

# Training course on the *German Act on Corporate Due Diligence Obligations in Supply Chains* for suppliers

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Requirements and obligations with regard to respecting  
human rights and environmental concerns



## Training course objectives

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This training course will inform you about...



The sustainability standards in place at thyssenkrupp



The Supply Chain Act human rights and environmental legal bases



The Supply Chain Act background and necessity



Our expectations and your duty to cooperate as a supplier

## Chapter overview

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**01** Sustainability at thyssenkrupp

**02** Supply Chain Act background and objectives

**03** Expectations of working with you as a supplier



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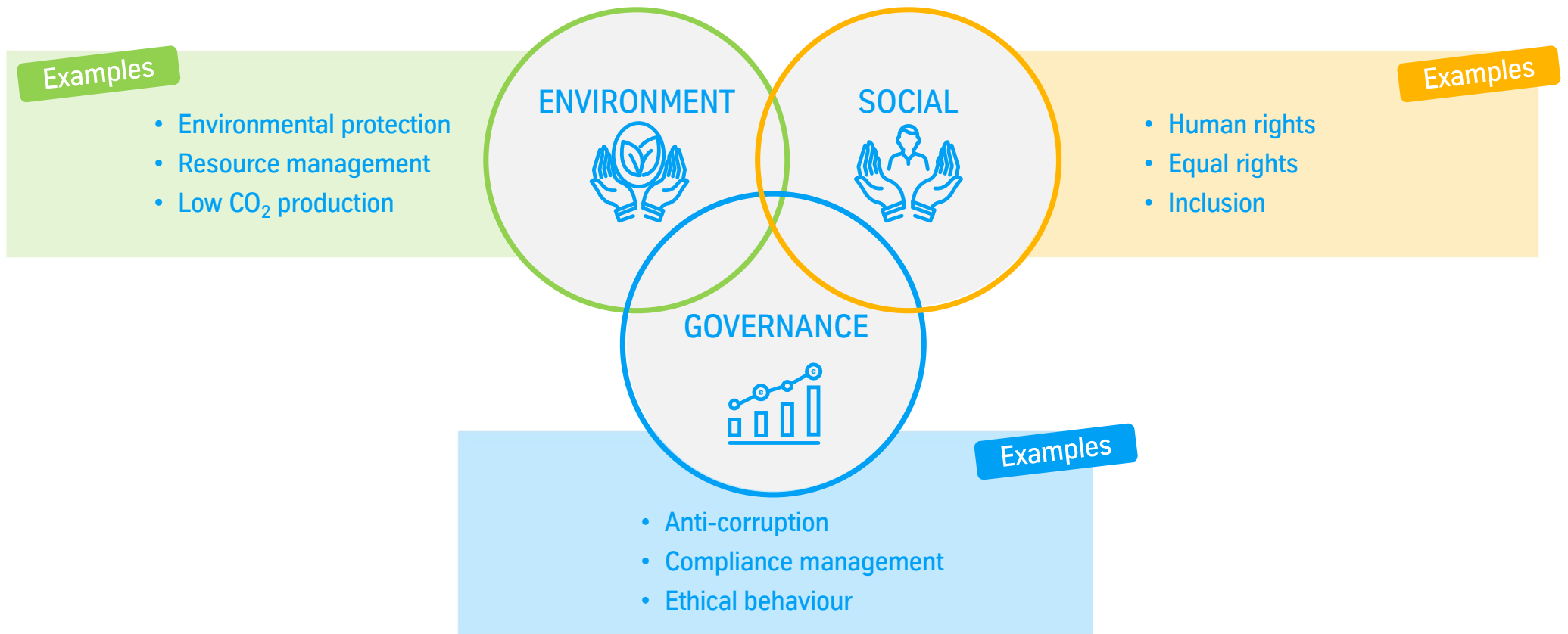
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Sustainability at thyssenkrupp



# Today, sustainability is considered in three dimensions: environment, social and governance (ESG)



# We are committed to the highest standards as part of our current ESG approach



Compliance is a matter of course for us – we comply with applicable laws.

Respect for human rights is a **core value** at thyssenkrupp.

Our actions and behaviour are shaped by our **mission statement** and incorporated in our **Code of Conduct**.

Our commitment to compliance with human rights and environmental due diligence is set out in our **policy statement**.



Environment  
Social  
Governance

At thyssenkrupp, sustainability therefore takes on a holistic approach. However, the Supply Chain Act now legally incorporates certain human rights and environmental due diligence in supply chains.

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# Supply Chain Act background and objectives





## Supply Chain Act background – why is the law required at all?



Growing globalisation ...

... leads to globally ramified supply chains.  
→ Germany is heavily involved in world trade.



At the beginning and at every step of these supply chains are people...

...who all too often suffer from inhumane working conditions..  
→ Lacking occupational safety or unfair wages are far too often part of global supply chains.





## The human rights situation is dramatic in many parts of the world

- 700 million people in extreme poverty
- 160 million children in child labour
- 50 million people in modern slavery

The Supply Chain Act comes into force as a legal obligation.

# The Supply Chain Act protects direct human rights and also provides for indirect human rights violations via environmental damage

## Human rights






Prohibition of:

-  Child labour
-  Forced labour
-  (Modern) slavery
-  Failure to comply with occupational safety obligations
-  Withholding an appropriate wage
-  Discrimination / unequal treatment
-  Violations of freedom of association
-  Unlawful eviction and land withdrawal
-  Violent acts against employees



## Environmental matters

Prohibition of:

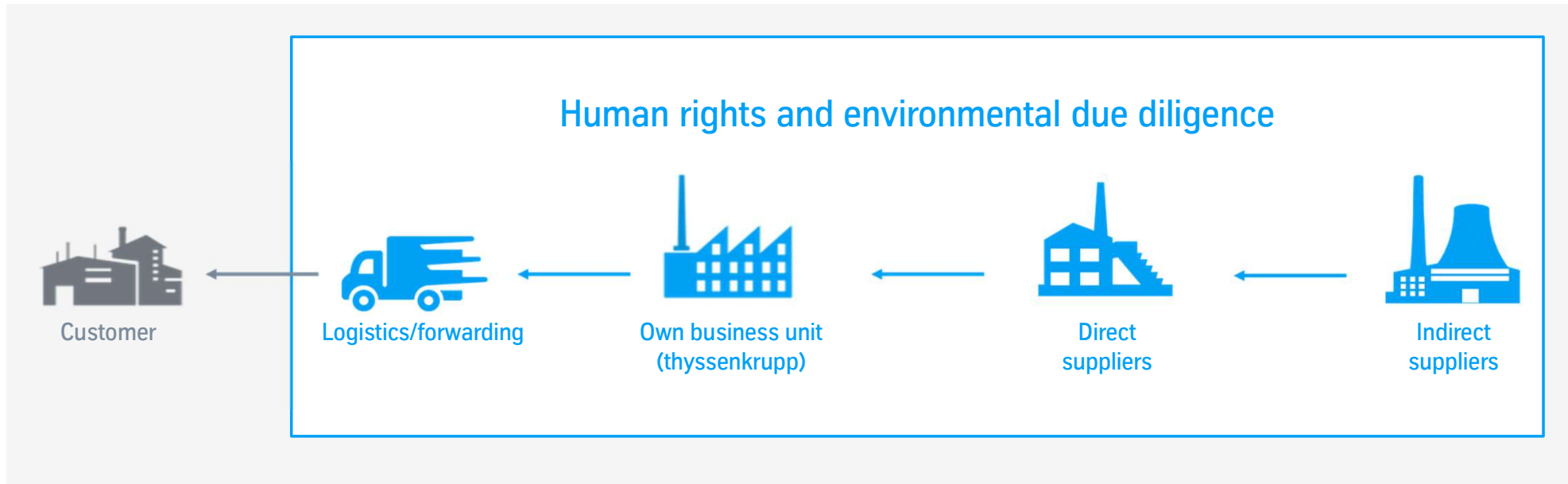
- Production and use of mercury\* 
- Use of persistent organic pollutants (POPs)\*\* 
- Transfer of hazardous waste abroad\*\*\* 
- Air and water pollution and excessive water consumption 
- Harmful soil changes and noise emissions 

\* in accordance with the Minamata Convention on Mercury dated 10 October 2013

\*\* in accordance with the Stockholm Convention on Persistent Organic Pollutants dated 23 May 2001

\*\*\* in accordance with the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal dated 22 March 1989

## The Supply Chain Act defines human rights and environmental due diligence for companies



We can only honour our legal obligations in cooperation with you as a supplier.

We have expanded our existing ESG approach to include certain processes to comply with these due diligence obligations



## Supply Chain Act governance structure



Performing abstract and concrete risk analyses



Implementing preventive and remedial measures



Complaints mechanism put in place



Policy statement & Due Diligence Act report published



Continual documentation and monitoring

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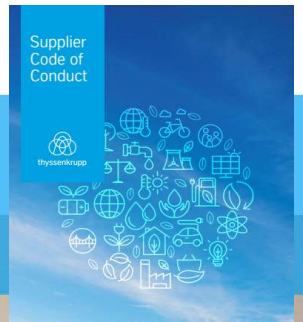
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Expectations of working with you as a supplier



We want to work with you as a supplier in a spirit characterised by mutual trust and ensure compliance with human rights and environmental standards together.

As a matter of principle, our expectations with regard to sustainability, human rights and governance are set out in the Supplier Code of Conduct



Please click here for the complete SCoC.

Compliance with laws and international regulations  
(e.g. UN Global Compact, ILO core labour standards, OECD guidelines)



Human rights-related expectations including employee rights  
(e.g. no child or forced labour, no discrimination, freedom of association, fair compensation, occupational health and safety, no unlawful appropriation of land)



Environmental expectations, including climate protection  
(e.g. responsible use of resources, energy and environmental management system, waste avoidance and reduction, promotion of raw material reuse)

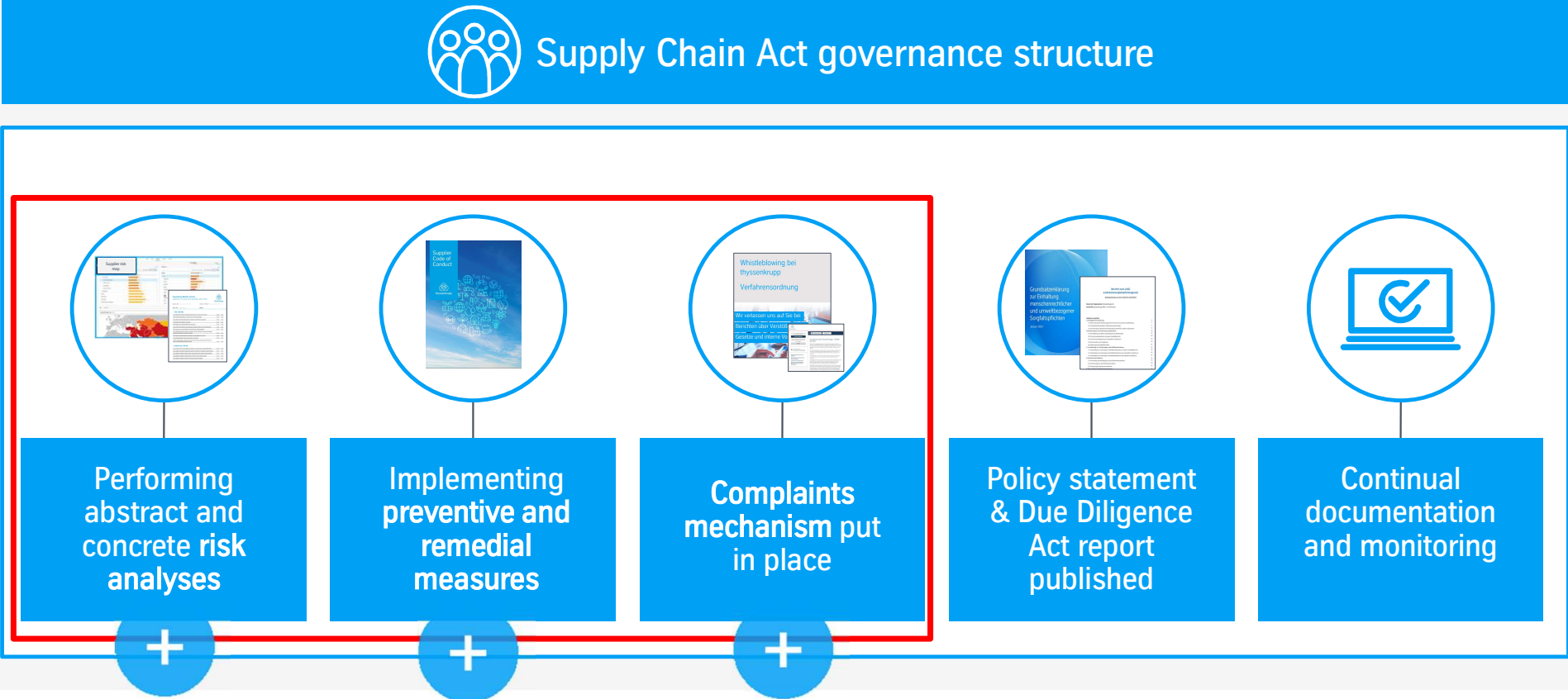


Expectations regarding integrity in the business environment  
(e.g. prohibition of corruption and bribery, compliance with competition law, compliance with legal obligations to prevent money laundering and terrorist financing)

As a supplier we expect you to take note of and comply with the contents of the SCoC.



Beyond the basic requirements of the SCoC, we depend on your cooperation in various processes as part of the due diligence obligations



## We need information from you to determine specific human rights and environmental risks from abstract risks

- Abstract determined risks are based on statistical data.
- We may need risk information from you to determine specific risks.
- This information is obtained, e.g. by way of questionnaires



We expect you to make available the relevant risk information truthfully and in good time when requested.

## Risks and violations are mitigated by measures – when implementing these measures, we rely on your cooperation

### Preventive measures

*Excerpt*



SCoC contractual assurance



Audits



Training courses

### Remedial measures



In the event of specific violations at your company or in your supply chain, insofar as you have become aware of them, remedial measures are to be adopted to end the violations or to minimise the extent of the violation.



We expect you to cooperate and take an active role in implementing the measures we request.

A whistleblower system can only work as well as it is applied – therefore it is important to communicate existing channels and actively report violations.

### Channels for reporting risks/violations



Electronic whistleblower system (also anonymous)

<https://www.bkms-system.net/thyssenkrupp>



E-mail

[whistleblowing@thyssenkrupp.com](mailto:whistleblowing@thyssenkrupp.com)



Hotline

+49 30 99257146

PIN: 4541 (Germany)  
additional numbers on homepage

All central channels are also listed at:

<https://www.thyssenkrupp.com/de/unternehmen/compliance/whistleblower-system>

- thyssenkrupp has put in place a grievance mechanism for reporting risks and violations, including those of suppliers.
- The reporting system is available for information about human rights, environmental and other compliance issues at thyssenkrupp and suppliers.



We expect you to report violations at your company and its supply chain so that we can work together to implement remedial measures. Furthermore, we expect you to actively inform employees and suppliers about the option of reporting via the thyssenkrupp whistleblower system without the threat of consequences.

# Knowledge

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Now you are familiar with...

- ✓ ... thyssenkrupp's ESG Standards
- ✓ ... The Supply Chain Act objectives and background
- ✓ ... The human rights and environmental due diligence of the Act
- ✓ ... The expectations for cooperation with you as a supplier with regard to human rights and environmental due diligence



**Thank You**