

Policy Statement of the BENTELER Group according to the Act on Corporate Due Diligence Obligations in Supply Chains¹

January 2023

Preface

Responsible behavior is a key concern and that is why we are committed to promoting social matters. This policy statement summarizes the position and requirements of the BENTELER Group on human and environmental due diligence in our own business area and along the supply chain.

Value-oriented corporate management and expectations we place on our employees

Integrity and respect for the rights of third parties are the key principles that define our interactions with employees, business partners and the business environment. We respect and promote compliance with internationally recognized human rights and children's rights, particularly the UN Guiding Principles on Business and Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO) as well as compliance with relevant environmental laws.

We reject any and all forms of forced labor and child labor. Our employees are paid fairly and appropriately for their work. We follow the applicable rules on work times in each respective country, though this is only our minimum standard, and we make sure that health and safety of every employee is assured. We use natural resources sparingly and protect the environment, encouraging an environmentally friendly ethic in all our employees. Our measures for ensuring environmental compliance encompass our entire product range and all our production processes. To meet the challenges of the future we need employees ready to take responsibility, plus executives who can help them develop, encourage them, and lead them. We are actively shaping a corporate culture designed to ensure that we keep growing. We aim to deliver outstanding performance through teamwork. We are respectful and appreciative, and we keep our promises. Long-term success calls for employees with an entrepreneurial spirit who are ready to act independently and respond flexibly to changes. BENTELER therefore has a performance-oriented corporate culture and clear values that define our actions, and we expect all our employees to comply with them without exception. All our interactions with employees are based on respect. We must all make sure that health and safety of every employee is assured. All employees must work actively for the good of the company. They must safeguard its resources and be willing to engage in further training. Accordingly, our management practices rely on the delegation of responsibility and on trusting collaboration.

¹ In the event of discrepancies between the German version and the English version, the German version shall prevail.

Risk management, risk analyzes and internal control system

BENTELER has established a comprehensive risk management system to identify, assess risks and to manage defined risks. This risk management system is fully integrated into the group's strategy-, planning- and information processes and is subject to regular review and continuous development.

In order to comply with our due diligence obligations with regard to internationally recognized human and children's rights as well as the corresponding environmental rights, we have developed a comprehensive risk management system. By doing risk analysis, we are analyzing and prioritizing human rights and, on a decentralized basis, environmental risks. This applies to BENTELER itself as well as our direct suppliers and, if necessary, our indirect suppliers.

Among other things, we review the selection of suppliers and the according process specifications. This includes a confirmation by the supplier that it adheres to the BENTELER Code of Conduct, which implies, among other things, compliance with human rights and with relevant environmental regulations.

Concerning our own business area, the identified risks are mitigated by BENTELER's group-wide internal control system (ICS). This contains organizational controls, procedures, and system reviews. In addition, BENTELER's Internal Audit Function regularly reviews all business areas of the entire group and verifies compliance with policies, robustness and efficiency of processes and reporting as well as functional capability of the risk management system.

Sustainability and social responsibility

We concentrate on sustainable procurement and sustainable production as a priority. We have occupational safety and environmental programs and corresponding environmental certifications at the relevant locations. Safety and health at work are important to us. We work on the prevention of accidents and unsafe conditions by measuring the number of accidents and other health and safety indicators on a monthly basis, publishing them and having a plan for corrective and preventive measures. We work in an environmentally conscious manner by measuring and controlling energy and water consumption as well as waste disposal within the framework of legal regulations and according to international standards. Additionally, we analyse our waste streams to work towards a circular economy. Compliance with our measures is continuously checked by the responsible departments. In our Automotive Division we perform life cycle assessments, in order to understand the effects of our actions and products and to derive targeted measures for improvement. The risk management concept is regularly reviewed by our Supply Due Diligence Committee and the results are reported to our Sustainability Steering Committee.

In addition, we conduct appropriate training programs.

Supplier management

Given the volume of our purchasing budget and the importance of close partnerships with our customers, we rely on systematic supplier management.

Besides regular and open communication BENTELER reviews suppliers as part of business-partner-due-diligences, in particular by sanction list checks. All new suppliers of production materials must also answer a detailed self-assessment questionnaire from BENTELER as part of the supplier evaluation and approval process, including among other information on the prohibition of modern slavery, i.e. forced and child labour as well as other sustainability topics. In addition, around 7,500 of our suppliers are continuously and automatically checked for risks in the supply chain using a risk-based approach, which particularly takes account of countries of origin and precursors. In addition, if necessary, existing suppliers are checked by topic-related questionnaires.

We also conduct quality audits with our suppliers, which may comprise social responsibility topics. The results from our audits can range from a supplier's action plan and escalations to not entering into or terminating the business relationship.

Our expectations of suppliers

Our values and our Code of Conduct are postulated by the [BENTELER Code of Conduct](#) available in English, German as well as 13 language versions as well as the [BENTELER Supplier Code of Conduct](#). They are regarded by us as important criteria for a long-term successful cooperation. We therefore encourage our business partners to introduce and implement similar criteria.

We expect our business partners, direct and indirect suppliers to respect the applicable legal systems, in particular human rights and children's rights, in their business activities and decisions. All our business partners must commit themselves to compliance with human rights and with applicable labour regulations, in particular the UN Guiding Principles on Business and Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work, as well as to compliance with the applicable relevant environmental laws, our BENTELER Code of Conduct and our BENTELER Supplier Code of Conduct.

In particular, forced labour or labour based on human trafficking must not be used. The freedom of movement of workers within the workplace must not be unduly restricted and there must not be unreasonable restrictions on entry or exit from the workplace. Child labour is unacceptable to us. The relevant provisions laid down in the ILO conventions on the legal minimum age for the employment of children must be complied with. The weekly working time of employees must not exceed the maximum number of hours applicable under local law. The remuneration paid to workers must comply with local laws on remuneration. Brutal or inhumane treatment of workers is forbidden. Our suppliers must not tolerate harassment or unlawful discrimination in their workforce. Companies must respect the right of all workers to form trade unions and/or works councils or to join trade unions of their choice, in accordance with local legislation. If its workers

are exposed to possible safety risks, the supplier must take appropriate countermeasures to prevent these risks.

We expect our suppliers to take measures to protect the environment, in particular to protect water, air and soil, and to preserve biodiversity. These must cover the entire product range and all production processes. The entire life cycle of the products must be taken into account, starting with the extraction of raw materials, through development and production to waste disposal, recycling and noise protection. All necessary environmental permits, consents and registrations must be obtained. All regulatory, legal and operational requirements and reporting obligations must be complied with, in particular the Minamata Convention, the POP-Convention and the Basel-Convention. The consumption of resources (including water and energy) and the creation of waste should be reduced or avoided. Waste must be disposed of responsibly or recycled. Wastewater must be cleaned or, if not necessary, disposed of separately from sewage. The release of (potentially) environmentally harmful substances should at best be avoided, or at least kept to a minimum, and should be monitored in accordance with local legislation. Run-off rainwater must not be contaminated. The right to food, water and health must not be violated by the activities of our suppliers.

Complaint management and violations

All persons have the opportunity to report complaints in connection with human rights and environmental risks via our digital whistleblower system, which, together with the corresponding applicable rules of procedure, is made available on the BENTELER website under "Contact". Where possible under the applicable regional legal provisions, breaches may be reported anonymously upon request. Information received will be treated confidentially and in accordance with the need-to-know principle and checked by our responsible relevant department. If necessary, our Supply Due Diligence Committee discusses about human rights-related incidents. The results of investigations are used to evaluate our risk management and for preventive measures. The effectiveness of the complaint management is reviewed annually and, where appropriate, on a case-by-case basis.

If we detect violations of the protected rights listed in this statement, appropriate remedial action will be taken immediately. These depend on the seriousness of the infringement.

With regard to our suppliers, according to our processes we focus on communication with them in order to work towards demonstrable conformity with our internal and legal regulations. If necessary, we carry out an ESG audit on the basis of our BENTELER Code of Conduct for Suppliers, which, if necessary, results in an action plan of the supplier including an appropriate time window for implementation. As a further escalation, there is the option of interrupting the business relationship and blocking new orders and, if necessary, terminating the business relationship.

Reporting

As a family business that can look back on a successful business tradition since 1876, BENTELER faces up to its corporate responsibility and thus contributes to mastering future challenges. We make our contribution to sustainability, work as a proactive partner with our business partners and shape the future together with them. Mutual trust and respect are key, also with regard to all the people in the regions where we do business.

We believe that with this statement, which provides annual information on our commitment, and the steps and actions described herein, we contribute to transparency and enable our business partners to make better, more informed decisions about our products and services – marking BENTELER's strong commitment to sustainability, social responsibility and compliance.

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