

# Supplier Code of Conduct Policy

Stegra and subsidiaries

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## 1. Purpose and scope

This Supplier Code of Conduct, (the “**Code**”) sets out what is expected by company, partner, supplier or organization (collectively and individually referred to as “**Supplier**”) providing services, equipment, products, materials and/or systems to Stegra (“**Stegra**”) or any of its subsidiaries or affiliated companies (together the Company, the “**Group Companies**” or the “**Group**”) as well as other sub-suppliers, contractors and/or persons acting on behalf of a Supplier.

At Stegra we are on a mission to decarbonize hard-to-abate industries, and we start with steel. Committed to accelerating change by eliminating almost all CO<sub>2</sub> emissions from the steel production process we undertake the global steel industry’s greatest ever technological shift. For this purpose, we are building an impact company with sustainability at its core for our Customers, People, Investors, Society and our Planet.

To succeed in our purpose, our commitment to responsible business is key. We have internal policies ensuring our employees adhere to and respect international human rights standards, environmental laws and regulations, ethical business conduct, sanctions and control laws as well as our internal sustainability requirements (that in certain cases might set higher standards).

We are also committed, and have a responsibility, to ensure that our product and services are produced by a supply chain that complies with legislation, international standards and best practices.

The standards set out herein are based upon the International Bill of Human Rights (i.e., the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) and the eight core ILO conventions as set out in the ILO Declaration of Fundamental Principles and Rights at Work.

It is of utmost importance to Stegra that compliance with the principles set out herein are ensured throughout the entire supply chain ecosystem.

### 1.1 Applicability

All work performed under a contract with Stegra, for the supply of services, equipment, products, materials and/or systems to Stegra or when acting on behalf of Stegra in the wider market or society, shall be made in compliance with this Code.

The Supplier shall ensure that its own suppliers, contractors, and other business partners participating in its interaction with the Group comply with the minimum requirements set out in this Code, and that this Code is communicated by the Supplier to them. For certain services, equipment, products, materials and/or systems supplied to the Group, there may be additional and/or more stringent requirements as communicated by the Company.

### 1.2 Contacting Stegra in Relation to this Document

If you wish to report any violation or wrongdoing in relation to this Code or if you have any questions about its contents or application, please refer them to your Stegra Procurement contact.

If you wish to anonymously notify Stegra in relation to a violation, wrongdoing, breach or otherwise, please do so via the Stegra Whistle Blower Service that can be found at <http://stegra.com>.

## 2. Rules and Guidelines

The Supplier shall comply with all laws and regulations applicable to its operations. Should a requirement of this Code contradict national laws or regulations the Supplier shall comply with whichever is more stringent.

### 2.1 Human rights

The Supplier respects and adheres to internationally recognized human rights as reflected in the UN Guiding Principles for Business and Human Rights. It avoids causing or contributing to adverse human rights impact through its operations, addresses such impacts when they do occur, and where possible, seeks to prevent or mitigate adverse human rights impacts linked to business via its relationship to third parties. Such human rights include but are not limited to the right to freedom of opinion and expression, the right to participate in political and civil society organizations, and the rights of minorities and indigenous people.

### 2.2 Labour conditions

The Supplier safeguards the human rights of its employees and treats them with dignity and respect. This refers to all employees, including part-time and temporary workers, migrant workers, student interns, full-time employees, and any other form of workers.

#### **2.2.1 Freedom of association and the right to collective bargaining**

The Supplier takes all necessary and appropriate measures to ensure that workers may freely exercise the right to organize. This means that the Supplier ensures that workers have the right to form and join, or not to join, unions, and to negotiate working conditions collectively in accordance with applicable national legislation. If national legislation prohibits organization of unions, the Supplier shall encourage alternate forms of representation such as establishing internal committees or equivalent.

#### **2.2.2 Forced labour and child labour**

No forced labour, modern slavery, human trafficking, or any other form of comparable labour occurs at the Supplier's worksite. Forced labour is any work or service which individuals are forced to conduct against their will, or under threat of punishment. Labour must be voluntary, workers must be free to end their employment at any time (subject to prior reasonable notice time), and workers shall not be forced to lodge money deposits or identification papers with their employer.

The employment of children is prohibited. Children of compulsory school age or those that have not yet reached the minimum age for employment in the respective country is not employed by the Supplier. The minimum age is not, under any circumstances, less than 15 years.

The Supplier should have a child labour policy and a plan for remediation if applicable. If a child is found working at a site associated with a Supplier, all remedial actions taken must be in the

best interest of the child. It is of the highest importance to always protect children from being forced into harmful work.

Any type of employment or work which by its nature, or the circumstances in which it is carried out, is likely to jeopardize the health or safety of the person performing the work shall (besides all required mitigatory actions to be taken by the Supplier) not be conducted by individuals less than 18 years of age.

### **2.2.3 No discrimination**

The Supplier provides a work environment free from any form of harassment, intimidation, or bullying. Equal remuneration for men and women for work of equal value is ensured. No distinction, exclusion or preference is to be made on the basis of race, colour, sex, language, religion, political opinion or other opinion, national extraction or social origin, disability, age, health status, parental or marital status or sexual orientation which has the effect of nullifying or impairing equality of opportunity, or treatment in employment or occupation.

### **2.2.4 Fair labour conditions**

The Supplier provides all workers an outline of job duties (in writing) including payment and regular hours of work. Workers are also provided with sufficient training as needed to perform the work duties.

Workers are paid wages in accordance with national applicable laws where the Supplier is registered and as applicable where it operates. The Supplier strives to ensure that workers are paid above the minimum wage requirement for basic needs to be met in the employer's area of operation. The Supplier does not use deductions from wages as a disciplinary measure.

The Supplier shall ensure that a regular working week is in accordance with the provisions of ILO 1 Hours of Work Convention. Overtime should be voluntary and be restricted to the specifications defined in ILO conventions. Supplier must give breaks, annual paid leave and one day off every week unless collective agreement defines exceptions.

Stegra is in favour of Suppliers that are operating under collective bargaining agreements.

### **2.2.5 Safe and healthy working conditions**

The Supplier takes all means possible to minimize the risk of accidents, injury, death and exposure to health risks in the workplace. This includes having organizational systems and processes in place to ensure compliance with national safety and health regulations. Identified hazards and unsafe behaviour shall be remedied and structurally improved. Workers are informed of possible safety and health risks and instructed on measures to be taken to protect them in their daily work. Workers are always provided all necessary and suitable personal protective equipment at no cost.

Adequate sanitary facilities, proper lighting, fire prevention, emergency exits, and first-aid arrangements are provided in the workplace. Free, clean drinking water is easily accessible at all times.

## 2.3 Environmental impact and climate change mitigation

It is one of the Stegra's greatest ambitions to work with environmental issues from a strategic perspective and in a systematic manner to reduce direct and indirect negative effects on the environment and to future-proof business growth of Stegra. This is applicable both on a local and global basis and including our emission of greenhouse gases, pollutants and biodiversity. Stegra strives to be best in class with respect to technologies, solutions and methods used in our business, production, supply chain and ways of working to optimize use of energy, resources, chemicals, waste, water, and air.

The Supplier shall support a precautionary approach to environmental challenges and undertake initiatives to promote greater environmental responsibility. The Supplier is encouraged to establish and implement procedures to minimize any adverse impact of its operations on the environment and to demonstrate continuous improvements therein. At a minimum, the Supplier shall, in its operation fulfil the requirements of this section 2.3.

### 2.3.1 Environmental laws and regulations

The Supplier shall fulfil applicable environmental requirements set forth in relevant laws, regulations, and environmental permits in the jurisdictions where the Supplier operates, performs work or otherwise may impact the environment.

### 2.3.2 Monitoring and treatment of emissions

The Supplier shall monitor, control and appropriately treat wastewater, air emissions and waste generated from its operations including, without limitation, the treatment of hazardous waste, in compliance with applicable legislation.

### 2.3.3 Hazardous materials management

Chemicals and other environmentally hazardous materials shall be identified and managed in such a way that ensures a safe handling throughout its entire life cycle in compliance with all relevant standards and regulations.

### 2.3.4 Environmental management system

The supplier shall maintain an environmental management system, preferably one that is certified in accordance with ISO 14001, EMAS or equivalent.

### 2.3.5 Greenhouse gas reporting

The Supplier shall report (no less than on an annual basis) to Stegra the climate change impact from any product or service provided to Stegra, including GHG Scope 1, 2 and upstream Scope 3. This reflects upon the ambition by Stegra to handle CO2 emissions as the second transactional currency (alongside with monetary currencies).

If a Supplier has a considerable GHG footprint, Stegra shall have the right to request that the Supplier sets targets and plans to reduce its emissions.

## 2.4 Ethical business and anti-corruption

### 2.4.1 Conflict of interest

Business is only conducted on the basis of objective considerations and not on personal interest. The Supplier must inform the Company about any possible conflict of interest between persons responsible for the purchasing or other decision-making authority relevant to the Supplier at the Company and at the Supplier. A conflict of interest can for example arise when to persons have family ties, a personal relationship or could in any other way benefit from the purchase.

### 2.4.2 Anti-bribery

Stegra expects its Suppliers to have a zero-tolerance policy towards any form of bribery and corruption. Bribes or other means of obtaining an illegal or improper advantage (such as kickbacks, gifts, and entertainment events) is not to be offered or given, directly or indirectly, to any employee or other representative of a business partner, or a third party. These rules apply both to the private as well as the public sector. Stegra also prohibits any form of facilitation payments, i.e., unofficial payments demanded from public officials for the purpose of ensuring the performance of routine government actions or to receive government services in a faster way. Facilitation payments are prohibited even if they are legitimate under national legislation.

Stegra requires that the Supplier has standards and procedures in place, corresponding, as a minimum, to the UK Bribery Act, to ensure that its directors, employees and third parties acting on its behalf do not offer, promise, give or accept any bribes, or make or accept improper payments to obtain new business, retain existing business, or secure any other improper advantage. The Supplier shall not provide Stegra employees with any gifts or hospitality in any situation in which said gifts or hospitality might unduly influence, or appear to influence, an employee's decision in relation to the Supplier.

### 2.4.3 Money laundering and financing of terrorism

Stegra is committed to international efforts to combat money laundering and financing of terrorism. The Supplier ensures that its employees are familiar with applicable laws governing matters related to money laundering and financing of terrorism and have routines in place to ensure compliant behaviour. This includes having good knowledge of its business partners and sub-suppliers, and knowledge and understanding of the purpose of the business relationship.

### 2.4.4 Personal data

Personal data is processed in accordance with applicable laws, regulations, and in a correct and careful manner. This includes collecting data for clearly specified explicit, and legitimate purposes only. Personal data is not to be processed in a manner that is inconsistent with such purposes and the Supplier shall ensure its compliance with GDPR or other regulations regarding its storage and use of personal data.

## 2.5 Conflict minerals

Stegra condemns all activities associated to unlawful exploitation and trade of minerals.

Stegra will not, and the Supplier shall not, use minerals which directly or indirectly finance, or benefit armed groups in Conflict-affected or high-risk areas (CAHRAs) or are connected to violations of the risks defined below.

Stegra defines '**Minerals of Concern**' for this Supply Code of Conduct as the Conflict Minerals identified by EU regulations, currently tantalum, tin, tungsten, and gold;

'**Conflict-affected or high-risk areas (CAHRAs)**' are defined based on EU regulations, as areas in a state of armed conflict or fragile post-conflict as well as areas witnessing weak or non-existent governance and security, such as failed states, and widespread and systematic violations of international law, including human rights abuses;

'**Risks**' include conflict risks (including flow of funds into armed groups and violence) as well as child labour, forced labour, human trafficking, human rights violations, and occupational health and safety violations.

#### **2.5.1 Supply Chain Due Diligence**

The Supplier shall conduct due diligence on their own supply chains to detect the presence of Minerals of Concern from CAHRAs and the violations connected to the above referenced risks.

#### **2.5.2 Mineral Supply Chain Policy**

The Supplier shall maintain an appropriate policy and management system for due diligence consisted with relevant parts of the OECD Guidance for Responsible Mineral Supply Chain.

#### **2.5.3 Source of Origin and Chain of Custody**

The Supplier shall keep records of source of origin and chain of custody for all applicable materials and must keep records of identified risks and the actions taken to address them.

#### **2.5.4 Supplier to Inform of Suspected Violations**

Supplier shall immediately inform Stegra of identified or suspected violations connected with above referenced risks in accordance with Section Violations of this Code.

#### **2.5.5 Supplier to Stay Informed on CAHRAs**

CAHRAs include, at a minimum, the countries listed on the indicative and non-exhaustive list of CAHRAs provided by the European Commission pursuant to Article 14.2 of the European Union Regulation 2017/821. The list of countries is maintained by the EU at <https://www.cahraslist.net>. It is the Supplier's responsibility to keep itself informed and up to date regarding changes to EU regulation as applicable to its supply chain.

## **2.6 Local Content, Societal Interaction and Sub-contracting**

#### **2.6.1 Supplier to Support the Local Business Community**

The Supplier is expected and required to support the principles outlined in Section 2.6 as relevant in connection to the scope of work agreed with Stegra. The minimum expectation of the Supplier is that:

- When relevant and appropriate to the Supplier's sustainability, performance, schedule, cost and/or scope, local businesses are to be invited to bid for work as sub-contractors or sub-suppliers;



- Employment of local inhabitants is investigated and evaluated for roles and skillsets required for performance of the Supplier's work at the Stegra site;
- Interaction with local authorities and interest groups is done proactively, respectfully and in cooperation with Stegra.

#### **2.6.2 Stegra May Provide Interfaces to Local Businesses**

Stegra will as a general rule and when possible, work with local authorities and organizations to organize and simplify interaction with local businesses to support low barriers of entry for local businesses to participate in our construction projects and long-term operations and maintenance. The Supplier shall, while providing maximum value possible to Stegra, actively seek to maximize its local content via such provided channels or individually.

#### **2.6.3 Responsible and Equitable Sub-contracting**

The Supplier shall use a maximum of two (2) levels of sub-contractors if sub-contracting is relevant to its scope of work for Stegra.

### **3. Audits**

Stegra and/or any independent professional advisor engaged by Stegra shall, subject to customary confidentiality constraints, have the right to review and audit, during normal business hours and subject to reasonable prior notice, all relevant business information, documents, and communications (electronic or otherwise) relating to any action undertaken in connection with this Supplier Code of Conduct for the purpose of assessing the Suppliers compliance with the Supplier Code of Conduct, or any applicable legal requirement in relation to the areas covered by this Supplier Code of Conduct.

The Supplier shall cooperate with and shall procure that its affiliates and their respective directors, officers, employees, agents or representatives shall cooperate with Stegra, and/or Stegra's appointed advisor and promptly provide information to and answer any reasonable questions of Stegra and/or its appointed advisor for this purpose.

### **4. Violations of the Code**

By nature of the implications to Stegra from a breach of this Supplier Code of Conduct, any breach by Supplier, or by Supplier's sub-contractors or sub-suppliers, is per default considered a material breach of any contractual or otherwise agreed cooperation between Supplier and Stegra. The prompt action by Supplier and Stegra to separately and jointly remedy and mitigate such breach is paramount.

#### **4.1 Actions Upon Identified or Suspected Breach of the Code**

##### **4.1.1 Supplier to Immediately Inform Stegra**

If the Supplier notices any misconduct in relation to this Code, it must immediately inform Stegra. The Supplier in breach shall then promptly propose remedial actions and Stegra may at its sole discretion give Supplier the relevant time to take corrective measures.

**4.1.2 Stegra's Rights to Act Upon Breach**

Upon breach to this Code by the Supplier (Stegra having been notified or not), Stegra shall have the right to immediately suspend and terminate any agreement(s) (contractual or otherwise) between the Supplier and Stegra.

**4.1.3 Supplier to Act on All Misconduct**

If the Supplier notices any misconduct in its operation or by its suppliers in relation to this Code, it must immediately inform Stegra in accordance with 4.1.1. and, as relevant, either terminate the agreement with its supplier or instruct its supplier on corrective measures.

The Supplier shall end the agreement with its supplier if its instructed corrective measures are not promptly taken or are not effective to reinstate compliance with this Code.

**4.1.4 A Breach of the Code is a Material Breach of Contract**

The breach of the Supplier Code of Conduct shall for avoidance of doubt be considered a material breach of any agreement signed between Supplier and Stegra unless Stegra at its own discretion decides otherwise. Stegra will seek to minimize disruption to the relationship and any active agreement between the parties, which includes considering remediation plans and action by the Supplier.

**4.1.5 Supplier to Seek Advice from Stegra**

The Supplier shall in cases where it is uncertain on how interpret or implement this Code seek advice from Stegra in liaison with its Stegra contact or by contacting Stegra as per Section 1.2.

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End of document

## 5. Revision history

Revision	Date	Description of revision	Author(s)
1	2022-04-27	Created	Luisa Orre
2	2023-05-01	Revisions on Anti-Bribery, clarification on supplier support to local community and breach of contract	Luisa Orre