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AcciaieriaArvedi

Acciaieria Arvedi SpA Supplier Code of Conduct

I. Introduction

The purpose of the Code of Conduct

The purpose of the Code of Conduct is to ensure that the supplier to Acciaieria Arvedi SpA (hereinafter also called the “**Company**”) operates in compliance with the minimum requirements of internationally agreed diligence regarding respect of the rights of the individual and the organization providing subordinate work.

The Company has assumed the Code of Conduct and expects its suppliers to adhere to it in all its parts.

Acceptance and implementation of the Code of Conduct, as well as its observance, are essential conditions for the stipulation of any contract between suppliers and the Company and for the continuation of contractual relations.

The Code of Conduct, however, came into being with the intention of allowing the longest possible relations. The purpose is to improve the conditions of the people who work, their coexistence and the work environment generally.

With this aim the Code of Conduct has been formulated in order to allow periodical improvements for its ever better application in a spirit of collaboration between suppliers and the Company.

Despite this, the Company has the right, and if it considers it the case the duty, to not have commercial relations and not stipulate contracts with parties who at any time refuse to apply the Code of Conduct. The Company shall not tolerate in any way, either at the moment of stipulation or during negotiations or in the course of execution of the contract or, finally, in the case of judicial protection of its own or others’ rights.

All this since the Company does not entertain commercial relations with parties that violate the rights of the individual, whatever may be their sex, nationality, ethnic origin, geographical origin, language or religion.

The Company constantly monitors the exact observance of the Code of Conduct.

Destinees

The Code of Conduct is applied to the benefit of all and any worker, even if employed for a short time or with a contract deferred or fragmentary in time.

The supplier is strictly held to ensure, verify and check that its own suppliers, and parties with whom it is professionally in contact, respect the directives and principles of the Code of Conduct.

General principles

Any doubt regarding interpretation or dispute regarding the content of the Code of Conduct is resolved or defined exclusively by the Company.

Obviously, the Code of Conduct has no legitimacy or possibility to evade national legislation, especially as regards safety at work, work and family or in matters of inspections.

It is understood that the Code of Conduct does not in any way allow, in the present or prospectively, to reduce the protections and rights that it is designed to consolidate and protect or indirectly support in its most worthy aspects including organized and collective bargaining directed at the respect of democratic principles.

Whoever applies the Code of Conduct is held to ensure that the application of the code leads to the benefit of the parties that it protects and, therefore, that it does not cause a deterioration to the living conditions of persons or harm to the environment, but allows the prospect of an increasingly prosperous and flourishing economy.

Legal obligations

Adherence to the Code of Conduct involves the adoption of the highest standards of safeguarding and protection foreseen by national legislation by each supplier or subcontractor and to the same extent by regulations of collective labour agreement or appropriate codes of conduct.

Should conflict or incompatibility arise between the Code of Conduct and other rules or regulations, whichever offers better protection to the individual or the environments shall prevail.

Should there be conflict between national or international regulations and the Code of Conduct, Acciaieria Arvedi SpA shall examine the matters with its suppliers and its own interlocutors, including institutional ones, and shall identify the line of conduct to adopt for the stable protection of the individual's rights especially in the context of work and health, with particular attention to preserving the ecosystem.

With this aim, the suppliers and institutional interlocutors must inform Acciaieria Arvedi SpA, in a due and appropriate manner, of any possible harm to the rights of the individual and the care of the environment.

II. Reference parameters relative to the Code of Conduct

1. Forced labour and the right to walk and move freely

1.1. It is absolutely prohibited for each supplier or sub-contractor to entertain commercial relations or benefit or allow others to benefit wholly or in part or in any case enrich themselves without valid reason with those who hold their workers in a condition of enslavement. In the same way, no company or intermediary, public or private, supplier or sub-supplier to the Company, shall in no way remunerate any person who, directly or indirectly, works for such.

1.2. Protections and precautions

All and any suppliers shall behave towards their employees and personnel in such a way as to recognize the rights that human nature and their dignity all require to be respected and applied in domestic and work places, whether their own or others'.

With this aim the supplier is absolutely prohibited from allowing or tolerating the introduction or manifestation or showing in any way mistreatment of harm to all and any of the workers, and shall be vigilant in ensuring that the persons, being such, shall not suffer corporal punishment, physical or mental coercion, nor any kind of abuse, harassment or injustice, of whatever kind of application, timely or continued; and the same shall also apply in relations between the supplier and institutions and with any third party.

2. Youth and child labour

Capacity to act as a worker

2.1. The supplier to the Company or any commercial interlocutor of the same shall undertake no kind of work relations that imply, suppose, involve or rely on youth or child labour, unless allowed by law, when it has been ascertained that the work conditions of the minor or those with certified incapacity – physical or intellectual – are compatible or reconcilable with good physical and psychological development with a view to a long lifetime.

3. Discrimination

The supplier or the sub-supplier, in the ambit of the Code of Conduct and behaviour that

is licit and admissible, or in a wider sense compatible with the same, shall ensure that they are wholly free, in the choices made aimed at creating work groups or teams or groupings or selections, from using criteria that may have racial connotations or, specifically, highlighting sex, phenotype, body characteristics, language, geographical origin, presumed or effective ethnicity, political opinions and/or convictions, social class or condition, wealth, state of birth, trade union affiliation, sexual conduct, health, family duties, incapacity or inability, in order to protect the human rights and duties of the individual person.

Consequently, the Code of Conduct severely prohibits the employment, assignment, remuneration, benefit, fees, training, teaching or discipline, termination of contractual relations or those of a public nature or due by law or of public significance or essential or useful or merely of use, but urgently needed unless with regard to criteria concerning solely the activities or work or institution or aims or relations or support or commercial act that exclude any kind of discrimination for the afore-mentioned reasons or those which a strict examination show to have been unduly adopted.

4. Freedom of grouping and right of association

4.1. The right of free association and collective bargaining

Each company is prohibited from preventing the constitution and democratic life of any trade union constituted by the workers or by the employers and this in order to allow better collective or individual bargaining, or the constitution of associations with liberal aims where constituted in appropriate and regular form.

4.2. Should state, legal or regulatory prohibitions or other circumstances or facts prevent the constitution or promotion or consolidation of labour or employer trade unions, the Company shall do whatever is reasonably necessary and rationally motivated to ensure alternative forms of representation, discussion and dialogue and the protection of the rights of the individuals as single workers or in teams or as members of groups that are the expression of liberal associations which are, as such, aimed at promoting the rights of the individual to life, health, protection of the environment and landscape, in the same way as fair remuneration for his/her work regardless of the utility directly obtained by the company, unless in the case of the worker operating in non-compliance and cautioned and assisted by a trade union or, should it be the case, individually benefiting, regardless of further specifications, of all the individual's rights and duties.

5. Health and safety of the work place

5.1. Level of worker health safeguards and healthy workplaces

The Company ensures and is responsible, as guarantor, with the close collaboration of worker trade unions and its own trade union, for healthy workplaces with the fundamental purpose of protecting and ensuring the health of its workers and their

families.

5.2. Training and protective clothing

Each worker shall receive from the Company the clothing and protections necessary from the Company for carrying out his/her assigned work in conditions of health and safety with specific and special attention to workplaces, movements, operations to be carried out, specific tasks as well as the organization of the company and personnel and of all workers. In order to ensure maximum and full protection of the workers as well as the safeguarding of places, in the ambit of the present Code of Conduct, the employers undertake to install procedures, controls and protocols subject to periodical review that give solid guarantees of ensuring immediately that the maximum protection is obtained.

6. Contractual conditions and work relations

6.1. Violence in the workplace and work relations including assault and physical or verbal aggression or threats.

The Company protects its workers from any verbal or linguistic or physical act that involves assault or physical or psychological aggression, an abuse of rights or threats of any kind and type in the workplace, carried out or introduced or, in any case, attributable to the employer's side or subordinate of the firm or craftsman or family member or individual with specific and precise attention to the prevention of the structuring and application of an unfair disciplinary system.

6.2. Remuneration

The Company shall scrupulously and conscientiously observe the minimum protections already guaranteed according to scrupulously and conscientiously observe the minimum protections already guaranteed according to the best international law or good practice or appropriate protocols in use in the sector of operation with particular regard to wages and bonuses or benefits with regard to the greatest protection and form offered. In any case the Company shall ensure that each worker has a wage that allows a free and dignified existence and to take care of their family, as well as the opportunity for integration with bonuses.

Given that overtime receives a proportionately higher remuneration rising up to a limit compatible with the right and obligation to rest, wages shall be paid in in legal tender, deduction shall be made according to what is lawful and legitimate and only in conditions of transparent and free discussion with the primary purpose of ensuring that they do not consist in misappropriations or discriminatory actions lacking objective and rational justification.

6.3. Consolidated labour relations

Each worker shall receive a written copy of the negotiated and signed contract which results immediately understandable and legally valid and binding.

6.4 Absences

The Company ensures that all its workers have rationally determined holidays in order also to protect their health and well-being and that these are fully paid at the same or improved conditions, within the limits as per subordinate overtime work provided by the work contract for the working days.

In particular, the Company guarantees an appropriate period of absence from work for parents who have recently given birth to a child or adopted a minor.

Women who have had parental leave – unless for very special and motivated exemption – have the right to be re-integrated in the same organisation, for the same functions, with the same level and without detriment to career or reduction to wages or bonuses.

6.5. Hours of work. Breaks and rest

The Company guarantees that the normal working week does not exceed 48 hours and that overtime is strictly necessary. All workers have the right to at least one day a week of rest paid in accordance with current regulations and appropriate breaks and rest during work shifts or periods of supervision, without prejudice to appropriate times for changeovers.

6.6 Confidentiality

The Company ensures that no worker is obliged to reveal or share or submit to discrimination due to personal data unrelated to what the best economic technique demands to be specifically acquired, nothing else being possible, for the rational execution and implementation of the business plan in the light of company structuring in view of the strictest observance of rights and regulations in force whatever may be the form of acquisition or attempt to acquire such data.

7. Security

7.1. Security Personnel

The Company guarantees with the maximum efficiency and certainty that no member of its personnel assigned or tasked with ensuring the peaceful coexistence in the workplace or the defence against disturbances to the regular execution of work operations, internal or external, infringes in any way the freedom of any person/worker, male, female or other, unless strictly for reasons of defence of the person or structural integrity of company assets and with the minimum use, where strictly necessary, of force.

7.2. Relations with law enforcement services

In relations with law enforcement services and with state authorities, company security personnel shall observe the utmost diligence and cooperation for the sole and exclusive purpose of protecting public order and the democratic principles essential for protecting human rights.

8. Environment and safety

8.1. Management of environmental matters

The Company shall strenuously act to reduce to a minimum or zero the harmful consequences for the environment of its operations connected with its agricultural, industrial or commercial activities with an active and proactive attitude, for example taking care of the following aspects and activities:

- shrewd and economical use of scarce natural resources such as energy and water
- limitations of emissions into the atmosphere and or rain or discharge water into irrigation or atmospheric water channels as well as into oceans or seas or reservoirs or lakes
- noise, smell or dust emissions (fine, particulate or other)
- potential or concrete contamination of the ground and the earth's crust or its vital components
- disposal and management of toxic or hazardous products which may or may not represent a direct or indirect threat to human health or the protection of the environment and ecosystem.
- Preparation of processes, controls and protocols or production standards that allow products, packing, coatings, packaging and supports to be as environmentally compatible as possible.

8.2. Legislation regarding the environment

The Company shall obey all the legislative provisions for the protection of the environment in order to ensure that each activity has the smallest possible or zero impact on the environment, the ecosystem, human health and human rights and duties.

With this aim, competent personnel and if necessary professionals shall analyse the legal system and its compliance with law from the point of view of the maximum protection of the environment, nature and people in the ambit of the human rights and duties through study, research, design, implantation and monitoring.

8.3. Reduction of environmental impact

The Company shall give appropriate and truthful proof of what has been done in order to

achieve the goals and discipline foreseen and in keeping with the Code of Conduct and with subsequent ones, with specific attention to aspects strictly concerning pollution: design, packaging of materials and products, awareness, operating and line controls, monitoring and supervision.

8.4. Plant breakdown – environmental incident and health emergencies

The Company shall prepare, take care of, make ready, check, update and maintain procedures for the identification, prevention, care of, reaction to and limitation of any kind of emergency in order to prevent health emergencies and environmental incidents in connection with a non-prudent, unwise and non-agreed use of the plants and workforce, employees or other and, if necessary, have recourse to the work of professionals.

9. Production, products and liability

The Company shall adopt the utmost diligence in designing and carrying out work at any time, for any component or phase in order to exclude with the maximum good faith the presence of defects or deviations which may be such as to allow the process of design, processing or production or the single product or groups of products to procure any kind of damage or harm to persons or the environment.

10. Corruption or blackmail

10.1. Blackmail or extortion by public officials or private individuals

The Company or manufacturer shall absolutely and categorically abstain from corrupting in any way or with any method or for any purpose the integrity of the public officials with who it has relations that may belong to the judiciary, public administration or political class or that may be an individual or collective enterprise whatever form or action or exercise the company may have.

10.2 Agents, intermediaries and consultants

The Company or the autonomous worker shall take care to foresee agreement instruments or more specific ones proving, for the purpose of excluding or limiting with the utmost good faith the risk of corruption of blackmail including through specific measures in the constitution and discipline and contractual relations with Agents, Intermediaries and Consultants.

11. Zero Tolerance Standards

The Company shall not entertain business relations with any entity involved in conduct directly or indirectly violating human rights and duties. As an example, but not exhaustive, the following conduct is wholly and to the fullest degree unacceptable:

- The use of workers reduced to slavery or enchained or convict labour or persons subject to human trafficking
- Brutal child labour including forced labour, child prostitution as well as any form of work which risks the integrity, health, growth and capacity of judgement of any minor, or in any case, any person
- Any punitive cruelty, punishment, beating, violent physical, humiliating or invasive treatment of any kind or that may harm the physical integrity of the person
- Exposure of the workers to mortal risks not considered acceptable by the employer following a risk assessment which identifies critical situation and the appropriate prevention measures to be adopted, including personal protection devices and suitable training
- the deliberate emission of polluting reagents into the atmosphere, water, into the ground in order to pollute the same or equivalent piping aimed at obtaining higher profit or lower costs.
- Any kind of infringement of human rights or any kind of criminal act conceived at an international level such as war crimes against humanity, genocide, torture, kidnap, taking of hostages, summary or arbitrary executions lacking international legitimization.

Should the Company have reason to consider that such criminal offences, or close to such, have been carried out by a supplier or sub-contractor, the contract shall be immediately terminated unilaterally and should the Company have reason to believe that such conduct was voluntary and deliberate it shall have immediate faculty to communicate all information in its possession to the competent state and judicial authorities.

12. Competition - Money-laundering

Suppliers shall act in compliance with the regulations relative to competition, antitrust and trade applicable in each country in which they operate. Any form of agreement in violation of competition is strictly prohibited, as are trade practices in violation of antitrust regulations.

Suppliers shall firmly oppose all and any form of money-laundering and shall adopt measures such as to allow each and every economic and financial operation to be traced. This in order to allow the identification of the source of assets and/or money of any company operation and to prevent its financial operations from being used by third parties for money-laundering.

Suppliers shall respect third-party intellectual property rights and protect the information and data of their customers.

13. Contacts

The Company expects suppliers and subcontractors to adhere to the present Code of Conduct. Should the supplier or subcontractor note that a Company employee does not respect the present Code of Conduct, the Company herewith asks the supplier of

subcontractor to communicate such information to the following email address: ufficio.personale@ast.arvedi.it. The Company guarantees the confidentiality of whoever makes the report in good faith and/or refuses to carry out or undertake action in violation of the present Code of Conduct.