Compliance Management System 4.0

Release: September 2017

Corporate Compliance Office
Agenda

1. Compliance Management System 4.0

2. Compliance Organization

3. Reporting Line
Definition of “Compliance“

The meaning of Compliance is:

• Behaviour according to the regulations
• of the Klöckner & Co Group as a whole
• its statutory bodies
• and all employees
• with regard to the abidance of all legal rules and regulations
• as well as to the corporate Guidelines
1 Compliance Management System 4.0

Compliance Principles

The Klöckner & Co SE Compliance Management System is based on the frame concept of the OECD* concerning the principles of good corporate governance, latest edition 2004.

The CMS considers further the Compliance Principles of FCPA, UK Bribery Act and the German Corporate Governance Code.

* OECD = Organization for Economic Co-operation and Development, Paris, France
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Compliance Targets

- Secure lawful behaviour of the Company, its legal representatives, Management and Staff on the basis of a corporate culture of trust
- Identification and reduction of risks resulting from compliance violations by preventive measures
- Earliest possible detection of compliance violations occurred
- Mitigation of damages in case of actual compliance violation and circumvention of its continuity by implementation of suitable measures
- Competitive edge through compliant corporate governance
Key aspects of the Compliance Program

- Competition Law
- Anti-Corruption
- Anti Money Laundering
- Export Control
- Sanction list screening
- Abuse of Human Rights
1 Compliance Management System 4.0

„Tone from the Top“

Klöckner stands for:

- Innovation, customer focus, motivated and responsible acting employees
- Violations against competition law and corruption won‘t be tolerated
- Misconduct will impose sanctions
- Prosecution by civil and criminal law
1 Compliance Management System 4.0

- Compliance communication
- Policies and procedural instructions
- Compliance training
- Helpdesk
- Compliance Risk Assessment (CRA)
- Third Party Due Diligence (TPDD)
- Sanctions list screening (BPS)
- Anti-Money-Laundering (AML)
- Export Control
- Abuse of Human Rights
- M&A due diligence

Corporate Compliance Office

- Compliance Audit
- Whistleblower Internet “Let us know“ U.S. Phone “EthicsLine“
- Investigation Protocols

Compliance Committee

Internal Audit

National Compliance Offices

- Compliance Reporting
- Ad-hoc Reporting
- Case management
- Sanctions for misconduct
- Efficiency check

Report and Reaction

Prevention

Discovery

“Tone at the Top”

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2 Compliance Organization

Supervisory Board (Audit Committee)

Management Board

Chief Compliance Officer

Corporate Compliance Office

Compliance Committee

National Compliance Officers
2 Compliance Organization

• Corporate Compliance Office

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3 Reporting Line

Supervisory Board (Audit Committee)

Management Board Klöckner & Co SE

Chief Compliance Officer

Corporate Compliance Office

Whistle-blowing Hotline

Local Management

CFO = National Compliance Officer

CEO = Overall Compliance Responsibility

National Compliance Office

Superior

Member of Staff

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