

PADANA TUBI & PROFILATI ACCIAIO S.P.A.

CODE OF ETHICS

APPROVED BY THE BOARD OF DIRECTORS ON 21/12/2018

PADANA TUBI E PROFILATI IN ACCIAIO S.P.A.

REGISTERED OFFICES IN GUASTALLA (RE), VIA PORTAMURATA, 8/A,
42016

VAT No.: 00323370353

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- FOREWORD -

Padana Tubi & Profilati Acciaio S.p.A. (hereinafter also “Padana Tubi” or “the Company”) was established in Guastalla by the Alfieri family in 1970 for the initial purpose of manufacturing welded tubes made of carbon steel.

Another facility dedicated to the production of stainless steel tubes was built in 1989. As the internal lines continued to increase, additional facilities were built to cope with the expanding range of steel tubes, a further diversification as to the types of raw materials used and the considerable number of additions to the range of finished products.

The Company has now achieved an important standing and a high degree of credibility on the European markets.

Focus on the quality of the raw materials, use of leading-edge technologies for the production processes, customer care, priority attention to the quality and safety of the workplace all help towards maintaining a competitive position of leadership on the major target markets.

Part I

1. FIELD OF APPLICATION AND RECIPIENTS

The purpose of this Code of Ethics is to clearly and unequivocally enshrine the principles to be complied with by all those who, within the Company, are responsible for representing, directing or managing the concern, all employees without exception, the external personnel and anyone else who directly or indirectly, permanently or temporarily entertains relations with the Company, or who works in pursuit of the Company goals (e.g. customers, business partners, suppliers, consultants, institutions and public bodies), hereinafter known as "Recipients".

All Company activities are based on the strictest compliance with principles of legality, impartiality, propriety, transparency, confidentiality, diligence, loyalty and good faith.

The Recipients must be in a position to know the contents of the Code of Ethics and the employees of the Company are also called upon to actively contribute towards ensuring their strict compliance, to the extent of their area of competence.

Every action, operation, negotiation and, more generally, every activity implemented by the Company employees must conform to the rules of fair management, transparency, completeness and truthfulness of the information.

More specifically, the employees are obliged to:

- diligently comply with the provisions established by the Code of Ethics and refrain from all conduct that may be in conflict with those provisions;
- inform third parties who enter into relations with the Company about the ethical rules of the Code of Ethics.

The Company undertakes to impose penalties, on a consistent, impartial and uniform basis, that are in proportion to any breaches of the Code that may occur and that, in any case, are in accordance with the current laws governing labour relations and with the applicable national collective bargaining agreements.

Part II

2. ETHICAL PRINCIPLES

In order to achieve its statutory aims, the Company draws on the following ethical principles (hereinafter known as “Principles”):

- lawfulness;
- fairness;
- transparency and correctness;
- loyalty and good faith;
- worth of the individual and of the human resources;
- confidentiality and privacy protection;
- prevention of conflict of interest;
- occupational safety and protection of the environment;
- protection of competition;
- prevention of money laundering;
- prevention of corruption;
- mitigation of computer crime;
- safeguarding of intellectual property;
- correct management of public funding;
- correct management of sponsorships.

2.1. Lawfulness

The behaviour of the Recipients during the working and professional activities performed for the Company is based on the most stringent compliance with the applicable laws and regulations and is inspired by principles of lawfulness, honesty, correctness and transparency.

The Company does not uphold, neither does it entertain relations with organizations, associations or movements which pursue, either directly or indirectly, aims prohibited by law.

2.2. Fairness

The Recipients must work in an impartial way in the interests of the Company, in all the different activities they perform for the Company itself and in all the relative decisions (among which, but merely by way of example, recruitment and hiring of personnel or work organization, selection and management of suppliers, etc.), which must be taken with independence of judgement, transparency and according to objective and neutral assessment criteria.

2.3. Transparency and correctness

Actions, operations and negotiations are based on the maximum transparency, correctness and reliability criteria.

More specifically, every action, operation and transaction must be properly recorded in the company accounting system in accordance with the criteria laid down by law and the applicable accounting rules. Such actions, operations and transactions must also be duly authorized and be verifiable, legitimate, consistent and appropriate.

Adequate and complete supporting documentation of the activities performed must be kept in the Company records to ensure that each of the items recorded in the accounting documents conforms to truthfulness, completeness and transparency requirements. Such documentation must therefore be readily available and filed according to logical criteria.

In carrying out their business activities, the Recipients are obliged to provide transparent, truthful, complete and accurate information also outside the Company and to refrain from spreading false information.

2.4. Loyalty and good faith

Loyalty and behaviour according to the principles of good faith in a spirit of respect and mutual cooperation are required in the performance of the professional activities, as well as fulfilment of the undertaken contractual obligations and services required.

No worker may misuse the company assets or resources or employ them for personal purposes or permit others to do so. The working tools must only be used for Company purposes.

2.5. Worth of the individual and of the human resources

For Padana Tubi, human resources are an imperative and precious value for its development.

The Company protects the value of the human person. True to this criterion, the Company does not tolerate any discriminatory or intimidating conduct, any form of harassment and/or personally insulting or sexually offensive behaviour. Thus the Company undertakes to guarantee that discrimination based on age, sex, sexual orientation, race, language, nationality, political or union-based opinions, religious convictions or other personal characteristics not related to work has no place in the working environment.

The Company adopts merit-based criteria and enhancement of the capabilities, skills and potential of individuals in its recruitment and personnel management policies.

The Company guarantees equal opportunities for all employees and is committed to a management style exercised with fairness and correctness, avoiding all forms of abuse.

Each individual is required to contribute towards and to maintain a safe, serene working environment which is conducive to both interpersonal and professional relations on a footing of equality and reciprocal correctness, with respect for the freedom and dignity of the individual.

In addition, the Company invites its employees to refrain from any form of behaviour which could compromise the relationship of trust between the author and the Company in that said transgression was solely planned in order to commit an offence.

2.6. Confidentiality and Privacy protection

Padana Tubi acknowledges that confidentiality is essential in any rule of conduct. Thus the Company guarantees that the information in its possession is treated in a confidential way and that it does not use confidential data, except in the case of express and informed authorization, and always in strict compliance with the personal data protection laws in force.

The Company databanks may contain personal data, data which cannot be disclosed due to business agreements and data, the inappropriate or untimely disclosure of which could be damaging to company interests. For these reasons, the Company will work to ensure that such information is processed in accordance with the laws and provisions laid down by the Data Protection Authority.

Passing on to third parties of information must be performed - for business or working reasons - exclusively by authorized parties and, in any case, in compliance with the laws in force and in accordance with the principles of equal and concurrent information. The confidential nature of the information must be expressly declared when confidential information is passed on to third parties along with a request to these latter to comply with the confidentiality requirements.

All information obtained by the Company in relation to its business and/or collaboration relationships is the property of the Company itself. The obligation to treat the acquired confidential information as confidential also applies to the parties with whom the Company entertains business relations and is assured by means of specific contractual clauses or by the signing confidentiality agreements.

No employee is entitled to benefit in any way, either directly or indirectly, personally or financially from use of confidential information; neither is he or she permitted to disclose such information to third parties.

2.7. Prevention of conflict of interest.

In the performance of their business tasks, the Recipients must avoid situations in which the parties involved have, or even only appear to have, conflicting interests.

Conflict of interests means cases in which the Recipients pursue interests which differ from the Company mission or engage in activities which can affect their ability to make decisions in the exclusive interests of the Company itself, in other words,

when they personally benefit from business opportunities through the transaction.

2.8. Occupational safety and protection of the environment

The provisions and measures adopted and foreseen in all stages of the Company business activities are aimed at avoiding or reducing occupational risks, with due regard for the health of the population and respect for the environment.

The management system of Padana Tubi, which conforms to the requirements set out in OHSAS 18001:2017 (transition to ISO 45001:2018 is currently in progress) also strengthens the Company policy to uphold and ensure the occupational health and safety protection of its employees in all places where its personnel may be called upon to work.

The Company also undertakes to provide working conditions which are respectful of the dignity of each individual as well as safe and healthful workplaces, also by disseminating a culture of safety and risk awareness, fostering responsible behaviour in the employees and co-workers who, within the scope of their tasks and functions, take part in the risk prevention, environmental safeguarding, health and safety protection process with regard to themselves, their colleagues and third parties.

In this perspective, each employee is called upon to contribute personally towards maintaining safe conditions in the place where he/she works and to behave responsibly to ensure his/her own safety and that of others.

With regard to environmental protection, Padana Tubi conducts its business activities by considering the need to safeguard the environment and sustainable use of natural resources, as required by the current laws governing environmental issues.

In particular, with regard to respect and protection of the environment, the Company:

- manages, through selected suppliers, the waste it produces in accordance with the laws in force, making sure that the third parties possess the authorizations, registrations or notifications required to perform their activities while making every possible effort to ensure traceability of the process and monitoring of the production chain;
- makes its development and investment decisions by considering and limiting their potential impact on the area and on the environment.

The Company condemns all types of action and behaviour that could potentially harm the environment and the area.

2.9. Protection of competition

The Company complies with the laws governing competition and therefore does not engage in deceptive behaviours or in any other type of behaviour that might constitute forms of unfair competition.

2.10. Prevention of money laundering

Within the scope of the various relationships established with the Company, the Recipients must in no way or under any circumstance be implicated in events relating to the laundering of money from unlawful or criminal activities.

Before establishing relations or entering into contracts of the non-occasional type with suppliers and other business partners, the Company first examines information, indicators or indices of suspicion concerning the reputation and good name of the counterpart and then decides whether to establish relations with that counterpart.

The Company undertakes to comply with all the national and international laws and provisions concerning money laundering.

2.11. Prevention of corruption

Within the scope of the business relations they have established with Padana Tubi, the Recipients must assure the quality of their services, their commitment towards preventing corruption, their respect for the constitutional duties of diligence, loyalty and impartiality.

The Company undertakes to comply with all the national and international laws and provisions concerning corruption.

2.12. Prevention of computer crime

The Company IT tools must be used in full compliance with the laws in force and with the internal directives issued by the Company.

Thus incorrect use of the Company IT tools, which may lead to the committing of acts conducive to abusive access to third party information technology or data transmission systems, to intercepting or impeding or unlawfully interrupting information technology or data transmission communications, damaging private IT information, data and programs or also those used by the Government or any other public entity or by an entity providing public services, is forbidden by and wholly alien to Padana Tubi.

In addition, holding and the unauthorized distribution of codes for access to information technology or data transmission systems is absolutely forbidden, as is the distribution of information technology equipment, devices or programs aimed at damaging or interrupting an information technology or data transmission system and installing equipment able to intercept, obstruct or interrupt information technology or data transmission communications.

2.13. Safeguarding of intellectual property

In accordance with the laws, the Company assures compliance with the domestic, Community and international legislation governing the protection of industrial and intellectual property.

For the purpose of safeguarding the authors' moral and property rights, the Recipients uphold the correct use, for any reason and in any form, of brands, distinctive signs and all work of a creative character, thereby including computer programs and data banks.

The Company forbids behaviour which contrasts with the following principles such as, by way of example:

- improper use of the brands, distinctive signs and patents of other parties which have been registered in accordance with the domestic or international laws;
- reproduction or distribution, in any form and without being entitled to do so, of the intellectual work of others in the absence of written agreements formalized with the relative holders or in breach of the terms and conditions established in those agreements.

2.14. Management of public funding

Recipients involved in the management of funding requests or in the use and recording of the same are forbidden by the Company to engage in behaviour in contrast with the following principles, listed below by way of example:

- providing untruthful information or omitting to notify important facts where required, which could mislead the Funding Institutions in their assessment of the documentation submitted;
- apportioning public funding, subsidies and contributions for purposes other than those for which they have been granted;
- submitting, to the Funding Institutions, untruthful and/or incomplete information or circumventing the obligations established by law or the regulations;

In addition, the Recipients are obliged to act in absolute accordance with the law and applicable regulations in all stages of the process, avoiding misconduct for the purpose of, by way of example, overcoming limitations or barriers to the assignment of funding at meetings with the Funding Institution officials during the preliminary proceedings.

2.15. Sponsorships

Sponsorships, donations or other charitable contributions must relate to initiatives of social value such as, by way of example, solidarity, charity, the environment, sport, culture, social integration in the area and art. The Company will make sure that there are no potential conflicts of interest before adhering to requests for contributions and sponsorships.

Part III

3. RELATIONS WITH THIRD PARTIES

In general terms, the Company eschews recourse to illegitimate, or in any case incorrect, behaviour (thereby including corruptive practices in all forms) in order to achieve its economic goals. Consequently, it is forbidden to either directly or indirectly give/promise, receive/accept payments of any kind, gifts, economic or other benefit from or to a public or private individual and/or the Body he/she directly or indirectly represents (including their family members) which:

- exceed a modest value and the limits of a reasonable practice of courtesy,
- are liable to be interpreted as intended to unduly influence the relations between the Company and the aforementioned individuals and/or the Body they directly or indirectly represent, regardless of the reason for pursuing, even exclusively, the interests or advantages of the Company.

No practice potentially definable as being of a corruptive nature can be justified or tolerated due to the mere fact that it is “customary” in the business sector in which the activity takes place.

3.1. Relations with the Public Administration

The Company manages relations with public officials in charge of public services and with public and/or private parties who/which provide public services (hereinafter known generically as the Public Administration) prompted by the strictest compliance with the applicable laws, the principles of transparency, honesty and correctness so that the integrity and reputation of the Company are never in any way undermined.

Relations with the Public Administration or relations concerning the public sector are only handled by specifically delegated and authorized Company representatives.

In its relations with the Public Administration, the Company refrains from all conduct designed to improperly influence the decisions of the Administrations involved, especially the officials who negotiate and decide on their behalf.

During negotiations with the Public Administration, the Recipients to whom this document refers are obliged to refrain from conduct that fails to conform to the aforementioned principles, including but not limited to:

- offering or giving job opportunities and/or trade advantages to Public Administration personnel involved in the negotiations or relations, or to their family members;
- offering or receiving gifts or other benefits;
- providing untruthful information or omitting to notify important facts where requested by the Public Administration.

In relations with the Public Administration, representatives and/or employees of Padana Tubi are forbidden to pay, offer, either directly or through third parties, sums of money or other benefits of any kind or entity to public officials, civil servants or

private individuals to reward or repay them for their official duties, or to obtain or delay any act in conflict with their official duties.

3.2. Relations with suppliers

The Company handles its relations with suppliers in a loyal, correct and professional way, encouraging continued collaboration and the establishment of a consistent, long-term relationship, always in compliance with the provisions laid down by the laws in force and by the internal regulations.

Choice of suppliers and establishment of the purchasing terms are based on objective and impartial assessments of quality, price, the guarantees provided and other useful and necessary requirements. Prices and assessments concerning suppliers constitute confidential information belonging to the Company, thus such information cannot be used outside the Company without prior written authorization.

Padana Tubi ascertains whether the legal requirements and subjective requirements concerning the professionalism and good repute of the suppliers with which it works are fulfilled.

The suppliers and contractors are carefully assessed to ensure that fulfilment of all the occupational health and safety requirements and all remuneration, social security contribution and tax obligations are guaranteed.

The Company undertakes to work solely with qualified enterprises and professionals of good repute which/who are required to comply with the principles expressed in this Code under penalty of termination of the contract and consequent claims for compensation in the event of violations or infringements.

3.3. Relations with customers

The primary goal of the business activities of the Company is the highest possible level of customer satisfaction and customer advocacy, also by focusing on requests which could lead to an improvement in the quality of the products and services.

The Company undertakes to understand the market in which it operates, to assess the impact of its every action and behaviour on the customers and to draw from all the opportunities that may arise in the interests of the customers and their requirements.

The Company is committed to ensuring that the products it offers achieve and maintain adequate quality standards and has subjected its production and organizational processes to ISO 9001 international certification.

3.4. Relations with political parties and unions

The Company does not uphold political parties or union organizations, neither does it pay them contributions of any kind, either directly or indirectly, with the exception of contributions required on the basis of specific regulations.

3.5. Relations with the Judicial Authorities

The Company prohibits all forms of influence that induces the Recipients to make false statements to the Judicial Authorities for the purpose of steering the decisions of the judges to their own advantage. Each Recipient is therefore required to act to the best of his/her knowledge and to make his/her witness statements correctly and without omissions when required.

Part IV

4. EFFECTIVENESS OF THE CODE OF ETHICS

4.1. Reports

Reports of violations of the principles of this Code and requests for explanations or queries must be sent to the Supervisory Board via the following alternative channels, access to which is reserved solely to members of the Organization:

- e-mail address: odv@padanatubi.it
- ordinary mail address: *O.D.V. Padana Tubi e Profilati Acciaio S.p.A., via Portamurata 8/A, 42016 Guastalla - Reggio Emilia:*
- *mailbox* dedicated to the "Supervisory Board" at the offices of the company

Prompt replies will be given to all reports and requests for explanations without there being, for the employee or collaborator, any risk, even indirectly, of being subjected to any form of retaliation.

4.2. Sanctioning measures

Pursuant to arts. 2104 and 2105 of the Civil Code, compliance with the provisions established by this Code of Ethics is an essential part of the contractual obligations of the company employees.

Violations to the provisions in this Code of Ethics may constitute a breach of employment regulations and/or unlawful employee behaviour, in accordance with the procedures established by art. 7 of the Workers' Charter, with all the consequences provided for by law, including termination of employment and the right to claim compensation for the deriving damages.

The following penalties are envisaged, with reference to the penalty system relating to the correct management of whistleblowing activities pursuant to art. 6, sub-section 2-bis, D. Lgs. 231/2001:

- penalties to protect the whistleblower from those who engage in direct or indirect acts of retaliation or discrimination towards the whistleblower himself for reasons directly or indirectly concerning the report;
- penalties for those who, by wilful misconduct or gross negligence, submit reports that prove to be unfounded.

As indicated in the previous paragraphs, the penalties are defined in relation to the role of their recipient, to the extent in which the infringements of the regulations regarding the whistleblowing system represent, in themselves, infringements of the provisions of the Model.

Compliance with the principles of this Code of Ethics is an essential part of the contractual obligations of those who entertain business relations with the Company. Consequently, any breach of the provisions herein may constitute non-fulfilment of those obligations, with all legal consequences.

Part V

5. APPROVAL OF THE CODE OF ETHICS AND RELATIVE AMENDMENTS

This Code of Ethics is approved by the Board of Directors of Padana Tubi. Any subsequent amendments will be submitted to the Board of Directors of the Company for approval.