



## **ANTI-CORRUPTION CODE**

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## **1. PURPOSE AND SCOPE OF APPLICATION**

Acciaierie d'Italia S.p.A. in Extraordinary Administration, AdI Energia S.r.l. in A.S., AdI Tubiforma S.r.l. in A.S. and AdI Servizi Marittimi S.r.l. in A.S., Acciaierie d'Italia Holding S.p.A. in A.S. (hereinafter also **"Acciaierie d'Italia in A.S. or "the Company" or jointly "the Companies"**), believe it is a fundamental value to maintain a reputation for honesty and integrity in their management and administration activities as well as in all their business activities. It is of fundamental importance for the Companies **to prevent corruption in all its forms.**

The Anti-Corruption Code (the **"Anti-corruption Code"**) is addressed to all directors, employees, stakeholders and all those who work in favor of the Company (hereinafter also the **"Recipients"**).

This Code provides an overview of the principles of conduct in the most sensitive areas of the companies to the risk of corruption in compliance with anti-corruption laws including, by way of example but not limited to, the anti-corruption convention of the Organization for the Economic Cooperation and Development (OECD Convention)<sup>1</sup>, the Criminal Convention of the Council of Europe on Corruption of January 1999, the anti-corruption laws in force in the countries in which it carries out its activity, including the American "Foreign Corrupt Practices Act" (FCPA)<sup>2</sup>, Law 6 November 2012 n. 190 on the prevention and repression of corruption and illegality in public administration, the Legislative Decree of 8 June 2001 no. 231 on the subject of administrative liability of entities, articles no. 318 "Corruption for the exercise of the function", n. 319 "Corruption for an act contrary to official duties", n. 319-ter "Corruption in judicial acts", n. 322 "Incitement to corruption" of the Criminal Code, and article no. 2635 "Corruption between private individuals" of the Civil Code.

The obligation to comply with any local, state, national and international law or regulation that applies to the Company's business, including therefore the anti-corruption regulations, is also contained in the Code of Business Conduct of the companies.

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<sup>1</sup> <http://www.oecd.org/>

<sup>2</sup> <http://www.usdoj.gov/criminal/fraud/fcpa/>

## 2. BACKGROUND AND OBJECTIVE OF THE DOCUMENT

### 2.1. What is Corruption

The word "**corruption**" is defined as the abuse of one's own or others' role or power to obtain undue advantages for oneself or for others. The most common form of corruption is manifested through giving or receiving money, gifts, advantages, and undue payments to third parties, directly or indirectly, for personal gain, of the Company or of third parties. Furthermore, commercial practices, social activities or any other benefit or compensation capable of unduly influencing a commercial or institutional counterpart in order to take undue advantage for the Company or for personal reasons may represent further forms of corruption.

The companies recognize the importance of anti-corruption laws and reject any form of corruption, committing themselves to preventing any type of illegal behavior in carrying out their activities.

### 2.2. References

- Model of Organization, Management and Control pursuant to Legislative Decree 231/01 of the companies
- Code of Business Conduct
- Policy of Responsible Sourcing
- Procurement Procedure
- Whistleblowing Procedure
- Gifts and Entertainment Procedure
- Donations and Voluntary Contributions Policy.

### **3. PRINCIPLES AND GUIDELINES**

The Companies fight all forms of corruption without exception and therefore undertake to communicate and enforce the principles set out in the Anti-Corruption Code also in accordance with what is defined in the Organization, Management and Control Model pursuant to Legislative Decree 231/01 and the Code of Business Conduct of the Companies to which reference is made.

With regard to the types of activities of the Companies, the areas mainly exposed and sensitive to the risk of corruption are the following:

- relations with Public Officers
- relations with private individuals and third parties
- relations with political and trade union organizations
- donations and voluntary contributions
- sponsorships, events and promotional initiatives
- gifts and other benefits
- mergers and acquisitions
- financing
- staff selection
- accounting records.

#### **3.1. Relations with Public Officers**

##### **3.1.1. Qualification of Public Officer**

A «Public Officer» is:

- an officer or employee of the government (with an administrative, judicial or legislative mandate) or of a department or agency, or any other person officially acting with capacity on behalf of that entity (for example an entity that takes on the role of reviewing bids on behalf of a state agency or collect customs duties); the Extraordinary Commissioners of Companies in Extraordinary Administration, within the scope of their functions, hold the qualification of Public Officers
- an officer or employee of an international public organization or any other person acting as a Public Officer on behalf of that organization (public international organizations including, for example, the United Nations, the World Bank, the European Commission, etc.)
- an employee of a company or other legal entity in which the government has an interest and/or over whom such government entity can, directly or indirectly, exercise a dominant influence (this employee may qualify as a Public Officer even if employed in the commercial rather than government sector)
- a political party, a member of a political party or a candidate in political elections.

The relationships that the Company maintains with the aforementioned Public Officers must be inspired by compliance with anti-corruption legislation and cannot compromise the reputation of the Company. In these relationships, the Company must not seek to improperly influence the decisions or actions of the institution concerned, either directly or by making use of the mediation of third parties.

With particular reference to relationships with Regulatory, Supervisory and Control Bodies, the Companies undertake to strictly observe the rules laid down by them for compliance with the legislation in the sectors of their competence and the Recipients will comply with every request of these Bodies in their inspection functions, collaborating in the related activities.

Relationships with Public Officers are maintained exclusively by subjects with specific powers in compliance with the roles and responsibilities assigned and, in any case, only if previously authorized.

In relationships with Public Officers, in the context of their respective functions and duties, the Recipients:

- must not give offers, payments, gifts, entertainment expenses or any object of value to any Public Officer with the aim of influencing their acts or decisions or inducing them to violate their duties
- they cannot exercise favors, have collusive behavior, or make solicitations directly and/or through third parties, in order to obtain advantages
- must not try to improperly influence the counterpart's decisions when a negotiation, request or any relationship with Public Officers is in progress
- must ensure appropriate written, properly filed reports on relationships with Public Officers.

Recipients must comply with the rules described above also with regard to subjects who are or are presumed to be family members of Public Officers or of companies controlled by family members of Public Officers.

### **3.1.2. Facilitation Payment**

The Companies expressly prohibit all so-called "*Facilitation payments*", or any type of payment – or action for other benefit – carried out directly or indirectly towards Public Officers, whether they are natural persons or economic Italian or foreign entities, in order to speed up, facilitate or simply ensure the performance of a routine activity or an activity that is in any case lawful and legitimate within the scope of the duties of these subjects.

### **3.2. Corruption between private subjects**

Acts of corruption between private subjects are acts that do not involve Public Officers.

Although the OECD and FCPA Conventions do not contemplate this type of corruption, these acts are still strictly prohibited by the Code of Business Conduct of the Companies and the Anti-Corruption Code.

Private corruption is a crime in many countries, such as those that have ratified the Council of Europe Convention on the Criminal Law on Corruption.

### **3.3. Relations with Suppliers and Collaborators**

Relations with suppliers and collaborators (e.g. intermediaries, consultants, business partners, etc.) must be managed in compliance with the criteria of transparency, non-discrimination and equal treatment.

In accordance with this Code, the Recipients, in their relations with suppliers and collaborators:

- must adopt objective and transparent evaluation criteria in the selection of suppliers/collaborators (e.g. good reputation, honesty and integrity, etc.)
- must ensure that the consideration for the service received is consistent with what has been contractually agreed
- must comply with the indications of operational conduct to be adopted, in particular by recalling compliance with the provisions of the Code of Business Conduct and of Anti-Corruption Code, the violation of which could lead to the termination of the contract
- must assess the risk of corruption of the counterpart (e.g. investigations relating to bribes), refraining from entrusting assignments to third parties if these controls prove unsatisfactory
- must stipulate contracts in writing, accompanied by specific clauses in order to ensure that the counterpart also respects the commitments undertaken by the Company in anti-corruption matters
- must prepare, file, store and record the results of the selection activities and adequate accounting documentation that allows to verify the consistency of the service with the contractual provisions.

The operations for the purchase of goods and services must be carried out by subjects authorized by virtue of their spending powers defined by the system of powers of attorney and by the specific amount limits provided therein.

In addition, the following principles must be applied in relation to the use and payment of third parties, within the applicable law to the Extraordinary Administration procedure:

- ensure full compliance with current regulations, including on anti-money laundering matters
- the price paid to the supplier must be in line with market prices and/or in any case justifiable considering the service carried out and the specific expertise required
- the goods/services carried out must be legitimate and consistent with the contractual provisions.

### **3.4. Anti-Corruption Clause**

The Company provides for the inclusion and compliance with the anti-corruption clause, prepared with the support and according to the assessments of the Legal & Compliance Department of the Company, in contracts stipulated with third parties, for the knowledge, approval and compliance with the Anti-Corruption Code.

### **3.5. Relations with Political and Trade Union Organizations**

Political contributions can constitute a crime of corruption and therefore present the risk of being able to generate consequent responsibilities. These risks may relate to the use of political contributions from a company as an improper means of corruption to maintain or obtain a business advantage, such as winning a contract, obtaining a permit or license. Therefore, relations with political and trade union organizations are maintained exclusively by individuals with specific powers in compliance with the roles and responsibilities assigned and, in any case, only if previously authorized.

The Company does not make direct or indirect contributions, in any form to political parties, movements, committees and political and trade union organizations, to their representatives and candidates both in Italy and abroad.

### **3.6. Donations and Voluntary Contributions**

The management of donations and voluntary contributions must take place in line with the provisions of current legislation, with the applicable internal rules and with the following reference principles:

- contributions and donations may be granted only in favor of individuals and/or entities (e.g. charitable organizations) with proven reliability and reputation, and which respect the principles of the Anti-Corruption Code and the Code of Business Conduct
- the authorization process provides for an adequate description of the nature and purpose of the contribution in compliance with the applicable procedures and spending powers
- the accounting documentation and that relating to the agreements stipulated with the counterpart must be filed, recorded and kept in compliance with the law.



### **3.7. Sponsorships, Events and Promotional Initiatives**

Sponsorship activities, event organization and promotional initiatives aim to promote the image of the Company.

However, these activities may involve corruption risks and, therefore, must take place in line with the provisions of current anti-corruption legislation, with the applicable internal procedures and be carried out in compliance with the following rules of conduct:

- identification of specific criteria for the evaluation of sponsorship (e.g. promotion of the image of the company, relations with stakeholders, notification of the event, etc.)
- prior due diligence execution on the recipients/promoters of the initiatives, aimed at ensuring the existence of the requirements of honesty and professional correctness
- formalization of the agreement in specific contracts which must provide for the beneficiary's commitment to comply with the commitments undertaken by the Company in the field of anti-corruption
- filing and storage of documentation for due diligence, accounting and related agreements with the counterpart, in compliance with the law.

### **3.8. Gifts and other Benefits**

Gifts, and any other benefit (including by way of example and not limited to entertainment, representation expenses, etc.) are permitted as a common practice of professional and commercial courtesy, without prejudice against the prohibition on offering or accepting sums of money.

To this end, the gifts and any other benefits that the Recipients, according to their role, offer or receive to or from Public or Private Entities must:

- be reasonable, of moderate value<sup>3</sup>, in good faith and carried out in relation to actual business purposes
- not be made in cash or equivalent (e.g. gift cards, vouchers, etc.)
- not be interpreted as aimed at obtaining favourable treatment and not compromise the integrity or reputation of the Company
- not be considered as an imposition of an obligation or undue influence on the beneficiary or as a compensation for a business activity (e.g. in the case of tenders, selection of suppliers, selection of staff, etc.)
- be carried out by authorized personnel, in compliance with the activity carried out and role assigned within the company, and in line with the principles expressed in the Organization,

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<sup>3</sup> A modest value means a value not exceeding € 100 for gifts and € 200 for entertainment and/or representation expenses.

Management and Control Model pursuant to Legislative Decree 231/01 and in the Company's Code of Business Conduct

- be addressed to people who perform roles consistent with the company activities and who meet the generally recognized requisites of reputation and integrity
- be in line with the profile of the beneficiary, with regard to habits in institutional or professional relationships
- comply with the laws in force and the applicable company rules
- be adequately documented in order to allow traceability.

Anyone who receives offers of gifts, economic advantages or other benefits that do not meet the criteria described above, must refuse them.

### **3.9. Funding**

The following principles must be respected in the management of funding:

- traceability of relationships with the funding authority or subject
- completeness, accuracy and truthfulness of the documentation relating to the various phases of request and management of the fund
- compliance with the powers of attorney in place in relation to the signing of the funding application and the documentation relating to the reporting to be sent to the funding authority or subject
- monitoring the regular execution of the financed project and verifying the consistency of the accounting progress with respect to the physical one
- proper accounting records.

Furthermore, it is not allowed to allocate contributions, subsidies or funds by the State, by another public body or by the European Union to purposes other than those for which they have been granted; it is also forbidden to use or present false declarations or documents or certify untruthful information or to omit necessary information and in any case implement tricks or deceptions in order to obtain the aforementioned payments or any unjust profit to the detriment of the State or other public body.

### **3.10. Staff Selection**

The activities related to hiring staff can generate potential corruptive behavior, therefore the internal procedures of the Company must ensure:

- selection methods based on compliance with the principles of professionalism, transparency and fairness, respecting the provisions of the applicable legislation on the matter

- respect of the prohibition on promising or hiring in favour of Italian or foreign representatives of the public administration, for the sole purpose of influencing their independence of judgment or inducing them to ensure any advantage for the Company;
- verification of the possible existence of situations of conflict of interest that the Company may deem relevant for the progress of the selection process (e.g. family relations with Public Officers), in compliance with the Company's selection and hiring processes.

### **3.11. Accounting Records**

The Company must comply with the legal obligation to draw up, update and keep records, books and accounting documents which truthfully, accurately and clearly report the transactions and provisions of the Company assets.

In addition, the Company carries out adequate internal controls in order to verify that the operations and the value of the assets included in the financial statements are correct; therefore, all Recipients, according to their role, are required to collaborate so that each transaction is recorded with diligence and in compliance with the principles of lawfulness, quality and correctness.

### **3.12. Internal Checks**

The Companies carry out internal checks and adopt procedures that comply with the principles set out in the Anti-Corruption Code. In particular, transactions and requests for expenses and payments that are not standard or such as to justify an in-depth study of the file must be verified in order to identify any anomalies.

Below is an example and non-exhaustive list of such transactions or expense requests to be subjected to verification:

- the other party is in business, has family ties, or other similar personal relationships with a customer or a Public Officer or has previously been a customer or a Public Officer or is accredited on the basis of his/her influence with customers or Public Officers
- a customer or a Public Officer suggests or insists on using the party involved in the transaction
- the party involved in the transaction refuses to accept the anti-corruption contractual terms or refuses to disclose the identity of its owners
- the party involved in the transaction has a poor reputation in the market in which it operates or has faced complaints, corruption, bribery, fraud or other known violations through open sources
- the request for expense or payment is unusual, is not supported by adequate documentation, does not correspond to the terms of the reference agreement.

#### **4. COMMUNICATION AND TRAINING**

The Companies, through adequate communication activities, disseminate the Anti-Corruption Code to all Recipients, so that the values and principles contained herein are known and applied, and individual initiative cannot generate behaviors that are inconsistent with the anti-corruption legislation.

The Anti-Corruption Code communication actions include:

- the publication on the Company's website ([www.acciaierieditalia.com](http://www.acciaierieditalia.com)) and intranet;
- the uploading on the Company's repository.

In addition, training sessions may be provided for Recipients in order to ensure adequate information on the contents and principles of the Anti-Corruption Code.

## 5. REPORTING

The Companies encourage each Recipient to be an active part in promoting the values of the Anti-Corruption Code.

The Companies also require all Recipients to promptly report possible violations of the values and principles expressed in the Anti-Corruption Code by using the following channels:

- in writing:
  - through a specific IT platform (preferred channel), accessible at the following address <https://acciaierieditalia.integrityline.com/> protected by adequate security measures to protect the confidentiality of the identity of the whistleblowers, the persons reported, the persons mentioned in the report, as well as the content of the reports and the related documentation;
  - or by paper letter, only if not anonymous, to the ordinary mail address: Acciaierie d'Italia S.p.A. in A.S. (AdI Energia S.r.l. in A.S. – AdI Tubiforma S.r.l. in A.S. – AdI Servizi Marittimi S.r.l. in A.S.- Acciaierie d'Italia Holding S.p.A. in A.S.) – Viale Certosa, n. 239, 20151 Milan, to the attention of the Reporting Manager, with the wording “confidential”
- orally, through the aforementioned IT platform, which also provides for the possibility of recording a voice message or making a request for a direct meeting.

The Companies undertake to protect the whistleblower from any form of retaliation or discrimination, ensuring confidentiality, except for legal obligations. To protect the Company, senders of reports made with willful misconduct or gross negligence that prove to be unfounded will be sanctioned.

The reports will be handled in compliance with the internal regulations on Whistleblowing to which reference should be made for further details.

## 6. ANTI-CORRUPTION SANCTIONS

In most jurisdictions, both companies and individuals can be held liable for a criminal offense. The extent of criminal liability will depend on the law of the specific country in which they operate.

The violation of the principles and contents of the Anti-Corruption Code may constitute a breach of the primary obligations of the contractual relationship, with the possibility of applying sanctions against those responsible in the manner provided for by laws, collective agreements, and contracts.

In case of doubts about the lawfulness of a certain behavior or its divergence from the principles expressed in the Anti-Corruption Code, please contact the Legal & Compliance Department of the Company.