

# CODE OF CONDUCT FOR SUPPLIERS

## Introduction

Ternium SA and its subsidiaries (“Ternium”) are committed to building a corporate culture of transparency and integrity, based on ethical behavior and compliance with the law. Ternium's Code of Conduct (available at [www.ternium.com](http://www.ternium.com)) reflects this culture, as well as inspiring and guiding the actions of all company employees.

Ternium considers that it is only possible to meet these demanding standards of integrity and transparency by establishing common rules, applicable to all not only employees, officers and directors, but to those third parties with which the company interacts in the development of its business activities. Since the commitment and compliance with these common standards by Ternium Suppliers is essential to guarantee the achievement of the company's objectives and expectations regarding ethical, transparent and correct conduct, Ternium has developed this Code of Conduct for Suppliers, which will be applicable both to said suppliers and to their respective employees, officers, directors or authorized representatives, without exception, with respect to any operation or business that involves Ternium.

Diligent and systematic compliance with the provisions established in the Code of Conduct for Suppliers will be taken into account in the selection, evaluation and contracting of said Suppliers. Suppliers will be responsible for applying the principles contemplated in this Code of Conduct for Suppliers, even in their relations with the subcontractors with whom they work, to the extent that they participate in any way in operations or business with Ternium.

Under no circumstances shall Suppliers comply with any order, request or instruction that could constitute a breach or violation of the provisions of this Supplier Code of Conduct.

For the purposes of this Code of Conduct, “Suppliers” includes any person or entity that provides services or supplies any type of goods to Ternium or its subsidiaries, whether or not they act on behalf of Ternium or such subsidiaries, including subcontractors. .

## Expectations and Obligations

### 1. Conflict of interests

Suppliers must avoid any interaction with Ternium employees that may give rise to a conflict, or a potential conflict, with respect to Ternium's interests.

For example, Suppliers must not hire or otherwise make payments to any Ternium employee in the course of a transaction between such Supplier and Ternium. In the event that there is a family relationship between an employee of the Supplier and an employee of Ternium (for example, spouse, parent, sibling, grandparent, child, grandchild, in-law, etc.), or if an employee of the Supplier maintains another type of relationship with a Ternium employee that could represent a conflict of interest, the Supplier must report such circumstance to the company.

Any conflict of interest involving a Ternium employee must be duly informed in writing, for which the Supplier must contact the corresponding Ternium contracting area according to the particular case.

### 2. Gifts, Meals, Entertainment

Suppliers must not offer any gift<sup>1</sup>, trip, meal or entertainment activity to any Ternium employee in circumstances that could influence such employee's decisions regarding the Supplier, or could be interpreted in such a way. In certain circumstances, however, Suppliers may offer modest gifts, meals or entertainment activities to Ternium employees, as long as they do not violate any of the rules set forth and:

- it is not cash or cash equivalents;
- is in accordance with Supplier's usual business practices and company policies;
- not frequent or expensive.

### 3. Bribery and Bribery

Under no circumstances should Suppliers be part of any commercial bribery or bribery scheme, or offer any type of incentive to any Ternium employee, or family or friends of Ternium employees, in order to obtain or retain business.

Suppliers must comply with all applicable anti-corruption laws in the country where the respective contract is entered into, granted or performed, and must also observe all local laws regarding acts of bribery with respect to Public Officials <sup>2</sup>.

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<sup>1</sup> The term "Gift" means any item of value, which may include, but is not limited to, any type of gratuity, advantage (for example, allowing use of vehicles or facilities), cash or cash equivalents, travel, lodging, meals, entertainment, incentives, loans, rewards, providing facilities or services at less than full cost, contracting or continuity of services and any other advantage or benefit of any nature (whether it constitutes, or derives from, corporate funds or assets, or funds or personal or third-party assets).

<sup>2</sup> The term "Public Official" means (A) any officer or employee, or any person, whether elected or appointed, serving in a legislative, administrative, or judicial position, or representing or acting on behalf of a state, government or public international organization (for example, the World Bank or the United Nations), any division, department, ministry, agency or body (including corporations and other entities owned or controlled or operated for the benefit of such governmental authority); or (B) any political party, party official, or

In relation to those acts related to the manufacture, distribution or provision of goods or services to Ternium, or any act that in any other way involves Ternium, the Supplier must not provide any element of value, either directly or indirectly, to any Public Official, employee of a government-controlled company, or political party, in order to obtain an improper advantage or benefit (for example, in matters of regulatory authorizations, customs permits, or judicial and legislative proceedings).

Suppliers must keep a current and accurate written accounting record of all payments (including gifts, meals, entertainment or any other item of value) made on behalf of Ternium, or through funds provided by Ternium. Suppliers must deliver copies of such records to Ternium when requested by the company.

#### 4. Accounting and Business Records

Maintaining accurate and reliable information and records is essential for the fulfillment of Ternium's financial, legal and administrative obligations and necessary to properly reflect the company's activities. Suppliers must keep accurate records of all matters related to their business relationships with Ternium. This involves properly, fully and timely recording all expenses and payments, and ensuring the availability of all relevant documentation to support such records. Suppliers must in no way hinder, delay, hinder or in any other way make it difficult for Ternium to process accounting documentation in a proper and timely manner. Alteration or manipulation of any document in a way that could affect the transparency and accuracy of the records will be considered a serious violation.

#### 5. Use of Ternium assets

When the provision of services, the provision of goods or the performance of their obligations in any other way requires the use of Ternium goods, supplies, equipment and other assets, Suppliers must act responsibly and ensure that such assets are used by duly authorized persons and for the intended purposes.

Suppliers must protect and responsibly use property and other tangible and intangible assets owned by Ternium. Suppliers must not use any trademark or other intellectual property of the company, unless expressly authorized in writing by Ternium.

#### 6. Use of Technological Resources

Ternium equipment, systems and technological devices, Suppliers must use said elements only for those purposes authorized by Ternium or that are related to directly with the fulfillment of the object of the corresponding agreements.

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*candidate for public office. Corporations or similar entities "controlled" by a state or government, include any entity, regardless of its corporate type, over which a state or government may exercise dominant influence, either directly or indirectly. This situation occurs, among other cases, when said state or government owns the majority of the subscribed capital of the entity, controls the majority of the votes corresponding to the titles issued by the entity, or can designate the majority of the members of the body. administrative, managerial or supervisory role of the entity. The term "Public Official" also includes the children, spouses, parents or siblings of a Public Official.*

The Suppliers that operate Ternium's technological resources must be aware of the restrictions applicable to users and must not violate the corresponding agreements and authorizations, nor carry out any act that could compromise the responsibility of Ternium or generate any responsibility on the part of Ternium with respect to third parties or any government authority.

Ternium's technological resources must be used in accordance with applicable regulations and company policies.

Ternium has the right to monitor, at any time and without notice, the use of its technological information resources, and therefore, to access, review, copy or capture files, documents, records, databases, electronic messages, activity in internet and any other information generated through the use of Ternium's technological information resources. Similarly, users of Ternium's technological information resources should not have expectations of privacy in relation to the information or communications that are generated or transmitted through, or stored in Ternium's technological information resources.

The information and data stored within Ternium's facilities and technological information resources (including computers) are the property of Ternium and, consequently, Ternium may decide on the provision of this information to the authorities or other third parties if it considers it appropriate or necessary.

## 7. Information Protection. Fair Use.

Suppliers must maintain the confidentiality of all information to which they have access in the performance of their tasks, provision of services or provision of goods to Ternium, even when it is not classified information or does not deal specifically with Ternium, and must take the necessary actions necessary to prevent their misuse, theft, fraud or improper disclosure.

In all cases, Suppliers must use the information they receive or have access to, lawfully, for the specific purpose for which it was disclosed, received or obtained, and in accordance with applicable laws (including, without limitation, other issues, consumer protection, antitrust, data privacy regulations, etc.). Ternium will not tolerate any type of improper, dishonest, unauthorized, illegal or inappropriate use of any type of information, even when this could imply a benefit or advantage for Ternium.

Suppliers must apply due diligence when handling, discussing or transmitting confidential or sensitive information that could affect Ternium, or its employees, its customers, the business community, or the public in general. Suppliers will be directly responsible for taking the necessary measures to safeguard Ternium's information from any damage or loss and guarantee its safekeeping. Disclosure of financial information may influence the actions of shareholders and potential investors and is likely to violate securities laws. The Suppliers' responsibility not to disclose Ternium's confidential information is an ongoing obligation that extends beyond the services or contractual agreement with Ternium.

## 8. Use of privileged information

If a supplier becomes aware of specific information related to Ternium or the company's business that is not available to the public, it may not acquire, sell or otherwise exchange securities of Ternium or any company that does business with Ternium, nor perform any other act that implies obtaining an advantage from said information.

## 9. Intellectual Property Rights

Suppliers must protect, preserve and respect Ternium's intellectual property rights. These rights include, among others, ownership over plans, systems, procedures, methodologies, courses, reports, projections or illustrations to which Suppliers have access in the development of their business relationship with Ternium.

## 10. Reporting of misconduct

In the event that a Supplier becomes aware of any type of illegal or improper conduct, or a potential violation of the provisions of this Code of Conduct by a Ternium employee, any person acting on behalf of Ternium, any employee or representative or subcontractor of the Supplier linked to the provision of services or provision of supplies to the company, must inform Ternium.

Said report must be made through:

<https://www.bkms-system.com/Ternium>

The Supplier's relationship with Ternium will not be affected by an honest report linked to an act of misconduct.

## 11. Compliance with laws

Suppliers are responsible for ensuring that their directors, officers, employees, subcontractors, or representatives understand and comply with applicable regulations and standards, as well as regional and national legislation, to the extent applicable to the relevant agreement between the parties or to the corresponding business relationship.

## 12. Compliance with Commercial Regulations

Transactions between Suppliers and Ternium must be carried out, at all times, strictly in accordance with the provisions of all applicable economic rules and sanctions, and applicable export control laws and regulations, including applicable sanctions and regimes to Ternium, such as the regimes established by the United Nations, the United States and the European Union.

During the execution of the relevant agreement and in any other transaction related to Ternium, no person or entity prohibited, sanctioned or designated in the United Nations sanctions regimes may participate or be involved, either directly or indirectly, United States or the European Union, such as those included in the list of Specially Designated Nationals and Blocked Persons administered by the Division of Foreign Assets Control of the Department of the Treasury of the United States, or any entity that is owned or under the control of such persons or entities.

Supplier may not, directly or indirectly, sell, provide, export, re-export, transfer, divert, loan, rent, consign, or otherwise dispose of any equipment, products, services, software, or technology received under the relevant agreement or in connection with the development of any transaction with Ternium to or through any individual, entity or destination, for any use prohibited by the laws or regulations in force in the relevant jurisdiction, without prior authorization of the competent government authorities as stipulated in such laws and regulations.

## 13. Conflict Minerals

Suppliers understand and acknowledge that Ternium, as a publicly traded company that files reports with the United States Securities and Exchange Commission (“SEC”), is subject to the provisions of Section 1502 of the Securities and Exchange Act. The Wall Street Reform and Consumer Protection Act, also known as the Dodd-Frank Act, and related laws and regulations made by the SEC (collectively, the “Conflict Minerals Rules”).

Under these regulations, Ternium is required to report annually and post on its website information related to the use of Conflict Minerals in its products (as that term is defined below) from the Democratic Republic of the Congo or contiguous countries such as Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia (“Covered Countries”); and, in certain cases, carry out investigative processes (either itself or through a subcontractor) in order to identify the source of such Conflict Minerals.

**"Conflict Minerals"** means columbite and tantalite (or coltan), cassiterite, gold, wolframite and its derivatives tantalum, tin and tungsten, and any other mineral or its derivatives indicated by the United States Secretary of State or any other competent authority, such as elements involved in the financing of conflicts in the Democratic Republic of the Congo or nearby territories.

Suppliers must represent and warrant to Ternium that none of the products or materials supplied to Ternium contain Conflict Minerals from a Covered Country. At certain times, and with the scope that corresponds to the case, Ternium may request Suppliers to submit documents, information and other probative elements that prove the veracity of the aforementioned declaration and guarantee.

Suppliers must immediately inform Ternium in writing if they have knowledge or reason to believe that the aforementioned declaration and guarantee is not accurate with respect to any product or material supplied to Ternium.

## 14. Safety and Hygiene

Ternium's Suppliers and subcontractors must promote a safe and healthy work environment in order to avoid accidents and damage to health that may occur during the development of work activities, or as a result of the operation of the employer's facilities, or that could derive from or be related in any way to said activities or operation.

Likewise, any representative of the Supplier who provides services in person at Ternium's facilities must comply with all the company's health and safety standards.

## 15. Labor relations and human rights

Ternium maintains the commitment to carry out all its operations in a manner consistent with the human rights principles applicable to commercial activities and contemplated within the framework of the Universal Declaration of Human Rights. Ternium expects its Suppliers to adapt their actions to the same standards.

Suppliers must comply with the principles articulated in the Declaration of Fundamental Principles and Rights at Work of the ILO (International Labor Organization). These include

the prohibition against child labor, forced labor and discriminatory conduct, as well as the recognition of the rights to freedom of association and collective bargaining.

Ternium values and respects the cultures and traditions of the communities in which it performs its tasks and works actively considering the health, safety, environmental, human rights and economic well-being of these communities in all its operations, and expects its Suppliers to maintain, respect and promote these values in all transactions and businesses carried out with Ternium.

## 16. Discrimination and Harassment

Ternium remains committed to creating and maintaining a work environment in which all its employees have opportunities for growth and development and can fully contribute to the success of the company. In this context, under no circumstances will acts of harassment, sexual harassment, intimidation or discrimination be tolerated with respect to any employee.

Suppliers will not discriminate against any person in the course of the employment relationship, including hiring, salary, benefits, promotion, discipline, termination of the employment relationship or retirement, for reasons of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

Ternium Suppliers and subcontractors must treat their employees with respect and dignity. No employee will be subjected to any type of abuse or harassment, whether physical, sexual or psychological, and all have an obligation to avoid any form of harassment.

## 17. Environment

Ternium seeks to achieve continuous improvements in environmental terms, concentrating its efforts on those areas with the greatest impact at manufacturing, distribution and large facilities sites. Ternium endeavors to comply with both the spirit and the provisions of applicable environmental laws and regulations and expects the same compliance from all Suppliers. When there are no stipulated standards, Suppliers must adjust their actions to high standards.

Suppliers must actively strive to increase the positive impact and limit the negative effects for the environment and society both of their operations and of the supply chain, based on the establishment of environmental plans focused on critical effects.

The scope of such plans must be appropriate in relation to the nature of the Supplier's activity and the risks associated with such activity.

## 18. Evaluation and Control of Suppliers

The acceptance and systematic compliance with the provisions of this Code is an integral part of the management and evaluation procedure of Ternium Suppliers. In accordance with the risk-based approach adopted by Ternium, the company may request specific or complementary documentation or declarations from Suppliers and require compliance with additional measures to verify compliance with the provisions of this Code.