

## CORPORATE RESPONSIBILITY POLICY

### 1 Purpose and scope

This Corporate Responsibility Policy describes the main principles and rules followed by Outokumpu Group in relation to the sustainable development of the economic, environmental, and social aspects. Objective of the company's strategy is the following three key priorities: sustainability, growth from productivity and customer-focused steering.

### 2 Applicability

This Policy must be followed globally by all Outokumpu businesses, companies, directors, officers, and employees.

### 3 Main Principles

- Sustainability is an integral part of all Outokumpu operations, activities, and decision making, from materials purchasing through production to sales.
- Sustainability has a central role in Outokumpu's vision, strategy, and planning.
- Economic, environmental, and social dimensions should be in balance.
- Outokumpu's business creates value for the company, society, and the environment.
- Outokumpu expects its business partners such as subcontractors, customers and suppliers and other stakeholders to follow similar standards.
- Outokumpu strives for a continuous, systematic, and open dialogue with key stakeholders.
- Outokumpu's vision is to be the customer's first choice in sustainable stainless steel.
- Outokumpu's purpose is working towards a world that last forever.

### 4 Content of the Policy

#### 4.1 General

Outokumpu is a signatory of the United Nations Global Compact. Outokumpu is committed to continuous improvement and to follow the highest ethical standards. Outokumpu stands by corporate responsibility, compliance with applicable laws and regulations in all areas where it operates, and the fulfilment of stakeholder requirements to which the company subscribes. This Corporate Responsibility Policy covers all aspects of Outokumpu's business, takes the impact to society into account, and sets a framework to implement Group ethical principles in decisions and operations.



For Outokumpu, sustainable development includes the economic, environmental, and social aspects and their impacts on the Group and its stakeholders. Outokumpu communicates openly about significant aspects of material topics and require that key suppliers and contractors perform in line with this Policy. Sustainability is a precondition for competitiveness in the long run.

At Outokumpu, sustainability contributes to value creation:

- Sustainability is an integral part of all Outokumpu decision making, from materials purchasing through production to sales and investments.
- Sustainability has a central role in Outokumpu's vision, strategies, and planning.
- Economic, environmental, and social dimensions should be in balance.
- Compliance with applicable laws and regulations, Outokumpu Code of Conduct and other company policies and instructions as well as our Ways of Working form the basis of Outokumpu's actions.
- Outokumpu shares knowledge of best practices, technologies and product stewardship throughout the company.
- Outokumpu's business creates value for the company, society, and the environment, and the company strives to continuously improve its performance, products, and operations.
- Outokumpu expects its business partners, suppliers and subcontractors to follow similar standards. Outokumpu supports business partners to improve expected compliance and responsible and ethical business practices. Non-compliance is not acceptable and might lead to the discontinuation of business relations.
- To enhance transparency and accountability, Outokumpu strives for a continuous, systematic, and open dialog with key stakeholders, such as shareholders, employees, customers, suppliers, investors and authorities as well as public and non-governmental organizations.
- Outokumpu management systems are based on the requirements of the International Management System Standards. Outokumpu plans, sets objectives, executes, sustains, and reports business activities in line with those systems. This Policy and the management system certificates are available at [www.outokumpu.com](http://www.outokumpu.com).

## 4.2 Social Responsibility

Outokumpu's operations have an impact on the local, national, and global communities in which the Group operates or has business partners. Outokumpu contributes to the communities' well-being through paying taxes, direct and indirect employment as well as other means of community involvement. Current and future employees are important stakeholders for Outokumpu. Outokumpu's employees are the vital element in achieving outstanding performance. Outokumpu fosters diversity and creates a work environment that allows all team-members to contribute and to develop. Outokumpu has a Human Rights Policy in place to respect and promote human rights in alignment



with the UN Guiding Principles on Business and Human Rights. Outokumpu respects internationally recognized human rights set forth in the International Bill of Human Rights and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work and is committed to using leverage with its partners, suppliers, sub-suppliers, and customers to address potential and actual adverse impacts on human rights. Outokumpu expects its business partners to follow similar standards.

Human rights and dignity commitment means that:

- Freedom of association prevails in Outokumpu
- All employees are treated in a fair and equal manner
- Outokumpu expects its employees to value diversity and different cultures
- All forms of discrimination are absolutely unacceptable. Everyone should be treated equally and fairly, irrespective of such characteristics as ethnic origin, nationality, religion, political views, gender, sexual orientation, disability, or age. There is zero tolerance of intimidation, verbal, psychological, physical, or sexual harassment or abuse at work such as humiliating or physical punishment.
- Outokumpu condemns the use of child labor, forced or bonded labor or any kind of slavery
- Outokumpu and to protect the rights of indigenous peoples as laid out in the Indigenous and Tribal Peoples Convention, 1989 (No. 169) and the United Nations Declaration on the Rights of Indigenous Peoples
- Safeguards the legal and customary rights and interests, cultures, customs and values of local communities regarding lands, their use of natural resources and their livelihoods
- Outokumpu conducts human rights due diligence by identifying, preventing, mitigating, and accounting for potential and actual adverse human rights impacts that Outokumpu's operations may cause, contribute, or be linked to
- Outokumpu recognizes and respects the work of human rights defenders and condemn all forms of human rights violations against human rights defenders

At Outokumpu a safe and healthy workplace means that:

- Safety takes priority over all other activities – for everyone, every time, and everywhere
- Fairness and open and interactive communications foster well-being and increase occupational safety
- Improvements on the working environment and occupational health activities prevent occupational diseases and promote the well-being of Outokumpu employees
- We Operate safely always
- We Comply with our Safety Principles

We at Outokumpu are firmly convinced that all accidents and occupational ill health can be prevented, and aim for zero accidents. Each person at Outokumpu is responsible not only for their own personal safety, but also for that of colleague's and other stakeholders.

Good corporate citizenship means that Outokumpu:

- Conducts business with high integrity
- Complies with all applicable laws, regulations and the company's own commitments and makes sustainable, ethical judgements as part of our daily work.
- Follows fair and open competition, complies with applicable trade sanctions and condemns corruption and bribery of any kind with zero tolerance
- Recognizes that our decisions might have a major impact on communities, our personnel, and local suppliers and service providers
- Engages regularly with local community representatives, especially on the topics of employment, environment, energy, or sponsoring. We also maintain continuous cooperation with local schools and universities, NGOs, our neighbors and other stakeholders.
- Participates in the life of its communities by assessing its impact on the environment as a whole and by contributing to the communities through its business operations and products.
- Participates actively and openly in the life of its local communities by assessing its impact on the environment as a whole and by contributing to the social and economic well-being of local communities through its business operations and products.

Employee development means:

- Developing our talents and future leaders
- Continuously providing learning opportunities for all functions
- Recruiting and supporting young talents
- Offering graduate programs with changing assignments
- Sharing knowledge and best practices throughout the company
- Providing guidelines for daily decisions and actions
- Listening employees continuously
- Enhancing leadership and the excellence of our teams

### 4.3 Economic responsibility

As a publicly listed company, Outokumpu is committed to being profitable to create value for its shareholders. Responsible and ethical business is the foundation of our success. Effective risk management is critical to supporting the delivery of the Group's strategic objectives. All potential risks are assessed regularly at least twice a year, mitigated, and presented to the Board of Directors. Relevant risks are disclosed in the annual report. Outokumpu aims to maintain sustainable profitability and adds economic value throughout a sustainable supply chain. The company delivers on this commitment by developing and maintaining competitive and profitable operations.

The quality of Outokumpu's products, processes and services shall fulfill the expectations of Outokumpu's customers. Outokumpu takes measures to ensure the safe use of all products. Everyone at Outokumpu contributes to this recognition with knowledge, experience, efficiency, and competence, together with customer focus.

Business conduct with high integrity means:

- Governance principles are transparent
- the company has a group-wide Ethics and Compliance Program where Code of Conduct is the core element setting the baseline for the company's ethical, legal and compliant behavior
- the company ensures that modern slavery or human trafficking plays no part in the supply chain or in any part of the business
- Outokumpu provides relevant information to decision makers and experts relating to the development of business environment and legislation
- the Group participates in relevant trade organizations and contributes in a professional manner as outlined in its respective policy.

Relations to society means that Outokumpu:

- Contributes to the community well-being through tax payments, direct and indirect employment, and other ways of positive community involvement
- Participates in the lives of its local communities
- Openly communicates with stakeholders on sustainability performance and fulfills the agreed stakeholder requirements
- Supports selected charitable organizations and activities in line with the Sponsorship Policy
- Supports research and development related to stainless steel and maintains close cooperation with educational institutes
- Does not make donations to any political parties or groups.

#### 4.4 Environmental responsibility

Outokumpu is committed to responsible production and aims to minimize the use of resources and the negative impact of its operations on the surrounding environment by proactively developing its production processes and its energy and material efficiency. The main raw material is recycled steel and products are eco-efficient and fully recyclable; the products are valuable for customers and society. Outokumpu aims at minimizing all negative impacts of its operations on the environment. Continuous monitoring of performance on energy, input material and recycling, GHG emissions and incidences are followed by immediate action if needed. All Outokumpu production sites are ISO 14001 certified.

This means that Outokumpu:

- Prevents and reduces its impacts by implementing precautionary risk based environmental management to prevent incidents and reduce waste, pollution and emissions to air and discharges to water as well as harmful impacts related to noise and vibration. Waste and production residues are dealt with accordingly and no related discharges into waterbodies are allowed.
- Proactively develops its products, processes, materials, and energy efficiency to help reduce their impact on the environment
- Optimizes material, energy, and water use to continuously improve efficiency
- Takes climate change seriously and operates according to long-term targets based on science. A low-carbon road map shows initiatives and steps to reach the carbon neutrality by 2050 and a shorter-term target for greenhouse gas emissions is set and reviewed.
- Outokumpu commits to supporting biodiversity by respecting protected and conserved areas and by managing adverse impacts on biodiversity in line with the mitigation hierarchy. Biodiversity is taken into consideration in decision-making and assessed in the environmental impact assessments and permit processes of operations and will be taken up in any change that could have an impact on it. The main way for Outokumpu to contribute to maintaining biodiversity globally is through the reduction of greenhouse gas emissions and increase of recycling as this is saving natural resources.
- Uses recycled steel as the main raw material and saves virgin resources
- Aims to use by-products such as slag to protect natural resources and reduce waste to landfill
- Promotes circular economy by operating and developing facilities for efficient material recycling

#### 4.5 Commitment and reporting

Outokumpu is a signatory member in the UN Global Compact and discloses its contribution to the UN sustainable development goals. The Group is committed to the Business Ambition of 1.5-degree Objective by 2050 and is a member of the Science Based Target initiative. Outokumpu is also a member of the ResponsibleSteel initiative



and committed to support its vision and mission through certification. As a chromium mining operator Outokumpu is a member of The Finnish Network for Sustainable Mining, and Kemi mine is committed to the Finnish sustainability standard for mining. Outokumpu is also committed to carbon neutrality by 2050 for the operational emissions. An approved Science Based near-term target to reduce the direct, indirect, and upstream emissions by 42% per tonne steel by 2030 on the 2016 baseline is implemented and performance is published in the annual report. Outokumpu is partnered with supplier sustainability platform EcoVadis to evaluate the sustainability performance of raw material suppliers on a regular basis. In addition, Outokumpu is following International Chamber of Commerce policies, International ISO 26000 standard, guidance on social responsibility, implementing its fundamental principles and utilizing ISO management systems in Environment, Health, and Safety and Quality management.

#### 4.6 Implementation and compliance

To ensure full compliance with Outokumpu's corporate principles, related policies, and commitments throughout the Group, the following actions take place:

- The Board of Directors decide on the Group's ethical values and modes of activity. It charges the CEO with formulating and implementing the needed practices and monitors and assesses how agreements and other legal acts meet the requirements of these principles. The Board of Directors decides on Outokumpu's strategy and the long-term targets of Outokumpu Group and monitors their implementation and ensures that policies outlining the principles of corporate governance are in place.
- Outokumpu has also an ESG Advisory Council consisting of external advisors. The council's role is to challenge and comment the company's sustainability strategy and actions as well as facilitate dialogue between Outokumpu and its stakeholders.
- The Outokumpu Leadership Team consists of the CEO, his/ her deputy (if one has been appointed) and other key members of senior management. The decision-making authorities of the Leadership Team and the Business Area Boards follow from the authority of the CEO. It is the duty of these bodies to run and develop the Group's operations in line with the strategy and targets set by the Board of Directors.
- Each Business Area and Group Function is responsible for their operational compliance with the public and internal policies and instructions. This includes risk and issue identification and producing data for open, continuous, and systematic reporting.
- Outokumpu management and employees are required to comply with the requirements of the Code of Conduct and this Policy, and with the laws and regulations of the countries where the Group or its business partners operate.
- The Code of conduct as well as other ethics and compliance topics and sustainability are implemented by regular, obligatory eLearnings and other trainings and communications

- Outokumpu encourages everyone to speak up if any concerns arise. There are several ways to report concerns, which are mentioned in Outokumpu's Code of Conduct, including the SpeakUp channel. Outokumpu's SpeakUp channel is an externally hosted channel where concerns can be reported confidentially and anonymously in several languages, to the extent allowed by applicable laws and regulations.
- Outokumpu is committed to a strict non-retaliation policy and does not tolerate retaliation against anyone who has reported a potential violation in good faith. Reported alleged breaches will be assessed in an objective and professional manner in accordance with the company's internal investigations process. The Compliance Steering Group and the Audit Committee of Outokumpu Board of Directors shall regularly but at least annually receive a report on all investigations. The number of misconduct cases is published annually in the Corporate Governance Statement by the internal audit.
- The Board of Directors monitors Outokumpu's sustainability performance through relevant key indicators at least once a year, based on the CEO's report
- Sustainability performance is reported in the annual report, based on the Global Reporting Initiative standards
- Sustainability issues are included in the portfolio of the CEO and the CTO, coordinated by the corporate sustainability team and led by the Vice President Group Sustainability

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