

## Modern Slavery Statement

April 2023

The United Kingdom Modern Slavery Act 2015 and the California Transparency in Supply Chains Act 2010 require certain globally operating corporations to disclose their efforts to address Modern Slavery in their supply chains. Such statements are intended to foster transparency and to enable customers to take better, more informed decisions on the products and services they source and companies they cooperate with.

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### Introduction

The BENTELER Group (BENTELER) is a fourth-generation family-owned and independent corporation operating successfully since more than 140 years. In 87 locations in a total of 26 countries we work in close partnership with our customers. Under the roof of the strategic holding BENTELER International Aktiengesellschaft headquartered in Salzburg, Austria, BENTELER is organized in two legally independent divisions BENTELER Automotive and BENTELER Steel/Tube.

The BENTELER Automotive and BENTELER Steel/Tube Divisions source materials, goods and services from more than 2,100 direct and 15,100 indirect suppliers. By selecting mainly local suppliers, transport distances are shortened and emissions reduced as a result. In addition, this approach strengthens the regional economy and thereby promotes the BENTELER Group's bond with the respective region. In 2021 BENTELER achieved a local procurement content of 85,6 % within a continent and around 54,1 % within a country.

As an international leader in materials and manufacturing technology we are fully committed to establishing, maintaining and improving systems and processes to prevent Modern Slavery in our own business as well as in our external supply chains. BENTELER realizes that today Modern Slavery can occur in many different forms such as coerced, forced or compulsory labour, child labour, domestic servitude, human trafficking, sex trafficking and workplace abuse. Therefore, throughout this statement we use the term Modern Slavery<sup>1</sup> to encompass these various forms of coerced labour.

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<sup>1</sup> Please refer to Transparency in Supply Chains etc. – A practical guide, annex A, page 17.

As stated in more detail below, we undertake several steps during the fiscal year to ensure that Modern Slavery does not take place in our supply chain or other parts of our business. For this purpose, BENTELER has developed an integrated approach.

## Value-based Leadership and Corporate Philosophy

Responsible behaviour is a key concern and that is why we are committed to promoting social causes at our sites. For our customers, we are a dependable partner who puts them centre stage, helping them develop and achieve their goals. We are also a proud pioneer, passionate about finding fresh, innovative solutions.

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.

Courage means for us being inquisitive and seeking out new paths. Courage for us is pursuing our goals with passion and dedication, but also taking responsibility for the result. We bravely change what is already there, to produce even better results. For what we think is right and important, we fight with tenacity and discipline. Not against each other, but together, for the best result.

Ambition means for us striving for excellence and orientating ourselves to the requirements of the future. We always go the extra mile - that sets us apart from the competition and is necessary if we are to achieve great results.

Respect means for us valuing each other and the contribution that each individual makes. We keep our promises and stand together, for each other. We have trust in one another and we give each other the space to develop and implement new ideas. And when ideas fail, we are always open to learning from them.

All our interactions with employees are based on respect. Likewise, we must all make sure that the 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.

## Social Responsibility and Compliance

We are conscious of our social responsibility and act accordingly. We observe the principle of legality and respect the generally accepted customs of every country in which we are active, together with our own internal rules, guidelines and obligations. ("BENTELER-Standards"). Integrity and respect for the rights of third parties are the key principles that define our interactions with employees, business partners, and society.

In particular we respect and support compliance with internationally recognized human and children's rights and reject Modern Slavery, i.e. all forms of forced and child labour. This is explicitly postulated by the [BENTELER Code of Conduct](#) available in English, German and 13 language versions, the [BENTELER Supplier Code of Conduct](#) as well as the [BENTELER Policy Statement according to the Act on Corporate Due Diligence Obligations in Supply Chains](#). Our values and principles of conduct are regarded by us as important criteria for a long-term successful cooperation. We therefore encourage our business partners to introduce and implement similar principles.

We have invested significant time and resources in creating an effective and efficient compliance program for the entire group to prevent, detect and respond to misconduct. We strive to consistently embed compliance in our daily business operations and to continuously develop our compliance program on a risk-based basis. Our Chief Compliance Officer (CCO) reports directly to BENTELER's Chief Executive Officer (CEO). Dedicated Divisional Compliance Officers report to the CCO and support the respective division's leadership. In addition, Regional Compliance Officers cover the regions Asia, South- and North-America reporting directly to the respective region's leadership and Compliance Delegates support selected countries.

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. To foster compliance across the entire group, BENTELER provides systematic compliance trainings for managers and employees on the compliance focus areas anti-corruption, anti-trust, export control and in many areas on the BENTELER Supplier Code of Conduct comprising social responsibility.

## Risk Management and Internal Control System

BENTELER has established a comprehensive risk management system in order to identify, assess and 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. Within this risk management system, we are analyzing and prioritizing human rights 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. In the selection process of new suppliers, we require the supplier's confirmation that it adheres to the BENTELER Code of Conduct,

which implies, among other things, the prevention of modern slavery.

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reporting as well as functional capability of the risk management system.

The risk management concept is regularly reviewed by our Supply Due Diligence Committee and the results are reported to our Sustainability Steering Committee.

## Supplier Management

Considering the magnitude of our purchasing budget and the importance of close partnerships with our customers, a systematic supplier management is of the essence.

Besides regular and open communication, BENTELER reviews active suppliers with business partner due diligences regarding sanction lists 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 regular 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.

## Reporting

As a family-owned company with a tradition of 140 years, BENTELER embraces its corporate responsibility for helping to master future challenges. We contribute to sustainability and work hand in hand together with our customers as a proactive partner jointly shaping the future. Mutual trust and respect are of utmost importance also regarding all people we encounter in the regions where we are conducting our business.

BENTELER periodically publishes a detailed Sustainability-Update based on the principles of the Global Reporting Initiative (GRI). The GRI Standards on which our [Sustainability Report 2021](#) is based on, explicitly require information on the involvement of stakeholders in general and supplier assessment regarding social aspects. In this context, we have once again repeated in our sustainability report the clear expectation towards our suppliers to adhere to our own social and ecological standards comprising the unambiguous prohibition of Modern Slavery, i.e. forced and child labour.

We are convinced that with this BENTELER Modern Slavery Statement and the steps and measures described herein we contribute to transparency and enable our customers to take better, more informed decisions on our products and services – underlining BENTELER’s strong commitment to sustainability, social responsibility and compliance.

**Ralf Göttel**

Chief Executive Officer

**Tobias Braun**

Chief Financial Officer

**Michael Baur**

Member of the Executive Board