



**Benetton Group S.r.l.**

# **Whistleblower Procedure**

<b>Prepared by:</b>	<b>Effective from:</b>
Internal Audit	10 11 2017

## 1. PURPOSE

This Procedure (hereinafter referred to as the “**Procedure**”) is established for the purpose of integrating the information channels intended for strict monitoring of:

- breaches of Organisational, Management and Control Model adopted by the Company pursuant to Italian Legislative Decree No. 231/2001 (hereinafter referred to as “**Organisational Model**”), together with the Code of Ethics which constitutes an integral part of the Model;
- unlawful conducts that are significant pursuant to Italian Legislative Decree No. 231/2001;
- internal procedures adopted by Benetton Group S.r.l. (hereinafter referred to as “**Benetton**”) and by its subsidiaries (hereinafter referred to, together with Benetton, as the “**Benetton Group**”) pursuant to Italian Legislative Decree No. 231/2001.

This Procedure defines the subject matter and governs the process of sending, receiving, analysing and handling reports (hereinafter referred to as “**Complaints**”) relevant for the purposes described above sent or transmitted, also in confidential or anonymous form, by Reporting persons as defined below.

## 2. SCOPE OF APPLICATION

### 2.1 Complaint object

Submitted Complaints must be sent/transmitted safeguarding the integrity of the company, must be circumstantial and based on precise and concordant elements and must have as their subject:

- unlawful conducts that are significant pursuant to Italian Legislative Decree No. 231/2001;
- breaches of Organisational Model, comprising the Code of Ethics;

of which the Reporting persons became aware on the basis of the functions performed by them.

Submitted Complaints may also have as their subject any practices inconsistent with the Benetton Group Code of Ethics – which could damage or prejudice the Group or even just its the image.

For example, the Complaints may regard conducts pertaining also to the following categories:

- a. misappropriation: theft or misuse of corporate goods (e.g. cash, tangible property, data and information, including intellectual property) to the benefit of whoever commits the fraud;
- b. corruption and extortion: misuse of one’s influence in a business relationship or business transaction in breach of law or duty of office, in order to obtain a direct or indirect benefit;
- c. wilful misconduct: deliberate violation of procedures, laws or regulatory guidelines;

- d. other violations: any conduct not in line with the principles expressed in the Code of Ethics or significantly different from policy and procedures adopted and circulated by the Benetton Group.

For the Complaint submission to be legitimate, so that the related processing activity is put in action, it is sufficient that the **“Reporting persons”**, as defined below, have factual elements and a context of circumstances that indicate that it is highly probable that the conduct/action forming the subject matter of the Complaint has occurred, the absolute certainty that the same has occurred not being necessary.

## **2.2 Reporting persons**

Reports may be submitted by the following persons who have relations with the Benetton Group:

- employees,
- members of the corporate bodies,
- partners (persons in a business relationship),
- suppliers (persons in a supply relationship),
- labour providers and assistants (persons in contractual relationships having as subject matter the continuous provision of services).

## **2.3 Corporate perimeter**

The Procedure is applicable to Benetton Group Srl and the companies it directly or indirectly controls.

The Italian and foreign subsidiaries shall adopt the Procedure, compatibly with applicable national legislation, without prejudice to particularly specific situations.

# **3. BODIES RESPONSIBLE FOR THE PROCEDURE**

Responsible for the effectiveness of the Procedure are, for different reasons, as indicated below:

- Control and Risk Committee,
- the Internal Audit Director and
- the Watchdog Body, or hereinafter referred to as **“WB”**.

# **4. METHODS OF REPORTING COMPLAINTS**

## **4.1 Addressee of the Complaints**

Complaints with the best possible level of detail (Company involved, subjects involved, reference period, description of the facts, relevant documents, and any other useful details) must be addressed to the Internal Audit Director in one of the following ways:

- a. by sending an e-mail to the following e-mail address: [audit.committee@benetton.it](mailto:audit.committee@benetton.it);
- b. by sending ordinary mail to the address: Benetton Group S.r.l. – Via Villa Minelli n. 1 – 31050 Ponzano Veneto (TV) marked for the attention of the “Chair of the Audit and Risk Committee – personal and confidential”.

It is the responsibility of whoever receives a Complaint other than through the channels established by this Procedure, in turn to transmit it together with any enclosures to the Internal Audit Director using the aforesaid methods.

#### **4.2 Anonymous reports**

Anonymous reports will only be taken into consideration if adequately circumstantiated and possibly supported by documentation, with plenty of details and references to well-defined situations. Reporting persons are encouraged to avoid making anonymous reports as much as possible in order to facilitate any investigative activity.

The complaints, whether anonymous or signed, have the same treatment for the activation of the verification procedure and for the respect of the absolute confidentiality of the contents and/or the sender.

#### **4.3 Reports made in bad faith**

Reports based on mere suspicions or “rumours” are not considered worthy of protection and will therefore not be taken into consideration.

Any report lacking in factual corroboration, made only for the purpose of damaging or in any case undermining employees or members of the corporate bodies, will be considered “in bad faith”. The Benetton Group hopes in particular that its employees, at all levels, will cooperate to maintain within the corporate environment a climate of mutual respect for the dignity, honour and reputation of each individual.

The Benetton Group will therefore intervene to prevent abusive and defamatory behaviour and the Control and Risk Committee will take steps to impose sanctions or penalties on the authors of any reports made in bad faith.

#### **4.4 Transmission to the Watchdog Body**

Complaints that have as subject matter actions or conduct that could come under the type of offence provided for in Italian Legislative Decree 231/2001, subject to the supervisory activities of the Watchdog Body (“**WB**”) or other Italian company of the Benetton Group, must be sent to the latter by the Internal Audit Director.

The Internal Audit Office will take steps to update the WB in question on the outcome of the relative verification/investigation procedure concerning the truthfulness/relevance of the action or conduct forming the subject matter of the Complaint.

Complaints, as well as the results of the preliminary investigation, are forwarded by the Internal Audit Director to the WB even if it is still appropriate to evaluate interventions to modify the Organizational Model.

### **5. PROCESS**

#### **5.1 Verification/investigation stage**

The Internal Audit Director will proceed, if necessary also by convening a Committee meeting, to ascertain, *prima facie*, the admissibility, grounds, relevance and reliability of the Complaints and the the precision, concordance and reliability of the factual elements on which they are based. The Director may, at his/her discretion, enlist the help of internal structures that

he/she believes have the professionalism or expertise to provide him/her with the necessary support or, whenever he/she deems it advisable, retain the services of an outside consultant.

Upon receipt of the reports, the Chair of the Audit and Risk Committee, through the Internal Audit Office:

- a. classifies the Complaints according to the content thereof, taking no action on those that are inadmissible because in bad faith, clearly groundless, incomprehensible, generic and not corroborated with facts, or having as subject matter conduct/actions not falling within those indicated in paragraph 2.1 hereabove "Complaint object";
- b. examines the Complaints, checking the reliability and relevance thereof;
- c. submits the Complaints deemed reliable and relevant to the audit process.

It is the Internal Audit Director's responsibility to assess whether it is necessary to inform/contact the reported person and/or the Reporting person before proceeding with the preliminary investigation.

Complaints referring to facts and/or conduct other than those that fall within the scope of application of Legislative Decree 231/2001 are transmitted to the Control and Risk Committee.

## **5.2 Audit**

The Internal Audit Office ensures that the necessary investigations are carried out in the corporate structures involved and acquires the necessary information for the assessments. In this stage the Internal Audit Director assesses the possible activation of an audit.

The Internal Audit Director, observing the necessary criteria of confidentiality, informs the Head/s of the involved Department/s, the Human Resources & Organisation Director, the Control and Risk Committee and/or the Watchdog Body of the results of the investigations and any proposed action to remedy the detected irregularities.

All investigation activities must be recorded.

## **5.3 Follow up**

If the need/opportunity to implement corrective action on the internal audit system arises during the stages of investigation or audit, it is the responsibility of the management of the areas/processes that have been investigated to draw up a plan of adoption of such corrective actions to remove the detected critical points.

The Internal Audit Office monitors the relative implementation.

## **6. REPORTING**

The Internal Audit Office ensures the preparation of a six-monthly report on the received whistleblower Complaints, that is made available to the Control and Risk Committee and to the Watchdog Body.

The report contains the number of Complaints received in the six months of reference, as well as those proposed for dismissal related to Complaints received within the same six months or from previous periods.

## **7. STORAGE**

To guarantee the management and traceability of the whistleblower Complaints and relative investigative activities, the Internal Audit Office keeps a Complaints register and ensures that all the relative supporting documentation, whether hardcopy or electronic, is kept for 5 years. The processing of personal information of the persons concerned or mentioned in the reports is protected in accordance with current law and corporate procedures on privacy.

## **8. WARRANTIES**

### **8.1 Guarantee of confidentiality**

The Chairman of the Control and Risk Committee and the Internal Audit Director guarantee the absolute confidentiality and anonymity of the reporting parties. The Benetton Group will sanction any form of threat or retaliation against the Reporting Subjects for reasons connected directly or indirectly to the report and/or those providing assistance and / or collaboration in the investigation activity.

### **8.2 Sanctions**

For those who violate the protection measures of the reporting party as well as those who carry out malicious or gross negligence reports that prove to be groundless, the disciplinary sanctions referred to in the Organizational Model are envisaged.

## **9. PUBLICATION**

This Procedure is drawn up in Italian and English and is published on the Benetton Group internet and intranet websites.

## **10. OTHER**

The Procedure was adopted by the Benetton Group Srl Control and Risk Committee at the meeting on 10 November 2017 and is effective from that date.

UNITED COLORS  
OF BENETTON.