



AST CODE OF ETHICS

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1 FOREWORD

Due to the complexity of the situations in which Acciai Speciali Terni (hereinafter also referred to as “AST” or the “Company”) finds itself operating, it is important to define with the utmost transparency the set of values that Acciai Speciali Terni recognises, accepts and shares and the set of responsibilities that Acciai Speciali Terni assumes both internally and externally. This is why the Code of Ethics (hereinafter also referred to as the “Code”) has been drawn up, the observance of which by directors, employees and associates is of fundamental importance, as a guarantee of reliability in a market context in which the Company’s positive image can represent a significant competitive advantage.

This Code therefore expresses the ethical commitments and responsibilities in the conduct of business and corporate activities undertaken by the Company’s employees, whether directors or associates in any sense of the word. It constitutes, together with the Organisation and Management Model, an essential element of the system of preventive control with respect to the commission of the offences contained in the “catalogue” of offences referred to in articles 24 et seq. of the (It.) Legislative Decree 231/2001, concerning the “Administrative Liability of Legal Persons”.

1.1 The mission of Acciai Speciali Terni

Acciai Speciali Terni is one of Europe’s leading companies for the production and marketing of special steels and in particular stainless flat-rolled products, whose main mission is to create value for its shareholders and to pursue customer satisfaction and the professional growth of its human resources.

1.2 Ethical Vision - Relations with stakeholders

Acciai Speciali Terni aspires to maintain and develop the relationship of trust and to satisfy the legitimate expectations of its stakeholders, i.e. those subjects (understood in the sense of individuals, groups, organisations) who have significant relations with the company and whose interests are, for various reasons, involved in the company’s activities, in a manner consistent with its mission.

In particular, the stakeholders include shareholders, employees, external collaborators, customers, suppliers and business partners. In a broader sense, the stakeholders also include all those subjects or groups of subjects, as well as the organisations and institutions that represent them, whose interests are affected by the direct and indirect effects of Acciai Speciali Terni’s activities because of the exchange relationships they have with it or because they are significantly influenced by it, such as local and national communities, environmental associations and future generations.

This Code is characterised by an ideal of cooperation for the mutual benefit of the parties involved, while respecting the role of each. Acciai Speciali Terni therefore requires that each of the aforementioned parties acts in accordance with principles and rules inspired by a similar idea of ethical conduct.

AST has embarked on a path, as part of the global process of developing sustainability issues, consistent with the goals of the 2030 Agenda for Sustainable Development approved by the UN General Assembly.

1.3 Duty of trust

Since the Code of Ethics clarifies Acciai Speciali Terni’s particular duties towards stakeholders, its effective compliance contributes to Acciai Speciali Terni’s reputational value.

The Code of Ethics therefore consists of:

- general principles on relations with the aforementioned parties, which generally define the reference values in Acciai Speciali Terni's activities;
- business conduct criteria (Customers, Suppliers, Public Administration and other stakeholders, such as the environment and society), which specifically provide the guidelines and standards to which Acciai Speciali Terni directors, employees and associates are required to adhere in order to comply with the general principles and to prevent the risk of unethical conduct;
- relations with employees and associates;
- implementation mechanisms, which describe the system that checks compliance with the Code of Ethics and its continuous improvement.

1.4 Scope and validity of the Code

The Code of Ethics applies to the Company and is therefore binding on the conduct of its directors, employees and associates¹, who are therefore required to know and respect it, to contribute to its implementation and to report any deficiencies.

The rules contained in the Code of Ethics:

- supplement the conduct that the employee is required to observe, by virtue of the laws in force and the obligations laid down in collective and individual bargaining agreements. Compliance with the rules of the Code is an essential part of the contractual obligations of all employees under art. 2104 of the (It.) Civil Code²;
- conformed in particular to the indications contained in (It.) Legislative Decree 231/2001 concerning the "Administrative Liability of Legal Persons".

The Code of Ethics is valid both in Italy and abroad, taking into account the cultural, social and economic diversity of the various countries in which Acciai Speciali Terni operates.

Acciai Speciali Terni undertakes to facilitate and promote the knowledge of the Code by the recipients.

Any behaviour contrary to the letter and spirit of the Code will be sanctioned in accordance with the provisions of the Disciplinary System.

Acciai Speciali Terni has also adopted a Policy for the Prevention of Corruption, which is based on the same principles and whose violation will be equally sanctioned.

¹ To this end, the Board of Directors transposes the Code of Ethics (making any necessary changes) by means of a specific resolution.

² "Art. 2104: Employee diligence. Employees must use the diligence required by the nature of the work to be performed, the interest of the undertaking and the higher interest of national production. They must also comply with the instructions for the execution and discipline of work given by the owner of the undertaking and their associates on whom he is hierarchically dependent".

2 GENERAL PRINCIPLES

2.1 Honesty

Honesty is the fundamental principle for all Acciai Speciali Terni's activities, initiatives, reports and communications and is an essential element of company management.

Relations with stakeholders, at all levels, must be characterised by fairness, cooperation, loyalty and mutual respect.

2.2 Compliance with the laws

Within the scope of their professional activities, Acciai Speciali Terni's employees and associates are required to diligently comply with applicable laws, the Code of Ethics and internal regulations. In no case may the pursuit of Acciai Speciali Terni's interest justify conduct that is unlawful, or conduct that obstructs justice or, in any case, leads to making false or misleading statements to the judicial authorities.

2.3 Confidentiality

Acciai Speciali Terni ensures the confidentiality of the information in its possession, except in the case of express and conscious authorisation and in accordance with the legal regulations in force.

The information underlying business processes represents a strategic and competitive value for Arvedi AST.

Acciai Speciali Terni's employees and associates are required to ensure the confidentiality of company information and to use it only for the purposes related to the performance of their duties.

The use of company information for purposes other than the performance of their duties may constitute a breach of the fiduciary relationship underlying the employment relationship and may cause damage to the Company, with economic and legal consequences, including for employees and collaborators.

2.4 Fairness in case of potential conflicts of interest

In the conduct of any activity, situations must always be avoided where the persons involved in the transactions are, or may even just appear to be, in conflict of interest. This means that neither an employee or an associate may pursue an interest other than that of the company, or take advantage "personally", or through an intermediary, of the undertaking's business opportunities.

Similarly, a subject representing customers or suppliers, or public or EU institutions may not be favored by a conflict of interest of an employee or collaborator who acts contrary to their fiduciary duties towards AST.

2.5 Relations with shareholders and value creation

Acciai Speciali Terni creates the conditions for widespread and informed participation of shareholders in decisions within their competence, promotes equality and completeness of information and protects their interest.

Acciai Speciali Terni endeavours to ensure that the overall management of resources is such as to safeguard and possibly increase the value of the organisation.

2.6 Value of human resources

Acciai Speciali Terni bases internal relationships on dialogue, protects and promotes the value of human resources, respecting and valuing individual characteristics, in order to improve and enhance the assets and knowledge possessed by each employee.

Acciai Speciali Terni protects the physical and moral integrity of individuals and guarantees working conditions that respect dignity. Therefore, requests or threats aimed at inducing persons to act against the law and the Code of Ethics, or to behave in a manner detrimental to their moral and personal convictions and preferences, are not tolerated.

Acciai Speciali Terni supports and respects nationally and internationally recognized human rights in accordance, in particular, with the UN Universal Declaration of Human Rights, the European Convention for the Protection of Human Rights and Fundamental Freedoms, the Charter of Fundamental Rights of the European Union (CFREU) and the ILO (International Labour Organization) Convention.

Acciai Speciali Terni strictly rejects all forms of child labour.

Acciai Speciali Terni rejects all forms of forced, compulsory or coercive labour, such as requiring personnel to pay “deposits” at the beginning of employment, or withholding amounts of employees’ wages, pay benefits, property or documents.

2.7 Health, safety and environment

Acciai Speciali Terni recognizes health and safety of its employees as a fundamental principle in carrying out its activity.

Acciai Speciali Terni undertakes to ensure safe and healthy working conditions for its employees and associates, aimed at their physical and moral integrity, working conditions that respect individual dignity and safe and healthy workplaces.

The environment is a primary asset that Acciai Speciali Terni is committed to safeguarding.

To this end, the Company plans its activities by seeking a balance between economic initiatives and environmental needs and is committed to preventing risks to the population and the environment in compliance with current regulations.

Acciai Speciali Terni adopts and maintains appropriate management systems aimed at identifying, preventing and reacting to any risk situations, in order to ensure the health and safety of all personnel.

Acciai Speciali Terni has always been careful to ensure that the subject of health and safety in the work areas under its jurisdiction is concretely implemented and respected.

This attention starts from the full awareness that the work activity carried out inside steel plants is, due to the characteristics of the locations and operations carried out within them, potentially dangerous.

The hypothetical hazards to which workers in the steel industry may be exposed (thermal, chemical, acoustic, crushing, spinning, etc.) must be carefully identified and monitored.

To this end, a Risk Assessment Document (Italian DVR) has been prepared, pursuant to art. 28 of (It.) Legislative Decree 81/2008, which analysed each hypothetical actual and/or potential risk has been analysed - at the time the document was expanded - that Acciai Speciali Terni workers might face. This document is constantly reviewed, also taking into consideration any experience gained that suggest the need to increase the level of safety within the company.

In Acciai Speciali Terni a corporate Organisation Chart has been prepared, formally defining the roles within the Company according to a hierarchical structure, governed by a system of powers of attorney and proxies regarding workplace health and safety, which are necessary to identify the individuals who ensure the proper and widespread implementation of the established provisions and principles.

Extremely important is also the activity of informing and training workers, punctually carried out by Acciai Speciali Terni, in order to implement, in the broadest and most complete manner possible, compliance with legislation on occupational health and safety and environmental protection. This activity is implemented when each worker is hired and upon transfers, job changes, introduction of new work equipment, technologies, potentially dangerous substances or preparations. In addition, workers are also required to periodically attend refresher courses.

The work activity is then regulated through specific internal documentation (e.g. Procedures, Standard Operating Practices), which guides the worker in the performance of their activity through the execution of individual operations, in order to prevent the occurrence of an accident or exposure to substances, temperatures, noises and other things that may cause them an illness.

Acciai Speciali Terni pays particular attention so that each worker is provided with and uses the Personal Protective Equipment (PPE), required by the law; for this purpose, workers are equipped with these devices from the first moment they begin to carry out activities within the establishments and are trained to ensure that these accident prevention measures are correctly and thoroughly used.

Particular attention is then paid to the activity carried out within the Production Sites, through the use of contracts, which must be awarded to individuals/companies on the basis of their proven ability and not exclusively according to a criterion of savings; the contractor's awareness is then raised, before starting any task, so it operates through punctual compliance with the rules governing the subject matter of this chapter.

2.8 Impartiality

Acciai Speciali Terni does not allow any form of discrimination in internal and external relationships.

In decisions affecting relations with all stakeholders, the Company operates without any discrimination on the basis of gender, age, skin color, culture or ethnic origin, sexual orientation, disability, religion, beliefs or any other condition that could give rise to discrimination.

2.9 Responsibility to society

Acciai Speciali Terni is aware of the (indirect) influence that its activities can have on the conditions, economic and social development and general wellbeing of society, as well as the importance of social acceptance by the communities in which it operates. For this reason, Acciai Speciali Terni intends to conduct its investments in an environmentally sustainable manner, respecting local and national communities.

Sustainability is a fundamental value for Acciai Speciali Terni, which, since 2019, has prepared and published its Sustainability Report: a choice of transparency and social responsibility towards stakeholders and the territory.

3 BUSINESS CONDUCT

In its business relations, Acciai Speciali Terni is inspired by the principles of loyalty, fairness, transparency, efficiency and openness to the market.

Acciai Speciali Terni's employees and associates, whose actions may be in some way referable to Acciai Speciali Terni itself, must follow proper conduct in business dealings with private counterparts and in relations with the Public Administration and with the bodies of the European Communities, regardless of the market competitiveness requirements and the importance of the business being transacted.

3.1 Fighting corruption

Aware of the negative impact that corruption can have on social and economic progress, as well as on business, Acciai Speciali Terni therefore does not tolerate any form of corruption.

In particular, all behaviours consisting in offering, promising, paying, receiving, demanding, authorising – directly or indirectly – undue benefits of any nature (such as goods, money or other benefits) that may be deemed such as to unlawfully influence the relations between AST and its counterparties, be they public or private, are prohibited.

With the aim of reinforcing and communicating its commitment against all forms of corruption, the Company has drawn up its own Prevention of Corruption Policy, which AST makes available to all its stakeholders, requesting compliance therewith.

3.2 Conflict of interest

Acciai Speciali Terni's employees and associates must avoid all situations and activities in which a conflict may arise with the interests of the company or which may interfere with their ability to make impartial decisions in the best interests of the company and in full compliance with the rules of the Code. Any situation that may constitute or lead to a conflict of interest must be promptly reported to the employee's superior. In particular, all Acciai Speciali Terni's employees and associates are required to avoid conflicts of interest between personal and family business activities and the duties they hold within the structure they belong to. By way of a non-limiting example, the following situations give rise to conflicts of interest:

- economic and financial interests of the employee and their family members in the activities of suppliers, customers and competitors;
- using one's position in the Company or information acquired in one's work in such a way as to create a conflict between one's personal interests and the interests of the Company;
- carrying out work of any kind with customers, suppliers, competitors;
- accepting money, favours or benefits from persons or companies that are or intend to enter into business relations with Acciai Speciali Terni.

3.3 Gifts, gratuities and other forms of benefits

It is not permitted for Acciai Speciali Terni's employees and associates to pay or offer, directly or indirectly, money and material benefits of any kind to third parties, to public officials and persons in charge of a public service, to officials of EU bodies, to private individuals, in order to influence or compensate them for an act of their office.

Gifts or forms of hospitality are permitted, when they are of modest value (indicatively not exceeding € 50, or even less in the case of invitations if the recipient is a public official) and in any case such as not to compromise the integrity or reputation of one of the parties and not to be interpreted, by an impartial observer, as aimed at acquiring improper advantages. In any case, this type of expenditure must always be authorised by the department mentioned in the procedures and documented appropriately.

Any employee or associate who receives gifts or favourable treatment not directly attributable to normal courteous relations shall inform their supervisor, for the adoption of the appropriate measures.

3.4 Charitable acts in favour of communities

In the case of charitable acts, such as donations and contributions, to organisations operating in the social or non-profit field, special attention will be paid to any possible conflict of interest of a personal or corporate nature when choosing the proposals to support.

The transparency of each donation must be guaranteed. It is therefore necessary to know the recipient of the donation and it is always advisable to transparently ensure the reason for the donation, as well as to trace the use of the donation.

Certain donations are prohibited in any case, including donations:

- to natural persons or profit-making organisations;
- on private accounts;
- to organisations whose purposes are not compatible with Acciai Speciali Terni's business principles.

3.5 Compliance with reference standards

Acciai Speciali Terni adopts a corporate governance system that complies with the provisions of the law and is primarily aimed at:

- achieving maximum transparency towards the company's stakeholders;
- controlling management risks;
- meeting the legitimate expectations of shareholders.

3.6 Relations with customers

Acciai Speciali Terni pursues its mission by offering quality products on competitive terms and in compliance with all regulations to protect fair competition.

Acciai Speciali Terni recognises the appreciation of those who demand products as fundamental to its business success. Employees and associates of Acciai Speciali Terni are obliged to:

- comply with internal procedures for managing customer relations;
- provide, with efficiency, courtesy and timeliness, within the limits of the contractual provisions, high quality products that meet the customer's reasonable expectations and needs;
- provide accurate and comprehensive information about products and services so that customers can make informed decisions;
- adhere to the truth in advertising or other communications.

3.7 Relations with suppliers

In contracting, procurement and, in general, the supply of goods and services, Acciai Speciali Terni's employees and associates are required to:

- comply with internal procedures for selecting and managing relations with suppliers;
- consistently with the selection procedures adopted, not preclude any supplier company meeting the requirements from competing for the award of a supply contract from Acciai Speciali Terni, adopting objective evaluation criteria in the selection, according to declared and transparent procedures;

- observe the contractual terms and conditions;
- maintain a frank and open dialogue with suppliers, in line with good business practice.

All suppliers are obliged to comply with current labour legislation, with particular attention to:

- child labour, women's labour, immigration and all so-called weak and/or protected categories;
- health and safety conditions, trade union rights or rights of association and representation.

3.8 Public Administration

3.8.1 Relations with the Public Administration

Relations with Public Institutions, EU Bodies, public officials and persons entrusted with a public service are reserved exclusively to the corporate departments and responsibilities delegated thereto.

Acciai Speciali Terni, through its employees or associates, must not give, promise or offer to public officials, persons in charge of a Public Service or employees in general of the Public Administration or other Public Institutions, money, goods or other utilities to promote and favour its interests and take advantage of them.

It is therefore forbidden to give any form of gift to public officials or persons in charge of a public service, of any kind, whether Italian or foreign, or to their family members, even through intermediaries, such as to influence the independence of judgement or induce them to ensure any advantage to Acciai Speciali Terni. This rule does not allow for exceptions even in those countries where offering valuable gifts to business partners is considered customary.

Any employee or associate who receives, directly or indirectly, proposals of benefits, against disbursement or promise of money, goods or other benefits, from public officials, persons in charge of a public service or employees in general of the Public Administration or other Public Institutions that constitute such an offence, shall inform their Manager, for the adoption of the appropriate measures.

3.8.2 Correct information to the Public Administration

All relations with State institutions, national, EU or international bodies, are exclusively attributable to forms of communication aimed at explaining Acciai Speciali Terni's activities, responding to informal requests or acts of inspection or, in any case, making the Company's position on relevant issues known.

Furthermore, it is forbidden for directors, employees and associates of the company and third parties to:

- falsify and/or alter accounts in order to obtain an undue advantage or any other benefit for the company;
- falsify and/or alter documentary data in order to obtain favour or approval for a project that does not comply with the relevant regulations;
- allocate public funds for purposes other than those for which they were obtained.

3.8.3 Antitrust and regulatory bodies

Acciai Speciali Terni fully and scrupulously complies with the rules issued by the Market Regulatory Authorities, does not deny, conceal or delay any information requested by the antitrust authorities and other regulatory bodies in their inspection functions, and actively cooperates during the course of investigative procedures, avoiding to prevent or hinder the performance of control activities.

3.9 Relations with society

3.9.1 Relations with trade unions

Acciai Speciali Terni does not make contributions, whether direct or indirect and in any form, to political and trade union parties, movements, committees and organisations, or to their representatives and candidates, except for those due under specific regulations.

3.9.2 Relations with the mass media

Information to the outside world must be truthful and transparent. Relations with the mass media are reserved exclusively for the corporate departments and responsibilities delegated thereto.

Employees and associates may only provide information to representatives of the mass media with the prior authorisation of the competent departments.

Unauthorised disclosure of company information is a breach of the fiduciary relationship underlying the employment relation and may cause damage to the Company with economic and legal consequences, including for employees and contractors.

In no manner or form may employees and associates give or promise money, gifts or other advantages aimed at influencing the professional activities of the mass media, or which may reasonably be interpreted as such.

3.10 Health, safety and the environment

As part of its activities, Acciai Speciali Terni is committed to contributing to the development and wellbeing of the communities in which it operates, pursuing the objective of ensuring the safety and health of employees, contractors, customers, suppliers and the communities affected by its activities and reducing its environmental impact.

Industrial activities must be managed in full compliance with current legislation on the prevention and protection of people and the environment.

Operational management must refer to advanced environmental protection and energy efficiency criteria while pursuing the improvement of occupational health and safety conditions.

Research and technological innovation must be dedicated in particular to the promotion of products and processes that are increasingly compatible with the environment and the health and safety of operators.

Employees and associates, within the scope of their duties, participate in the process of risk prevention, environmental protection and health and safety protection for themselves, their colleagues and third parties.

Everyone is obliged to strictly observe all precepts governing occupational health and safety and coexistence in the workplace.

3.11 Transparency of corporate accounting

Accounting transparency is based on the truth, accuracy and completeness of the basic information for the relevant accounting records. Each person concerned is required to cooperate to ensure that management performance is correctly and promptly represented in the accounts.

Adequate supporting documentation of the activity performed must be kept on file for each transaction to enable:

- easy bookkeeping;
- the identification of different levels of responsibility;
- accurate reconstruction of the transaction, also to reduce the likelihood of misinterpretation.

Each record must reflect exactly what is shown in the supporting documentation. It is the duty of every employee and associate to ensure that documentation is easily traceable and ordered according to logical criteria.

In addition, the transparency, accuracy and completeness of financial statement information are of particular importance.

3.12 Prevention of money laundering and terrorism financing

Acciai Speciali Terni fulfils its obligations with regard to the prevention of money laundering and does not lend itself either directly or indirectly to money laundering and terrorist financing activities.

Each employee, in case of doubt, must contact the relevant financial manager and/or the Legal or Compliance Department to have unusual financial transactions checked, particularly if they are cash payments that could give rise to the suspicion of money laundering.

4 RELATIONS WITH EMPLOYEES AND ASSOCIATES

4.1 Human Resources management policies

Human resources are an indispensable element for the existence of the company. The dedication and professionalism of employees and associates are decisive values and conditions for achieving Acciai Speciali Terni's objectives.

Acciai Speciali Terni is committed to developing the skills and competencies of each employee and associate and to offering equal employment opportunities, ensuring that everyone is treated on the basis of merit, without any discrimination. The competent departments must:

- adopt merit, competence and otherwise strictly professional criteria for any decision concerning an employee;
- select, recruit, train, remunerate and manage employees and associates without any discrimination, promoting workforce inclusion and diversity;
- create a working environment in which personal characteristics cannot give rise to discrimination;
- not use, threaten to use, or condone disciplinary practices that undermine the dignity of workers;
- ensure fair working hours that comply with applicable law and industry standards on working hours, overtime, vacations and paid vacations.

Acciai Speciali Terni interprets its entrepreneurial role, both in the protection of working conditions and in the protection of the psycho-physical integrity of the employee, respecting their moral personality, preventing them from suffering unfair pressure or undue hardship. Acciai Speciali Terni is committed to complying with current labour legislation, with particular attention to child labour, women's labour and that of all so-called weak and/or protected categories, trade union rights or, in any case, rights of association and representation. It is also committed to compliance with the legislation on illegal immigration and the status of foreigners.

Acciai Speciali Terni expects its employees and associates, at every level, to cooperate in maintaining a climate of mutual respect for the dignity, honour and reputation of each individual in the company. Acciai Speciali Terni shall intervene to prevent physical abuse, harassment of any kind, interpersonal attitudes that are insulting or defamatory and in any case harmful to the personality of others.

4.2 Compensation policy

Acciai Speciali Terni pays its workers fairly, regularly and on time. The Company does not apply any kind of wage discrimination, inappropriate deduction and adequately rewards overtime.

In particular, AST guarantees:

- a) the legal minimum wage applicable to all workers or the wage established by a collective agreement, whichever is higher. In the absence of legal minimum wage and collective agreement, the site pays the prevailing industry standard. The site also pays all benefits required by law or contract;
- b) equal pay for work of equal value;
- c) adequate remuneration for overtime;
- d) payment of workers only in monetary terms and in full.

4.3 Protection of privacy

The privacy of employees and associates, in compliance with the law and in particular with the principles of lawfulness, fairness and transparency set out in EU Regulation 2016/679, is protected through operational standards specifying the information received by employees and associates and the way it is processed and stored.

These standards also provide for the prohibition, except in cases provided for by law, of disclosing and/or disseminating personal data without the prior consent of the data subject. Any investigation into the ideas, preferences, personal tastes and private lives of employees and associates is forbidden.

The personal data of employees and associates are collected for specified, explicit and legitimate purposes.

4.4 Health and safety

Acciai Speciali Terni is committed to consolidating and further disseminating a culture of safety, developing risk awareness, promoting responsible behaviour by all workers, all in order to preserve their health and safety.

4.5 Development and training of employees and associates

All the professional skills present in the structure are enhanced through the use of levers for the development and growth of human resources. To this end, Acciai Speciali Terni's corporate policies are aimed at creating and maintaining the conditions necessary for the skills and knowledge of each employee and associate to be enhanced and expanded.

4.6 Duties of employees and associates

Acciai Speciali Terni's employees and associates must act loyally in order to comply with the obligations entered into in the employment contract and the provisions of the Code, ensuring the required performance.

4.6.1 Information management

Employees or associates must be familiar with and implement the provisions of the company's information security policies to ensure the integrity, confidentiality and availability of information.

4.6.2 Use of company assets

Acciai Speciali Terni's employees and associates are required to work diligently to protect corporate assets, through responsible behaviour and in line with the operating procedures governing their use. In particular, Acciai Speciali Terni's employees must:

- use the assets entrusted to them with due care and diligence;
- avoid misuse that may cause damage or reduction of efficiency or otherwise contrary to the interest of the Company.

With regard to computer applications, all employees and associates are obliged to:

- scrupulously adopt the provisions of company policies and procedures, so as not to compromise the functionality and protection of information systems;
- not send e-mail messages that may cause offence to a person and/or damage the corporate image;

- use Internet sites that are exclusively related and useful to the performance of their main activity, with specific reference to the offences provided for by (It.) Law 48/2008 as amended.

4.7 Relations with associates

Employees (including consultants, representatives, intermediaries, agents, etc.) are asked to comply with the principles contained in the Code. To this end, each employee, in relation to their duties, shall:

- observe the principles and internal procedures for selecting and managing relations with associates;
- select only qualified persons and companies;
- take into account any information on the appropriateness of using certain employees;
- promptly report possible violations of the Code by associates to their superior;
- include in external collaboration contracts, when provided for in the procedures, the express obligation to abide by the principles of the Code.

In any event, the remuneration to be paid shall be exclusively commensurate with the performance specified in the contract and payments may not be made to a party other than the other party to the contract or in a third country other than that of the parties or of performance of the contract.

5 SYSTEM OF CONTROL AND WAYS OF IMPLEMENTING THE CODE OF ETHICS

5.1 Control system

It is Acciai Speciali Terni's policy to disseminate a culture characterised by an awareness of the existence of controls at various levels, internal and external, understood as tools that contribute to improving efficiency.

Internal controls are defined as all the tools necessary or useful to direct, manage and verify the company's activities with the aim of ensuring compliance with laws and company procedures, protecting company assets, efficiently managing activities and providing accurate and complete accounting and financial data.

The internal control system as a whole must reasonably ensure:

- compliance with the applicable laws, procedures and the company's Code of Ethics;
- compliance with company strategies and policies;
- the achievement of the objectives set;
- the protection of company assets, both tangible and intangible;
- the effectiveness and efficiency of business management;
- the reliability of internal and external accounting and management information.

The responsibility for implementing an effective internal control system is common to every level of the organisational structure; consequently, all Acciai Speciali Terni's employees and associates, within the scope of their functions, are responsible for the definition and proper functioning of the control system.

The following bodies are responsible for verifying the presence, effectiveness and functionality of the control system:

- the Board of Statutory Auditors;
- the Supervisory Body;
- the Group Internal Auditing Department;
- the Group Compliance and Governance Department;
- the Quality Assurance Department;
- the Risk Manager.

5.2 Tasks of the Supervisory Body in the implementation and control of the Code of Ethics

With regard to the Code of Ethics, the Supervisory Board has the following tasks:

- periodically reporting to the Board of Directors on the implementation of the activities carried out, pointing out any significant breaches of the code;
- expressing opinions on the consistency of the most relevant company policies and procedures with the Code of Ethics;
- taking steps, with the support of the competent corporate functions, for the periodic review of the Code of Ethics.

To this end, the Supervisory Board assesses:

- the communication and ethical training plans of stakeholders;
- the criticalities that emerged from the activity of verifying compliance with the Code of Ethics.

In addition, the Supervisory Board is assigned the following tasks:

- monitoring initiatives to disseminate knowledge and understanding of the Code of Ethics. In particular: ensuring the development of ethical communication and training activities; analysing proposed revisions of corporate policies and procedures with a significant impact on corporate ethics and preparing solution hypotheses to be submitted to the internal control committee for evaluation;
- receiving and analysing reports of violations of the Code of Ethics;
- proposing to the Board of Directors any amendments and additions to be made to the Code of Ethics.

These activities are carried out with the support of the internal control and corporate departments concerned and, in addition, with free access to all documentation deemed useful.

5.3 Communication and training

The Code of Ethics is brought to the attention of stakeholders through appropriate communication activities.

In order to ensure that the Code of Ethics is correctly understood by all the Company's employees and associates, Acciai Speciali Terni's Human Resources Department prepares and implements, also based on the indications of the head of the Supervisory Board, an annual training plan aimed at fostering awareness of the principles and ethical standards. The training initiatives are differentiated according to the role and responsibility of the employees and associates; for new recruits, a special training programme is planned that illustrates the contents of the Code, compliance with which is required.

5.4 Reports of stakeholders

Acciai Speciali Terni establishes communication channels through which stakeholders can address their concerns. In particular, from the Company's website (www.acciaiterni.it) it is possible to access the whistleblowing web platform made available by the Arvedi Group. This system allows stakeholders to report potentially unlawful conduct, while guaranteeing the protection of the reporting person, in terms of confidentiality and non-retaliation, in accordance with European and Italian law.

Alternatively, all stakeholders may report, in writing and not anonymously, any violation or suspected violation of the Code of Ethics to Acciai Speciali Terni's Supervisory Body, which, in case of well-founded report, will analyse it by carrying out and/or requesting all necessary investigations.

Acciai Speciali Terni's Supervisory Board acts in such a way as to protect whistleblowers against any type of retaliation intended as an act that could give rise even to the mere suspicion of being a form of discrimination or penalisation (for example, for suppliers: interruption of business relations, for employees: failure to promote, etc.). The confidentiality of the reporting person's identity is also ensured, without prejudice to legal obligations.



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