

## CSM GROUP - Supplier Code of Conduct

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## **1. Introduction, purpose and recipients of the document**

### **1.1. Introduction**

The CSM companies (hereinafter also referred to as "CSM GROUP" or "Company") are a leading industrial group in the production of stainless steel tubes and in the manufacture of innovative machinery for the production of stainless steel heating elements and tubes.

Sustainability is an integral part of CSM GROUP's business. Group companies are committed to purchasing products and services from suppliers who share the same standards of conduct and who promote principles of sustainability, legality, transparency, equality and fairness.

### **1.2. Purpose and recipients**

This *Supplier Code of Conduct* (hereinafter also referred to as the "Code" or "Document") has been drawn up with the aim of defining a clear framework of values, principles and rules of conduct, in order to guarantee and promote the well-being of people and the protection of the environment.

This Document is applicable to all suppliers with whom CSM GROUP has business relations, including their parent companies, subsidiaries or affiliates, their employees (including permanent and fixed-term workers, employment agencies) their suppliers and other third parties with whom they have business relations, and in general to all partners, external collaborators and third parties that have business relations with the Company (hereinafter also "Recipients" or "Supplier(s)"). The Recipients of this Code are required to undertake to observe and enforce these principles within the scope of their duties and responsibilities without distinction or exception.

The Code of Conduct is not intended to replace the regulatory provisions in force in the country and in the sector in which the supplier operates, but rather to supplement them. Where the provisions of this Code differ from applicable laws and regulations, Suppliers are obliged to comply with the stricter of the two standards, thus ensuring maximum compliance with applicable regulations and the principles of this Code.

This Code of Conduct applies to all CSM GROUP Suppliers (see "Annex A") and specifically:

- CSM HOLDING spa;
- CSM TUBE spa;
- CSM MACHINERY srl;
- CSM TUBE Usa Inc.;
- CSM TUBE Deutschland Gmbh;
- CSM TUBE Do Brasil Ltda;
- OAKLEY INDUSTRIAL MACHINERY Inc..

Suppliers are required to comply with the following principles:

## ***2. Respect for Human Rights***

CSM Group uncompromisingly demands that working conditions and business practices are aligned with the highest Human Rights standards.

### ***2.1. Forced or compulsory labour***

Recipients are required to guarantee a working environment that excludes any form of forced, compulsory and slave labour by ensuring that all workers are employed in conditions that respect their dignity. Any type of physical disciplinary measure, degrading treatment, physical, psychological or verbal abuse, any other form of harassment, intimidation or violence, as well as the reduction or maintenance in a state of subjection (by violence, threat, deception, abuse of authority) is prohibited.

It is imperative that all employment relationships are recognised as voluntary and freely agreed upon by the parties involved.

Recipients are obliged to ensure that workers are able to resign in accordance with national legislation, without fear of retaliation or sanctions. Furthermore, it is crucial that workers are not subject to regulations that restrict their legitimate freedom.

Suppliers are prohibited from practices such as withholding wages, restricting the mobility of workers or confiscating personal items, passports or original identity documents.

### ***2.2. Child labour***

Recipients are required to condemn and refrain from any form of child labour, strictly observing the laws and regulations concerning the minimum age of workers. It is forbidden to employ workers below the legal age limits in accordance with the relevant local legislation or the International Labour Organisation's Minimum Age Convention (ILO Minimum Age Convention No. 138 of 1973).

### ***2.3. Discrimination and equal opportunities***

Suppliers shall respect and protect the dignity and physical, cultural and moral integrity of all persons with whom they collaborate and condemn any action, direct or indirect, that impedes the recognition, enjoyment or exercise of fundamental human rights and political, civil, cultural, economic and social freedoms.

Suppliers must promote a working culture and environment based on fairness, respect, dignity and equal rights and opportunities for all workers. They must also ensure that their employees are not subject to discrimination based on grounds such as sex, race, colour, physical appearance, country of origin, language, religion, political opinion, age, physical or mental disability, sexual orientation, gender identity, membership of associations or trade unions, personal condition, social or cultural origin, marital or health status, family situation, or any other factor protected by law.

#### ***2.4. Freedom of association and collective bargaining***

Suppliers must recognise and respect the right of workers to freedom of association, to organise and join trade unions, the right to freedom of expression and the right to collective bargaining. Suppliers will not discriminate against or punish workers for exercising these rights.

#### ***2.5. Regularity of contracts, remuneration and working hours***

Suppliers must establish recognised labour relations based on legal collective agreements, drawn up in writing and clearly understandable, in accordance with the regulations in force in their country.

The Recipients undertake to ensure that staff working conditions comply with applicable local regulations, collective agreements and the relevant ILO Conventions on working hours, rest periods, overtime, night work, holidays, leave, pay, benefits, leave of absence. The Supplier must also ensure that workers have sufficient time for breaks and meals in accordance with legal requirements.

#### ***2.6. Health and safety at work***

Recipients are required to strictly comply with national and international regulations to protect the safety of workers and workplaces. Recipients must ensure the protection of workers by complying with the laws in force on the prevention of accidents and occupational diseases.

In order to protect workers from the risks associated with their tasks and to prevent accidents, injuries and exposure to hazardous substances, the Recipients are obliged to provide workers with adequate equipment (including personal protective equipment, when provided).

Suppliers must plan periodic inspections and establish safe working procedures, implementing measures and programmes to ensure safety at work. Machinery and equipment must comply with legal requirements, be fitted with the required safety devices and be regularly maintained. Hazardous substances must be stored in suitable and protected places to avoid contact or intoxication.

Suppliers are also obliged to fulfil their obligations to inform, educate and train workers so that they are aware of the health and safety risks specific to their individual roles and know how to behave responsibly and safely, as well as the actions to be taken in the event of an accident. Evacuation drills must be regularly scheduled, following a plan accessible to all personnel, and appropriate first aid materials and fire-fighting equipment must be available.

The Supplier is also obliged to provide its workers with a working environment that is adequate from a hygienic-sanitary point of view, properly lit, heated and ventilated, and equipped with drinking water and sanitary facilities in adequate numbers and allowing for personal hygiene.

#### ***2.7. Minerals from conflict zones***

Suppliers must ensure that products supplied to the CSM GROUP do not contain materials from conflict areas whose proceeds directly or indirectly finance or benefit armed groups.

With this in mind, CSM GROUP requires suppliers to report the use of 3TG minerals (and their derivatives) in materials, components or products supplied to the Company and requires that these materials come from sites located in certified conflict-free areas. Furthermore, suppliers are required to document all measures taken to collect and report information on conflict minerals, as well as to keep the relevant documentation in order to ensure transparency throughout the supply chain and provide information on the origin of the material upon request.

### **3. Ethics**

CSM GROUP is committed to conducting its business with the highest standards of ethics, transparency, fairness, responsibility and sustainability, extending these principles also within its supply chain. It is essential that all Recipients adhere to business conduct that reflects an unconditional commitment to these values. Every interaction and transaction must be conducted with the utmost honesty, fairness, and respect for applicable regulations, ensuring that all practices are aligned with the ethical and responsible standards promoted by CSM GROUP in this Document.

#### ***3.1. Relations with the Public Administration and Anti-Corruption***

All Recipients must operate with transparency and integrity, refraining from offering or promising, directly or indirectly, benefits, gifts, favours or other utilities to public officials or to persons acting on behalf of the Public Administration, in order to influence decisions or obtain favourable treatment for the Company. Suppliers must also avoid any behaviour that could be interpreted as an attempt to improperly influence the decisions of the Public Administration, even if aimed at benefiting the client company.

Any form of corruption, favouritism, collusive behaviour or solicitation, whether direct or indirect, including through promises of personal benefits, towards persons belonging to the Public Administration is strictly prohibited.

#### ***3.2. Prohibition of collaboration with criminal organisations, of money laundering and of self-laundering***

The Company prohibits behaviours that directly, or even just indirectly, may constitute forms of collaboration with criminal organisations, in general, and with Mafia-type criminal organisations. Recipients are required to adhere to high standards of integrity in business, including with regard to accounting, taxation and transparency, refraining from any operation that may result in the use of money, goods or benefits of unlawful origin and from any form of tax evasion, avoidance, money laundering, self-laundering or other financial crime.

#### ***3.3. Conflicts of interest***

The activities of Suppliers must be managed in such a way as to avoid any situation in which there is even a potential conflict of interest aimed at gaining any personal, professional or family advantage, or which may cause damage or disadvantage to CSM GROUP or such as to compromise the ability to make decisions in an impartial and objective manner. Suppliers must promptly report any situation that is or may be a conflict.

### ***3.4. Fair competition***

Suppliers must act in accordance with the rules on free competition under antitrust laws and regulations.

The Recipients also undertake not to disclose to the Company information concerning its competitors or their offers. Likewise, they undertake not to use information acquired during business relations with CSM GROUP to obtain improper advantages over competitors.

### ***3.5. Confidentiality, data protection and intellectual property***

The Supplier is obliged to operate in compliance with current data protection and privacy laws and undertakes not to communicate any information concerning CSM GROUP to third parties, including the mass media, unless explicitly authorised by the Company.

The Supplier shall take appropriate organisational and technical measures to ensure the confidentiality, integrity and availability of shared IT systems, information and data. In the event of incidents or computer attacks that result in the loss of confidentiality, integrity or privacy of information, the Supplier is obliged to report them promptly and initiate all necessary procedures to resolve the event.

### ***3.6. Quality standards and product risk management***

Suppliers must comply with national and international regulations, as well as industry standards, regarding the quality and safety of the products and services they offer and are required to refrain from marketing materials and products that may harm the health and safety of consumers.

Recipients are incentivised to carefully select and guarantee the origin of the raw materials and components of the products offered, to operate in accordance with good manufacturing practices, and to communicate in a clear, honest and transparent manner by providing correct information on the characteristics of the goods and services offered.

## ***4. Environmental protection and sustainability***

Suppliers must comply with all applicable environmental laws, regulations and standards and must actively work to mitigate the negative impacts on the environment and ecosystems related to their activities and operations.

It is absolutely forbidden:

- to culpably or maliciously behave in ways that result in significant and measurable harm of or deterioration to the waters or the air, or extensive or important parts of the soil and the subsoil, to the flora or to the fauna;
- the intentional, reckless or negligent dumping, abandonment or uncontrolled deposit of waste in the environment and its discharge into surface water or groundwater;
- to culpably or maliciously cause the irreversible alteration of environmental balance;
- to behave in ways that may harm public health;

- to in any way traffic in or abandon radioactive materials.

Suppliers are encouraged to design and implement their own production processes, promoting the development of solutions and technologies aimed at reducing environmental impact, CO<sub>2</sub> emissions and other pollutants. Recipients are also encouraged to use natural resources and raw materials efficiently, rationally and responsibly, reducing consumption of electricity, gas, water and fuels.

### ***5. Violations and reports***

Any conduct of the Recipients that violates the ethical rules or the provisions of this Document and entails the risk of a crime or administrative offence being committed will be subject to appropriate disciplinary measures, proportionate to the seriousness or recidivism of the violation. In the event of serious breaches of contract, automatic termination of the contract is foreseen as a sanction. Serious breaches constitute actions that have caused the commission or risk of commission of an offence or administrative offence. The right to claim damages also remains unaffected.

All Recipients of this Code must report the violation of the provisions contained in this Document or of the law, in general, not just when they are certain that such violation has been committed, but also if they have reasonable suspicions that it may have occurred.

CSM GROUP handles reports received in such a way as to prevent anyone from suffering retaliation of any kind, discrimination or penalisation for having provided information on possible violations of the Code, also ensuring the confidentiality and full protection of the anonymity of the person making the report.

Reports can be made by sending communications to [esg@csmgroup.it](mailto:esg@csmgroup.it).

### ***6. Subcontracting***

The Supplier authorises the Company to carry out monitoring activities to verify compliance with this Code of Conduct. Such monitoring activities shall include: inspections of production sites and premises made available to workers (it being understood that the Supplier may agree, in the supply contract from time to time concluded, a reasonable, minimum period of notice in relation to the aforementioned inspections); checks of personnel books and records; and the possibility of conducting private interviews with workers. The Supplier agrees to make available at its premises all documentation necessary to prove compliance with this Code of Conduct, without falsifying data or instructing workers as to the answers to be given and without intentionally misleading the Company in any way, the Supplier shall also, within a reasonable period of time, implement effective corrective actions made necessary to remedy any non-compliance found in relation to this Code. The Supplier represents and warrants that its structure, management and business procedures are aligned with and comply with the provisions of this Code of Conduct.

### ***7. Regulatory references***

The Recipients of this Code must comply with at least the following regulatory references:

- UN Universal Declaration of Human Rights;

- UN International Convention on the Elimination of All Forms of Racial Discrimination;
- UN Convention on the Rights of the Child;
- UN Global Compact;
- United Nations Sustainable Development Goals;
- OECD Guidelines;
- ILO International Labour Standards:
  - Convention no. 111 on discrimination in employment;
  - Convention no. 29 on Forced and Compulsory Labour and Convention No. 105 on the abolition of forced labour;
  - Convention no. 138 on the minimum age of employment and Recommendation No. 146 concerning the minimum age for employment;
  - Convention no. 98 on the Right to Organise and Collective Bargaining and Convention No. 154 on collective bargaining;
  - Convention no. 1 on working time (industry);
  - Recommendation No. 116 on the reduction of working time;
  - Recommendation 164 on health and safety at work.

## ***8. Document revision***

This Code has been approved by the Administrative Bodies of the individual Companies belonging to CSM GROUP and any updates, amendments or additions to it will be duly noted. The Code is reviewed and updated whenever it is necessary to adapt its content to new laws and regulations or to significant changes in the corporate structure and in the management of the company.

The Code is published in electronic form on the company website so that all Recipients can be fully aware of it.

## ***9. Commitment of suppliers***

Suppliers are required to comply with the provisions and obligations outlined in this Code. Furthermore, Recipients are required to ensure, within their supply chain, that their suppliers, as well as any other third party working on its behalf, act in full compliance with this *Supplier Code of Conduct* when involved in activities related to goods or services to be supplied to CSM GROUP. The Company undertakes to make available all possible instruments that may appear useful for fostering knowledge and providing clarification regarding the interpretation and implementation of the standards contained in this Code.

The Supplier may not entrust any subcontractors with the performance, in whole or in part, of the activities entrusted to it by the Company, unless expressly authorised in writing. In the latter case, the Supplier shall be and remain liable, expressly assuming this commitment, to the Company for the



subcontractor's full compliance therewith. For the purposes of this Code of Conduct, "sub-supplier" means a supplier who does not have a direct relationship with the Company but who is involved by the Supplier, under the terms and conditions set out above, in the performance of part of the activities entrusted to the Supplier.

**Annex A**

| <b>Company</b>                      | <b>Address</b>   | <b>Corporate object</b>   |
|-------------------------------------|--|---|
| CSM HOLDING spa                     | Via Friuli 11, San Vendemiano<br>31020 (TV), Italy   | Equity holding  |
| CSM TUBE spa                        | Via del Lavoro, 60 Cimavilla di<br>Codognè 31015 (TV), Italy   | Production and processing of<br>stainless steel tubes   |
| CSM MACHINERY srl                   | Via Cadore Mare, 25 Cimetta di<br>Codognè (TV), Italy  | Production of machinery for<br>the manufacturing of heating<br>elements and stainless steel<br>tubes      |
| CSM TUBE Usa Inc.                   | Luant Avenue, Elk Grove<br>Village 1599, 60007 Illinois,<br>United States of America                     | Production and distribution of<br>stainless steel tubes   |
| CSM TUBE Deutschland GmbH           | Amperestrasse 1C, Bensheim<br>64625, Germany   | Stainless steel pipe distribution<br>and agency service   |
| CSM TUBE Do Brasil Ltda             | Rua Fortunato José Deltreggia<br>120 13347-441 Park Comercial<br>Indaiatuba (Indaiatuba, SP) –<br>Brazil | Production and distribution of<br>stainless steel tubes   |
| OAKLEY INDUSTRIAL<br>MACHINERY Inc. | Luant Avenue, ELK GROVE<br>VILLAGE 1601, 60007 Illinois,<br>United States of America                     | Production of machinery for<br>the manufacturing of heating<br>elements and spare parts and<br>components |