



Centro Servizi Metalli Group Code of Ethics and Conduct

Approved by resolution of the Board of Directors on 23-04-2012



Centro Servizi Metalli Group Code of Ethics and Conduct

Our Code of Ethics and Conduct

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1. Presentation

The CSM Group is a European leader in the manufacture and distribution of stainless and special steels and is an important point of reference for a customer base that spans a wide variety of industrial sectors (chemical, petrochemical, pharmaceutical, food machinery, packaging, shipping, water treatment, nuclear, and so on).

2. Introduction

Ethical conduct, that respects the laws and the values of people and cultures with which our organization has chosen to have commercial and social relations, must be a strategic choice for us. This is in order to respect the personal convictions of all the individuals who collaborate with the organization, to reduce business risks and to continually improve the value and reputation of the organization.

This code is structured in three parts.

The first defines the objectives and the rules under which the code is compiled and updated.

The second defines the organization's values and rules of conduct to be followed in everyday activities.

The third section relates to the reporting of possible violations and the corresponding penalties.

Given the prescriptive nature of the document, the text is drawn up using the verb “*must*”.

This Code is applicable from the date of its approval by the Board of Directors. On the same date, a procedure was also defined for informing and training all the subjects involved and for adapting contracts to include strict compliance with the Code as an essential condition for a relationship with our company. This document can be integrated with specific rules and regulations that are to be considered as complementary to the rules of conduct described below, which may not, however, be derogated in any way.

This code must also be understood as an instrument prepared for the prevention of possible crimes, and consequently, as applicable, also for the purposes of application of Legislative Decree 231 of 2001, pursuant to which this code is supplemented by the organization and management models provided for by Articles 6 and 7 of the aforementioned decree, explicitly in the form of manuals or documented operating procedures.

A copy this code is available to everyone at the company and to anyone who may request it.



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3. Objectives of the code and organizational models

The Code of Ethics and Conduct was prepared to provide values, clear rules and a guide for those who work and collaborate with our organization.

The ethical code is a solid commitment to respect the needs of all the stakeholders, with the primary purpose of preventing misconduct and the commission of crimes. This code was designed as a tool for growth and for the prevention of possible misconduct and the commission of crimes.

The code was commissioned and approved by the Board of Directors and is reviewed periodically. If necessary, it is supplemented by operational procedures for the management of particular activities. The Board of Directors is responsible for its effective application and its availability to the stakeholders.

The members of the Board of Directors, executives and senior managers must lead by example in the application and dissemination of the code. For this reason, the sanctions against them must always be the most severe.

The Board of Directors supervises the code and must be involved in all issues regarding its application and interpretation. It is also responsible for any information on the code both inside and outside the organization.

Any exemption granted to a worker or any particular situation decided must be subsequently granted to everyone without discrimination, in a transparent and documented way.

All personnel, contractors and suppliers must accept this code.

This code must not in any way violate the fundamental rights of workers.



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4. Commitments

4.1 Relations with the market

Commercial activity must always be based on respect for the operators in the market and respect for the rules of fair play with competitors.

Communications and contracts for customers of the CSM Group must be clear and simple, formulated in a language that is as close as possible to that normally used by the interlocutors, and must conform to the regulations in force, to avoid the creation of elusive or improper practices. They must also be complete, so that no elements important for the decision of the customer will be overlooked.

The conduct of the personnel of the CSM Group towards customers is characterized by helpfulness, respect and courtesy, in the perspective of a collaborative and highly professional relationship.

Lobbying activity must be transparent, clearly identifiable and associated with the protection of the values of this Code.

No worker must exploit situations or events related to the company for his or her own benefit. In particular, no relevant or significant financial investments may be held in companies with a possible conflict of interest. Limits are defined and agreed upon periodically; exceptions must be approved by management. This principle also applies to matter such as the granting of loans, guarantees, mortgages or subsidized rents.

4.2 Relations with the Public Administration

Conduct with officials of the public sector must be respectful of their code of conduct, with which all personnel undertake to familiarise themselves. Under no circumstances must the impression be given that the activities are related to an exchange of favours or similar conduct. This principle also applies in regard to parties, representative entities or other entities with a collective purpose.

No person in the CSM Group must give money or provide economic benefits or other types of benefits to individuals in the Public Administration, in order to obtain commissions or other benefits, whether personal or for the Company.

In carrying out operations and pursuing relations with the Public Administration, individuals must guarantee maximum transparency and traceability of the relevant information.

Particular caution must be observed in operations relating to authorizations, concessions, licenses, or any requests for funding from public (regional, national or community) sources.

In the event that the CSM Group needs to avail of the professional services of Public Administration employees, acting as consultants, the applicable law must be observed.



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4.3 External Communication

All forms of communication must be aimed at meeting the information needs of all the stakeholders, must be truthful, accurate, not misleading, and based on the principle of prudence and respect for the values of the community.

4.4 Sponsorship and gifts

Any event organized, promoted or sponsored must always have a predominantly professional dimension or a social purpose. This principle must also be applied to events of corporate life and for the development of our company, such as meetings or technical activities. In order to guarantee transparency, such events must always be recorded in detail.

The personnel of CSM Group must never ask for gifts or favours of any kind and the conduct of the personnel may never be influenced by these. Gifts or equivalent forms of benefit may be accepted or offered if they are consistent with: the normal commercial and company practices and customs, with the value of the business relationship in course and never above the lifestyle of the individual concerned.

This principle also applies to forms such as donations in cash or in kind, sponsorships, invitations or benefits of any type. Any exemptions, including those for countries where different cultural situations prevail, must be expressly approved by Management.

4.5 Use of corporate assets

All work tools provided by the company must in no way be used for purposes inconsistent with the objectives of this code or for personal purposes.

4.6 Suppliers and partners

Suppliers must always be selected and evaluated according to objective and verifiable criteria. Purchasing must be carried out on the basis of clear contracts and the most economically favourable performance.

Records must be kept to demonstrate such activity.

4.7 Health and safety

All laws on health and safety in the workplace must be implemented, with the aim of preventing risks, accidents and occupational diseases. Any problems must be corrected and prevented from being repeated with the aim of improving risk levels.



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4.8 Relations between employees and contractors

The employment relationship must always be characterized by cooperation and transparency, in order to improve the quality of the work and the working environment. All forms of violation of human rights and those of their associations must be avoided+.

4.9 Environment

All legal provisions on environmental protection must be observed, all negative environmental impacts and environmental externalities must be minimised and, where possible, best practices must be applied and positive aspects improved.

4.10 Public funds

These must be used always and exclusively for the purpose for which they were granted. Activities financed of significant value must be subject to a specific accounting and destination auditing carried out by a qualified and independent individual.

4.11 Respect for individuals and the community

Individual rights must be respected, as must diversity, avoiding all forms of discrimination. Specific checks must therefore be implemented in order to prevent illegal or unethical conduct. In no way must links be created with persons or organizations that pursue terrorist purposes.

4.12 Confidentiality of information and protection of copyright

All confidential information or potentially confidential information regarding commercial activity or aspects of a personal nature must always be considered as confidential and must not be divulged in any way, even after termination of the employment or contractual relationship. Legal obligations are excluded.

Despite a positive approach to the dissemination of knowledge, the rules on intellectual property and patent protection must be observed, with particular reference to software and intellectual work.



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5. Provisions and Sanctions

Any violation or infringement of the provisions of this code shall be penalized in accordance with the provisions of labour law in its most severe forms, according to the contractual obligations and in accordance with the contractual provisions in force.

5.1 Reporting

All personnel and all stakeholders may report, even anonymously, any danger of a breach of this Code to management or the relevant control bodies, who must deal with the report immediately and do everything possible to solve the problem, including the involvement of public authorities. No action or discrimination must be taken against the person who reported the violation, even if it is unfounded and in good faith. The highest level of confidentiality must be guaranteed for the personnel involved.

Reports can be sent to: odv.ita@csmetalli.com



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6. Guidelines for the application of the Code of Ethics and Conduct

This (internal) document provides a list of guidelines approved by the Board of Directors for the proper and above all effective application of the Code of Ethics and Conduct. The aim of the document is to make the commitments established by the code for the stakeholders part of a management system aimed at the documented demonstration of compliance with those commitments. These guidelines were also prepared in order to facilitate internal auditing activities.

All the following guidelines have been approved by the Board of Directors and the operational structure is responsible for putting them into practice and implementing the necessary actions, informing top management, if necessary, of any problems in applying them and of possible opportunities for improvement.

1. The code must be reviewed at least annually and a proper record of the review must be kept that must include all aspects of these guidelines.
2. Adequate information and training must be provided to personnel at all levels (management, workers and contractors) on the content of the document with particular attention to incoming staff (new hires) and the possible penalties for non-compliance.
3. It must be inserted as a general condition in all contractual relationships according to the requirements and in relation to the risks for our organization.
4. The code must be supplemented, as necessary, by operational procedures, for example regarding management of documentation and related records or communication and response to requests for clarification deemed to be important. The procedures must indicate responsibility and authority for the specified activities.
5. Periodic internal audits must be conducted at least annually (according to international auditing rules) to monitor the effectiveness of the code.
6. Any non-compliance in the application of the code must be resolved and the causes must be examined in order to prevent any recurrence. Such corrective actions must be documented
7. If necessary, indicators must be studied for monitoring the processes that can be linked to compliance with the commitments specified by the Code.
8. A documented procedure must be established for handling reports that allows protection of the reporting party and evidence that top management is aware of the events.