

CODE OF ETHICS

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1 FOREWORD

Franchini Acciai S.p.A. (hereinafter the "Company"), within the scope of its activities and in conducting business, adopts as its own the principles of compliance with the laws and regulations in the Countries where it operates, in a framework of legality, transparency, confidentiality, and respect for the dignity and worth of the individual.

Furthermore, the Company pursues the objective of reconciling market competitiveness with compliance with professional ethics, and promoting, with a view to social responsibility and environmental protection, a correct and responsible use of resources.

The objectives of growth in terms of production and in terms of market share, and the strengthening of the capacity to create value, are pursued through ensuring decision-making and operative standard processes and structures suitable to enabling the development of new business, efficient business selection and management, and the quality of its risk assessment and management systems.

The ethical principles detailed in this Code of Ethics are relevant for the purpose of preventing the crimes provided under Legislative Decree 231/2001, and constitute an essential element of the Company's crime prevention system.

2 OBJECTIVE

This Code of Ethics is aimed at defining and formalising the ethical values adopted by the Company, so that such values may constitute the foundation of its corporate culture, and the standard of conduct for anyone who acts in the interest or to the advantage of the Company in the performance of its activities or corporate business.

The Code of Ethics and the Principles provided therein indicate the conducts which must be held, or abstained from, by anyone who acts in the interest or to the advantage of the Company. Thus, the Code of Ethics and the Principles contained therein, have the value of reference and conclusive standards for all the Recipients when any activity, act, or operation is not expressly governed by procedures, work instructions, or other Protocols.

In case of doubts with respect to how to conduct a specific activity, the Recipients must refer to the Supervisory Body of the Company, which will provide the required information.

3 STRUCTURE OF THE CODE OF ETHICS AND SCOPE OF APPLICATION

The Code of Ethics (hereinafter, the "Code"), is made of the following sections:

- Ethical Principles;
- application of the Ethical Principles to the Company's stakeholders;
- application of the Ethical Principles to third parties;
- compliance with the Ethical Principles.

This Code contains the set of rights, duties, and responsibilities of the Company towards its "stakeholders" (including employees, suppliers, clients, partners, the Public Administration, shareholders, etc.).

The Code of Ethics must be followed by:

- the Corporate Bodies, which must ensure that all decisions and actions are compliant with the Code, make the Code known and promote the sharing thereof with the Personnel and the third parties who act in the interest or to the advantage of the Company; furthermore, the Corporate Bodies must represent, through their conduct, a point of reference for all the Recipients of the Code;
- the Employees, who must act in compliance with the Code, and to report any

violations thereof to the Supervisory Body;

- the Providers of goods and services, including any external collaborators and agents, who must be suitably be informed on the rules of conduct contained in the Code, and act in line with such rules for the entire duration of the agreements they have in place with the Company.

The persons who are under obligation to comply with the Code are referred to as “*Recipients*” (corporate bodies, employees, and providers, as defined above).

4 GENERAL ETHICAL PRINCIPLES

4.1 *Legality*

The Recipients must comply with the laws in general, and in general with the statutory rules and regulations applicable in the Countries in which they operate. The Recipients must also comply with corporate policies, as they the instrument to implement statutory obligations.

The Recipients must be familiar with the laws and the conducts deriving therefrom; in case of doubt on how to proceed in specific matters, the Recipients must refer to the Supervisory Body of the Company, which will provide the required information.

The Company ensures training programs and ongoing programs to raise awareness on the issues pertaining to legality and the Code of Ethics.

In order to ensure that such Principle is complied with, the Company has aligned its organization, management, and control model with Articles 6 and 7 of Legislative Decree No. 231/2001

4.2 Honesty

The Recipient must comply with the ethical, expert, and professional rules of conduct applicable to the activities carried out in the interest or to the advantage of the Company. The Recipients must also comply with the corporate policies, as they are the implementation of ethical, expert, or professional obligations, and the formalisation of the conducts expected by the Company.

In order to ensure that such Principle is complied with, the Company has aligned its organization, management, and control model with Articles 6 and 7 of Legislative Decree 231/2001, adopted a quality management system in compliance with ISO 9001:2000 standards, and this Code of Ethics.

4.3 Confidentiality

The Recipients ensure the confidentiality of the information learned in the performance of any activities in the interest or the advantage of the Company.

The Recipients must use any Company data and information exclusively within the scope and for the purpose of their own work and professional activities; protect such data and information in compliance with the law and with corporate policies, and not divulge (communicate, disperse, or publish in any way whatsoever) information without the written consent of the Company.

4.4 Transparency

The Recipients, without violating the principle of Confidentiality, in every activity set up in the interest or to the advantage of the Company, must base their conduct on transparency and clarity in order to prevent any situation that may create the breeding ground for any improper practice or conduct.

4.5 Respect for the Individual and Valorisation of Human Resources

The Recipients ensure the respect of the Individual, recognizing the value of life, health, and human dignity.

The Recipients ensure the equal treatment of every individual, avoiding any form of discrimination, including based on religion, gender, age, sexual preferences, and racial or ethnic origins.

4.6 Protection of Privacy

Franchini Acciai undertakes to protect the information pertaining to its Personnel and to third parties, acquired in the performance of its activities, and to prevent any improper use thereof.

To this end, the Recipients must process the personal data acquired in full respect of the fundamental rights and freedoms, and of the dignity of the interested parties, and to process such information legally and properly, as provided in the applicable rules and regulations.

Franchini Acciai adopts suitable rules, including to prevent any undue disclosure and/or dissemination of personal data without the prior consent of the Recipients, and more generally, of anyone who has had, for any reason whatsoever, any contact with the Company.

4.7 Impartiality and Conflict of Interest

The Recipients must act with impartiality, avoiding any special favours or any difference in treatment. The Recipients must also abstain from exercising any undue pressure, and to dismiss any such pressure; to adopt initiatives and decisions in the utmost transparency, avoiding the creation or the exploitation of any privilege.

The Recipients must avoid any situation and activity which may give rise to any conflict with the interest of the Company or which may interfere with their capacity to impartially take decisions in the best interest of the Company and in full

compliance with the principles and content of this Code, or, more generally, to comply with the functions and responsibilities of their office.

To avoid any situation that may give rise to any conflict of interest, the Recipients are called to promptly inform their supervisors and/or body of which they are members, of any situation that may lead to such conflict of interest, abstaining from taking part in such process or activity.

The recipients of the communication are responsible, including through the involvement of the Supervisory Body, to identify the appropriate measures to be adopted, and manage such solutions responsibly, in order to protect the transparency and propriety of the conduct of all the individuals who operate in the interest or to the advantage of the Company.

5 APPLICATION OF THE ETHICAL PRINCIPLES TO THE COMPANY'S STAKEHOLDERS

5.1 Dealings with Shareholders

The Company promotes the transparency and periodic disclosures to the shareholders, in compliance with the laws and applicable rules and regulations.

The interest of all the shareholders is promoted and protected by rejecting any special or partisan interest.

The Company promotes proper and constant disclosures to shareholders with concern to any action or choice that may have effects or consequences towards their investment.

The Company promotes the informed and mindful participation of the shareholders in the Company's decisions.

The Company favours:

- the regular participation of the members of the Board of Directors in the general meetings of the shareholders;
- the regular conduct of the general meetings of the shareholders in compliance with the right of each shareholder to obtain explanations, express their opinion, and formulate proposals.

The Company promotes the maximum privacy of the information inherent with extraordinary operations.

The Recipients involved must keep such information confidential and not abuse it.

5.2 Transparency of the Company's Account Records and tax compliance

The Company promotes the utmost transparency, reliability, and integrity of the information inherent with its account records and its tax compliance.

Every operation and transaction must be properly recorded, authorized, verifiable, legitimate, consistent, and reasonable.

All the actions and operations of the Company must be suitably recorded and the decision-making, authorization, and performance processes connected thereto must be verifiable.

For every operation, there must be suitable documentary evidence so as to enable, at any time, any audits to confirm the characteristics and the reasons behind every operation, and identify the persons who have authorized, carried out, recorded, and verified the operation.

Any Recipients comply with tax and fiscal regulations, in case of interpretative doubts, a professional expert advice must be obtained before carrying out the relevant operation or its recording in the company's accounts.

Active and passive invoicing must be inspired by the principles of truth and false invoicing - subjectively or objectively-, in whole or in part, are not admissible.

Tax declarations for direct or indirect taxes must be truthful.

5.3 Staff Selection and Hiring

The Recipients promote the compliance with the principles of equality and equal opportunity in selecting and hiring new members of staff, rejecting any form of favouritism.

5.4 Formalisation of Work Agreements

Work agreements are duly formalised in writing, rejecting any form of undeclared or illegal work, including with reference to the permanence of foreign workers within the Italian territory.

The Recipients favour the utmost collaboration and transparency in their dealings with newly hired members of staff, so that they may have a clear awareness of the tasks assigned.

5.5 Safety and Protection of Health and Work Conditions

The Company favours work conditions that protect the psycho-physical integrity of individuals, providing work facilities in compliance with the applicable laws and regulations on health and safety.

The Company expresses and makes known, through the health policy document, the fundamental principles and criteria based on which the Company takes its decisions, of any kind and at any level, with respect to the health and safety in the work place.

Such principles and criteria may be summarised as follows:

- a) avoid risks;
- b) assess the risks that cannot be avoided;
- c) counter risks at the source;
- d) adapt work to the individual, in particular with concern to the design of work places and the choice of work equipment and work and production method, particularly with the aim of minimizing monotonous work and repetitive tasks, and to reduce the effect of such work over the health of individuals;
- e) keep into account the evolution of technology;
- f) replace hazardous equipment or situations with non-hazardous or less-hazardous equipment or situations;
- g) plan prevention, aiming at a consistent whole which includes technology, organisation of work, work conditions, social relations, and the influence of workplace environment factors;
- h) give priority to collective protection measures as opposed to individual protection measures;
- i) impart proper and adequate instruction to workers.

Such principles are applied by the Company - and by the entities that manage hygiene and safety in the workplace on its behalf - to take the appropriate measures to protect the health and safety of workers, including the prevention of professional risks, the provision information and training, and setting up the required organization and means.

All the Recipients must abide by these principles, and especially upon taking decisions or making choices, and, subsequently, when such decisions and choices are implemented.

5.6 *Environmental Protection*

Franchini Acciai S.P.A. acknowledges that the protection of the environment is a

primary value in the exercise of its business, from the management of daily activities to making strategic choices. The Company's investment and business choices are informed by the respect of the environment and by the laws and regulations on environmental protection.

The Recipients are required to actively collaborate in environmental management and in constantly improving the protection of the environment, in line with the Company's policies.

5.7 Professional Growth

The Company promotes the professional growth of its collaborators, offering suitable tools and training courses.

6 APPLICATION OF THE ETHICAL PRINCIPLES TO THIRD PARTIES;

6.1 Criteria of Conduct in Dealings with Clients

The Recipients act so as to ensure the professionalism and quality of their work, guaranteeing the confidentiality of the information concerning its clientèle.

In the provision of services, the legality of the solutions prospected must be guaranteed at all times.

Any form of discrimination against the clientèle is strictly forbidden.

The Recipients promote the ongoing improvement of the quality of the services offered to the end clients.

6.2 *Criteria of Conduct in Dealings with Suppliers*

The process of selection and choice of suppliers is based on the principles of legality, honesty, and transparency.

The choice of supplier is based on objective and impartial criteria in terms of quality, level of innovation, cost, and additional services with respect to the services / products offered.

The violation of the principles of legality, honesty, and confidentiality are grounds for termination for just cause of the agreements in place with suppliers.

If the Recipients receive from suppliers any offer of benefits to favour their activity, they must immediately interrupt their dealings with such suppliers, and report the event to the Supervisory Body.

6.3 *Criteria of Conduct in Dealings with External Collaborators*

The process of selection and choice of external collaborators is based on the principles of legality, honesty, and transparency.

In selecting and in managing dealings with external collaborators, the Recipients will take care to work exclusively with qualified and reputable individuals and companies, and their compensation must be consistent with the sum agreed, and regulated under the terms and conditions of the relative agreement.

The violation of the principles of legality, honesty, and confidentiality are grounds for termination for just cause of the agreements in place with external collaborators.

6.4 *Criteria of Conduct in Dealings with the Public Administration and Public Institutions*

In dealing with the Public Administration and with Public Institutions, the Recipients promote legality and honesty, in a context of transparency, and reject any form of promise or offer of payments or goods to promote or favour any interest or advantage.

The Recipients are not allowed to offer money or gifts to managers, officers, or employees of the Public Administration or Public Institutions, or to their relatives, except for gifts or benefits of negligible value.

When any business negotiation, request, or dealing with the Public Administration and Public Institutions are taking place, the Recipients must not attempt to improperly influence the decisions of such public bodies, including the decisions of the officers who process or take decisions on behalf of the Public Administration or Public Institutions.

In the specific case of a bid for tender, the Company will operate in compliance with the applicable laws and in line with proper business practice.

If the Recipients receive any offer of benefits from civil servants, they must immediately interrupt their dealings with such public body/ies, and report the event to the Supervisory Body.

6.5 *Criteria of Conduct in Dealings with Intermediaries, and their Conduct*

The process of selection and choice of Intermediaries, whether they open in Italy or abroad, is based on principles of legality, honesty, and transparency.

The Intermediaries are recipients of transparent messages, communications, and contracts that avoid unclear or excessively complex language, and improper business

practices.

The agreements with Intermediaries must include, as much as possible, the obligation to comply with the Code of Ethics and any Protocols applicable to the activities at risk of commission of a crime, which the Intermediaries may carry out on behalf of the Company, and clauses providing the early termination and damage compensation in the event of violation of such rules of conduct.

The Intermediaries, in their capacity as Recipients, comply with the Code of Ethics and the Protocols applicable to them.

The violation of the principles of legality, honesty, and confidentiality and respect for the dignity of individuals are grounds for termination for just cause of the agreements in place with the Intermediaries.

If the Recipients receive from an Intermediary any offer of benefits to favour their activity, they must immediately interrupt their dealings with such Intermediaries, and report the event to the Supervisory Body.

The Company does not allow any form of donation or any type of benefit or advantage to any Intermediary which may, including only potentially, be interpreted as exceeding normal business practice or courtesy.

The Intermediaries are in any case barred from any form of donation, benefit, advantage or promise of any of the above, aimed at acquiring favourable conditions in the performance of any activity that may be connected to the Company.

The Intermediaries are especially barred from any form of gift or any type of benefit or advantage or promise thereof to any auditor, members of the representative bodies of entities, or their next of kin, with the purpose of influencing their independence of judgement or ensuring any advantage.

The Recipients who should learn of any violation, omission, falsification, or negligence on the part of the Intermediaries, or one of their collaborators, within the scope of their business dealings, must report such facts to the Supervisory Body.

6.6 *Criteria of Conduct in Dealings with Political Parties and Trade Unions*

The Company is entirely extraneous to any political party and trade union.

Thus, the Company does not financially support, in any manner whatsoever, any of such organizations or associations, and does not support events, demonstrations, or conventions aimed at political or trade union propaganda.

7 COMPLIANCE WITH ETHICAL PRINCIPLES

7.1 *Corporate Bodies and Members of the Supervisory Body*

The compliance with the Code of Ethics by the members of the Corporate Bodies and Supervisory Body integrates and is the expression of the obligation of diligence in the performance of the duties undertaken.

Any violation of the regulations detailed in the Code of Ethics and the Protocols of the organization, management, and control Model pursuant to Legislative Decree 231/2001 constitute a breach of the obligations deriving from the organic representation agreement in place, with the consequent application of the sanctions provided for by the law.

7.2 *Employed Staff*

The compliance of the Code of Ethics by the employed staff integrates and is an expression of the obligations of loyalty, integrity, honesty, and confidentiality in the

performance of their work agreement in good faith, and is expected by the Company including pursuant to and by effect of Article 2104 of the Civil Code.

Any violation of the regulations detailed in the Code of Ethics and the operating Protocols of the organization, management, and control Model pursuant to Legislative Decree 231/2001 shall entail the sanctions provided for in the National Collective Bargaining Agreement.

7.3 *Third Parties*

The compliance with the Code of Ethics and the Protocols of the organization, management, and control Model pursuant to Legislative Decree 231/2001 by third parties acting in the interest and to the advantage of the Company (suppliers of goods and services, intermediaries, consultants, agents) integrates the obligations to comply with the duties of diligence and good faith in negotiations and in the performance of the agreements in place with the Company.

The violation of the regulations detailed in the Code of Ethics and in the Protocols mentioned in the agreements may constitute, according to their seriousness, grounds for withdrawal or termination of the agreements in place, with every consequence of law, including compensation for damages.

8 DISCIPLINARY PROCESS AND MEASURES

The violation of the regulations of the Code, meaning any proposal of actions or conducts not compliant with the provisions of the Code or the omission of the actions and conducts therein provided, may constitute a breach of the obligations of the work agreement in place, with every consequence provided for by the applicable law and under the applicable national collective bargaining agreements, where existent, including with respect to dismissal, and may also entail the compensation of any damage the Company may suffer with respect thereto.

The types of disciplinary measures are provided under the applicable laws or national collective bargaining agreements. They shall be commensurate to the seriousness of the violation, and never such as to harm the dignity of the individual.

The disciplinary measures are issued by the competent corporate functions.

As to any non-compliance with the regulations of this Code of Ethics by consultants, proxies, providers, partners, collaborators in general, and suppliers of goods or services, the relative measures shall be contained in the agreements laying down the terms and conditions of their relationship with the Company.

