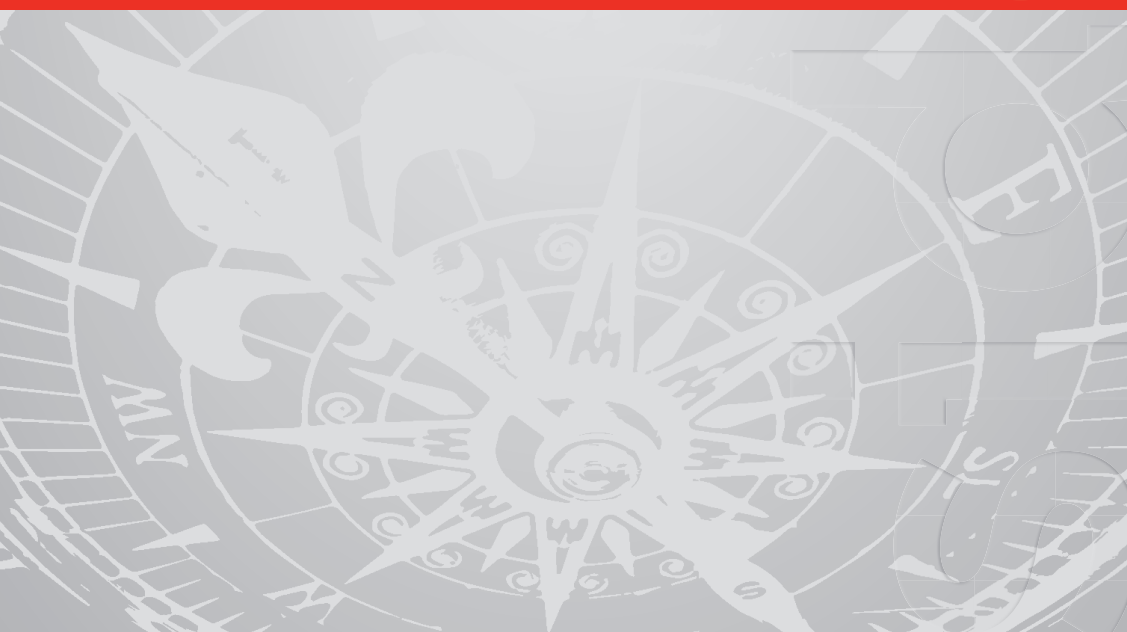




CODE OF ETHICS



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Basauri, January 1st, 2017

I would like to communicate to all of you who are in relation with Sidenor Aceros Especiales S.L.U. and its subsidiary companies the principles and values which make up our Code of Ethics, values that are a key factor in the success of our management.

We consider that it is an important part of our daily work to deepen and uphold the confidence that our employees, providers, customers and communities in which we carry out our activities have in Sidenor, striving to continuously update and strengthen the aspects which contribute to ensuring the transparency of our actions.

We strongly believe in the obligation for all to comply with our Code of Ethics, not only in order to guarantee that our activities respect the current legislation, but also to be able to make a much better contribution and to ensure our involvement in the progress of everyone.

This task is beneficial to all and there is no doubt in my mind that, in order to fulfil this commitment, we have the support, enthusiasm and collaboration of all of you who form part of Sidenor Aceros Especiales S.L.U.

Yours sincerely

JOSÉ ANTONIO JAINAGA

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1 OBJECT

The purpose of this Code of Ethics of Sidenor is to establish the basic principles of the behaviour of Sidenor and its subsidiary companies, as well as all employees and executives who join these companies.

Sidenor's Code of Ethics reflects the Management's objective of strengthening the standards and ethical principles applied in the mentioned companies, as well as fostering a work environment in which integrity, respect and equality are promoted. The Management is convinced that a strict compliance with a policy of law observance, high principles and social responsibility in all business activities better serves the long-term interests of Sidenor as well as the other companies it manages.

2 SCOPE

This Code of Ethics applies to all people who lend their services to Sidenor and its subsidiary companies, as well as to all employees and executives of these companies.

It is the duty of everyone to know and comply with these rules of conduct.

3 FUNDAMENTALS

Our mission, vision and values.

Sidenor Aceros Especiales S.L. is a steel company which aims at meeting customer needs and creating value for the shareholders, as part of its commitment to the fulfillment of people and to development.

- Sidenor's mission is to ***generate value in a sustainable way in the business activity of special steel.***
 - As for Sidenor's current and future vision, it is focused on ***being a reference in the innovation of products as well as processes.***
 - Sidenor also has a series of values which are developed in and based on this document as well as its corporate policies and can be summarised as follows:
 - ***Meeting the needs of the customer.***
 - ***Safety.***
 - ***Respected and committed people.***
 - ***Humility in all we do.***
 - ***Orientation to results.***
 - ***Economic, social and environmental sustainability.***
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4 BASIC PRINCIPLES OF BEHAVIOUR

The corporate and professional behaviour of the entities and persons mentioned in the “Scope” section shall adhere to the following basic principles:

4.1 Respect for the law.

The corporate and professional activities of Sidenor shall be developed in strict compliance with the current legislation wherever they take place.

4.2 Ethical integrity.

The corporate and professional activities of Sidenor and its employees shall be based on the value of integrity and developed according to the principles of honesty, avoidance of any form of corruption as well as respect for the specific circumstances and needs of all individuals involved.

Sidenor shall promote, among its employees, the recognition and appraisal of behaviours that comply with the principles defined in this Code of Ethics.

4.3 Respect for human rights.

All activities of Sidenor and its employees shall strictly respect the human rights and civil liberties included in the Universal Declaration of Human Rights.

4.4 Commitment to the prevention and eradication of child labour.

At Sidenor, we are aware of the importance of respecting the personal and emotional development of minors and the enjoyment of their rights; we therefore rigorously comply with the applicable law which, pursuant to the Statute of Workers Rights, prohibits the admission to employment of minors under the age of sixteen as well as overtime, night work and/or work activities or positions which are subject to recruitment limitations, according to Law 31/1995 of November 8 on the prevention of occupational risks and to the applicable regulatory provisions.

5 RELATIONSHIP WITH AND BETWEEN EMPLOYEES

Sidenor's relationship with its employees and relationships between employees shall be based on compliance with the following commitments outlined here and the specific commitments detailed in Procedure PA-SP-9020 on intervention in cases of mobbing.

5.1 Commitment of the Company.

5.1.1. Respectful treatment and prohibition of discrimination.

Sidenor bears the responsibility for maintaining a work environment that is free from any discrimination and any behaviour implying personal harassment.

All workers shall be treated fairly and with respect by their superiors, subordinates and colleagues. Abusive, hostile or offensive behaviours, whether verbal or physical, shall not be tolerated.

- Additional strengthening measures on the prevention and eradication of gender-based discrimination:

The principle of equality is recognised internationally as well as in our own state legislation. Specifically, Article 14 of the Spanish Constitution proclaims the right to equality and non-discrimination on grounds of gender. Likewise, Organic Law 3/2007 of March 22 on effective equality between women and men (hereafter, "OLE") aims at implementing the right to equal treatment and opportunities between women and men, in particular by eliminating discrimination against women in all spheres of life.

Sidenor fully concurs with the above-mentioned principle of equality between women and men. For this reason and as part of the commitment adopted in this matter, Sidenor has set up a Plan of Equality which takes into account the current situation of the Company and includes concrete measures targeted at helping achieve this objective.

5.1.2 Trust.

Sidenor's relationship with its employees shall be based on good faith and characterised by mutual understanding, trust and commitment.

Sidenor attaches absolute priority to the direct and trust relationship with its employees and builds on the intervention of third parties for resolving conflicts, only when necessary and in the specific cases of harassment detailed in Procedure PA-SP-9020 on intervention in cases of mobbing.

5.1.3 Transparency and freedom of expression.

Sidenor provides and values transparency in working relationships and freedom of expression.

5.1.4 Fair working conditions.

The Company's development directly depends on the development of people. Each employee has the responsibility to pursue his/her self-development, while it is the duty of Sidenor to provide the appropriate conditions for it.

All employees shall enjoy equal opportunities regarding the development of their professional career.

Sidenor is committed to establishing an effective policy of equal opportunities, so that its employees might develop their professional activity based on the principle of merit. Promotion decisions shall always be based on circumstances and objective assessments.

Sidenor also commits to maintaining an investment policy for the personal and professional learning and training of its employees.

The employees of Sidenor shall respect the policy of equal opportunities in their professional environment and support the personal and professional learning of their colleagues.

As a socially responsible employer, Sidenor positions itself against all forms of modern slavery and/or forced work in its facilities and acknowledges that its employees constitute an asset of great value. Sidenor requests of its personnel a high level of commitment and, in return, shares its business success. Sidenor is committed to providing a work environment in which the diversity and richness of an international culture are valued.

The human resources policy and activities of Sidenor shall contribute to the creation of a work environment in which each individual has the opportunity to grow professionally and personally.

5.1.5 Occupational safety and health.

Sidenor shall provide its employees with a safe and stable environment and commits to continuously updating the measures for the prevention of occupational

risks as well as to rigorously observing the applicable regulation in this matter wherever it develops its business activities.

All employees have the duty to rigorously comply with the health and safety standards. They shall also make responsible use of the equipment assigned to them when they carry out risk activities and spread knowledge among their colleagues and superiors, promoting the observance of risk protection practices.

5.1.6 Respect for privacy and confidentiality of the information of the employees.

Sidenor commits to exclusively requesting and using the employee data which are necessary for the efficient management of its business or whose recording is required by the applicable regulation.

Sidenor shall also take all necessary measures to preserve the confidentiality of the personal data in its possession and to ensure that the confidentiality of data transmission, when necessary for business purposes, is performed according to the current legislation.

Employees who, due to the exercise of their duties, have access to the information related to other employees shall respect and promote the confidentiality of said information and use it in a responsible and professional way.

5.1.7 Promotion of the conciliation of private and working life.

Sidenor shall promote the work-life balance of its employees. Sidenor values the benefits, for employees as well as for the Company, of a balance between the professional and personal responsibilities of its employees and shall therefore promote measures aiming at reconciling these two areas.

5.1.8 Employer associations and trade unions.

Sidenor promotes a constructive atmosphere in its relations with the representative bodies of employers, the trade unions and other social representatives of the workers for a continuous improvement of labour relations.

Frankness in dialogue, openness to arguments and respect for each party's position characterise the behaviour of Sidenor during negotiations with the social representatives of the workers.

5.2 Commitment of the Employee.

5.2.1. *Care and diligence.*

Our workers shall, in their daily activities, use the same care regarding the Company assets as the care they use for the management of their own property.

Each employee shall always proceed according to the ethical standards of this Code of Ethics, whether for internal action or in order to represent the Company.

5.2.2. *Personal conduct.*

Our employees shall act according to models of conduct which reflect their personal or professional integrity.

Our employees shall represent the Company outside and in the media only when specifically authorised and preserve the positive image of the Company in all activities.

5.2.3. *Conflict of interests.*

A “conflict of interests” occurs when someone has private interests which differ from Sidenor’s interests.

All employees of Sidenor shall avoid situations which might imply a conflict between their personal interests and Sidenor’s interests and refrain from representing the Company, taking action or influencing the making of decisions in which they, or a third party linked to them due to any significant economic, family or professional relationship, might have, directly or indirectly, any personal interest.

If an employee finds himself/herself in a situation of conflict, he/she must inform his/her hierarchical superior, so that the latter might analyse whether there is a conflict or not and, as the case may be, exclude the employee from any action related to said conflict of interests. Conflicts between personal interests and business interests shall always be solved for the benefit of Sidenor’s interests.

Conflicts of interests can occur in various situations which require special attention, including the following:

Employees may neither receive undue personal benefits as a result of their positions, nor enrich themselves in any other way by means of the access they have to confidential information.

The confidentiality of the information and knowledge acquired during the exercise of their duties and to which they might have access by virtue of their responsibilities is an obligation for all people in Sidenor, whether they are its own employees or the personnel of other companies or entities.

All employees have the duty of serving the legitimate interests of Sidenor whenever the opportunity presents itself. They may not take advantage of opportunities, make use of corporate property or information, make use of their position for their own benefit, or compete with the Company directly or indirectly.

Employees may not perform duties as board directors, managers, employees or advisors of external business organisations without the specific approval of the Company.

5.2.4. Information technology.

When using information technology, our employees shall comply with the relevant legal rules, morale, integrity and good practices, and refrain from using unauthorised resources.

Each employee shall act in line with the Company's information security policy when using information technology resources.

5.2.5. Information.

Our employees shall inform the Company about their minority or controlling participation in companies of any kind, except in case of pure financial investments in open companies by means of shares traded on the stock market.

Notwithstanding the above, our employees shall proceed as follows:

- In case of a contract with a third party, they shall officially and previously inform the Company of any family/friendship relationship with the owners or executives of the contracted entities. They shall also communicate their participation in said entity, whether as shareholders, owners or board directors.
- They shall inform their superiors of any participation of their spouse, partner or direct descendents in companies which compete with the Companies of the Group in the various markets in which it operates.

6 COMMITMENTS WITH THIRD PARTIES AND WITH THE MARKET

Sidenor and its employees shall base their relations with customers, providers, competitors and partners, as well as their shareholders and other market players, on principles of integrity, professionalism and transparency.

6.1 Fair competition.

Sidenor prohibits any action implying the exercise of unfair competition practices and commits to ensuring compliance with the applicable competition laws wherever it performs its activities.

6.2 Honest management.

Sidenor proscribes bribes paid to authorities and public officials and prohibits its employees from giving to or receiving from third parties undue payments of any kind, presents, handouts or favours that are outside the realm of market practice or can be reasonably considered, due to their value, characteristics or circumstances, as a potential danger to, or seem to endanger the ability of adopting objective and fair business decisions. Besides this provision, the employees of Sidenor shall abide by the provisions detailed in the operational directive "DO-REGALOS".

6.3 Quality.

Sidenor is committed to the quality of its products and services.

Sidenor establishes as a guideline for its company activity the search for quality in its products and services and shall provide its employees with the necessary means for the development of the most adequate quality management systems at any time.

Sidenor shall meet the expectations of its customers in the best possible way and make significant efforts to anticipate and know their needs.

6.4 Confidentiality.

Sidenor guarantees that the confidentiality and privacy of third-party data in its possession is respected.

Sidenor commits to preserving the confidentiality of the data related to third parties in its possession, unless it is required, by virtue of legal, administrative or

judicial obligations, to submit said data to entities or persons or to make them public. Sidenor also guarantees the right of concerned third parties to consult and advocate for the modification or correction of said data when necessary.

Sidenor's employees shall maintain data confidentiality in the terms stated above and refrain from any inappropriate use of this information.

All people who work at Sidenor or its subsidiary companies shall apply these rules with even greater rigour, if possible, to intellectual property, such as business secrets, patents and trade names, as well as to business, marketing and service plans, expertise in engineering and manufacturing, designs, databases, registers, information on wages or any unpublished financial data or report.

6.5 Transparency, creation of value and corporate governance.

Following the guiding principle of its company behaviour towards its shareholders, workers and the market in general, Sidenor undertakes to transmit information that is truthful, complete and provides a faithful image of the Company, its business activities and strategies.

Information transmission shall always be performed according to the standards and within the deadlines prescribed by the current legislation applicable in each case.

Sidenor's corporate action and strategy decisions shall focus on value creation for the Company, transparency of management, adoption of best corporate governance practices in its companies and strict compliance with the standards in force at any given time in this matter.

6.6 Protection and use of Company property.

Sidenor and its employees shall always aim at best protecting the property and rights which constitute the assets of the Company and preserving the confidentiality of the information related to them, which shall be used only with respect to the Company's activities.

Employees have the duty to protect the property of Sidenor entrusted to them and to preserve it from any loss, damage, theft, illegal or dishonest use. Emplo-

employees are collectively responsible for safeguarding Sidenor's property and using it in an appropriate and efficient way. Besides, each employee has the duty to protect the assets of his/her company from any loss, damage, misuse, theft, misappropriation or destruction. He/she shall immediately communicate any situation or incident which might lead to such a result to his/her superior or manager.

The persons who form part of Sidenor may not use, for their personal or extraprofessional use and/or for activities that are not directly related to Sidenor's interests, the resources, financial or not, which have not been made available to them for carrying out their professional activity.

6.7 Use of information about Sidenor.

Sidenor requires its employees to make discreet and professional use of the Company information to which they have access within the framework of their activity, to limit their use to the Company's own activities and to commit to establishing management systems in line with this principle.

Sidenor requires its employees to refrain from using inside information. This prohibition applies in particular to employees who have access to non-public information on Sidenor or companies with which it carries out commercial operations. Accordingly, in addition to the statements in this Code of Ethics, employees shall abide by the specific provisions of the Information Security Procedure.

7 COMMITMENTS TO THE COMMUNITY

7.1 Environment.

Sidenor is committed to providing the best care for the environment while carrying out its activities as well as to minimising their possible negative impact.

The health and safety of all its employees, neighbours, customers, consumers and other people affected by its business activities as well as the protection of the environment are of high priority.

Sidenor shall provide its employees with the most adequate means for the implementation of the defined objectives.

In addition, Sidenor shall contribute to the conservation of natural resources and areas of ecological, landscape, scientific or cultural interest. To that effect, the Company shall establish the best practices and promote their knowledge and use among its employees.

Sidenor guarantees a strict compliance with the applicable environmental legislation.

7.2 Social commitment.

Sidenor commits to a socially responsible behaviour according to the law and, in particular, assumes the responsibility of respecting the diversity of cultures as well as the customs and principles applied among the people and communities affected by its activities.

As a neighbour more in the communities where it operates and as part of its social responsibility, Sidenor participates directly or through recognised organisations in programmes or activities which promote the integration, development and improvement of the quality of life of the communities.

Sidenor's participation might entail presence, counselling, management, sponsorship or other types of specific support.

The participation of our organisation in community development projects shall be subject to the following:

- Contemplate programmes, actions or sponsorships backed or supported by local authorities.

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- Not be prohibited by the law of the relevant country.
 - Be really oriented towards the development of the community by promoting culture, health, education, sports or environment, among others.
 - Be reflected in the accounting records of Sidenor, according to the applicable legislation.
 - Indicate clearly, in an agreement signed by Sidenor and the beneficiary, the amount or nature of the contribution, as well as the recipient and purpose of said contribution.
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8 INTERPRETATION AND COMPLIANCE

8.1 This Code of Ethics establishes the business ethics principles and commitments which shall be observed and complied with by Sidenor and its employees while carrying out their activities.

8.2 Where an employee has grounds for suspicion or becomes aware of any non-compliance with this Code of Ethics, or has doubts, concerns or complaints regarding its content, including possible violations of said Code, he/she shall immediately communicate them to his/her superior or to the Human Resources manager of his/her work center. This can be made anonymously, confidentially or in any other manner.

8.3 Sidenor uses the electronic mail digital tool `codigoetico@sidenor.com`, so that any employee who has grounds for suspicion or is aware of any non-compliance with this Code of Ethics or has doubts, concerns or complaints regarding its content, including possible violations of said Code, might, anonymously and confidentially, refer to the Follow-up Committee created by Sidenor for this purpose.

Sidenor shall take the necessary measures so as to avoid adverse consequences as a result of the communications made by the employees in good faith as specified herein.

8.4 The entire personnel as well as the members of the Board of Directors shall comply with the standards established in this Code of Ethics. Any violation of the Code shall give rise to consequences. In serious cases, these consequences might entail removal from the position and termination of the employment relationship.

8.5 In order to ensure compliance with this Code of Ethics, resolve incidents or doubts regarding its interpretation and adopt adequate measures for its better compliance, a Follow-up Committee is created, whose composition shall be determined by the Board of Directors of Sidenor.

