



شركة الإتحاد الحديد والصلب ذ.م.م
UNION IRON & STEEL CO.LLC
MADE IN UAE

UNION IRON AND STEEL CO LLC

IMS MANUAL

Doc.	UIS-IMS-MAN-A5
Rev.	00
Effe.	10.03.2022
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Responsible Sourcing Policy

Union Iron & Steel Co. LLC is committed to providing safe products of consistent quality that meet or exceed our customers' expectations, dealing ethically and respecting human rights wherever we do business. We are also committed to making a positive impact on the communities in which we are present and recognizing our obligation to help preserve the environment.

Our suppliers are key partners in the sourcing of materials and services essential for our business, and strong partnerships are needed to shape differentiating products that better respond to accelerated consumer demand for more sustainable products.

To build a portfolio of responsibly sourced materials and services, sourcing must comply with certain health and safety, social, environmental, and business integrity requirements. These have been prepared by consulting several internal and external stakeholders, customers, and suppliers.

We cannot achieve our responsible sourcing commitments without the full involvement of our suppliers, and we are confident they will engage with us in our striving for ethical dealing with all players in our supply chain and in our efforts to preserve the environment for future generations, wherever we source.

General principles

This Responsible Sourcing Policy is based on the following general principles that we at Union Iron & Steel Co. LLC recognize for ourselves and expect from our suppliers and service providers.

Production, packaging, and transport in compliance with legal requirements

We expect our direct suppliers and service providers to ensure that legal requirements are met throughout their supply chain.

Continuous Improvement

We expect all our suppliers to engage in this process of continuous improvement and to verify their processes and practices in line with our Responsible Sourcing Policy. Union Iron & Steel Co. LLC will be able to provide support to suppliers in this process.

Zero deforestation

For Union Iron & Steel Co. LLC, climate change represents both a significant risk and an opportunity to act and we are committed to working on removing commodity-driven deforestation from our supply chains.

Traceability back to raw materials source

Union Iron & Steel Co. LLC is committed to creating transparent sourcing networks with full traceability to the raw materials source, as supply chain transparency serves as the foundation for assessing and monitoring risks, as well as enabling engagement with our suppliers to support improvements towards meeting our policy.

We expect our direct suppliers to support our commitment to full traceability by having full knowledge of, and taking ownership and responsibility for, their own supply chains back to the primary production level.

Inclusion of smallholders

Smallholders can be a central part of our raw materials sourcing network and we recognize that we will need to work with our suppliers to find feasible ways for the appropriate application of our policy.

General requirements

The following requirements are applicable to all suppliers. The term "supplier" or "suppliers" means any person or entity that is the source for goods or services. It includes any primary producers of raw materials, supplier of raw materials, intermediate materials, intermediary suppliers, and service providers.

The policy is applicable to all workers and employees of any of those suppliers.

(including permanent, temporary, contract agency and migrant workers).

We expect our direct suppliers to support our commitment to full compliance of this Responsible Sourcing Policy by having full knowledge of its contents and taking ownership and responsibility for their own supply chains back to the primary production level.

Health and safety:

Union Iron & Steel Co. LLC expects all suppliers to provide all their employees and workers with a safe and healthy workplace and with safe and hygienic accommodation.

Workers have water that is safe to drink, adequate sanitation, workplaces with appropriate emergency exits, safety equipment and training for appropriate to the task, as well as access to emergency medical care.

Procedures are in place to ensure that applicable requirements about occupational health and safety are identified, kept up-to-date and communicated.

Social:

Employment is freely chosen:

Suppliers must not use any bonded or forced labor, slavery, or human trafficking.

No child labor:

Suppliers must not provide employment to children before they have completed their compulsory education and, in any event, not before they reach the age of 15 (fifteen). Young workers must not do work that deprives them of attending school or that is harmful or dangerous. Suppliers are also expected to comply with all reporting obligations regarding the abolition of child labor and human trafficking.

No bonded or forced labor:

Suppliers must not use any bonded or forced labor, slavery, or human trafficking. It means no coercion in employment; no withholding or non-payment of wages; no retention of passports or identity papers; no debt bondage or excessive recruitment fees.

Respect, equal treatment:

Union Iron & Steel Co. LLC expects its suppliers to treat all their employees with respect and dignity. Diversity in the workplace is respected. Harassment and abuse are not tolerated. Suppliers are also expected to recruit, employ, and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed, without regard to race, age, gender, national origin, religion or any other category not relevant to performance.

Working hours:

Union Iron & Steel Co. LLC expects all suppliers to respect all working time legislation in the countries in which they do business. Any overtime work must be on a voluntary basis.

Fair wages:

Suppliers must pay fair wages which meet, at a minimum, legal standards, or applicable national norms.

Freedom of association:

All workers must be allowed to exercise their rights to freedom of association and collective bargaining.

Grievance mechanisms:

All workers must have access to remedial and grievance mechanisms.

Environment

Environmental management principles:

Union Iron & Steel Co. LLC expects all its suppliers to observe the following environmental management principles at their manufacturing plants:

- Suppliers use management plans to meet environmental compliance obligations and mitigate impacts on the environment.
- Suppliers monitor operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high conservation value to manage impacts on biodiversity.
- Water use is efficient, and a water resource management plan is implemented.
- Waste is prevented, reused, recycled, recovered and/or disposed of in an environmentally sustainable way.
- Energy is used efficiently, and greenhouse gas emissions are reduced.
- Emissions to air, boundary noise and effluent discharge meet applicable local laws.

Additional requirements for suppliers of raw materials:

Union Iron & Steel Co. LLC expects its suppliers of raw materials to also comply with the following principles.

Conservation of environmental values at raw materials source:

All suppliers must identify and conserve biodiversity and forests using the High Conservation Values and High Carbon Stock methodologies.

Suppliers are expected to take proactive steps to mitigate impact on water resources through the implementation of water management plans and take additional measures in water-stressed production areas.

Business integrity

Compliance with the law, international standards, and conventions:

Union Iron & Steel Co. LLC requires that each supplier complies with all applicable laws in the countries in which it operates including all laws regarding international trade, sanctions, and export control. Union Iron & Steel Co. LLC expects all suppliers to have a business ethics management system in place. Union Iron & Steel Co. LLC's policy is based on internationally recognized standards. We base our human rights commitment on the International Labor Organization's fundamental conventions on Rights at Work and UAE Labor laws. We expect our suppliers to also operate in line with these international standards and conventions.

Bribery:

We demand that our suppliers never offer or commit any bribery, corruption, kickback, or similar offences including any "facilitation payments".

We expect all suppliers to have systems, processes, and training in place to prevent bribery in all its commercial dealings.

Should a supplier have to act in the name of or on behalf of Union Iron & Steel Co. LLC in any transaction, the supplier will also have to comply with or on behalf of Union Iron & Steel Co. LLC in any transaction, the supplier will also have to comply with Union Iron & Steel Co. LLC's internal policies and procedures as if it were a Union Iron & Steel Co. LLC entity. In this case, Union Iron & Steel Co. LLC will make a copy of all applicable policies and procedures available to the supplier.

Gifts, entertainment, and hospitality:

Union Iron & Steel Co. LLC expects that any business gift, entertaining or hospitality with Union Iron & Steel Co. LLC is kept reasonable in nature, entirely for the purpose of maintaining good business relations and not intended to influence in any way Union Iron & Steel Co. LLC's decisions about how Union Iron & Steel Co. LLC awards future business.

Gifts of insignificant monetary value and entertainment arising out of ordinary corporate hospitality may be accepted by Union Iron & Steel Co. LLC if offered in line with our policies and procedures and if they are properly recorded.

Money laundering:

Union Iron & Steel Co. LLC expects all suppliers to strictly abide by all applicable anti-money laundering laws and have any required processes and controls in place.

Financial fraud:

Union Iron & Steel Co. LLC expects all suppliers to be committed to preventing, detecting, and reporting fraud, including fraudulent financial reporting, and to maintaining a control environment that mitigates any risk of fraud.

Fair competition:

Union Iron & Steel Co. LLC expects all suppliers to be committed to a fair and competitive free market system. While companies may compete vigorously in their many business activities, the efforts of a supplier's employees in the marketplace must be conducted in accordance with the letter and in the spirit of all applicable antitrust, competition and trade practice laws.

Confidential information:

Union Iron & Steel Co. LLC demands that its suppliers never disclose any confidential information or trade secrets they acquire during transactions with Union Iron & Steel Co. LLC to any third party unless applicable laws or court orders require such disclosure. Suppliers shall use any confidential information or trade secret information only in connection with fulfilling their agreements with Union Iron & Steel Co. LLC. Suppliers shall not try to infringe Union Iron & Steel Co. LLC's intellectual property in any way.

Reporting issues:

All suppliers are expected to have systems and processes in place to address business integrity issues, including potential issues related to bribery and corruption. Such systems shall include means for employees to raise compliance concerns in a confidential way and without fear of retaliation.

Policy implementation

Supplier management systems:

Union Iron & Steel Co. LLC expects all suppliers to implement management systems that allow compliance with this Responsible Sourcing Policy. This must include the following at a minimum:

- **Risk management:** Union Iron & Steel Co. LLC expects all suppliers to implement mechanisms to identify, assess and manage risks in all areas addressed by this policy.
- **Documentation:** Union Iron & Steel Co. LLC expects its suppliers to be able to demonstrate their compliance with this policy by retaining adequate documentation, which may be reviewed by Union Iron & Steel Co. LLC upon reasonable notice.
- **Communication of this Responsible Sourcing Policy:** Union Iron & Steel Co. LLC expects its suppliers to communicate this policy to all relevant employees and departments.

Verification:

- Union Iron & Steel Co. LLC will verify alignment of supplier practices with the requirements of this policy.
- Union Iron & Steel Co. LLC will seek verification of alignment of practices with its commitments.
- Union Iron & Steel Co. LLC will use a range of verification tools to verify that a supplying situation meets its commitments.
- Where a relevant verification system is not available or in case of high sustainability risks, Union Iron &

Steel Co. LLC will verify performance using independent assessments with respected organizations.

- Union Iron & Steel Co. LLC will seek innovative solutions to credible verification that is cost effective to incorporate into our approach where we see opportunities to do so.

Continuous improvement, reporting of non-compliance, raising ethical concerns:

- Union Iron & Steel Co. LLC expects suppliers to continuously monitor and verify their performance and to continuously improve in line with the Responsible Sourcing Policy. Any noncompliance with this policy should be reported to Union Iron & Steel Co. LLC without delay.
- We encourage suppliers to raise concerns about ethical compliance of behavior of a Union Iron & Steel Co. LLC employee or representative, and to report such concern to us. This can be done by contacting the usual business contact person at Union Iron & Steel Co. LLC. In addition, ethical compliance concerns can be raised in confidence to the Head HR & Administration by email to B.wahid@uis-uae.com.

For questions relating to products or services that do not involve an ethical compliance concern, suppliers are asked to contact their usual business contact person.

Audit

Union Iron & Steel co. LLC reserves the right to audit any supplier's facilities periodically. Any results of such audits will be provided to the supplier with areas for improvement clearly identified. Union Iron & Steel co. LLC expects any supplier so audited to resolve audit issues promptly and to provide supporting documentation as requested.



Chief Executive Officer (CEO)