

Anti-money laundering and terrorist financing policy

PREMISE.

Money laundering is defined in the 1998 United Nations Convention against Illicit Traffic in Narcotic Drugs, and consists of each of the following activities:

- a) the conversion or transfer of property, knowing that it is derived from criminal activity or from an act in such activity, with a view to concealing or concealing the illicit origin of such property or assisting any person involved in such activity to escape the legal consequences of his actions.
- b) concealing or disguising the true nature, provenance, location, disposition, movement, ownership of property or rights therein, knowing that such property is derived from criminal activity or from participation in such activity.
- c) the acquisition, possession or use of property knowing at the time of receipt that such property is the result of criminal activity or participation in such activity.
- d) participation in one of the acts referred to in the preceding subparagraphs, association to commit such an act, attempting to commit it, aiding, instigating, or advising someone to commit it, or facilitating its execution.

Recycling is usually represented as a three-stage process:

- Placement: proceeds from crime, including non-negligent crime, through a series of transactions are collected and placed with financial and/or non-financial institutions.
- layering: it is implemented through the completion of a series of complex financial transactions, even apparently not linked to each other, aimed at hindering the reconstruction of financial flows.
- Employment: the proceeds of criminal activities are reused in the legal economy in such a way that they appear formally of legal origin.

The three stages are not static and may overlap: the use of financial institutions for criminal purposes can take place in any of the stages described above.

Terrorist financing means any activity directed, by any means, to the collection, provision, brokerage, deposit, custody or disbursement of funds or economic resources, in any way realized, intended to be, in whole or in part, used in order to commit one or more crimes for terrorist purposes or in any case aimed at favoring the commission of one or more crimes with terrorist purposes provided for by the penal code, and this regardless of the actual use of funds and economic resources for the commission of the aforementioned crimes.

Guidelines

As indicated in the COP 2019, for this aspect we rely on the "**Know Your Counterparty (KYC)**" methodology established to combat money laundering and terrorist financing, which involves identifying each organization with which we deal, to understand the legitimacy of their business relationships and, within reason, to identify and react to unusual or suspicious transaction patterns.

The company policy for *money laundering and terrorist financing* issues provides for prevention activities that are based on:

- Involvement of all organizational levels.
- Control of the transactions carried out.
- Depth in the analysis of suspicious transactions.
- Activity of Auditing and Training.
- Priority given to prevention over commercial interests.

Money laundering prevention plays a strategic role in combating criminal phenomena and is based on the following principles:

- Customers' Due Diligence.
- Maintenance of data relating to ongoing relationships and transactions.
- To adopt adequate organizational procedures and internal control measures, including internal audits.
- Suspicious transactions.

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SEM AR S.r.l.
La Direzione
Produzioni Semilavorati
Via di Pescaiola, 21 - Tel. 0575.416201/02/03
Badia al Pino (Arezzo)
Cod. Fisc. e Part. IVA 01179040512