

# SUPPLIER CODE OF CONDUCT



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## LADIES AND GENTLEMEN,

Being a globally operating group of companies, Salzgitter AG and its subsidiaries have not only established for themselves the commitment to adhere to the highest standards of safety and quality while being environmentally friendly in producing goods and providing services, but also the commitment to perform all business activities, and, with it, the relationship to their business partners and all parts of society, in a correct and fair manner in terms of both a legal and ethical perspective.

This is why we have adopted a Group-wide Code of Conduct and, additionally, taken further measures to ensure a universal compliance approach.

As our business activities are largely based on supplies and services from suppliers, licensors, service providers, contractors, lessors and others – all together hereinafter referred to as „Suppliers“ – we are being legitimately judged not only based on our own conduct, but also on the extent to which we, and our Suppliers, ensure that legal and ethical standards are also consistently being observed throughout our entire supply chain, i. e. by our Suppliers.

Based on the values of our Code of Conduct, we have established this Supplier Code. It comprises regulations as to the compliance with general human rights, environmental protection, and laws, the observance of and compliance with which should be a matter of course anyway. It concretizes towards Suppliers the expectations which the Executive Board of Salzgitter AG has expressed in its policy statement on a human rights strategy.

We as Salzgitter AG do not make any demands on our Suppliers that we ourselves are not prepared to fulfill.

We expect all Suppliers of our Group to accept that the common basic understanding to respect human rights, to comply with laws, and to protect the environment, shall form part of the contractual relationship and also be consistently implemented in practice. Therefore, we wish to jointly review compliance with this legal, sustainability and ethical framework together with our Suppliers on a regular basis and to implement any improvements that may be necessary. However, in the unlikely event of a serious violation, or lack of cooperation, a termination of a business relationship will also have to be considered.

The following requirements shall set forth the minimum conditions for our mutual cooperation. We encourage our Suppliers to introduce, for themselves and on behalf of their employees, further reaching behavioral guidelines with higher requirements for ethical and sustainable conduct, as may be necessary according to specific needs. Whereas this Supplier Code, for reasons of simplification, refers to Salzgitter AG, the following positions or requirements of Salzgitter AG shall apply accordingly and be deemed to qualify as the positions or requirements of a Group company, whenever a Group company, instead of Salzgitter AG, is the relevant contracting party of the Supplier.

To the extent that our Suppliers render services to Salzgitter AG making use of the assistance of upstream suppliers, subcontractors or other third parties, it shall be incumbent upon, and be in the responsibility of, the Suppliers to agree on the following principles and obligations also in relation to these upstream suppliers, subcontractors or third parties, or to otherwise ensure the adherence hereto. Only by consistently incorporating these principles and obligations into the entire supply chain can it be ensured that fundamental human rights, fair working conditions, occupational safety and environmental protection are consistently upheld throughout the entire supply chain.

## I. OUR REQUIREMENTS AND EXPECTATIONS

### 1. Requirement: Legality and Integrity

As Salzgitter AG, we are committed to a comprehensive approach to legality and integrity which must be adhered to by our Suppliers. This includes, in particular, that laws, regulations and standards as well as contractual obligations shall be reliably complied with and that violations, evasions or deceptive practices be avoided.

#### a. Compliance with Applicable Law as a Minimum Standard

We expect our Suppliers to abide by the laws and other relevant regulations applicable in the places where they operate. If a delivery or service is intended for export, the delivery or service must also comply with the legal provisions of the country of destination. Insofar as international regulations applicable to our Suppliers justify more extensive or stricter requirements, these must be observed.

#### b. Corruption (Public Sector/Private Sector)

We expect our Suppliers to neither actively participate in any corruption nor to tolerate any corruption. We expect our Suppliers to take active precautions against corruption and to consistently punish any corruption that is identified. This shall also apply to actions or arrangements that serve or lend themselves to the concealment of corruption or the circumvention of the prohibition of corruption.

We expect our Suppliers to deal responsibly with the mutual interests of Salzgitter AG, its Suppliers, and the employees involved, and to separate those interests appropriately.

We expect our Suppliers and their employees to behave with integrity, to make business decisions exclusively on the basis of objective criteria and, in particular, not to let themselves become influenced by donations from business partners or third parties.

We expect our Suppliers to exercise strict restraint in granting benefits such as monetary or immaterial personal advantages to business partners and public officials. Under no circumstances may benefits be offered, promised, or granted in return for a sovereign or business decision or in the expectation of preferential treatment. Benefits may only be offered or granted in exceptional cases if they are appropriate, socially adequate, customary and of low value. The applicable provisions of criminal law and tax law must be observed.

#### c. Antitrust Law

We expect our Suppliers to behave fairly in competition and to refrain from unfair competition.

In particular, we expect our Suppliers to comply with applicable national and international antitrust laws and other laws regulating competition. Unlawful agreements restricting competition, or the abuse of a dominant market position, must be avoided, as must the unlawful exchange of information relevant to competition.

#### d. Export Control

We expect our Suppliers, whenever importing and exporting, to comply with all applicable national and international regulations of foreign trade law, and to abstain from participating in any violations, evasions or deceptions.

We expect our Suppliers to carry out and document their imports and exports in a comprehensible manner.

We expect our Suppliers to abstain from rendering any acceleration payments to public officials.

#### e. Money Laundering

We expect our Suppliers to comply with national and international money laundering laws in all transactions and other services arising from or in connection with business relationships.

#### f. Secrecy and Data Protection

We expect our Suppliers to respect the trade or company secrets and property rights of third parties and to treat exchanged documents, data, offers, and prices confidentially.

We expect our Suppliers to store confidential company-related and personal data and information that is not in the public domain carefully and in accordance with national and international regulations on the protection of business secrets and to comply with the applicable laws on data protection.

### 2. Requirement: Human Rights and Working Conditions

Salzgitter AG expects its Suppliers to respect universal human and fundamental rights, especially in the working environment. In particular, Salzgitter AG considers the principles of the International Labor Organization of the United Nations (ILO) as well as the substance of the UN Civil Pact and the UN Social Pact to form a global minimum standard. We expect our Suppliers to abide by these.

#### a. Freedom of Association

We expect our Suppliers to respect the right to freedom of expression and freedom of association of their workers within the framework of the laws applicable at their place of business and place of employment. Employees shall not be discriminated against for forming or participating in trade unions or interest groups, nor for advocating for their rights or for improvements in their situation or working conditions.

#### b. Working Hours

We expect our Suppliers to comply with the laws in force at their place of business and place of employment regarding working hours, in particular the maximum number of hours per day/week. This includes, in particular, compliance with applicable collective bargaining agreements. It must be ensured that employees have sufficient days off for recreation.

**c. Wages**

We expect our Suppliers to pay their employees appropriately and adequately and to comply with applicable minimum wage and compensation regulations. This also includes that overtime shall be paid according to the applicable laws/ collective agreements.

**d. No Child Labor**

We expect our Suppliers to abide by the regulations of the United Nations on human and children's rights. Salzgitter AG does not tolerate child labor. In any case, the employment of school age children and children under the age of 15 must be avoided. Any stricter national regulations concerning child labor as well as the minimum age for employment, shall have precedence.

**e. No Slavery or Forced Labor**

We expect our Suppliers to abstain from practicing, economically benefitting from, or accepting any slavery, slavery-like conditions or forced labor. Any involuntary labor or service that is required of a person under a threat of punishment, such as prisoners and detainees, shall be deemed to qualify as forced labor. This shall also apply on any retraining, training, or education scheme of certain groups of persons or parts of populations, ordered or induced by a government entity or a local potentate, which essentially comprises involuntary labor or labor performed under the threat of sanctions, if such labor has to be carried out under conditions similar to imprisonment or confinement in a closed sanitarium, reformatory, or camp.

**f. No Discrimination**

We expect our Suppliers to treat all people and in particular their employees with respect, without prejudice, and, in particular, without discrimination. Any form of discrimination or disadvantage, especially on the grounds of national and ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion or belief must be avoided. Legal regulations for protection against discrimination must be observed.

**g. Natural Resources and Protection Against Encroachment**

We expect our Suppliers to respect and protect the natural resources of mankind. Harmful pollution of soil, or water, or of air as well as noise emissions or water consumption, which, for example, prevent the basic supply of food, access to clean drinking water, or the appropriate use of sanitary facilities, must be avoided. No one shall be unlawfully deprived of access to land, forests, or waters necessary to sustain their livelihoods. Any inappropriate use of own security forces or the commissioning of third-party security forces for the unlawful enforcement of one's own interests by force shall be abstained from.

**h. Responsible Procurement of Materials**

We expect our Suppliers to implement procedures in accordance with the OECD Due Diligence Guidelines for Promoting Responsible Supply Chains of Minerals from Conflict and High-Risk Areas with respect to the conflict minerals tin, tungsten, tantalum and gold, and, if

necessary, for other raw materials such as cobalt. Smelters and refineries without adequate audited due diligence processes should be avoided.

**3. Requirement: Occupational Safety and Health Protection**

Salzgitter AG requires their Suppliers to ensure that humans can perform their work safely and without permanent physical impairment.

**a. Healthy and Safe Working**

We expect our Suppliers to provide a healthy and safe working environment for their employees.

We expect our Suppliers to recognize, and minimize, the risks of physical integrity hazards, especially to their employees. A system should be in place to protect employees. Occupational safety and health laws shall be respected.

**b. Accident Prevention**

We expect our Suppliers to organize their work, the design of products as well as the performance of work and services in such a way that the occurrence of accidents is precluded as far as reasonably possible, and the consequences of accidents are minimized as far as possible.

**4. Requirement: Sustainability (Environmental and Climate Protection/Energy/Natural Resources)**

Salzgitter AG expects its Suppliers to have as little impact on the environment as possible and to proactively support the protection of the environment and the preservation of natural resources. In particular, Salzgitter AG considers compliance with the prohibitions of the Minamata Convention, the Stockholm Convention (POP's Convention) and the Basel Convention as a global minimum standard. We expect our Suppliers to comply with these.

**a. Environmental Regulations**

We expect our Suppliers to behave responsibly with respect to protecting the environment and conserving limited natural resources, and to fully comply with environmental laws.

We encourage our Suppliers to support us in possible further environmental protection measures beyond the scope of the legal regulations and to submit suggestions for more environmentally friendly products or production processes as well as for works and services.

**b. Sustainability**

We expect our Suppliers to handle the available natural resources in such a way that the next generations will not have to suffer from the current consumption. We expect our Suppliers to consistently pursue the principles of sustainability and circular economy as well as to act in an environmentally conscious manner. Especially the use of non-renewable resources is to be continuously reduced in favor of renewable or recyclable resources, and waste should be avoided.

**c. Energy**

We expect our Suppliers to work continuously on reducing their energy consumption and to use CO<sub>2</sub> - neutral energies to the greatest possible extent.

**d. Climate Protection**

We expect our Suppliers to be geared towards the goals of sustainable climate protection in production and development as well as in the provision of services for Salzgitter AG.

We encourage our Suppliers to develop and implement a climate protection strategy that aims at CO<sub>2</sub> neutrality. In order to enable us to gradually achieve the goal of maximum CO<sub>2</sub> neutrality of our deliveries and services, our Suppliers shall provide us with information on the CO<sub>2</sub> footprint of their deliveries or services. In the interest of continuous improvement processes, we will, by way of a joint dialog, search for ways to achieve CO<sub>2</sub> neutrality and avoid harmful emissions.

**II. REVIEW/COMPLIANCE/CONTROL/AUDITS**

As Salzgitter AG, we are subject to internal and external audits in order to ensure and improve the supply chain in a sustainable and lasting manner. We expect our Suppliers to appropriately participate in this process. We will appreciate our Suppliers having their management systems certified and sending in any verification thereof to Salzgitter AG.

We expect our Suppliers to ensure in an appropriate manner that their employees, suppliers, and subcontractors will be obligated to comply with the provisions of this Supplier Code of Conduct, and that they will be trained accordingly, if necessary. Suppliers and subcontractors shall pass on the requirements of this Supplier Code in an appropriate form to their suppliers or subcontractors in the supply chain.

Any violation of the principles set forth in this Supplier Code will be considered by Salzgitter AG as a material breach of the contractual relationship on the part of the Supplier. In the event of indications of a failure to comply with the principles of this Supplier Code (e. g. through media reports), Salzgitter AG reserves the right to demand information on the relevant facts, without prejudice to further rights.

Salzgitter AG reserves the right to conduct random checks and audits of Suppliers to verify compliance with this Supplier Code.

**Important:** In the event of serious or continuous violations, the contractual relationship may be terminated. We will grant our Suppliers a reasonable period of time to remedy violations or complaints.

**III. CONTACT PERSONS**

The basic contact persons for our Suppliers or their employees shall be the already known business contacts. In addition, Suppliers or employees of Suppliers as well as downstream suppliers and their employees as well as other persons concerned may contact the Compliance Hotline or the Ombudswoman of Salzgitter AG - also on a confidential basis - in order to point out violations of the law or other circumstances by which people, the environment, Salzgitter AG or one of its Group companies are harmed, unjustly disadvantaged or natural resources are unlawfully impaired in connection with the economic activities of Salzgitter AG or one of its Suppliers.

**Contact****Compliance-Hotline**

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