

Modern Slavery Statement of the BENTELER Group

July 2024

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.

Introduction

The BENTELER Group (BENTELER) is a fifth-generation family-owned and independent corporation operating successfully since almost 150 years. In 86 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 four divisions: BENTELER Automotive Components, BENTELER Automotive Modules, HOLON and BENTELER Steel/Tube.

The BENTELER Automotive and BENTELER Steel/Tube Divisions source materials, goods, and services from more than 2,800 direct and 12,800 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 2023 BENTELER achieved a local procurement content of 91 % within a continent and around 59 % 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 labor, child labor, domestic servitude, human trafficking, sex trafficking and workplace abuse. Therefore, throughout this statement we use the term Modern Slavery¹ to encompass these various forms of coerced labor.

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.

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

Value-based Leadership and Corporate Philosophy

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. We respect and promote compliance with internationally recognized human rights and children rights, particularly the UN Guiding Principles on Business and Human Rights and the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization (ILO).

We reject Modern Slavery, i.e. all forms of forced 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. 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 [Policy Statement of the BENTELER Group 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 maintain an ongoing dialog with our stakeholders to understand their needs and continuously improve our performance. This includes our employees, customers, suppliers, potential new employees, trade unions and employee representatives, local communities at the sites, financing partners and investors as well as the media and press. Our goal is to shape the future of the BENTELER Group together with all stakeholders.

Social responsibility and protection of our employees

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 employees to adhere to them without exception.

All our interactions with employees are based on respect. 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.

We focus on the safety of our workforce and employee training. Therefore, we work continuously to maintain and, where possible, improve the health and safety of our employees. We have occupational safety programs in place and are constantly working 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. Through employee training, we reduce the frequency of accidents and thus increase the safety of our employees.

In line with our strategic direction, we prioritize equal treatment in employment. Good working conditions, equal treatment and equal opportunities are firmly anchored in our self-image. No one may be personally disadvantaged – neither because of national origin, skin colour, gender, age, religion, disability, sexual orientation, political activity, or trade union activity. We have established appropriate policies, such as our Global HR Governance Policy, which also contains regulations on the prevention of child labor, modern slavery, and human trafficking, as well as organizational precautions and various measures to ensure respectful interaction within the company itself and with business partners.

To promote compliance in the entire group, BENTELER offers training on the BENTELER Supplier Code of Conduct in many areas, which also includes the topic of social responsibility. 2,300 managers are trained on the topic of “DEI” (Diversity/Equality/Inclusion). It will be cascaded in annual waves to all employees with PC access now. Further classroom training courses will be held for employees without PC access. In addition, there is a further mandatory training section on Human Trafficking for HR, Fi/Co, Sales, Procurement, Quality, SCM, Facilities, Tax, Legal, Compliance and IT. Of course, the training is offered in the BENTELER Group’s principal national languages.

Risk Management, Risk Analysis, and Internal Control System

BENTELER has established a comprehensive risk management system to identify, assess and manage defined risks. This risk-management system is 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, we have developed a comprehensive risk management system. Human rights risks are analyzed, assessed, and prioritized by means of a risk analysis. 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. Procedurally, we have established that suppliers adhere to the Supplier Code of Conduct, which implies, among other things, compliance with human rights.

Potential new business partners not previously known to BENTELER undergo a multi-stage process for overall evaluation. As part of this assessment, they must complete a detailed supplier self-assessment, provide evidence of certifications and sustainability standards, and accept the BENTELER Code of Conduct for Suppliers. Only then can they undergo an internal review process, which is guided, amongst other things, by the supplier class, the country of origin and the CPI² available there.

To maintain entrepreneurial diligence in the supply chain, new and active business partners are monitored using two different approaches based on a range of factors. Firstly, with real-time monitoring, which provides information 24/7 on human rights violations, violations of the ban on child labor, accidents, and health risks as well as environmental violations, among other things. And secondly, through an annual risk assessment based on the criteria of the Supply Chain Due Diligence Act ("LkSG") and the CSDDD³ criteria (categories: personal freedom, employee rights, child labor and environmental protection) and issuing a CSDD⁴ score at country level (risk assessment). Risk management also includes examining the effects of geopolitical conflicts and the resulting measures.

Concerning our own business area, the identified risks are mitigated by BENTELER's group-wide internal control system (ICS) in general. This contains organizational controls, procedures, and system reviews. In addition, BENTELER's Internal Audit Function regularly reviews in all business areas of the entire group. The subject of these reviews is effective compliance with policies (regularity) and efficiency of processes (economic efficiency). This also includes reporting and contributes to the functional capability of the risk management system.

The risk management concept is regularly reviewed by our Supply Due Diligence Committee with regard to internationally recognized human rights and children rights and the results are reported to our Sustainability Steering Committee.

Supplier Management

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

² Corruption Perception Index

³ Corporate Sustainability Due Diligence Directive

⁴ Corporate Sustainability Due Diligence

Besides regular and open communication, BENTELER actively reviews suppliers with business partner due diligences regarding sanction lists checks. All new suppliers of production materials, non-production materials and capital goods 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 labor as well as other sustainability topics. In addition, around 6,000 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, we are working on checking existing suppliers 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 terminating the business relationship.

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. Further information can be found in the BENTELER Whistleblower Policy, which also contains information on the plausibility check and investigation of complaints.

If necessary, our Supply Due Diligence Committee discusses about human rights-related and corresponding environmental 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 including the BENTELER Code of Conduct requirements for Suppliers which may result 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-owned company that can look back on a successful business tradition since 1876, BENTELER embraces its corporate responsibility for helping to master future challenges. We contribute to sustainability and work hand in hand together with our business partners 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.

Our Supply Due Diligence Committee therefore reports regularly to our Sustainability Steering Committee on the results of monitoring our risk management in accordance with the Act on Corporate Due Diligence Obligations in Supply Chains. A report on the fulfilment of our due diligence obligations is prepared annually for the previous financial year within the framework of the legal regulations and will be made available on our company's website.

BENTELER continues to periodically publish a detailed Sustainability Report based on the principles of the Global Reporting Initiative (GRI) as part of the Annual Report, in which we commit ourselves to upholding human rights and explicitly oppose child labor, slavery, the exploitation of human and natural resources and all forms of human trafficking.

Moreover, we are convinced that with this BENTELER Modern Slavery Statement and the steps and measures described herein we contribute to transparency and enable our business partners 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

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