senate of the Republic, Constitutional Court, General Secretariat of the Presidency of the Republic, High Council of the Judiciary (C.S.M.), etc.).

- management and control over the same (“**persons in top management positions**”),
- (ii) Natural persons subject to the management or supervision of one of the **persons in top management positions** (hereinafter, referred to for brevity as “**subordinate persons**”).

In this connection, it should be noted that the subordinate persons need not be in an employee-employer relationship, and can be “*persons who, though they are not linked to the Entity by an employment contract, still have with the Entity a relationship entailing a duty of supervision on the part of the top management of the Entity, as is the case, for instance, of agents, partners in joint-ventures, contract staff in general, distributors, consultants, collaborators*”².

According to the prevailing interpretation of the law, in fact, the situations in which the administrative liability of an Entity may arise are the situations in which a specific assignment is entrusted to external collaborators who are required to perform it under the management, or the control, of persons in top-management positions.

However, it should be stressed that, based on an express legislative provision (art. 5, paragraph 2 of the Decree) an Entity is not deemed liable if the aforementioned persons have acted in the exclusive interest of themselves or third parties. In any event, their behaviour has to come under the sphere of those “organic” ties whereby the actions of a natural person may be held against an Entity.

1.3 The so-called “predicate offences”

The Decree lists the following types of crime (hereinafter, for brevity, also referred to as “**predicate offences**”):

- (i) Crimes against the public administration (articles 24 and 25);
- (ii) Cyber and unlawful data processing crimes (article 24-*bis*);
- (iii) Organized crime (article 24-*ter*);
- (iv) Crimes of forgery of money, public credit documents, revenue stamps, public bonds and identification instruments or marks (article 25-*bis*);
- (v) Crimes against industry and commerce (article 25-*bis*.1);
- (vi) Corporate crimes (article 25-*ter*);
- (vii) Crimes of terrorism or subversion of the democratic order (article 25-*quater*);
- (viii) Practices of mutilation of female genitalia (article 25-*quater*.1);
- (ix) Crimes against the individual (article 25-*quinquies*);
- (x) Crimes of market abuse (article 25-*sexies*);
- (xi) Crimes of manslaughter or serious or very serious injuries due to violations of the regulations on health and safety in the workplace (article

² Verbatim from “Circolare Assonime” no. 68 of 19 November 2002.

- 25-septies);
- (xii) Crimes of receiving, laundering and using money, assets or benefits of illegal origin, as well as crimes of “self-laundering” (article 25-octies);
 - (xiii) Crimes concerning breach of copyright (article 25-novies);
 - (xiv) Crime of inducement not to make statements or to make false statements to the judiciary authority (article 25-decies);
 - (xv) Environmental crimes (article 25-undecies);
 - (xvi) Crimes relating to the employment of third-country nationals staying illegally (article 25-duodecies);
 - (xvii) Transnational crimes, pursuant to Law no. 146 of 16 March 2006 (concerning the “*Ratification and implementation of the Convention and Protocols of the United Nations against transnational organised crime*”).

1.4 Sanctions provided for in the Decree

Legislative Decree no. 231 of 2001 provides for the following types of sanction to be imposed on the Entities that come under the scope of the Decree:

- (a) Administrative pecuniary sanctions;
- (b) Interdictory sanctions;
- (c) Confiscation of the proceeds or the profit of the crime;
- (d) Publication of the conviction judgement.

(a) The administrative pecuniary sanction, governed by 10 and ff. of the Decree, is the “basic” sanction, to be necessarily imposed, which must be paid by the Entity from its assets or common reserves.

The Legislator adopted an innovative criterion to determine the severity of the sanction, by imposing on the Judge an obligation to undertake two different and subsequent evaluation processes. This makes the sentence better suited to the severity of the offence and the financial situation of the Entity.

The first evaluation process asks the Judge to determine the number of quotas (in any case no fewer than one hundred and not more than one thousand)³ by taking into account:

- The severity of the offence;
- The degree of responsibility of the Entity;
- The activities performed to eliminate or mitigate the consequences of the offence and prevent the commission of further offences.

With the second evaluation, the Judge determines, within the range of minimum and maximum values determined as a function of the crime, the value of each quota, from a minimum of 258.00 Euros to a maximum of 1,549.00 Euros. This amount is established “*on the basis of the financial and asset and liability*”

³ With reference to the crimes of *market abuse*, the second paragraph of art. 25-sexies of Legislative Decree no. 231 of 2001 specifies that: “*If as a consequence of the commission of a crime as per paragraph 1, the product or the profit obtained by the entity is a considerable amount, the sanction is increased by up to ten times the product or the profit obtained*”.

situation of the Entity, with the aim to ensure the efficacy of the sanction imposed” (articles 10 and 11, paragraph 2, Legislative Decree no. 231 of 2001).

As stated in paragraph 5.1, of the Report on the Decree, “As for the modalities of the assessment of the financial and asset conditions of the entity, the judge may use the financial statements and other accounting documents that can provide a picture of such conditions. In some instances, the proof may be obtained by taking into consideration also the size of the entity and its position on the market. (...) The judge will necessarily have to gain an understanding of the reality of the company, where, with the aid of consultants, the judge can also obtain information on the economic and financial solidity of the entity and its net worth”.

Article 12 of Legislative Decree no. 231 of 2001 lists a series of cases in which the pecuniary sanction is reduced. Such cases are briefly summarised in the table below, where the extent of the reduction to be made and the necessary conditions for the application of the reduction are also specified.

Reduction	Necessary conditions
<p style="text-align: center;">1/2 (in no case > 103,291.00 Euros)</p>	<ul style="list-style-type: none"> • The author of a crime committed the offence in the prevailing interest of themselves or third parties and the entity has obtained no benefits or minimal ones; <p style="text-align: center;"><u>or</u></p> <ul style="list-style-type: none"> • The financial damage caused is particularly slight .
<p style="text-align: center;">from 1/3 to 1/2</p>	<p style="text-align: center;"><u>[Prior to the opening statements of the first instance court proceedings]</u></p> <ul style="list-style-type: none"> • The Entity has fully indemnified the damage and remedied the harmful or dangerous consequences of the crime, or has taken effective action to this effect; <p style="text-align: center;"><u>or</u></p> <ul style="list-style-type: none"> • An organisational model suitable to prevent crimes of the type that has occurred has been put in place and activated.
<p style="text-align: center;">from ½ to 2/3</p>	<p style="text-align: center;"><u>[Prior to the opening statements of the first instance court proceedings]</u></p> <ul style="list-style-type: none"> • The Entity has fully indemnified the damage and remedied the harmful or dangerous consequences of the crime, or has taken effective action to this effect; <p style="text-align: center;"><u>and</u></p> <ul style="list-style-type: none"> • An organisational model suitable to prevent crimes of the type that has occurred has been put in place and activated.

(b) The following **interdictory sanctions** are described in the Decree and apply solely to the crimes for which they are expressly specified:

- Interdiction from exercising the activity of the Organisation;
- Suspension or revocation of the authorisations, licences or concessions functional to the commission of the offence;
- Prohibition to negotiate with the Public Administration other than to obtain the performance of a public service;
- Exclusion from contributions, loans and subsidies and/or revocation of any already granted;
- Prohibition to publicise goods or services.

For the interdictory sanctions to be imposed, at least one of the conditions contemplated in article 13 of Legislative Decree no. 231 of 2001, must be met, i.e.,:

- *“the entity has obtained from the crime a profit of considerable significance and the crime was committed by persons in a top-management position, or by persons subject to the management of others, when, in the latter case, the commission of the crime has been determined or facilitated by severe organisational deficiencies”*; or
- *“in the event of the reiteration of the crime”*⁴.

Moreover, the interdictory sanctions may be requested by the Public Prosecutor and imposed by the Judge as a precautionary measure, when:

- There is reason to believe that Entity is liable for an administrative offence associated with a crime;
- Strong evidence suggests a concrete hazard of offences of the same type as the one procedures are going to be committed;
- The entity has obtained a significant profit.

In any event, the interdictory sanctions are not imposed when the offence has been committed in the prevailing interest of the author or third parties and the Entity has obtained minimal or no benefits, or the financial damage caused is particularly slight.

The application of interdictory sanctions is also ruled out if the Entity has put in place the remedial conduct provided for in article 17 of Legislative Decree no. 231 of 2001 and, namely, when the following conditions are met:

- *“The Entity has fully indemnified the damage and has remedied the harmful or dangerous consequences of the crime, or has taken effective action to this effect”*;
- *“The Entity has remedied the organisational deficiency that determine the crime by adopting and implementing organisational models suitable to prevent crimes of the type that has occurred”*;

⁴ Pursuant to article 20 of Legislative Decree no. 231 of 2001, *“reiteration occurs when an entity, already condemned on a definitive basis at least once for an unlawful act associated with a crime, commits another offence during the five years following the definitive conviction”*.

- *“The Entity has made available the profit obtained for confiscation purposes”*.

Interdictory sanctions shall not be applied for less than three months or more than two years and the choice of the measure to be imposed and its duration is made by the Judge on the basis of the criteria described above for the severity of the pecuniary sanctions, by *“taking into account the suitability of the individual sanctions to prevent offences of the type that was committed”* (art. 14, Legislative Decree no. 231 of 2001).

The Legislator made it clear that interdiction from the activity has a residual nature compared to the other interdictory sanctions.

(c) Pursuant to article 19 of Legislative Decree no. 231 of 2001, with a conviction judgement, the Court always imposes – also by equivalence – the confiscation of the price (money or other financial benefits, given or promises to induce or cause another subject to commit the crime) or of the profit (immediate financial benefit obtained) obtained from the crime, except for the part that may be returned to the damaged party and without prejudice to the rights acquired by third parties in good faith.

(d) The **publication of the sentence of conviction** on one or more newspapers, as an abstract or in its entirety, may be imposed by the Judge, together with posting in the municipality where the Entity has its main office, when an interdictory sanction is applied. The publication is accomplished by the Clerk of the competent Court at the expenses of the Entity.

1.5 Offences attempted

In the case of the predicate offenses provided for in the Decree being committed in the form of an attempt, the pecuniary sanctions (in terms of amount) and the interdictory sanctions (in terms of time) are reduced by from one third to half, while the imposition of sanctions is ruled out if an Entity deliberately prevents the action from being performed or the event being realised (article 26 of the Decree).

1.6 Exemptive circumstances

Articles 6 and 7 of Legislative Decree no. 231 of 2001 provide for specific forms of exemption from the administrative liability of an Entity for crimes committed in its own interest or to its own advantage, either by persons in top management positions or by subordinate persons (as defined above in paragraph 1.2).

In particular, in the case of crimes committed by persons in top management positions, article 6 of the Decree provides for exemption when an Entity can prove that:

- a) The governing body adopted and effectively implemented, before the

commission of the crime, an organisation and management model suitable to prevent the occurrence of crimes of the type that has occurred (hereinafter, for brevity, the “**Model**”);

- b) The task of overseeing the workings of and the observance of the Model, as well as see to its update, has been entrusted to a body set up by the Entity (hereinafter, for brevity, the “**Supervisory Body**” or SB”), vested with independent powers of initiative and control;
- c) The persons who committed the crime fraudulently by eluding the Model;
- d) There have been no omissions of insufficiencies in oversight activities by the Supervisory Body.

Where the subordinate persons are concerned, article 7 of the Decree provides for exemption from liability if the Entity adopted and effectively implemented, before the commission of the crime, a Model suitable to prevent crimes of the type that occurred.

Exemption from liability for an Entity is not determined solely by the mere adoption of the Model, as its effective implementation has to be achieved by putting in place all the procedures and the checks necessary to reduce the risk of commission of the crimes that the Organisation intends to prevent. In particular, with reference to the characteristics of the Model, in article 6, paragraph 2, the Decree expressly provides for the following preparatory steps for a correct implementation of the Model:

- a) Identification of the activities in connection with which there is a possibility of crimes being committed;
- b) Adoption of specific protocols designed to program training activities and the implementation of the Entity’s decisions in connection with the crimes to be prevented;
- c) Identification of appropriate management modalities for financial resources suitable to prevent the commission of such crimes;
- d) Information obligations to the Supervisory Body;
- e) Introduction of a disciplinary system suitable to sanction the failure to comply with the measures specified in the Model.

1.7 The guidelines

On express indication of the Legislator in charge, the Models may be adopted on the basis of codes of conduct, compiled by representative category associations and notified to the Ministry of Justice, which, in coordination with the competent Ministries, may formulate within 30 days its comments on the suitability of the models to prevent the crimes.

This Model has been prepared by drawing inspiration from the guidelines on the construction of the organisational management and control models as per Legislative Decree no. 231 of 2001, approved by Confindustria (the General Confederation of Italian Industry) on 7 March 2002 and subsequently updated (hereinafter, for brevity, cumulatively referred to as the “**guidelines**”).

The basic steps described in the guidelines for the preparation of the Model may be summarised as follows:

- Identification of risk areas, with the aim to determine in what areas/sectors, the commission of crimes may occur;
- Preparation of a control system designed to minimise the risks through the adoption of appropriate procedures. In support of this, setting up a coordinated set of organisational structures, activities and operational rules, applied – as instructed by the persons in top management positions – by the management and the consultants, with a view to provide a reasonable certainty as to the achievement of the goals typical of a good internal oversight system.

The most important components of the preventive control system proposed by the guidelines issued by Confindustria are, for purposes of preventing wilfully committed crimes:

- The Code of Ethics;
- The organisational system;
- Manual and IT procedures;
- Authorisation and signature power;
- The oversight and management system;
- Personnel communication and training.

With reference to non-intentional crimes (crimes in the area of health and safety in the workplace and - even if introduced after the release of the guidelines – most environmental crimes), the most important components identified by Confindustria are:

- The Code of Ethics (or Code of Conduct) with reference to the crimes considered;
- The organisational structure;
- Theoretical and practical training;
- Communication and involvement;
- Operational management;
- The safety management system.

The control system must be inspired by the following principles:

- It must be possible to verify and document every operation, consistency and congruence of every operation;
- Separation of the functions (nobody can manage all the stages of a process autonomously);
- Documentation of the checks;
- Introduction of a suitable system of sanctions for infringements of the regulations and procedures provided for by the Model;
- Identification of a Supervisory Body, whose main requirements are:
 - Autonomy and independence;
 - Professionalism;
 - Continuity of action.

- Obligation on the part of the functions and especially those identified as being most at risk of commission of crimes, to supply information to the Supervisory Body, both on a structured basis (periodic reports as part of Model implementation) and to report anomalies or atypical events observed from the information available.

2. THE MODEL ADOPTED BY SAVE THE CHILDREN ITALIA NGO

The mission of Save the Children Italia NGO (hereinafter, for brevity, “Save the Children” or the “Organisation”) is to promote and protect the rights of minors – according to the Convention on the Rights of Children of the United Nations - in Italy and everywhere in the world, promoting significant improvements in the way the world deals with children, and bringing about immediate and lasting changes in their lives.

In particular, the Organisation works in the area of cooperation in favour of the populations of the developing countries, providing psychological, social, educational and healthcare assistance, and any other form of assistance and support to the children who live in underprivileged or emergency conditions.

The Organisation carries out all the activities necessary to the pursuit of its institutional goals, and in particular:

- Undertakes any operation as deemed necessary to this end in Italy and abroad;
- Promotes the collection of contributions to the funds of the Organisation through donations, subscriptions, bequests or any other means;
- Promotes or organises awareness raising campaigns designed to collect funds to be used for institutional purposes;
- Sets up or takes part in the establishment or funds any association, institution or charity foundation having goals similar to its own;
- Negotiates, concludes and implements any type of agreement with associations, institutions, natural and legal persons, with the aim to pursue, or contribute to, the attainment of its goals;
- Writes, prints, publishes, issues and distributes any document, periodical, book, newspaper, television program, film or manifesto, and uses any other information medium;
- Performs training activities for education, socio-cultural, socio-medical and institutional operations, directly connected and instrumental to the institutional goals, by organising courses, workshops and conventions and the production of information, teaching and educational materials.

2.1 The Model

2.1.1 The Addressees and the goals of the Model

This Model is intended for specific subjects (hereinafter, the "Addressees") who are required to respect it, know it and adhere to it, within the framework of their specific responsibilities and tasks:

- In pursuing the statutory objectives, in all the resolutions adopted, the members of the managing body, and all those who perform, even *de facto*, functions of representation, management, administration, supervision or control of the Organisation, or an administrative unit thereof having financial and functional autonomy;
- The members of the board of auditors, in the activities pertaining to them;
- All the employees of the Organisation and all collaborators working on any project, even on an occasional and/or temporary basis, with any qualification level and based on any type of contractual relationship;
- All those who, while they do not belong to the Organisation, work on a mandate from or in the interest of the Organisation;
- All those having any type of remunerated or free relationship with the Organisation (including, but not limited to, consultants, suppliers, and third parties in general).

The Addressees are required to respect all the provisions set out in the Model, including the correctness and diligence obligations arising from the legal relationships established with Save The Children.

Save The Children rejects and sanctions any behaviour, which is prohibited not only by the law but also by the Model, as well as any behaviour adopted with a view to eluding the law and/or the provisions of the Model, even when the action is performed in the belief that it pursues, even partially, the interest of Save The Children, or is carried out with the intention of obtaining an advantage for the Organisation.

The Model defined by the Organisation on the basis of the identification of possible risk areas in the activities of the Organisation, in which the possibility of commission of the crimes is deemed more likely, pursues the following aims:

- Establish a prevention and control system that can attenuate the risk of commission of the crimes associated with the activity;
- Determine in all the persons who act in the name and on behalf of Save the Children, with special regard to those working in "areas of activities at risk", the awareness that, by breaching the provisions contained therein, they may incur in an offence entail criminal and administrative sanctions, not only towards them but also towards the Organisation;
- Inform all those who work with the Organisation that the infringement of the provisions contained in the Model results in the imposition of ad hoc sanctions, or the termination of the contractual relationship;
- Reassert that Save the Children does not tolerate any illegal behaviour, of any type, and regardless of the purpose pursued in committing the crime, and that, in any event, such behaviours (even when it might seem that the Organisation is in a condition to profit from the crime) go against the principles inspiring the activities of the Organisation.

2.1.2 The Model construction process

At the time of the initial introduction of the model and its subsequent revision, the Organisation carried out an examination of its corporate activities; now it has conducted yet another analysis of its activities, with a view to identifying the “areas at risk” within the Organisation.

Also based on the indications given in the reference guidelines, the preparation of the Model (and the subsequent drafting of this document) proceeding according to the following steps:

- (i) Preliminary study of the context through an analysis of the pertinent documentation and conducting interviews with Save the Children executives familiar with the structure and the activities of the organisation, with a view to defining the organisational setup and the activities carried out by the various organisational units/functions of the Organisation, as well as the processes of the Organisation of which the activities are part, and the concrete and actual implementation thereof;
- (ii) Identification of the areas of activities and processes of the Organisation “at risk” of commission, performed on the basis of the aforementioned preliminary study of the context (hereinafter, for brevity, cumulatively referred to as the “areas at risk”);
- (iii) Definition of the main possible modalities of commission of the predicate offences within the individual areas at risk;
- (iv) Examination and definition of the control system put in place by the Entity to prevent the commission of predicate offences.

The results of the foregoing activities were collected and formalised in a descriptive data sheet, which is an integral part of the Model and is known as “**Map of risk areas**”, which, for each risk area, details:

- the main “sensitive activities”;
- the functions concerned;
- the crimes pursuant to LD 231/01;
- the predicate offences associated with the “sensitive activities”;
- the potential modalities of commission of a crime or behaviour instrumental to such commission;
- the relative procedures/policies.

The analysis was performed on the basis of the documentation concerning the Organisation and through a method of analysis – risk assessment – based on conducting interviews with the process owners, who, on account of their position, have extensive and more detailed knowledge of the working modalities of the sector they are responsible for.

The contribution provided by company professionals made it possible to perform, in the area considered at risk, to ascertain the existing operational and management modalities and the checks currently adopted to oversee them.

Based on such activities, the next step consisted of identifying possible areas for improvement (producing the so-called “*gap analysis*” document) and defining

an internal oversight system enhancement plan.

The “**Map of risk areas**” is kept at the Department of Human Resources & Internal Communication, which maintains it, adapts it to reflect purely formal changes (such as for instance nominal changes to the procedures or procedural updates that do not entail changes to the Model), files it and makes it available – for consultation – to the Chief Executive Officer, the Auditors, the members of the Supervisory Body and any person authorised by the Organisation to consult the Map. In any event, the Department of Human Resources & Internal Communication informs immediately the Supervisory Body of any change made to the “Map of risk areas”.

2.1.3 The notion of acceptable risk

In the preparation of an Organisational, Management and Control Model, such as this one, it is essential not to overlook the notion of acceptable risk. For purposes of the compliance with the provisions introduced with Legislative Decree no. 231 of 2001, in fact, a threshold must be established in order to be able to limit the quantity and quality of the prevention instruments to be adopted in order to prevent the commission of the offences. With specific reference to the sanctionatory system introduced by the Decree, the acceptability threshold is determined by the effective implementation of a suitable prevention system that cannot be eluded other than intentionally, i.e., in order for the administrative liability of the Entity to be excluded, the persons who have committed the offence must have acted with the deliberate intention of eluding the model and the checks put in place by the Organisation.

2.1.4 The structure of the Model and the predicate offences identified for purposes of its preparation

The aim of the Organisation was to produce a Model that would take into account the specific reality of the Organisation, in accordance with its governance system, and could enhance the validity of existing control methods and bodies.

The Model, therefore, brings together a consistent set of principles, rules and provisions, that:

- affect the internal workings of the Organisation and its relationships with the outside;
- govern the diligent management of a control system targeting the areas at risk and designed to prevent the commission, or any attempt to commit, the crimes identified in the Decree.

In particular, the Model adopted by Save the Children is comprised of a “**General Section**”, setting out the basic principles thereof, various “**Special Sections**” and **Annex 1** containing a list of the offences contemplated in LD 231/01 and predicate offences.

In addition to illustrating the criteria and the principles underpinning the Model and the corporate and organisational setup, the **General Section** outlines the elements making up the components of the Model, including the role of the Supervisory Body in charge of overseeing the workings of and the compliance with the Model, and that it is regularly updated.

The General Section describes the essential components of the Model.

The **Special Sections**, instead, detail:

- The types of crime that are believed to pose a risk for the Organisation;
- The general rules of conduct;
- The areas at risk of commission of crimes identified;
- The sensitive activities associated with each individual area at risk;
- The types of crime considered for each area at risk;
- Preventive checks.

Not least on account of the sheer number of crimes that are currently regarded as causes of the administrative liability of Entities pursuant to the Decree, some of the offences have not been considered relevant to the preparation of this Model, in the belief that the risk associated with the commission of such crimes was only an abstract notion, not conceivable as something that could actually occur.

Based on the activities carried out and the use of a risk-based approach that has led to the identification of a number of “families of offences” deemed **more relevant**, the Special Sections making up the Model are:

- **Special Section A**, concerning crimes against the public administration (arts. 24 and 25 of the Decree), crime of inducement not to make statements or to make false statements to the judiciary authority (art. 25-*decies* of the Decree) and, in view of the provisions set out in Legislative Decree no. 38/2017, also concerning the crimes of corruption between private parties (art. 25-*ter* paragraph 1 letter s-bis of the Decree);
- **Special Section B**, concerning corporate crimes (art. 25-*ter* of the Decree);
- **Special Section C**, concerning manslaughter or serious or very serious bodily harm due to violations of the regulations on health and safety in the workplace (art. 25-*septies* of the Decree);
- **Special Section D**, concerning crimes of receiving, laundering and using money, assets or benefits of illegal origin, as well as crimes of “self-laundering” (art. 25-*octies* of the Decree).

In particular, Special Section C addresses the theme of the administrative offences provided for by LD 231/01 that, on account of their nature, extend the reach of the risk to all the areas at risk and therefore are considered “diffused risk” crime and the structure of this special section is different from all the others. Accordingly, the Model also takes into account the organisational, management and control provisions relating to the protection of the workers health and safety on the job.

Based on the results of the risk assessment activity, instead, on account of the type of activities performed by the Organisation, the risk of commission of the offences from the following families of crimes is deemed **less relevant**:

- Cyber and unlawful data processing crimes (art. 24-*bis* of the Decree);
- Organized crime (art. 24-*ter* of the Decree);
- Transnational crimes (L. 148/2006);
- Crimes of terrorism or subversion of the democratic order (art. 25-*quater* of the Decree);
- Crimes against the individual (art. 25-*quinqies* of the Decree);
- Crimes concerning breach of copyright (art. 25-*novies* of the Decree);
- Environmental crimes (art. 25-*undecies* of the Decree);
- Crimes relating to the employment of third-country nationals staying illegally (art. 25-*duodecies* of the Decree).

The general principles of conduct that apply to such families of offences are described in **Special Section E**.

As for the crimes contemplated in arts. 25-*bis* (crimes of forgery of money, public credit documents, revenue stamps and identification instruments or marks), art. 25-*bis.1*. (crimes against industry and commerce), 25-*quater.1* (Practices of mutilation of female genitalia), 25-*sexies* (crimes of market abuse), the results of the risk assessment process show that while a concrete possibility of such crimes being committed exists, on account of the activities carried out by the Organisation it is **remote**. Hence, these crimes come under the scope of application of the general principles of conduct described in the Code of Ethics.

In any case the ethical principles on which the Organisational Model and its governance structure are designed to prevent all types of crime, including those not described in detail in the Special Sections of this Model.

2.1.5 Adoption of the model

The adoption of this Model is entrusted, according to the Decree, to the decisions of the management body of the entity (and, in particular, to the Management Board), which is also responsible for updating the Model to reflect the additional types of predicate offenses introduced with Legislative Decree no. 231 of 2001, as well as changes to do with the organisation and the setup of the organisation and its processes.

2.2 Documents associated with the Model

The following documents are an integral and substantial part of the Model:

- The **Code of Ethics**, which defines in a clear and transparent manner the set of values that inspires the Organisation in the pursuit of its objectives;
- The disciplinary system and the relative sanctions to be imposed for infringements of the Model provisions (hereinafter, for brevity, the

“Systems of Sanctions”);

- The system of delegations and powers of attorney, as well as all the documents used to describe and allocate responsibilities and/or tasks to persons working within the Entity in areas at risk (i.e., organisation charts, service orders, terms of reference, etc.);
- The system of procedures, protocols and internal checks designed to guarantee the appropriate degree of transparency and disclosure of decisional and financial processes, as well the behaviour required of the addressees of the Model who are active in the areas at risk.

Accordingly, the term Model should be construed as referring not only to this document, but also to all the other documents and procedures that may be adopted at a later stage, as provided for in the Model, and that will pursue the objectives specified therein.

2.3 Management of financial resources

In view of the fact that pursuant to article 6, letter c) of Legislative Decree no. 231 of 2001, one the requirements to be met by the Model is the identification of the modalities for the management of financial resources to be adopted in order to prevent the commission of crimes, the Organisation has put in place specific protocols containing the principles and the conducts to be followed in the management of such resources.

2.4 Dissemination of the Model

2.4.1 The Addressees

This Model takes into due account the particular reality of Save the Children and is a valid instrument to raise the awareness of the Addressees.

All this is done to ensure that, in carrying out their activities, the Addressees adopt correct and transparent behaviours in keeping with the ethical-social values that inspire the Organisation in pursuing its goals, i.e., behaviours that will avoid the risk of commission of the crimes contemplated by the Decree.

In any event, the competent functions of the Organisation shall make sure that the procedures provide for the principles and the rules of conduct set out in the Model and the Code of Ethics of Save the Children.

2.4.2 Personnel training and information

Save the Children intends to guarantee that the Addressees know and understand the content of the Decree and the obligations arising from it.

For purposes of the effective implementation of this Model, the training and information activities towards the Addressees are managed by the Department of Human Resources & Internal Communication in close coordination with the Supervisory Body and the people in charge of the other functions of the Organisation involved in the implementation of the Model on a case-by-case basis.

The main modalities of execution of the training/information activities necessary for purposes of compliance with the provisions laid out in the Decree include the specific instructions provided at the time of hiring, and the further activities deemed necessary to ensure full compliance with the provisions provided for in the Decree. In particular, they include:

- An initial communication. In this connection, the adoption of the Model is notified to all the resources of the Organisation. Newly hired personnel are given copies of the Code of Ethics and are asked to sign a form in which they acknowledge that the Model is available in the Intranet of the Organisation and they undertake to observe the provisions contained therein.
- Specific training activities. This “permanent” training is mandatory and it is carried out through IT instruments and procedures (emails with updates, the *Intranet* of the Organisation, self-evaluation instruments), as well as period meetings and workshops. This activity is diversified, in terms of content and delivery modalities, as a function of the qualifications of the Addressees, the risk level of the areas they work in, whether or not they have powers of representation for Save the Children.

A specific section of the Intranet of the Organisation (where all the documents making up the Model may be found and consulted) has been set up in order to ensure the effective dissemination of the Model and make sure that all employees are informed of the contents of the Decree and the obligations arising from its implementation. This section is updated as need arises by the reference internal function working in coordination, or at the request, of the Supervisory Body.

2.4.3 Information to third parties and dissemination of the Model

Save the Children also provides for the dissemination of the Model to persons having with the Organisation relationships other than employer-employee relationships, i.e., collaboration consultancy, agency relationships and other relationships resulting in the supply of professional services, whether on an on-going or an occasional basis (including the subjects acting on the behalf of suppliers, and partners, also in the form of temporary grouping of companies, and joint ventures (hereinafter, for brevity, “**third parties**”).

In particular, the functions of the Organisation involved, on a case-by-case basis, are required to provide to third parties in general, and the external companies they come in contact with, the necessary information on the

adoption by Save the Children of the Model pursuant to Legislative Decree no. 231 of 2001.

The agreements entered into with such third parties include specific clauses designed to inform them of the adoption of the Model by Save the Children, where such persons and companies declare they have been informed of and know the consequences of failure to comply with the precepts set out in the General Section of the Model and the Code of Ethics, and undertake not to commit and not to cause the persons they report to, and those who report to them, to commit any of the crimes known as predicate offences.

3. ELEMENTS OF THE GOVERNANCE MODEL AND THE GENERAL ORGANISATIONAL SETUP

3.1 Governance model of the Organisation

The governing bodies of the Organisation are:

- The Chief Executive Officer;
- The General Meeting of the Associates;
- The Management Board;
- The Chairman;
- One or more Deputy Chairmen, if appointed;
- The Treasurer;
- The Board of Auditors;
- The Advisory Board if appointed.

The General Meeting of the Associates

The General Meeting is the decision-making and sovereign body of the Organisation, it is composed of all the associates and it represents their universality. It is chaired by the Chairman of the Management Board and, in his/her absence or impediment, by the Treasurer; if the latter is not available, the General Meeting is chaired by a person appointed by the attendees.

The General Meeting resolves on:

- Approval of the financial statements;
- Admission and exclusion of the Associates;
- The appointment of the members of the Management Board.
- The appointment of the Board of Auditors;
- The approval of and amendments to the Bylaws;
- The approval of Mission;
- And any other topic the Management Board wants to submit.

The Management Board is composed of a variable number of members, from five to fifteen, as resolved on the General Meeting at the time of their appointment. The members of the Management Board are appointed by the General Meeting as specified in the Bylaws.

The Management Board elects the Chairman and the Treasurer from among its members, who remain in office for 2 (two) years. They can be re-elected for up to three consecutive terms. However, the Management Board can ask the General Meeting of the Associates to deviate from the three consecutive term limit for one or two members of the Management Board, if it is believed that this would be in the interest of the Mission of the Organisation, supporting the request with appropriate motivations.

The Management Board is vested with the widest powers for the ordinary and extraordinary management of the Organisation, pursuant to the regulations and the bylaws, and without prejudice to the powers of the other governing bodies of the Organisation. It is in charge of the ordinary and extraordinary administration

of the Organisation and hence it has many powers, including, but not limited to, the power to accept donations, gifts and bequests, request and cash contributions, undertake obligations, collect payments of sums owed and pay sums due, perform bank operations, request loans submitting all the necessary guarantees, enter into agreements with public and private entities and with single individuals.

The Management Board has the following additional responsibilities:

- Define the Mission of the Organisation to be submitted to the General Meeting;
- Define and approve the main policies and programmes of the Organisation in keeping with the Mission;
- Ensure effective strategic management of the Organisation;
- Upon an initiative of the Chairman and the Treasurer, formulate an annual self-evaluation on the commitment and the actions of the Management Board in terms of guidance, assistance and support provided to the operational structure;
- Preparing and drawing up the annual budgets and financial statements, ensuring their consistency with the strategic guidelines;
- Ensure legal, ethical and financial integrity and maintain transparency;
- Promote the activities of the Organisation with a view to achieving recognition and support on the part of the public opinion;
- On an annual basis, at the time the budget is approved, approve the organisation chart in terms of number of human resources employed;
- As necessary, formulate proposals for changes to the bylaws to be submitted to the approval of the General Meeting;
- Determine the annual association fee due by the associates and the relative payment modalities to be submitted to the approval of the General Meeting;
- Propose the appointment, by the General Meeting, of the members of the Board of Auditors;
- In general, promote the adoption of any measure necessary to the proper working of the Organisation, save for the resolutions reserved for the General Meeting by the applicable regulations or the bylaws.

The Management Board appoints the Director of the Organisation, either by designating a person outside the Board or delegating a Board member to manage the Organisation.

The Chairman

The Chairman has the power to put into effect the resolutions of the Management Board, and the power to adopt all urgent ordinary measures within the scope of responsibility of the Management Board itself, in order to ensure the regular functioning of the Organisation, subject to the requirement to have the measures adopted ratified by the first General Meeting that can do so.

The Chairman, together with the Treasurer, is responsible for asking the individual Board members to express their annual self-evaluation in terms of guidance, assistance and support provided to the operational structure, in which they can also report on situations of potential conflicts of interest with the Organisation itself.

The Chairman and, in the event of his/her temporary absence of impediment, the Treasurer, has the power to represent the Organisation before third parties and in legal proceedings.

The Chairman chairs the General Meeting of the Associates, summons and chair the meetings of the Management Board.

The Deputy Chairmen

If deemed necessary, the Board can appoint from among its members one or two Deputy Chairmen, and define its powers, by passing a resolution to this effect.

The Treasurer

The Treasurer is responsible for assisting and overseeing the economic and financial management of the Organisation. In particular, the Treasurer has the following responsibilities:

- Oversee the correct keeping of the accounts required by the law and administrative and taxation management activities in accordance with the applicable regulations;
- Oversee the implementation of the resolutions of the Management Board concerning administrative matters;
- Present the year-end financial statements to the General Meeting of the Associates;
- Guarantee the appropriate level of disclosure of the financial statements of the Organisation.

In the event of temporary and proven absence or impediment of the Chairman, the Treasurer is vested with all the powers of the latter, as provided for in the bylaws.

The Board of Auditors

The Board of Auditors is composed by three members appointed by the General Meeting from among persons with the appropriate level of professionalism. The members of the Board of Auditors stay in office three years, unless they resign or are dismissed by the General Meeting.

The Board of Auditors is responsible for ensuring compliance with the laws and

the bylaws, the proper application of the appropriate accounting principles and in particular the suitability and proper functioning of the administrative and accounting setup adopted by the Organisation.

The Board of Auditors describes its activities in ad hoc reports that are made available to the associates together with the financial statements, before the latter are approved by the General Meeting.

The members of the Board of Auditors attend the sessions of the General Meeting and Management Board where resolutions are passed concerning the budgets and the financial statements.

All the persons holding corporate positions must have the civil capacity to do so and be in possession of the requirements of integrity and independence provided for by the bylaws. Loss of such requirements during the term in office is cause for removal from office.

The integrity requirements to be met are:

- a) Not having been inflicted any definitive conviction, including the alternative sanctions as per law no. 689 of 24 November 1981 for crimes against property, against the Public Administration, against public faith, against public economy or for unintentional offences punished by the law with a maximum term of imprisonment of no less than five years;
- b) Not having been subjected to the prevention measures provided for pursuant to law no. 1423 of 27 December 1956 or law no. 575 of 31 May 1965 and subsequent amendments and additions thereto;
- c) Not having been subjected to disciplinary measures entailing the suspension of Professional Lists.

Persons in management or executive positions with political parties or movement affiliations and persons in conflict of interest with the Organisation are deemed not to meet the necessary requirements of independence and are banned from holding office within the Organisation.

Advisory Board

The Managing Board is responsible for setting up an Advisory Board and defining its composition, term in office and tasks.

3.2 The internal control system of the Organisation

Save the Children has adopted the following instruments of a general nature designed to program the formation and implementation of the decisions of the entity (also in connection with the offences to be prevented):

- The ethical principles from which the Organisation draws inspiration, also on the basis of the provisions set out in the Code of Ethics;
- The systems of delegations and powers of attorney;
- The documentation and the provisions concerning the hierarchical-functional and organisational structure of the Organisation;

- The internal control system and hence the structure of the procedures of the Organisation;
- The procedures governing the administrative, accounting and reporting systems;
- Communications to the employees;
- Appropriate mandatory and diversified training for the entire personnel;
- The sanctionatory system provided for in the collective labour agreements;
- The body of national and foreign laws and regulations, as applicable.

3.3 General control principles in all risk areas

In addition to the control systems described in each Special Section of this Model, the Organisation has implemented specific general controls encompassing all the risk areas, in terms of:

- **Transparency:** each operation/transaction/action must be justifiable, verifiable, consistent and congruent;
-
- **Separation of functions/powers:** no one can manage an entire process independently or be granted unlimited powers; authorisation powers and the power of signature must be defined in keeping with the organisational responsibilities assigned to them;
-
- **Appropriateness of internal rules:** the rules of the Organisation taken as a whole must be consistent with the operations performed and the level of organisational complexity, and must ensure the applicability of the controls necessary to prevent the commission of the crimes contemplated in the Decree;
-
- **Traceability/Documentability:** each operation/transaction/action and the relative verification and control activities must be documented and the documentation must be filed appropriately.

4. THE SUPERVISORY BODY

4.1 Characteristics of the Supervisory Body

According to the provisions set out in Legislative Decree no. 231 of 2001 (articles 6 and 7) and the instructions given in the guidelines issued by Confindustria, the characteristics of the Supervisory Body, designed to ensure and effective and efficacious implementation of the model, should be:

- (a) Autonomy and independence;
- (b) Professionalism;
- (c) Continuity of action.

Autonomy and independence

The requirements of autonomy and independence are key to ensure that the SB is not directly involved in the managing activities it must supervise and therefore is not conditioned by or interfered with by the governing body.

These requirements may be satisfied by assigning the Supervisory Body the highest possible hierarchical level and providing for reporting activities at the highest operational level of the Organisation, that is to say the Management Board as a whole. For the purposes of independence, the SB must not be entrusted with operational responsibilities, as this would undermine its objectivity in verifying personal behaviours and the effective implementation of the Model.

Professionalism

The SB must possess appropriate technical-professionals qualifications for the functions it is called upon to perform. Such characteristics, together with independence, ensure its objectivity in performing its tasks⁵.

Continuity of action

The Supervisory Body is required to:

- Carry out in a continuative manner the activities necessary to oversee the Model with commitment and the necessary powers of investigation;
- Be a structure that reports to the Organisation, so as to ensure the necessary continuity in its monitoring and oversight activities.

In order to ensure that the aforementioned requirements are actually satisfied,

⁵ Among other things, the SB must be qualified in terms of: risk analysis and assessment methods; risk control measures (organisational procedures, mechanisms of separation of tasks, etc.); flow charting of procedures and processes for the identification of weaknesses, interviewing techniques, questionnaire drafting techniques; methods for the identification of frauds, etc. The Supervisory Body must have investigation type skills (to be able to determine how a crime of the type in question occurred and who committed it); advisory type expertise (to be able to adopt – when the Model is defined and subsequently amended – the most appropriate measures to prevent, with reasonable certainty, the commission of the crimes in question and at the same time be able to verify whether day-to-day behaviours actually conform to the behaviours envisaged), as well as legal expertise. Legislative Decree no. 231 of 2001 addresses penal issues and since the purpose of the activities of the Supervisory Body is to prevent the commission of crimes, a solid knowledge of the structure of the crimes and their realisation modalities is therefore essential (it may be ensured through the use of the resources of the Organisation, or the use of external advisory services).

besides the professional qualifications described above, the members of the SB should meet the formal requirements that can best guarantee the autonomy and independence of their action (e.g., integrity, absence of conflicts of interest and family relationships with the governing bodies and top management, etc.).

4.2 Identification of the Supervisory Body

To serve as Supervisory Body of the Organisation, the Management Board of Save the Children has appointed a body composed by 3 (three) members whose expertise includes the legal requirements to be met pursuant to the Decree and the internal control and oversight methods to be applied.

Its configuration must be designed to guarantee the independence of control activities from any form of interference and/or conditioning on the part of any member of the Organisation, and at the same time guarantee sufficient continuity of action, while meeting professionalism requirements in connection with the various predicate crime categories.

Once in office, the Supervisory Body determines its own internal rules and defines and maintains a plan of the activities to be performed.

4.3 Term in office and causes for removal

The Supervisory Body stays in office for the term specified in the deed of appointment, which may be renewed.

A member may leave/be removed from the SB on account of one of the following causes:

- The term of office has expired;
- The SB is revoked for cause by the Management Board;
- A member resigned, through a formal written notice addressed to the Management Board;
- Occurrence of one of the causes for removal detailed below in paragraph 4.4.

The revocation of the SB may be determined only by cause, including, but not limited to the causes listed below:

- A member is involved in penal proceedings for the commission of a crime;
- A breach of the confidentiality obligations undertaken by the SB;
- Severe negligence in performing the tasks associated with the position;
- Possible involvement of the Organisation in penal or civil proceedings associated with omitted or insufficient oversight, whether intentional or not.

The revocation is determined with a resolution adopted by the Management Board, based on the prior binding opinion of the Board of Auditors of the

Organisation.

If the event of expiry, revocation or resignation, the Management Board appoints a new SB member at once, and the member who is leaving remains in office until he/she is replaced.

4.4 Cases of ineligibility and forfeiture

Reasons for ineligibility and forfeiture of a member of the SB:

- a) Interdiction, loss of qualifications, bankruptcy or any penal conviction, whether definitive or not, for one of the crimes contemplated in the Decree, or a sentence entailing interdiction from public office, whether on a permanent or a provisional basis, or the inability to hold management offices;
- b) Family relationships, also in terms of spouses or in-laws within the fourth degree, with members of the Management Board, or with external subjects with auditing responsibilities;
- c) The existence of business relationships between the member and the Organisation whereby the independence of the member could be compromised.

If a cause of forfeiture occurs during his/her term of office, the member of the Supervisory Body is required to inform the Management Board at once.

4.5 Functions, responsibilities and powers of the Supervisory Body

Pursuant to the provisions set out in the Decree and the Guidelines, normally, the function of the Supervisory Body consists of:

- Monitoring the effective implementation of the Model with reference to the various types of offence considered in the Model;
- Verifying the efficacy of the Model and its actual capacity to prevent the commission of the crimes in question;
- Identifying and proposing to the Management Board updates and changes to the Model to reflect changes in the regulations or changes in the needs/conditions of the Organisation;
- Making sure that the update and change proposals formulated by the Management Board have been actually incorporated into the Model.

Within the framework of the functions describe above, the SB has the following responsibilities:

- Periodically review the Map of risk areas and verify the appropriateness of the control points, so as to ensure that they reflect changes in the activities and/or the structure of the Organisation. To this end, the Addressees of the Model, as described in greater detail in the Special Sections of the Model, must notify to the SB any situation that might pose risks of a crime being committed. All reports must be in writing and must be sent to the email address activated by the SB;
- Based on the previously established plan of activities of the SB, perform

- periodic checks and targeted inspections on specific operations or acts carried out in the risk areas;
- Collect, process and retain the information (including the notifications described in the following paragraph) that are relevant to the observance of the Model, and update the list of matters whose occurrence must be notified to the SB;
 - Conduct internal investigations to ascertain alleged violations of the provisions set out in this Model that have been brought to the attention of the SB by specific notifications or have emerged in the course of the oversight activities of the SB itself;
 - Make sure that the elements specified in the Model for the different types of crime (standard clauses, procedures and the relative checks, the system of delegations, etc.) are actually adopted and implemented and meet the requirements laid down in Legislative Decree no. 231 of 2001, or, if necessary, propose corrective actions and amendments to such elements.

To carry out the functions and responsibilities described above, the SB is assigned the following powers:

- Have access in a wide and detailed manner to the documents of the Organisation, and, in particular, those concerning the relationships, of contractual nature and other types, established by the Organisation with third parties
- Be able to rely on the support and cooperation of the various structures of the Organisation and the corporate bodies that are interested, or in any way involved, in control activities;
- Entrust specific consultancy and assistance tasks to professionals, who need not be on the staff of the Organisation.

4.6 Resources of the Supervisory Body

The Management Board allocates to the SB the human and financial resources deemed necessary to carry out the tasks assigned. In particular, the Supervisory Body is granted independent powers of expenditure and the right to commission, modify and/or terminate professional services to third parties in possession of the specific qualifications necessary to perform the tasks assigned most effectively.

4.7 Information flows to the Supervisory Body

4.7.1 Information to be supplied to the Supervisory Body

In order to facilitate its activity of supervision over the efficacy of the Model it is necessary to inform the SB, through specific notifications by the Addressees (and, as appropriate, by third parties), concerning events that could cause liability to the Organisation pursuant to Legislative Decree no. 231 of 2001.

The information flows towards the SB may be distinguished into information of a general nature and specific mandatory information.

In the former case, the following provisions apply: the Addressees are required to report to the SB information concerning the commission, or the reasonable conviction of commission, of offences or practices not in keeping with the procedures and the rules of behaviour issued, or to be issued, by Save the Children. In particular, third parties are required to make the notifications concerning the commission, or the reasonable conviction of commission, of offences within the limits and according to the modalities provided for under the agreements entered into.

Besides the aforementioned notifications of breaches of a general nature, it is mandatory to supply to the SB at once any information concerning:

- Measures adopted by or information coming from the judicial police, or any other authority, concerning investigations that see the involvement of the Organisation or any of its corporate bodies;
- Reports, if any, produced by other bodies (for instance, the Board of Auditors) within the framework of their control activities, which might reveal facts, acts events or omissions with profiles of criticality with respect to the requirements set out in Legislative Decree no. 231 of 2001;
- Information on disciplinary measures or sanctions imposed, or the dismissal of such proceedings with the relative motivations, if such measures or proceedings are associated with the commission of crimes or infringements of the rules of conduct or the procedures addressed in the Model;
- The inquiry committees or internal reports/communications reflecting a liability for the crimes contemplated in Legislative Decree no. 231 of 2001;
- Changes to the organisation;
- Updates to the system of delegations;
- Particularly significant operations performed within the framework of the area at risk;
- Changes in the areas at risk or potentially at risk;
- The statements attesting the truthfulness and completeness of the information given in corporate communications;
- Copies of the reports of the meetings of the Management Board and the Board of Auditors.

In order to guarantee the confidentiality of the aforementioned information and facilitate the flow of data and information towards the SB, a dedicated email address has been set up: vigilanza@savethechildren.org. The reports may also be sent by regular mail to the following address: "Supervisory Body ex D.Lgs. 231/2001, Save the Children Italia ONLUS, Via Volturno 58, 00185, Rome".

The SB evaluates the reports received at its discretion and under its responsibility. To this end, it can hear the opinion of the author of the report and/or the person who has committed the alleged breach, and it must motivate in writing any decision not to pursue the matter. In any event, those who notify

alleged breaches in good faith shall be safeguarded against any form of retaliation or penalisation, and shall be ensured maximum confidentiality, without prejudice to the legal requirements and the need to protect the Organisation and any person accused erroneously or in bad faith.

4.7.2 Information obligations of the Supervisory Body

Without prejudice to the fact that the responsibility for adopting and effectively implementing the Model remains with the Management Board of the Organisation, the SB reports on the implementation of the Model and any critical situation that may occur.

In particular, the responsibilities of the Supervisory Body to the Management Board are to:

- At the start of each operating year, submit a plan of the activities it intends to perform in order to fulfil its responsibilities. This plan has to be approved by the Management Board itself;
- Periodically notify the progress of the program and any changes made to it;
- Immediately notify any problems associated with the activities, if relevant;
- At least every six months, report on the checks performed on Model implementation.

Besides the Management Board, the SB shall also submit periodic reports on its activities to the Board of Auditors.

The SB may request to be summoned by the aforementioned bodies to report on the functioning of the Model and/or specific situations. The meetings with such corporate bodies must be recorded and copies of such reports must be kept by the SB and the bodies involved case by case.

Without prejudice to the foregoing, by evaluating the specific circumstances, the Supervisory Body can also communicate:

- (i) The results of its oversight activities to the persons in charge of the functions and/or processes, when the activities reveal aspects susceptible to improvement. In this case, the SB shall obtain from the persons in charge a plan, and time schedule, of the actions for improvements to be performed and the results thereof;
- (ii) Inform the Management Board and Board of Auditors of any action/behaviour not in keeping with the Model, in order to:
 - a) Acquire from the Management Board all the elements necessary to issue notifications to the structures in charge for the evaluation and possible application of disciplinary sanctions;
 - b) Provide indications on how to remedy the shortcomings so as to prevent the nonconforming behaviour from occurring again.

If a breach arises in connection with the behaviour of the Management Board, the SB shall immediately inform the Board of Auditors.

5. SANCTIONATORY SYSTEM FOR FAILURE TO COMPLY WITH THIS MODEL AND THE RULES-PROVISIONS SET OUT THEREIN

5.1 General principles

The Organisation acknowledges and declares that the availability of an appropriate system of sanctions for infringements of the regulations and the procedures provided for in the Model is essential to ensure the efficacy of the Model itself.

In this connection, in fact, article 6 paragraph 2, letter e) of the Decree states that Organisation and Management Models must *“introduce an appropriate disciplinary system to sanction failure to observe the measures specified in the model”*.

The disciplinary sanctions are imposed irrespective of the outcomes of any penal proceeding, since the rules of conduct provided for in the Model and the Procedures are adopted by the Organisation independently, irrespective of the types of offence that the breaches in question may determine, as per Legislative Decree no. 231 of 2001.

More precisely, failure to observe the regulations contained in the Model and the Procedures, in fact, undermines the relationship of trust established with the Organisation and entails disciplinary actions regardless to the penal proceedings that may be initiated if the violation is a criminal offence. This is also motivated by the principles of timeliness and immediacy of the disciplinary action and the imposition of sanctions, in keeping with the applicable regulations.

5.2 Definition of “breach” for purposes of the application of the sanctionatory system

By way of exemplification, the circumstances constituting a breach of this Model and the relative procedures include:

1. Actions or behaviours not conforming to the law or to the provisions set out in the Model and the relative Procedures that may result in the commission of one of the offences contemplated in the Decree;
2. Actions or behaviours or the omission of actions/behaviours specified in the Modell and/or the relative Procedures that may result in a situation entailing the risk of commission of one of the offences contemplated in the Decree;
3. The omission of actions/behaviours specified in the Modell and/or the relative Procedures that do not entail a risk of commission of one of the offences contemplated in the Decree.

5.3 Criteria for the imposition of sanctions

The type and severity of the sanctions shall be proportional to the severity of the breach and shall be determined according to the following general criteria:

- Subjective aspects of the action (wilful default, negligence);
- Significance of the obligations disregarded;
- Potential damage caused to the Organisation and possible imposition of the sanctions envisaged by the Decree and any subsequent amendment or additions thereto;
- Degree of hierarchical liability or liability associated with the observance of laws, regulations, orders or sets of rules associated with the responsibilities of/position held by the person concerned;
- Presence of aggravating or extenuating circumstances, with special regard to the records of the Addressee concerned, in terms of performance on the job and disciplinary sanctions in the course of the last two years;
- Sharing of the liability incurred with other employees, or third parties in general who may have contributed to the occurrence of the breach.

If several offences punished with different sanctions have been perpetrated with a single action, the most severe sanction shall be applied.

Repetition of infringements during the course of a two-year period automatically entails the imposition of the most severe sanction within the range of sanctions envisaged.

The principles of timeliness and immediacy of the disciplinary action require that a sanction (also and primarily of a disciplinary nature) be imposed irrespective of the outcome of penal proceedings that may be commenced.

In any event, the disciplinary sanctions imposed on employees shall be determined pursuant to art. 7 of L. 300/70 (hereinafter for the sake of brevity the “Charter of Workers’ Rights”) and all the other applicable legislative and contractual provisions.

5.4 Sanctions on employees

In the event of the infringements described in paragraph 5.2 being committed, the behaviour of the employees concerned shall be regarded as a disciplinary offence that calls for the imposition of disciplinary sanctions.

Art. 2104 of the Italian Civil Code provides for the duty of diligence and “obedience” on the part of the employee and compliance with both the legal provisions and the obligations to the employer undertaken with the contract, as well as compliance with the working instructions imparted by the employer and the staff the employee reports to.

In the event of failure to comply with such provisions, the employer can impose disciplinary sanctions of different severity as a function of the severity of the breach, in keeping with the provisions contained in the applicable Collective Labour Agreement.

The sanctionatory system must respect the limits to the employer's sanctioning powers specified in the "Charter of Workers' Rights", both in terms of the sanctions that can be applied and in terms of the modalities of exercise of this power.

In particular, the sanctionatory system must conform to the following principles:

- The system must be made known by posting it in a place accessible to the employees and must be addressed in specific training and refresher courses;
- The sanctions must conform to the principle of proportionality with respect to severity of the infringement committed, as defined, pursuant to art. 2106 of the Italian Civil Code, in the collective bargaining agreement for the sector: in any event, the sanction must be selected as a function of the intentionality of the behaviour in question and the degree of negligence, carelessness or inexperience observed, the previous conduct of the employee concerned, with special regard to the existence of a record of previous disciplinary measures, the employee's position and the tasks assigned to his/her from his/her supervisor, and other relevant circumstances, including possible joint liability, also in terms of omission, for the behaviour to be sanctioned;
- The employees whose conduct has come under criticism (art. 7 of the Charter of Workers' Rights) must be guaranteed the right to defend themselves and, in any event, no disciplinary measure more severe than a verbal reprimand can be imposed until after 5 days have elapsed from the written notice about the event that has caused its imposition.

The sanction must be appropriate, so as to ensure the efficacy of the Model.

The sanctions that may be imposed on the employees are among those provided for in the national collective labour agreement for employees of tertiary sector distribution and service companies (hereinafter "CCNL"), as well as in the national collective labour agreement for managers of tertiary sector distribution and service companies ("CCNL Managers") for personnel who qualify as "managers".

As a function of their severity, violations of the provisions set out in this Model on the part of the employees may give rise to various types of the measures contemplated in the CCNL and the CCNL Managers agreements mentioned above.

Subject, in any event, to the workings of the disciplinary system in use at the Organisation and the provisions of the law and the aforementioned CCNL agreements, the sanctions to be imposed are as described below:

- A VERBAL REPRIMAND is the measure inflicted on employees who, due to negligence, carelessness or inexperience, commits a violation of the type described at point 3 of paragraph 5.2, or, in performing their

- activities, adopt behaviours that contravene provisions and directives concerning the implementation of the Model and/or its procedures, including those made known through internal service orders or other similar means, even when the violation does not pose a risk of commission of one of the crimes contemplated in the Decree;
- A WRITTEN REPRIMAND is the measure inflicted on employees who (i) fail to carry out an activity assigned to them or within the scope of their responsibilities according to the procedures set out in this Model (including, but not limited to: failure to inform the SB according to their reporting obligations; failure to carry out the required verifications; failure to notify hazardous situations, etc.); (ii) in performing their allotted tasks, due to negligence, carelessness or inexperience, commit one of the violations described above at point 2 of paragraph 5.2 posing a risk whether real or potential/indirect, of commission of an offense contemplated in the Decree;
 - A FINE NOT EXCEEDING AN AMOUNT CORRESPONDING TO 4 HOURS OF THEIR NORMAL PAY is the measure inflicted on employees who: (i) intentionally contravene express prohibitions arising from the Model and its procedures, if this poses a risk of commission of one of the offenses contemplated in the Decree; (ii) impart to other employees and/or third parties instructions conflicting with those imparted by the management or the Organisation; (iii) with a single behaviour committed several infringements of the type sanctioned with the written reprimand; (iv) in course of the last two years, have committed repeated infringements of the type sanctioned with the written reprimand; (v) have committed, with severe fault, one of the violations specified above at point 2 of paragraph 5.2; (vi) have committed any act that undermines the hygiene and safety of the workplace;
 - A sanction consisting of SUSPENSION FROM PAY AND SERVICE FOR UP TO 10 DAYS is the measure inflicted on employees who, in cases of greater severity compared to those listed above in letter c): (i) have committed any act that undermines the hygiene and safety of the workplace; (ii) have committed one of the violations specified above at point 2 of paragraph 5.2; or (iii) in course of the last two years, have committed repeated infringements of the type sanctioned with a fine not to exceed the amount of 4 hours of normal pay;
 - A sanction consisting of DISCIPLINARY DISMISSAL WITHOUT WARNING is the measure inflicted on employees who: (i) in connection with the implementation of the Model and its procedures, have committed violations so severe as to make it possible for the employment relationship to be continued, even on a provisional basis; (ii) commit an act that greatly undermines the hygiene and safety of the workplace; (iii) due to gross negligence, carelessness or inexperience, or wilfully or maliciously, adopted behaviours designed to commit one of the violations specified above in paragraph 5.2; (iv) deliberately behaviour in a manner not in keeping with the provisions laid out in the Model and its procedures, and their behaviour was such that is constituted a crime pursuant to the law and/or, whether in actual fact or only potentially,

caused moral or material harm to the Organisation; (v) in course of the last two years, have committed repeated infringements of the type sanctioned with the suspension from pay and service for up to 10 days.

5.5 Sanctions on the “managers”

In compliance with the provisions set out in the reference collective labour agreement (CCNL managers), the disciplinary sanctions imposed on persons holding a management position are those expressly specified, for violations of the Model and its procedures, in the employment contract, and the relative supplementary agreements, signed with the individual concerned.

On account of the higher degree of diligence and professionalism required by their position, employees who qualify as “managers” may be inflicted a more severe sanction than employees with other qualifications who have committed the same violation.

In evaluating the severity of a violation committed by personnel holding a management position, the Organisation takes into account the powers granted to the person concerned, his/her technical and professional competences, with reference to the operational area where the violation occurred, as well as whether or not personnel with a lower qualification were involved in the commission of the violation, even if only from the standpoint of being aware of the behaviour in question.

Managers who have committed a violation, or have failed to comply with their specific duty of supervision over the persons reporting to them, may be sanctioned with the disciplinary measures provided for in their individual employment contracts and subsequent supplementary agreements.

5.6 Members of the Management Board

In the event of a violation of the rules set out above in paragraph 5.2 by one or more members of the Management Board of the Organisation, the Supervisory Body shall immediately inform the Management Board and the Board of Auditors of the Organisation for the appropriate evaluations and measures.

If one or more members of the Management Board are charged with a criminal offence entailing the administrative liability of the Organisation, the Chairman of the Management Board of the Organisation (or, on his/her behalf, another Board member) shall summon a General Meeting of the Associates to resolve on the removal from office of the member(s) concerned.

5.7 Auditors

In the event of a violation of the rules set out above in paragraph 5.2 by one or more members of the Board of Auditors, the Supervisory Body shall immediately inform the Management Board and the Board of Auditors itself,

and, upon the initiative of the Chairman of Management Board, a General Meeting of the Associates shall be summoned to resolve on the measures to be adopted.

5.8 Third parties: collaborators, agents and external consultants

In the event of a violation of the rules set out above in paragraph 5.2 by collaborators, agents or external consultants, or, more generally, by third parties, as a function of the severity of the violation, the Organisation: (i) shall remind the persons concerned of the need to adhere strictly to the obligations undertaken; or (ii), as a function of the relevant contractual terms, shall have the right to terminate the contract for cause or to withdraw from the contract for breach on the part of subjects concerned.

To this end, the Organisation has included in the contracts ad hoc clauses whereby: **(a)** third parties are informed about the adoption of the Model and Code of Ethics, they declare they have taken note of and undertake to comply with the contents thereof, and undertake not to behave in a manner that might determine a violation of the law, or a violation of the Model, or the commission of one of the Predicate Offences; **(b)** the Organisation has the right to terminate the relationship or the contract (with or without penalties being imposed) in the event of failure to comply with such obligations.

5.9 Volunteers

In the event of failure to comply with the provisions set out in the Model, the Code of Ethics or the applicable internal regulations by one or more volunteers, the following measures shall be adopted as a function of the severity of the behaviour to be sanctioned:

- A written reprimand;
- A warning to comply rigorously with the Model;
- Immediate termination of the relationship and removal from the Register of the Volunteers.