

## Danieli Corus' commitment

Danieli Corus' business conduct throughout the world is governed by principles on integrity and ethics set out in the Danieli & C. Officine Meccaniche S.P.A. Code of Ethics and the Danieli Corus Code of Conduct. These Codes apply equally to corporate actions and to the behavior of individual employees and staff members.

## Supplier Code of Conduct

To ensure that our supply chains share our values the Supplier Code of Conduct explains what we expect from our suppliers. The Supplier Code of Conduct outlines the Danieli Corus business values and will be an integral part of our procurement processes. The Supplier Code of Conduct applies to all goods and services as supplied by all our suppliers and their supply chains.

## Our principles

In line with our values of integrity, understanding, excellence, unity, and responsibility our business principles are to:

- conduct our business with responsibility, integrity and respect, maintaining high ethical standards;
- provide a safe, healthy and fair workplace;
- generate economic value through enhancing what we offer to our customers;
- respect the environment, working with our customers and our suppliers to improve the environmental profile of our products over their full life cycle;
- make a positive impact on the communities where we operate.

We recognize that to have the maximum benefit we must seek to apply these principles throughout our supply chains. We expect our suppliers to be open and to collaborate with Danieli Corus to further improve responsible practices in the five principles of the Code. Suppliers can expect Danieli Corus to carry out its business following these principles too. If any supplier suspects that this is not so, we have an anonymous 'whistleblower' process to report this (ANNEX 1).

## Compliance

Danieli Corus recognizes that there are differences in the supplier base in terms of their scale, scope and operations. The Code is designed to work for the whole supplier base, although aspects of auditing, meetings, discussions and review sessions will vary in terms of timing, extent and areas of focus. Danieli Corus may require documentary evidence of compliance with the Code and in some cases it will carry out audits and/or site visits of suppliers. We will work with suppliers to identify issues that do not match mutual expectations and help to support and collaborate with suppliers in addressing any gaps identified. We will disengage from suppliers that do not meet the requirements of the Code and who cannot commit to an improvement program.

## The 5 Principles

The Supplier Code of Conduct is based on five principles blocks. The five principles are (1) Health and Safety, (2) Fair Business Practices, (3) Environment, (4) Human rights and (5) Local Community Development. It is recognized that compliance with these principles may mean very different things across our range of suppliers.

### 1. Health & Safety

We expect our suppliers to adopt management practices in respect of Health & Safety which provide a high level of safeguarding for their workers. We are committed to ensuring zero harm to any person directly or indirectly involved in the activities of our company. To satisfy our requirements under Health & Safety, we require that our suppliers adopt suitable and robust management practices for Health & Safety. Suppliers who have management systems accredited to OHSAS 18001 or equivalent will be deemed to satisfy this requirement.

### 2. Fair Business Practices

We expect our suppliers to adopt ethical standards and fair business practices and to maintain minimum requirements with respect to:

- Competition: to desist from unfair trade practices against competitors.

- Gifts & Donations: to neither receive nor offer or make any illegal payments, remuneration, gifts, donations or comparable benefits that are intended, or perceived, to obtain uncompetitive favors for the conduct of business. In particular, all suppliers to Danieli Corus must make every effort to eliminate all forms of bribery, fraud and corruption.
- Government agencies: no donations are to be made to government agencies, directly or through intermediates, in order to attain any favorable performance of official duties.
- Ethical conduct: to conduct business in a fair and transparent manner, displaying honesty, integrity and high moral and ethical standards.
- Regulatory compliance: to comply with all relevant and applicable laws and regulations.
- Conflict of interest: to not take advantage of any family, social or political connections to gain advantage within business dealings and to notify any potential conflicts of interest.
- Confidential information: to not disclose any confidential information of Danieli Corus.

Danieli Corus will conduct its business with suppliers in a fair, objective, transparent and professional manner. Suppliers' employees will be treated with the same considerations as our own staff. If any supplier suspects that either an employee of Danieli Corus or another supplier to Danieli Corus is not abiding by these principles, they should notify Danieli Corus through the anonymous whistleblower process, details of which can be found in ANNEX 1 attached hereto.

### **3. Environment**

We require suppliers to maintain effective policies, processes and procedures to manage their environmental impact. Danieli Corus is committed to meeting the requirements of relevant legislation in the countries and regions in which it operates, to the efficient use of natural resources and energy, and to reducing continuously the environmental impact of its operations and products through the adoption of sustainable practices. These commitments are integral to the way Danieli Corus does business and we expect our suppliers to share this commitment. To satisfy our requirements under Environment, we require that our suppliers adopt suitable and robust management practices for environmental protection. Suppliers who have management systems accredited to ISO 14001 or equivalent will be deemed to satisfy this requirement. In the absence of other frameworks, we recommend that environmental protection policies and practices extend to:

- Management systems: implementation of effective environmental and energy management systems to ensure the environmental awareness of the workforce, encouraging every employee to act in an environmentally responsible manner.
- Continuous improvement: the environmental impact of processes and products will be assessed and continuous improvement objectives and targets will be established.
- Climate change: adoption of practices to monitor and minimize greenhouse gas emissions.
- Responsible use of resources – make efficient use of energy, raw materials and water.
- Product stewardship – consideration to be given to re-use and recycling and the environmental effects of products throughout their life-cycle.
- Monitoring and reporting: environmental and energy performance will be monitored and reported publicly.
- Biodiversity – wildlife habitats in and around suppliers' sites will be respected and, where opportunities arise to do so in a way that is conducive to business operations, they will be progressively enhanced for the benefit of nature.

We recognize that the nature of the operations of our suppliers vary widely and so that the emphasis of environmental management may vary between suppliers.

### **4. Human Rights**

We expect our suppliers to respect in their business all human rights and to encourage their suppliers to do likewise. Danieli Corus respects all human rights of employees and the communities in which we operate and we are committed to promoting these principles to our suppliers. In practice, we require that our suppliers maintain the following minimum requirements for:

- Child Labour: No workers under the age of 15; minimum lowered to 14 for countries operating under the ILO Convention 138 developing-country exception; remediation of any child found to be working.

- **Forced Labour:** No forced labour, including prison or debt bondage labour; no lodging of deposits or identity papers by employers or outside recruiters.
- **Health and Safety:** Provide a safe and healthy work environment; take steps to prevent injuries; regular health and safety worker training; system to detect threats to health and safety; access to bathrooms and potable water.
- **Freedom of Association and Right to Collective Bargaining:** Respect the right to form and join trade unions and bargain collectively; where law prohibits these freedoms, facilitate parallel means of association and bargaining.
- **Discrimination:** No discrimination based on race, caste, origin, religion, disability, gender, sexual orientation, union or political affiliation, or age; no sexual harassment.
- **Discipline:** No corporal punishment, mental or physical coercion or verbal abuse.
- **Working Hours:** Comply with the applicable law but, in any event, no more than 48 hours per week with at least one day off for every seven day period; voluntary overtime paid at a premium rate and not to exceed 12 hours per week on a regular basis; overtime may be mandatory if part of a collective bargaining agreement.
- **Compensation:** Wages paid for a standard work week must meet the legal and industry standards and be sufficient to meet the basic need of workers and their families; no disciplinary deductions.

Where local laws prohibit the supplier from upholding certain aspects of this policy the supplier should comply with local laws while seeking to respect human rights.

#### **5. Local Community Development**

We expect our suppliers to contribute to the social, economic and institutional development of the communities in which they operate. Our philosophy is that each company should play a significant and beneficial role within the local community and society in general. We expect our suppliers also to contribute to the social, economic and institutional development of the communities in which they operate. We also recognize that the operations of our broad range of suppliers and the communities in which they are present vary widely and so compliance with this building block will vary from supplier to supplier.

### ANNEX 1 - Whistleblower Policy

Danieli Corus is committed to an open working environment in which it is possible to raise concerns in case of any actual or possible violation of its business principles or an event of misconduct, act of misdemeanor or act not in the company's interest. Since our suppliers are part of our working environment, we will give them full opportunity to raise their concerns also. As examples, reports might relate to:

- fraud
- corruption
- improper accounting
- theft, damage or misuse of company property
- criminal matters
- aggression, discrimination or intimidation
- health and safety risks
- environmental damage
- unethical behavior
- any matters relating to customers or other suppliers.

Danieli Corus' policy is that no person will suffer for raising, in good faith, violations of the integrity policy or any legal or ethical concerns. Danieli Corus ensures protection of the reporter and any attempts to intimidate, discriminate or exclude the reporter are treated as a violation of the principles of its Code of Conduct.

In case you want to report a concern under this Whistleblower policy, please make explicitly clear that your message does not refer to day-to-day business, but is a report pursuant to the Whistleblower policy. Start your report for this purpose with the words "Report of concern".

A written report by letter, e-mail or fax is preferred. Please give the reason of your concern and provide the relevant details to allow an investigation. Danieli Corus does not expect you to have absolute proof of any misconduct or malpractice that you report. Danieli Corus will investigate all matters that are reported.

You can report your concern to:

- your point of contact with the company.
- one of the directors of the company.
- the Compliance Officer of the company, who will submit your report to the appropriate manager.

If you want to report your concern anonymously, you should report to the Compliance Officer and indicate that your report should be dealt with anonymously. The Compliance Officer will anonymize the report and destroy all information that can reveal the source of the report. Please note that the Compliance Officer cannot inform you thereafter on the progress of the investigation.