



**Fighting Against Forced Labour and Child Labour in the Supply Chains
– 2023 Annual Report Butting Canada Ltd.**

Terminology:

BUTTING Group (“BUTTING”) includes BUTTING Canada Ltd.

This report has been prepared for the fiscal year 2023 to be compliant with Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”).

May, 2024



BUTTING

Preventing and reducing risks of forced labour and child labour

BUTTING views a sustainable supply chain as a fundamental requirement for responsible corporate management and is convinced that shared values and principles are key to creating a sustainable and transparent supply chain. Consequently, BUTTING is committed to ensuring that its partners share the same high standards, actively contribute to the implementation of these standards and continuously make further improvements.

Structure & Activities

BUTTING Canada Ltd. is a named Alberta corporation and was incorporated in 2004. To this day BUTTING has one location in Canada which is in Calgary, Alberta. BUTTING Canada is part of the BUTTING Group and sells, distributes and imports products primary manufactured by BUTTING in Germany to customers from various sectors in the North American market. Within the BUTTING Group, BUTTING Canada is regarded as the connecting link to the North American market.

The BUTTING Group consist of multiple subsidiaries with locations worldwide. The corporate headquarter is located in Germany. BUTTING Group's activity focuses on the processing of stainless steels, particularly special steels and clad materials, to create "tailor-made product solutions".

As part of the BUTTING Group, BUTTING Canada's values, vision and mission are aligned with the BUTTING Group's and are reflected in its business activities. Policies and statements of the BUTTING Group apply to BUTTING Canada.

Preventing and reducing risks of forced labour and child labour

Supply Chain

Practicing responsibility is the foundation for BUTTINGs corporate culture. To ensure sustainability, BUTTING integrates its suppliers directly into its sustainability strategy. This does not only include economic, technical and process-related criteria, but also social and ecological aspects, including but not limited to human rights.

- BUTTING believes in the need to fulfil its responsibilities in the global supply chain and to help minimise human rights risks as well as environmental risks in its business activities.
- BUTTING recognizes its responsibility to ensure provided products and services do not lead to human rights abuses in its supply chain.

Suppliers provide BUTTING Canada mainly with the following goods and services:

- Stainless steel pipes, parts and components
- Transportation of products and customs brokerage
- Engineering knowledge
- Handling and storage of products (Warehousing)

Preventing and reducing risks of forced labour and child labour

Policies and due diligence processes

The Universal Declaration of Human Rights is the foundation for BUTTING's work. BUTTING is committed to respecting and protecting human rights and dignity to foster a fair and respectful society.

BUTTING has policies in place to prevent forced labour and child labour. The *Supplier Code of Conduct* of BUTTING outlines BUTTING's requirements for suppliers, provides information on reporting misconduct and shows consequences of misconduct. It sets out the legal requirements and BUTTING's expectations for an ethical approach to business with BUTTING's partners based on integrity. BUTTING expects each supplier to agree to this *Supplier Code of Conduct* prior to entering into a business relationship. Additionally, BUTTING has a *Policy Statement on our Human Rights Strategy pursuant to §6 (2) of the German Supply Chain Act (LKSG)* which is considered a public commitment by BUTTING to uphold human rights standards and it is supported by BUTTING's management. BUTTING's *Mission Statement* summarizes BUTTING's goals and values including its commitment to mankind. BUTTING Canada's *Code of Conduct* also underlines BUTTING's pledge and conformant with statutory provisions and explicitly prohibits illegal employment.

BUTTING is committed to be compliant with the law. BUTTING continues to work with government authorities, business partners and other stakeholders to prevent and reduce risks of forced labour and child labour and to promote best practices. BUTTING continuously monitors and improves its efforts to comply with the Act and legal requirements. This includes reviewing its own policies, processes and performance. BUTTING takes appropriate measures to assess and mitigate risks in its supply chain. This includes reviewing its suppliers and working with them to achieve common standards.

Preventing and reducing risks of forced labour and child labour

Risks of forced labour or child labour and taken steps to assess and manage that risk

BUTTING Canada's exposure to forced labour and child labour is regarded as low since BUTTING Canada is involved in the downstream supply chain and primarily sells products produced by companies of the BUTTING Group which increases the level of transparency. Nonetheless there is always a risk because the downstream supply chain is reliant on the upstream supply chain which increases the potential of limited transparency and/or visibility regarding risk associated with sourcing of raw material inputs and its origin.

BUTTING is committed to respecting and protecting human rights throughout its supply chain. This includes in particular the prevention of forced labour, child labour and discrimination. Not only BUTTING committed to safe and fair working conditions in its supply chains but also expects the same from its suppliers. This includes decent wages, working time arrangements and safe working environments. BUTTING will ensure the transparency of its supply chains by disclosing information about its suppliers and business partners. This enables BUTTING's stakeholders to trace the origin and manufacturing conditions of BUTTING products.

Preventing and reducing risks of forced labour and child labour

Measures taken to remediate any forced labour or child labour and measures taken to remediate the loss of income to most vulnerable families that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chains

There were no incidents or cases of known forced labour or child labour. Consequently, no measures had to be taken to remediate forced labour or child labour. However, BUTTING does have a whistleblowing system in effect and reserves the right to terminate contracts with suppliers extraordinarily without notice if they demonstrably violate the *Supplier Code of Conduct* or fail to take appropriate measures.

Training provided to employees on forced labour and child labour

All relevant policies and statements are available online and can be found on BUTTING's website <https://www.butting.com/en/>. The *Code of Conduct*, *Mission Statement* and *Policy Statement on our Human Rights Strategy* are also available on BUTTING's intranet. As part of the onboarding process policies, statements and processes are explained and discussed.

Assessment of effectiveness in ensuring that forced labour and child labour are not being used

BUTTING has internal audits to assess risk, compliance and performance.



Approval and Attestation

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above

I have the authority to bind BUTTING Canada Ltd.

Markus Hahn,

Managing Director BUTTING Canada Ltd.

Date: May 30th, 2024