



bsm[®]
vision in steel

SUPPLIER
CODE OF CONDUCT

1. PREFACE

We recognize the need for businesses to address Corporate Social Responsibility since BSM as a business affects the environment, community, employees, suppliers, and customers.

Therefore, we expect our suppliers to follow this Code of Conduct (CoC). This Code of Conduct aims to ensure that suppliers to BSM comply with the UN Universal Declaration of Human Rights, the UN Conventions on the Rights of the Child, and the local legislation of the country where production is located. Furthermore, all suppliers must operate under the Ten Principles of the UN Global Compact. This Code of Conduct describes the social responsibility requirements for our suppliers. BSM adheres to the principles of this CoC, and our suppliers are expected to do the same.

Additionally, BSM is committed to environmental, social, and governance (ESG) adherence. We believe that ethical business practices extend beyond just legal compliance. We encourage Suppliers to ensure their operations contribute to sustainable environmental practices, respect human rights, and uphold strong governance standards. This means that adherence to the CoC should also encompass a broader commitment to ESG criteria, ensuring responsible environmental management, ethical labor practices, and transparent governance structures. By aligning with these ESG principles, we ensure that our business practices positively impact all stakeholders and foster long-term sustainable growth across our value chain.

The CoC establishes minimum standards, and BSM will not accept any attempt to use the requirements to lower existing standards or prevent or discourage collective bargaining.

2. GENERAL PRINCIPLES

2.1. Requirements

At BSM, we have set up the following requirements that we regard as a minimum for our suppliers to comply with:

- Must work proactively on minimizing/phasing out environmentally harmful factors in materials and manufacture.
- Ensure that the working conditions are optimum in relation to their country's legislation and to the internationally recognized human rights standards, labour, and environment.
- Suppliers whose activities have an environmental impact shall have a structured and systematic approach to take environmental aspects into account that includes establishing suitable management systems for environmental protection, setting targets, and performing follow-ups.
- Commit to reducing greenhouse gas emissions in line with international agreements such as the Paris Agreement and work towards establishing science-based targets for emissions reduction.
- We encourage suppliers to promote sustainable sourcing practices within the areas where they have direct influence. If suppliers do not have direct influence over sourcing, we expect them to support and collaborate with their supply chain to promote responsible practices where possible.
- Implement water stewardship practices to ensure efficient water usage and minimize contamination, particularly in regions prone to water scarcity.
- Demonstrate a commitment to fair and equitable treatment of all employees, e.g. by embedding diversity, equity, and inclusion (DEI) policies in employment practices.
- Establish robust anti-corruption policies and procedures to ensure transparency, ethical business conduct, and compliance with all applicable anti-bribery laws.
- Ensure actions towards product packaging materials that are increasingly more sustainable, with a focus on reducing plastic use, increasing recyclability, and minimizing waste in line with circular economy principles.

and confirm that products comply with the following legislation:

- Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) – refer to point 4.1-4.2.
- RoHS Directive 2011/65/EU and 2015/863 on the restriction of hazardous substances – refer to point 4.1-4.2.
- Regulation (EC) No 850/2004 on persistent organic pollutants (POP).
- Conflict Minerals, (EU) 2017/821 of 17 May 2017.
- PFAS, falling under the REACH regulation and PFOS falling under the POP regulation.

- EU CSRD if applicable and relevant based on company size.

Our suppliers must take all necessary actions to comply with the CoC. BSM expects to have an open cooperation with the suppliers we engage with. We recognize that complying with this CoC may raise different challenges depending on where in the world businesses operate. We expect our suppliers to be honest and open if problems occur so we can agree upon which actions should be taken to comply with this CoC.

In cases where BSM finds or suspects incidents of suppliers not complying with the CoC, BSM expects our suppliers to investigate and solve the issue of non-compliance with the CoC. The actions are expected to be taken as soon as possible – or within an agreed timeframe.

3. SUPPLIER BEHAVIOR

BSM expects its suppliers to support and protect human rights both in the workplace and, more broadly in all their business activities. All employees and workers must be treated fairly, with dignity and respect. The supplier must inform BSM of any human rights abuses known to him at suppliers or in BSM's supply chain.

3.1. Child labour

BSM does not accept child labor and will not conduct business with any supplier using child labour.

This includes employing children under the age of 15, younger than the legal minimum age, or younger than the age of completing compulsory school. Children between the age of 15 and 18 are only allowed to be employed by the supplier if the work complies with local laws and the ILO Minimum Age Convention. In general, all children under the age of 18 must not perform any work that is likely to be hazardous or harmful to their health and safety, must not work night shifts, and must be entitled to more breaks than adults.

3.2. Freedom of association and collective bargaining

Suppliers shall recognize and respect the rights of employees to freely associate, organize and bargain collectively. Suppliers shall allow workers to select their own representatives when the right to freedom of association and collective bargain is restricted under law.

3.3. Forced labour

BSM does not permit any forced or involuntary labour at suppliers. This includes prison work, work on a forced contract, slavery, and other forms of work which are done against one's will or choice. Furthermore, BSM does not tolerate employment that confines the employee in unreasonable debt bondage: For example, through free-charging employment agencies.

3.4. Non-discrimination

BSM will not do business with a supplier if the supplier practices discrimination at work based on race, religion, gender, age, nationality, sexual orientation, or any other distinguishing characteristics. The supplier shall hire people based on their working capabilities and skills. Supplier's employees must not be exposed to any physical punishment, threats of violence, or physical, sexual, psychological, or verbal harassment or maltreatment in the workplace or work-related situations.

3.5. Working environment

BSM supports the fundamental human right to have proper working conditions. Therefore, the supplier must ensure a good and safe working environment for its employees, which complies with all applicable national rules and laws. As a minimum:

- Workers must not be exposed to dangerous work without being properly protected.
- Workers must be provided with personal protective equipment and be instructed in its proper use.
- Facilities must comply with applicable laws and rules about construction safety, fire protection, and alarms.
- Facilities must provide appropriate light and ventilation.
- All dangerous materials must be stored in safe places and used in safe and controlled ways.
- All machinery must be maintained appropriately and shielded.

3.6. Working hours and salary

Unless the law provides otherwise, the maximum working time at the supplier's sites is 48 hours per week plus maximum 12 hours of overtime work. All workers shall be allowed to have at least one day off in a period of seven days unless the national law/rules provide otherwise. Salaries for work and overtime shall be in accordance with the applicable federal law or applicable national regulations. Deductions in salary due to company fines or penalties must never compromise minimum salary.

3.7. Diversity, Equity, and Inclusion (DEI)

BSM expects its suppliers to working towards promoting diversity, equity, and inclusion within their operations and workforce. Suppliers are encouraged to implement policies to prevent discrimination and ensure equal opportunities for all employees, regardless of race, religion, gender, age, nationality, sexual orientation, disability, or any other distinguishing characteristics. Suppliers must demonstrate a commitment to fostering a diverse workforce and inclusive workplace culture.

4. ENVIRONMENT

BSM expects its suppliers to manage their operations responsibly concerning environmental risks and impacts and adopt a precautionary approach in their business operations. The supplier must strive to minimize environmental harm caused by their activities. In addition, the supplier must be aware of current laws relevant to the environmental impacts of the company's activities, products, and services and ensure legal compliance through training, awareness, operating control, and monitoring.

The supplier is expected to handle waste responsibly and continuously improve the overall environmental performance.

4.1. Chemical and hazardous materials

Chemicals and other materials that are hazardous if released to the environment must be identified and managed to ensure their safe handling, movement, storage, recycling, or reuse and disposal.

4.2. Substances of Very High Concern (SVHC)

If any chemical listed in the EU REACH Regulation is present in the production of products or components delivered to BSM, we need documentation in order to meet the criteria defined by EU regulations.

4.2.1. If any SVHC are present

The supplier must submit a Supplier's Declaration (Annex A) for each article or article part in a complex article using the enclosed template. You are welcome to enclose any documents (e.g. laboratory tests and reports that can document the presence/absence of SHVC. However, such documents do not replace the declaration, which must always be completed in case of present SVHC).

4.2.2. If no SVHC are present

By signing this CoC and not submitting Annex A, we consider that as an implied consent that no SVHC is present in any product or component, or the concentration is lower than 0,1%.

4.3. Climate Change and Energy Efficiency

Suppliers are expected to contribute to climate change mitigation by minimizing their greenhouse gas emissions in a realistic, ambitious pace. This includes setting targets for reducing emissions and increasing energy efficiency across operations, such as transitioning to renewable energy sources and adopting cleaner technologies. Suppliers are expected to work towards aligning with global climate agreements, such as the Paris Agreement, and report their progress on climate action to BSM and/or publicly through ESG-reporting.

4.4. Water Stewardship

We encourage suppliers, where relevant, to work on minimizing their water consumption and improving water management in production. For suppliers with minimal or no significant water usage, we encourage general awareness of sustainable water resource use in connection with their activities, where applicable.

4.5. Circular Economy and Resource Efficiency

Suppliers are expected to start considering circular economy principles by minimizing waste, encouraging recycling, and promoting the efficient use of natural resources. This includes designing

products and processes to reduce material waste, encouraging the reuse of materials, and exploring innovative methods for product lifecycle extension. Suppliers are likewise expected to start prioritizing the use of sustainable, recyclable, and renewable materials wherever possible.

5. BUSINESS INTEGRITY

BSM expects its suppliers to conduct business in compliance with legal requirements and to adhere to internationally agreed standards of business ethics.

5.1. Right to privacy

The supplier shall respect the employees' right to privacy when gathering or keeping personal information.

5.2. Corruption

BSM does not accept corruption and bribery and does not offer or accept any kind of undue payment in any of our business transactions. We expect our supplier to act accordingly. Suppliers shall refrain from bribing or using any other method to influence business partners unjustly.

5.3. Sub-suppliers

BSM expects suppliers to apply a relevant CoC or equivalent business standards in their own supply chain to ensure that suppliers of products and services to BSM also meet these standards and criteria.

5.4. Ethical Sourcing of Raw Materials

BSM expects suppliers to ethically source raw materials, ensuring that these materials do not contribute to environmental degradation, human rights abuses, or conflict. Suppliers are expected to start processes for improved traceability of their raw materials and start documentation of adherence to standards that prevent deforestation, habitat destruction, and exploitation of local communities. This includes compliance with applicable laws and international conventions regarding conflict minerals, timber, and other natural resources.

5.5. Governance, Ethics, and Integrity

BSM expects its suppliers to demonstrate strong governance practices, uphold high ethical standards, and maintain integrity in all aspects of their business operations. Suppliers must ensure compliance with all applicable laws, regulations, and internationally recognized standards. This includes implementing transparent governance structures, maintaining accurate financial records, and adopting clear policies to prevent unethical practices such as fraud, corruption, bribery, and conflicts of interest.

Suppliers are expected to cultivate a culture of ethical decision-making and accountability, ensuring that all employees and stakeholders act with honesty and fairness. Leadership is expected to work continually towards improved integrity by establishing and enforcing codes of ethics, conducting regular risk assessments, and ensuring effective oversight of governance practices. Suppliers are expected to foster open communication and transparency, ensuring that any potential breaches of ethical conduct are promptly reported and addressed.

5.6. Improved Documentation for Enhanced Due Diligence

BSM expects its suppliers to maintain comprehensive and accurate documentation to support improved due diligence efforts in accordance with European regulation, e.g. EU CSRD and regulation on due diligence. This includes providing detailed records related to sourcing, labor practices, environmental impact, compliance with legal standards, and any other relevant aspects of operations. Suppliers are expected to work towards improved traceability in their supply chain and ensure documentation of materials, their origin and impact data related to ESG.

In particular, suppliers should ensure the availability of documentation concerning:

- The sourcing of raw materials, ensuring traceability and ethical sourcing practices.
- The employment conditions of workers and compliance with labor laws.
- Environmental management practices, such as energy usage, waste disposal, and greenhouse gas emissions.
- Compliance with regulations such as REACH, RoHS, and other applicable legislation.

Suppliers are expected to keep documentation up to date. This improved documentation not only facilitates better due diligence but also supports transparency and accountability, ensuring that all

parties involved in the supply chain can effectively assess and mitigate risks related to governance, ethics, and ESG compliance.

Those are the requirements and commitments we expect our suppliers to adhere to and in return our suppliers can expect the same adherence from us to the Code of Conduct in question.

Confirmed & signed by

Date, name & title

Company name & stamp

5.7. Supplier's Declaration (Annex A)

The supplier's Declaration is only relevant if any chemicals in the EU REACH Regulation in point 4.2 is present. Supplier's Declaration for articles/ article parts REACH and Substances of Very High Concern (SVHC), regulation (EC) No. 1907/2006.

1. THE ARTICLE		
1.1 Article name and EAN number:		
1.2 Describe if the article is made up of more than one article part:		
1.3 Photo of article (optional)		
2. SUBSTANCE(S) IN THE ARTICLE		
Name of article/article part and EAN number:	Chemical name/CTFA name/INCI name/ International abbreviation:	CAS no./EC no.:
2.1 Is information on safe use required? Consider how the article is used and which exposures and risks are relevant	<input type="checkbox"/> No <input type="checkbox"/> Yes	
2.2 If answer to 2.1 is "Yes", please provide information to ensure safe use. Examples could be: Contains substance X, which is harmful to environment or health. Keep out of reach of small children		
3. SUPPLIER'S SIGNATURE		
The undersigned supplier guarantees that the information given in this declaration is correct. The undersigned supplier accepts that the information in this declaration can be used for documentation towards the authorities and for customer information obligation according to REACH article 33. The undersigned supplier takes the full responsibility for updating the declaration following changes in the data given or changes in the REACH Candidate List on SVHC.		

3.1 Supplier's full formal name:	
3.2 REACH contact person:	
3.3 E-mail of contact person:	
3.4 Phone of contact person:	
3.5 Date:	
3.6 Signature:	