

Supplier Code of Conduct





Our understanding of sustainability in supplier management

For thyssenkrupp AG and its affiliated companies (collectively referred to as “thyssenkrupp”), sustainability is an essential element in the thyssenkrupp mission statement and an integral component of our business strategy. thyssenkrupp is an international group of companies that develops technologies and solutions for future market and customer demands. To secure the sustainable success of our customers with innovative product and service solutions, we procure our raw materials, goods and services from suppliers all around the world. Our relationships with them are based on responsible corporate governance that focuses on long-term value creation. This is why our suppliers are fully integrated in our sustainability strategy.

In our procurement activities, we not only observe legal, commercial, technical and process-related criteria, but also consider social and ecological aspects such as human rights, working conditions, anti-corruption, as well as environmental and climate protection. We have been systematically improving the energy and climate efficiency of our production processes for many years and, together with our customers and suppliers, aim at developing efficient solutions to further reduce our greenhouse gas emissions. thyssenkrupp has also set itself ambitious targets on the way toward becoming greenhouse gas neutral. Our long-term goal is for our group to be completely climate neutral by the year 2050. This is why our sustainability activities also focus on reducing the CO₂ emissions through the entire life-cycle of our products, from development and production all the way to recycling. In our efforts to reduce the CO₂ footprint of our products, our supplier network plays an important role.

Responsible conduct is an important consideration in our procurement processes. We award contracts not only on the basis of legal, commercial, technical and process-related criteria, but also on the basis of social, environmental and ethical standards. Sustainability thus plays an important role for thyssenkrupp when making decisions in favor of or against a supplier.

To facilitate the decision-making process, thyssenkrupp has developed a Supplier Code of Conduct that clearly defines the expectations we have of our suppliers. The Supplier Code of Conduct is based on the principles postulated in the United Nations Global Compact and the Universal Human Rights Declaration of the United Nations. Our goal is to only work with suppliers who comply with the principles set out in these UN declarations and who comply with the relevant national laws.

In cases where a supplier violates these principles and fails to adhere to or implement the necessary remedial measures, thyssenkrupp reserves the right to review its decision on commencing or continuing the business relationship with that supplier. This Supplier Code of Conduct is therefore provided to our suppliers with the aim of reinforcing our mutual understanding of how the principles described in the following sections are to be implemented in our cooperation.¹

¹⁾ Our publications use gender-neutral language.
For the sake of a consistent reading flow, we omit any gender-specific characters and use a gender-neutral language that includes all genders wherever possible.

Human rights and employee rights

thyssenkrupp expects its suppliers to comply with the United Nations International Charter on Human Rights, comply with the relevant laws and legal system in the respective countries and at the respective sites, respect the fundamental rights of employees under the respective national laws, and to endorse the core labor standards published by the International Labour Organization (ILO). thyssenkrupp also expects its suppliers to respect the rights of third parties and to minimize any potential interference with these rights while observing all international standards.

Child labor

thyssenkrupp expects its suppliers to comply with the ILO core labor standards and in this context prohibit and refrain from any kind of child labor in their companies.

Discrimination

thyssenkrupp expects suppliers to provide a work environment that is in all aspects completely free from any kind of discrimination. No employee working for the supplier shall be discriminated against, favored, or harassed due to personal characteristics including their gender, skin color, religion, nationality, political or other convictions, ethical origin, physical disability, age, sexual orientation and identity, or other personal characteristics.

Forced Labor

thyssenkrupp expects its suppliers to prohibit any kind of forced, compulsory labor and human trafficking in their companies and to refrain from becoming involved in any such activities. All work must be performed on a voluntary basis. Subject to any statutory termination notice periods, employees must be at liberty to terminate their employment at their discretion. Forced labor means any types of debt bondage. thyssenkrupp expects its suppliers to prohibit any and all coercive actions, such as the withholding of identification documents, passports, educational certificates, work permits or security deposits as conditions for employment.

Freedom of association

thyssenkrupp expects its suppliers to respect the rights of its employees, to form an employee representation body, and to engage in collective bargaining in accordance with the relevant national laws.

Compensation and working time

thyssenkrupp expects its suppliers to comply with the respective national laws pertaining to working time. If no national laws exist, the international standards published by the ILO shall apply. Suppliers are also expected to pay their employees a compensation that conforms with the relevant national laws and the legally prescribed minimum wage and benefits to be guaranteed by the employer.

Protection of the right to free speech, personal and privacy rights

thyssenkrupp expects its suppliers to respect their employees' right to free speech and to protect their personal and privacy rights.

Occupational health and safety

thyssenkrupp expects its suppliers to conform with the relevant national occupational health and safety regulations and to assure humane working conditions. In order to prevent accidents and workrelated illnesses in the best possible way, thyssenkrupp expects its suppliers to install and apply an adequate occupational health and safety management system (e.g. in accordance with ISO 45001). This includes the identification, assessment and reduction of actual and potential accident and health risks, the ascertainment and investigation of incidents, the training and induction of employees in a manner understandable for them, the provisioning of suitable work equipment and personal protective equipment, as well as adequate precautionary and emergency response measures.

Environmental protection

thyssenkrupp expects its suppliers to conform with the relevant national energy and environmental laws, regulations and standards. Suppliers are also expected to install and apply an adequate environmental and energy management system. We also expect resources, e.g. energy, water and raw materials, to be consumed efficiently and responsibly while utilizing technologies aimed at preventing and reducing waste, CO₂, wastewater contaminations, and emissions of hazardous substances. thyssenkrupp encourages its suppliers to also implement the fundamental rules and principles set out in the thyssenkrupp Group Environmental and Energy Policy.

thyssenkrupp expects its suppliers to assure transparency with respect to their own emissions as well as upstream activities. Suppliers are further expected to implement effective measures aimed at reducing their direct and indirect CO₂ emissions in accordance with the Paris Climate Agreement, to work on continuous improvements, and to further advance the use of renewable and alternative energy sources.

Integrity in business conduct

thyssenkrupp expects its suppliers to comply with all applicable laws, rules and regulations in the countries they operate or conduct business in, and to also implement measures that are suitable to ensure compliance with said laws, rules and regulations.

Preventing corruption and bribery

thyssenkrupp expects its suppliers to implement a zero-tolerance policy with regard to corruption and to comply with the conventions of the United Nations (UN) and the Organization for Economic Cooperation and Development (OECD) for combating corruption, as well as the applicable anti-corruption laws and regulations, including those that deal with bribery in foreign countries. The supplier must reject any form of corruption, bribery, theft, embezzlement, fraud or extortion and must not tolerate any illegal payments or granting of other benefits to individual persons, companies or public officials with the objective of influencing decision-making processes. In particular, the supplier must under no circumstances grant or accept – neither directly nor indirectly through third parties – any bribes, payoffs, kick-back payments or other illegal payments, incentives, courtesies or other advantages or valuable benefits in exchange for business opportunities, the expedition or simplification of official acts (bribes or facilitation payments) or related to business activities of thyssenkrupp companies.

Invitations and gifts

thyssenkrupp expects its suppliers to refrain from misusing invitations and gifts for the purpose of influencing business partners, customers or public officials. Any invitations and gifts extended to thyssenkrupp employees or related persons must be appropriate in terms of occasion and value, i.e. they are of minor value and can be interpreted as an expression of generally accepted local business customs. The suppliers are in the same way expected to not request any undue benefits from thyssenkrupp employees.

Preventing conflicts of interest

thyssenkrupp expects its suppliers to make decisions concerning their business activities with thyssenkrupp on the basis of exclusively objective criteria. Conflicts of interests with private affairs, commercial or other activities, including those of relatives and other related persons or organizations, are to be prevented right from the beginning.

Fair competition – compliance with anti-trust and competition law

thyssenkrupp expects its suppliers to uphold fair competition and comply with the applicable anti-trust and competition laws. Suppliers shall neither be involved in anticompetitive agreements with competitors in breach of anti-trust law, nor shall they abuse a potentially existing dominant market position nor be involved in any other anticompetitive practices.

Data protection and information security

thyssenkrupp expects its suppliers to take the protection of personal data seriously and to observe all relevant data protection laws. The processing of personal data without a suitable legal basis is strictly prohibited.

thyssenkrupp expects suppliers to adequately manage all of their information systems that store confidential information or data of thyssenkrupp, and to implement adequate technical measures to protect them against unauthorized access.

Preventing money-laundering and terrorist financing

thyssenkrupp expects its suppliers to comply with the applicable statutory obligations pertaining to the prevention of money-laundering and terrorist financing, and to refrain from becoming directly or indirectly involved in any money-laundering activities or terrorist financing.

Trade compliance

thyssenkrupp expects its suppliers to strictly comply with the relevant international and national foreign trade regulations, including in particular regulations concerning export controls and embargoes, and to refrain from being involved in any illegal business dealings with persons, companies or organizations that are subject to sanctions.

Fair use of external personnel and contractors

thyssenkrupp expects its suppliers to comply with all relevant national laws and to safeguard human rights and labor rights in their contractual and work relations. This includes the supplier's use of external personnel and contractors, irrespective of the type of contract (e.g. contract for work or to hire personnel).

Requirements for supply chains and due diligence obligations

thyssenkrupp values constructive cooperation with its suppliers. In the same way that thyssenkrupp is committed to treating its employees, customers, suppliers and neighbors responsibly and fairly, we expect our suppliers to also act in accordance with the principles and rules set out in this Supplier Code of Conduct.

thyssenkrupp expects its suppliers to comply with the relevant requirements for supply chains and due diligence requirements in their respective countries, to assure that all of the principles and requirements described in this Supplier Code of Conduct are also endorsed and observed by their affiliated companies, and to make reasonable efforts in their upstream supply chain to ensure their own suppliers comply with the fundamental principles set out in this Supplier Code of Conduct. "Affiliated companies" in this context means companies in which the supplier holds a direct or indirect economic interest of at least fifty percent (50%), or in which the supplier directly or indirectly holds at least fifty percent (50%) of the voting rights.

Conflict minerals and high-risk raw materials

thyssenkrupp expects its suppliers to duly exercise their duty of care to promote responsible raw material supply chains and to comply with all applicable statutory rules pertaining to conflict materials. We expect minerals, particularly including tin, tantalum, tungsten, gold and their ores and metals, to be procured from conflict-free sources. In cases where a product contains one or several conflict minerals or high-risk raw materials, e.g. cobalt, which is an important raw material for producing batteries, thyssenkrupp expects its suppliers to assure and provide, on request, transparency of their supply chain all the way to the smelter and origin of the material.

The aim is to exclude smelters without an adequate or certified due diligence process.

Quality standards and management of product risks

thyssenkrupp expects its suppliers to at all times meet the technical and statutory requirements pertaining to the quality of products and processes. Any detected defects or shortcomings must be corrected promptly and the cause must be investigated and eliminated permanently. Supplier processes shall, as a general rule, be continuously scrutinized and improved with the objective of increasing their performance in terms of function, costs and timeliness.

Reporting of potential misconduct

Legitimate whistleblowing reports can help counteract violations at an early stage and limit the damage for thyssenkrupp, our employees and business partners. Reports can be made by all thyssenkrupp employees, as well as suppliers, customers and other third parties – anonymously if required – using a number of different channels.

If there are concrete indications of a potential violation that could potentially affect thyssenkrupp, we request our suppliers to report them using our whistleblower system available at the following link: <https://www.thyssenkrupp.com/compliance-wb>

An online-based whistleblowing system is available to report possible violations of the ILO core labor standards and principles. The system is available at: <https://www.bkms-system.net/frameworkagreement>

All thyssenkrupp employees as well as suppliers, customers and other third parties can use this system – anonymously if required – to report information about violations of the ILO core labor standards and principles they become aware of. Reports can also be made using the email address frameworkagreement@thyssenkrupp.com.

thyssenkrupp protects the interests of whistleblowers by providing them secure reporting systems, as well as by the commitment to treat the information received confidentially and to use all means to protect whistleblowers who act in good faith against disadvantages resulting from reporting their suspicions. thyssenkrupp will also protect the interests of the data subject about whom information is provided by a whistleblower.

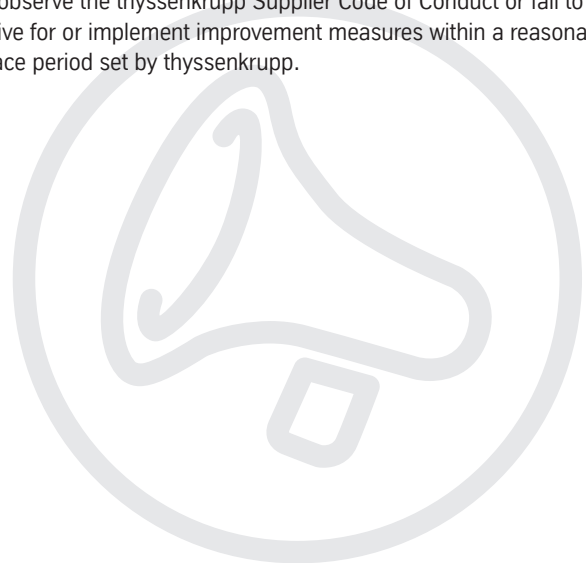
thyssenkrupp expects its suppliers to comply with their legal obligations, if any, to install a whistleblowing system.

Compliance with the thyssenkrupp Supplier Code of Conduct

thyssenkrupp requires its suppliers to accept this Supplier Code of Conduct, to complete the self assessment questionnaire based on this Supplier Code of Conduct or to furnish equivalent alternatives. thyssenkrupp will regularly review the suppliers' compliance with the principles and requirements set out in this Supplier Code of Conduct as part of a due diligence process aimed at identifying, reducing and preventing supply chain risks.

Any violation of the principles and requirements set out in the thyssenkrupp Supplier Code of Conduct will be considered a significant breach of contract by the supplier.

If there are suspicions that the principles and requirements described in the thyssenkrupp Supplier Code of Conduct are not observed (e.g. negative reports in the media), thyssenkrupp reserves the right to demand information about the relevant circumstances from the supplier. thyssenkrupp further has the right to terminate individual or all contractual relations for good cause and without a notice period with suppliers, who demonstrably fail to observe the thyssenkrupp Supplier Code of Conduct or fail to strive for or implement improvement measures within a reasonable grace period set by thyssenkrupp.





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Supplier Statement Version 4.0

1. The supplier has received the thyssenkrupp Supplier Code of Conduct 4.0 or the related thyssenkrupp Self-Assessment Questionnaire Version 4.0.
2. The Supplier hereby accepts and undertakes to observe all principles and requirements set out in the thyssenkrupp Supplier Code of Conduct in addition to the obligations resulting from supply contracts with thyssenkrupp.
3. thyssenkrupp considers compliance with the principles and requirements defined in the thyssenkrupp Supplier Code of Conduct a prerequisite for a mutually successful business relationship. In the event thyssenkrupp receives information about violations against the Supplier Code of Conduct by the supplier or within the supplier's own supply chain, thyssenkrupp may request a statement (if necessary also in the form of additional questionnaires or evidentiary information) concerning the alleged violations from the supplier, who must make the information available within a reasonable time.
4. In justified cases where action is required, the supplier shall permit thyssenkrupp or a contracted service provider to implement an improvement measure. Alternatively, the supplier may furnish evidence demonstrating that a comparable measure has already been implemented in the past 12 months (from the date the Supplier Code of Conduct is signed). In the case of an improvement measure in the form of a sustainability audit to assess compliance with the thyssenkrupp Supplier Code of Conduct version 4.0 that is carried out by an external service provider, the supplier shall bear the costs if the purchasing volume exceeds 1,000,000 EUR per year. The general rule is that these audit costs must not exceed the maximum amount of EUR 5,000.
5. The supplier hereby consents to the results of the completed improvement measures being provided to thyssenkrupp in the form of a report or certificate that includes the score.

Company-specific information

Supplier's company name

Address

Country

Production countries

Contact for sustainability issues

Surname, first name:

Position:

Email address:

Phone:

Place, date:

Signature:

This statement must be signed by the Supplier's authorized representatives in accordance with the Supplier's rules of representation (joint signatures as required).