

Supplier Manual

Villares Metals

September 2, 2026

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1 INTRODUCTION

Founded in 1944, VILLARES METALS has become a leader in the development of products, services, and solutions in special steels and alloys for a wide range of complex applications that demand high quality and superior performance.

It competes in the global market and is recognized for its extensive metallurgical expertise. The company maintains a presence in Brazil's major metalworking hubs through its Service & Solutions Centers and supports its customers through its renowned team of application engineers, technical support specialists, product engineers, and its research and development center.

It has a comprehensive infrastructure for high-quality heat treatment, serving various industries worldwide, including: automotive, aerospace, oil & gas, energy, tooling, rail, capital goods, and medical.

Headquartered in Sumaré (SP), VILLARES METALS is part of the High Performance Metals division of the Voestalpine Group, headquartered in Linz, Austria; a technology leader in all the global markets in which it operates.

- ❖ **Mission:** To provide innovative solutions in products, specialty alloys, and services in a sustainable manner, creating value for customers, employees, and shareholders.
- ❖ **Vision:** To be the first choice for customers, employees, and shareholders. Always!
- ❖ **Values:**



Saúde e Segurança em primeiro lugar



Fazemos um mundo melhor



Valorizamos as pessoas



Garantimos bons resultados sempre



Somos criativos e inovadores



Amamos o que fazemos



Fazemos o que é certo

2 OBJECTIVE

VILLARES METALS understands that its business partners are essential to ensuring the quality and competitiveness of its products. Therefore, this document aims to establish guidelines and define the interactions between VILLARES METALS S.A. and its suppliers regarding the quality and reliability required for the materials and services provided.

To clarify what is required of the supplier to develop and implement the necessary measures to manage, plan, verify, and document product control, the quality system, and processes, in addition to the requirements of VILLARES METALS' customers as specific requirements related to the certifications we hold.

To encourage suppliers to adopt organizational standards aimed at reducing waste, raising environmental awareness, and promoting sustainability, with a focus on the rational use of natural resources and the reduction of their environmental impacts.

This manual applies to all companies that supply direct and indirect materials and services to VILLARES METALS and its Solution and Service Centers for use in its products and processes.

For suppliers to the voestalpine Group, this document does not replace the specific manuals and requirements of other Group units. Its application is valid for supplies to VILLARES METALS S.A.

3 POLICIES

3.1 General Purchasing Terms and Conditions

Service providers must be familiar with and comply with our policy on General Terms and Conditions for the Purchase of Services, available for download on our website or at the following address:

[General Terms and Conditions for the Purchase of Services](#)

3.2 Code of Conduct

The Supplier must be aware that VILLARES METALS is committed to the Voestalpine AG Code of Conduct for Business Partners, and therefore confirms that it has understood the Code and will comply with it in full. The Code is available for download on our website or at the following address:

[Code of Conduct for Business Partners](#)

3.3 Integrated Policy

The Integrated Policy on Health, Safety, Quality, Environment, and Energy Efficiency, which outlines the company's guidelines and objectives in each of the aforementioned areas, is available on the VILLARES METALS website, available for download on our website, or available at the following address:

[Integrated Policy](#)

3.4 Data Protection Statement

The Data Protection Statement applies to all third parties, customers, suppliers, and potential candidates for job openings posted on the VILLARES METALS website, as well as to all services that VILLARES METALS offers to its partners, customers, and website visitors. It is available for download on our website or at the following address:

[Data Protection Statement](#)

3.5 Guidelines for Service Providers and Critical Suppliers

Available for download on our website or at the following address:

[Guidelines for Service Providers and Critical Suppliers](#)

3.6 Embargo and Sanctions Policy

The supplier agrees to comply with all national and international laws and regulations related to embargoes and sanctions, as well as to implement guidelines to ensure that the company avoids transactions or activities that could result in violations of these laws and regulations.

The supplier must, upon request, provide relevant information regarding the origins of all materials supplied, as well as whether the materials being traded originate from entities subject to economic sanctions or are considered "dual-use goods" (those that can be used in the defense industry or for military equipment).

VILLARES METALS will conduct random audits of its supplier base, as well as of the materials received, in order to assess whether its supply chain complies with embargo and sanctions policies.

Any finding of a commercial purchasing relationship with countries under embargo or entities subject to economic sanctions will be reported within VILLARES METALS to the Legal Department and the Board of Directors, and may lead to the suspension of the commercial relationship.

4 PURCHASING

4.1 Overview

The Purchasing Department plays a crucial role as the primary channel of communication between VILLARES METALS and its suppliers. Its goal is to drive new business opportunities, provide solutions and information, and contribute to the sustainability of our operations. Any communication of a commercial nature must be directed exclusively to the Purchasing Department.

No other department within VILLARES METALS has the authority to select suppliers or conduct negotiations. In the event of technical questions, the Purchasing Department will direct the inquiry to the specific product or process department. Any new requirements must be communicated to the Purchasing Department for proper management.

4.2 Supplier Registration

Supplier registration at VILLARES METALS is initiated by the buyer responsible for the category, following an analysis of feasibility and need.

The supplier must provide the following documents for registration:

- ❖ Up-to-date CNPJ Card
- ❖ Authorization for payment via account credit (VILLARES METALS-specific form)
- ❖ Registration Form (VILLARES METALS' own form)
- ❖ Municipal Registration Form
- ❖ Articles of Incorporation, Articles of Association, or Sole Proprietorship Application
- ❖ Certificate of No Federal Tax Liabilities
- ❖ Certificate of No Outstanding State Taxes
- ❖ Brief Report from the Board of Trade
- ❖ Certificates (ISO/IATF/etc.)

4.3 Quotations

Proposals will be submitted primarily through the VILLARES METALS procurement portal, including detailed information about the product or service being offered, and must be submitted by the specified deadline.

All documents, descriptions, models, drawings, samples, data, and information provided to the Supplier for the preparation of the proposal are strictly confidential and must not be used for any purpose other than to assist the Supplier in providing quotes and services. These documents are the exclusive property of VILLARES METALS and must be kept confidential and protected.

To comply with this confidentiality obligation, the Supplier must agree to share this confidential information only with employees or subcontractors who need it, acknowledging that failure to comply with this agreement may negatively affect the business relationship and may result in legal action.

4.4 Purchase Orders

The Purchase Order is the official document issued by VILLARES METALS authorizing the supply of all materials or services.

Purchases must be supported by this document, which has contractual force and sets forth the previously negotiated commercial terms and specifications.

The supplier may not subcontract the order to third parties, either in whole or in part, without the prior authorization of VILLARES METALS, which reserves the right to request any documentation related to such subcontracting.

The supplier remains responsible for any eventuality that may arise in connection with subcontracting, in accordance with the contractual terms. The supplier is not authorized to deliver the product or provide the services before the deadline established in the Order without the prior written authorization of VILLARES METALS.

If this occurs, the supplier must bear all expenses resulting from any early delivery.

The delivery period for products or services shall be calculated in calendar days, starting from the date the Purchase Order is issued.

All requirements set forth in the Purchase Order and the General Terms and Conditions of Purchase are mandatory and must be complied with by suppliers.

The supplier must adhere to the dates specified in the purchase order.

Any difficulties in meeting the requested dates must be discussed in advance with the responsible buyer.

Questions regarding the Purchase Order should be directed to the responsible buyer.

4.5 Invoices

All deliveries or services performed must be supported by an invoice, which must reflect the terms of the purchase order (price, quantity, payment terms, etc.). In the event of failure to provide an invoice or discrepancies in the invoice information, VILLARES METALS reserves the right to refuse delivery or payment for the goods or services provided.

All invoices must include the Material Code, Purchase Order number, and order line item; delivery of products or services without a Purchase Order is not permitted.

After issuing the invoice, the supplier must verify that the XML file has been approved by the VILLARES METALS tax department before proceeding with delivery. If the file is rejected, assess compliance with the purchase order and, if necessary, contact the responsible buyer immediately.

5 QUALITY

5.1 Overview

Our Quality System aims to ensure that specifications are met in accordance with established standards. Our suppliers are responsible for the quality of the product or service they provide.

Any changes to the product or service must be approved by VILLARES METALS in advance, with full disclosure of the resulting impacts.

5.2 Supplier Approval

Approval of new suppliers is required when the material or service requested by the user is not found within VILLARES METALS' existing supplier base. The main criteria for supplier approval are described below, but may not be limited to:

- ❖ Acceptance of the General Terms and Conditions of Purchase
- ❖ Acceptance of the Code of Conduct for Business Partners
- ❖ Acceptance of the Villares Metals Supplier Manual
- ❖ Registration Approval by the Purchasing Department
- ❖ Financial Analysis
- ❖ Analysis of the Supplier's Technical Capabilities
- ❖ Compliance with applicable laws
- ❖ Audit (when applicable)

- ❖ Commercial Terms
- ❖ Signing of a Confidentiality Agreement (when applicable)
- ❖ List of Documents Required for Quality, Environment, and Safety

List of Documents:

GRUPO	MATERIAIS	ISO 9001	ISO 14001	RBC 17025 ISO 17025	AUTOAVALIAÇÃO	AMT	CV	CPF	ANP	IBAMA	DOF	LICENÇA DE OPERAÇÃO	MAPA	LICENÇAS OFICIAIS (POLÍCIA FEDERAL, CIVIL E EXÉRCITO)	REGISTRO NO CONSELHO REGIONAL DE QUÍMICA (CRQ)
M1	MATÉRIA PRIMA (FERROLIQUAS)	X													
M2	INSUMOS ENERGÉTICOS (GN E DIESEL)	X	X			X	X	X	X						
M3	GASES LIQUEFEITOS	X				X	X	X	X						
M4	MATERIAS AUXILIARES ACIARIA	X			X										
M5	INSUMOS PRODUÇÃO E EMBALAGEM (EXCETO QUÍMICOS/ABRASIVOS/PEÇAS) "INSUMOS DE PRODUÇÃO"	X			X										
M5.1	INSUMOS PRODUÇÃO E EMBALAGEM (EXCETO QUÍMICOS/ABRASIVOS/PEÇAS) "EMBALAGENS (PALETES, CAIXAS DE MADEIRA)"									X	X	X	X		
M6	SUCATA METÁLICA	X			X										
M7	DISPOSITIVO PARA MOVIMENTAÇÃO														
M8	MATERIAS DE MANUTENÇÃO														
M9	INSTRUMENTO DE MEDIÇÃO E ANÁLISE	X			X										
M10	INSUMOS GERAIS (ESCRITÓRIO/LIMPEZA)														
M11	PRODUTOS QUÍMICOS/REAGENTES E ABRASIVOS	X			X	X	X	X		X		X		X	X
M12	EQUIPAMENTOS REGULAMENTADOS (NR)														
M13	PEÇAS FUNDIDAS/USINADAS PARA MANUTENÇÃO/FERRAMENTAL	X			X										
M14	MATERIAS DE CONSTRUÇÃO CIVIL														
M15	SUBCONJUNTO DE MANUTENÇÃO (MOTO BOMBA, MOTO REDUTOR E REFRIGERADOR)	X			X										
M16	MÁQUINAS E EQUIPAMENTOS INDUSTRIAIS	X			X										

GRUPO	SERVIÇOS	ISO 9001	ISO 14001	RBC 17025 ISO 17025	INMETRO	AUTOAVALIAÇÃO	VISTA TÉCNICA	AMT	CV	CPF	ANP	SOMEBRIO	IBAMA	ADA	SGOR	LICENÇA DE OPERAÇÃO	MAPA	LICENÇAS OFICIAIS (POLÍCIA FEDERAL, CIVIL E EXÉRCITO)	VIOLÊNCIA SANEAM	LFV
S1	SERVIÇOS AO PRODUTO "JATEAMENTO, DECAPAGEM E TRATAMENTO TÉRMICO"	X				X	X						X			X				
S1.1	SERVIÇOS AO PRODUTO "DEMAIS SERVIÇOS"	X				X	X													
S2	SERVIÇOS DE CALIBRAÇÃO E ANÁLISES LABORATORIAIS			X									X							
S3	SERVIÇOS DE MOVIMENTAÇÃO INTERNA	X				X														
S4	SERVIÇOS DE TRANSPORTE EXTERNO	X				X														
S5	SERVIÇOS DE TRANSPORTE DE RESÍDUOS							X	X	X			X	X	X	X				
S6	SERVIÇOS DE TRANSPORTE DE RESÍDUOS HOSPITALAR							X	X	X			X	X	X	X			X	
S6.1	SERVIÇOS DE TRANSPORTE DE PRODUTOS QUÍMICOS							X	X	X			X	X	X	X		X		
S7	SERVIÇOS DE DESTINAÇÃO DE RESÍDUOS "RESÍDUOS PERIGOSOS"							X	X	X			X	X	X	X				
S7.1	SERVIÇOS DE DESTINAÇÃO DE RESÍDUOS "NÃO PERIGOSOS" EX: MADEIRA, METAL												X	X	X	X				
S7.2	SERVIÇOS DE DESTINAÇÃO DE ÓLEO										X		X	X		X				
S8	SERVIÇOS DE LOCAÇÃO DE MÁQUINAS																			
S9	MANUTENÇÃO EM EQUIPAMENTOS DE LABORATÓRIO	X				X														
S10	SERVIÇOS DE REFRIGERAÇÃO					X							X							
S11	SERVIÇOS DE USINAGEM (MANUTENÇÃO OU FERRAMENTAL)	X				X														
S12	SERVIÇOS DE OBRAS CIVIS OU MANUTENÇÃO PREDIAL (PINTURA, SINALIZAÇÃO E EXTINTORES) "SERVIÇOS RELACIONADOS A EXTINTORES"				X							X								
S12.1	SERVIÇOS DE OBRAS CIVIS OU MANUTENÇÃO PREDIAL (PINTURA, SINALIZAÇÃO E EXTINTORES) "DEMAIS SERVIÇOS OU MANUTENÇÕES CIVIS"	X				X														
S13	SERVIÇOS DE MANUTENÇÃO INTERNA (PREDITIVA, PREVENTIVA E CORRETIVA) EM EQUIPAMENTOS DE PROCESSO	X				X														
S14	SERVIÇOS GERAIS (PRAGAS, PODAS, LAVAGENS EM GERAL, ALIMENTAÇÃO, SEGURANÇA) "CONTROLE DE PRAGAS"												X			X	X		X	
S14.1	SERVIÇOS GERAIS (PRAGAS, PODAS, LAVAGENS EM GERAL, ALIMENTAÇÃO, SEGURANÇA) "LAVAGENS EM GERAL"												X			X				
S14.2	SERVIÇOS GERAIS (PRAGAS, PODAS, LAVAGENS EM GERAL, ALIMENTAÇÃO, SEGURANÇA) "SERVIÇOS RELACIONADOS A ALIMENTAÇÃO"	X	X			X													X	
S14.3	SERVIÇOS GERAIS (PRAGAS, PODAS, LAVAGENS EM GERAL, ALIMENTAÇÃO, SEGURANÇA) "SERVIÇOS DE PODAS"												X							X
S15	SERVIÇOS ADMINISTRATIVOS (CONSULTORIA, AUDITORIA E TREINAMENTO)																			
S16	SERVIÇOS TÉCNICOS (ENGENHARIA, TOPOGRAFIA, ANÁLISES, MEDIÇÃO, INSPEÇÕES E CALIBRAÇÕES AMBIENTAIS E SEGURANÇA DO TRABALHO) "NÃO APLICADOS AO PRODUTO"																			
S17	SERVIÇO DE REMEDIAÇÃO AMBIENTAL												X							

LEGENDA:
X ALTERNATIVA, ao ISO 9001 ou AUTOAVALIAÇÃO
X REQUISITO OBRIGATORIO CONFORME ESCOPO DE FORNECIMENTO

Note: The list of documents is subject to change without prior notice. In the event of changes, the Supplier Management team will contact already-approved suppliers to bring them into compliance. For new suppliers, please consult the responsible buyer to verify the current list of documents.

5.3 Approval of Materials and Services

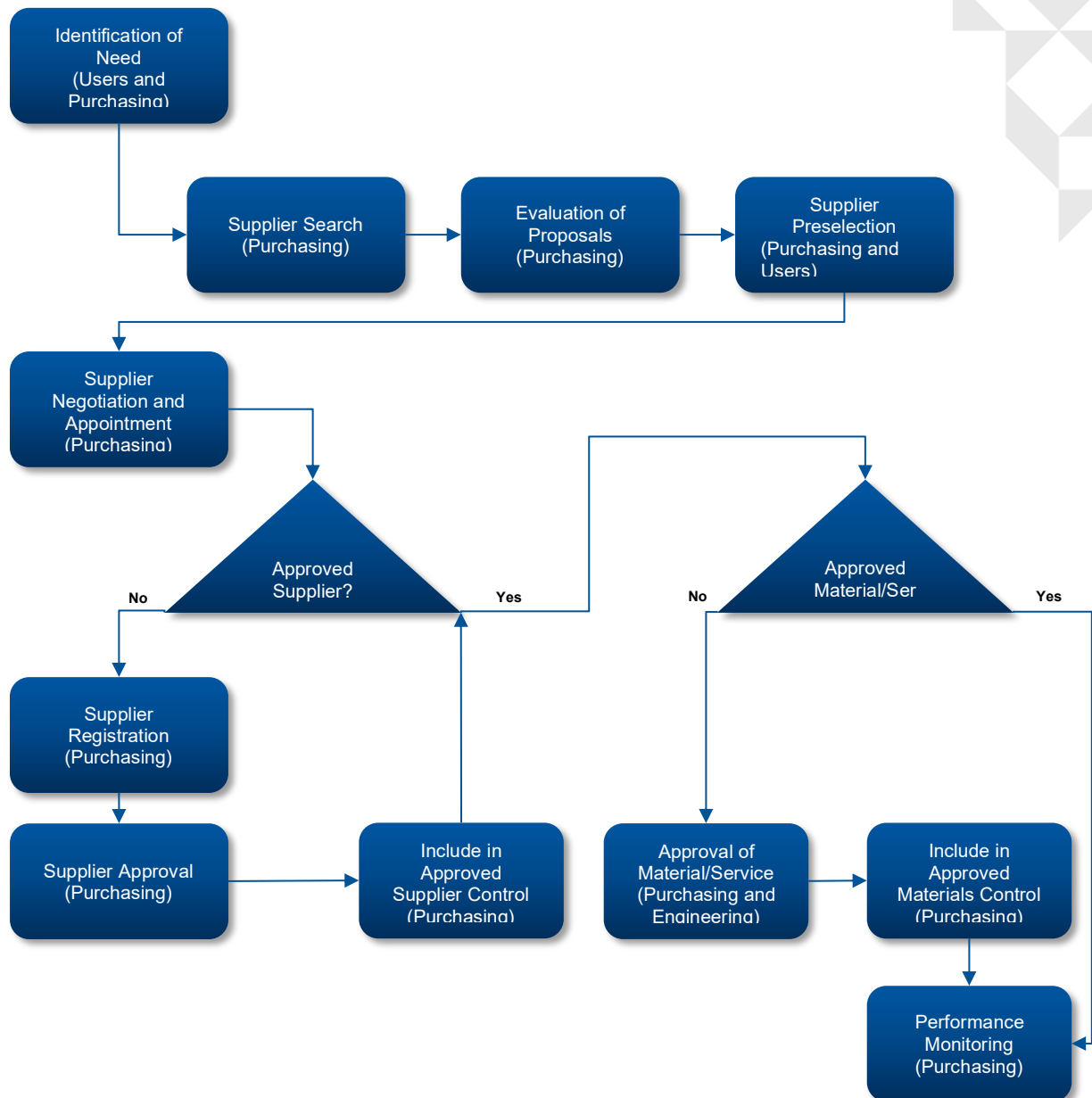
Approval of new materials or services is required for materials that are incorporated into VILLARES METALS' final product or that are used as auxiliary materials during the production process.

In such cases, if the material or service from the supplier from whom you wish to purchase is not listed in the approved materials/services registry, it must undergo an approval process. The main criteria for the approval of materials and services are described below, but may not be limited to:

- ❖ Analysis of the material certificate
- ❖ Receipt and analysis of samples by the laboratory and engineering departments
- ❖ Pilot batch approval
- ❖ On-site evaluation of materials produced by the supplier
- ❖ Approved ALEMP

The ALEMP document (Approval of Experimental Batch of Raw Material) is a form containing material data, standard revision, purchase order number, supplier identification, and whether the supplier is a manufacturer or distributor (trader); if the supplier is a distributor, the origin of the raw material (manufacturer) must be specified; it must be signed by the supplier, certifying full or partial compliance with the specification and describing any deviations in the event of partial compliance.

The approval processes for suppliers, materials, and services follow the flowchart below:



5.4 Review and Approval of Documentation

Documents will be reviewed for compliance. Non-compliant instances will be handled as follows:

Irregularities resulting in mandatory rejection: The person responsible for the registry will mandatorily reject any supplier that falls under the following circumstances:

- ❖ A bankruptcy petition filed with economic and financial information agencies;
- ❖ A CNPJ with a status other than “Active” with the Federal Revenue Service;
- ❖ IE status other than “Eligible” in Sintegra (except for the provision of services).
- ❖ When a query conducted through the economic and financial analysis and information service reveals pending issues or other irregularities, these will be submitted for approval by the responsible buyer.

Positive Certificates with Negative Effects, whether federal or state, are not considered irregularities.

The expiration dates of the documents will not be checked. As long as they are valid at the time of the analysis, the entire process will be approved, which will validate the registration.

5.5 Registration Block

Accounts may be blocked as a result of asset maintenance transactions. Periodically, the person responsible for account management will automatically block suppliers in the SAP system who:

- ❖ Have a CNPJ status other than “Active” with the Federal Revenue Service
- ❖ Rejection of documentation and missing documents: due to mandatory rejection, the buyer’s assessment, and/or the Purchasing Supervision department’s assessment.

- ❖ **Commercial Issues:** Suppliers deemed untrustworthy. In exceptional cases, at the discretion of the buyer and the Purchasing Supervision department, such suppliers may remain active.
- ❖ **Financial Issues:** Suppliers who issue improper invoices and/or notarized protests against VILLARES METALS. In exceptional cases, at the discretion of the Purchasing Supervision and Finance departments, such suppliers may remain active.
- ❖ **Quality, Environment, and Occupational Health and Safety:** Failure to comply with the requirements established by these three areas may result in the suspension of suppliers. These requirements are set forth in specific procedures for each of these areas.
- ❖ **Internal Service Providers:** Failure to comply with legal labor and social security requirements, as determined by the human resources department, may result in the suspension of suppliers.

All suspensions must be requested from the person responsible for the supplier registry via formal communication (email) in accordance with the reasons mentioned. This communication must be filed with the supplier documentation.

5.6 Audit

Audits are an integral part of VILLARES METALS' Supplier Management process and may occur in the following situations:

- ❖ Significant Changes to the Process
- ❖ Change of location
- ❖ Quality Issues
- ❖ Periodic Maintenance Audit
- ❖ Follow-Up Audit

Audits may be conducted at the supplier's facility on a pre-scheduled date, or they may be conducted remotely, in which case a form will be sent to the supplier so that they can self-assess their process and Quality Management System prior to the audit.

The criteria to be evaluated are part of VILLARES METALS' audit checklists and will be shared with suppliers prior to the scheduled audit date.

After the assessment, the supplier receives a score, which classifies them based on the risks their system poses to VILLARES METALS' processes:

- ❖ **Approved (score $\geq$ 90%):** The supplier fully meets the assessed requirements, demonstrating adequate control of its processes. In this scenario, if there are items of non-compliance, it is at the discretion of Supplier Quality Engineering (EQF) to request an improvement plan, which must be formally submitted to VILLARES METALS if applicable.
- ❖ **Approved with Corrective Actions (score between 60% and 89%):** The supplier shows partial compliance with the requirements. In such cases, the person in charge of Supplier Quality Engineering (EQF) must analyze the audit results and request a corrective action plan, prioritizing items with a score of 5 or lower.
- ❖ **Not Approved (score $<$ 60%):** The supplier does not meet the minimum required criteria. In this situation, the Purchasing and Supplier Quality Engineering (EQF) departments must jointly set a deadline for the supplier to implement the necessary adjustments. After this period, a new audit must be conducted for reevaluation. In cases where the supplier fails to proceed with the stipulated action plan, the supplier will be blocked.

5.7 Modifications

Any and all modifications to an approved product—whether regarding its properties, composition, process, origin, labels, distributor, or approved specifications—must be formally communicated to VILLARES METALS in advance for validation and approval of the modification.

5.8 Contingency Plan

Suppliers must have a contingency plan in place to ensure supply and minimize impacts on business with VILLARES METALS.

Suppliers are expected to conduct a risk/impact analysis for each part of their operation to ensure continuity of supply and establish a notification process for the customer and other stakeholders. Contingency plans must be critically reviewed by a multidisciplinary team and tested for effectiveness.

5.9 Traceability

All materials supplied to VILLARES METALS must contain sufficient information to ensure traceability, as indicated on the product label and/or certificate.

This traceability must ensure that, in the event of quality issues with the material or product, the source of the raw material can also be traced.

5.10 Receipt of Materials

Products and materials supplied to VILLARES METALS must be delivered to the Warehouse / Receiving Inspection area, except in cases where the buyer and/or user changes the delivery destination, in which case the buyer and/or user must designate the specific delivery area in advance.

Products and materials must be in their specified packaging, identified with visible, legible, and undamaged labels containing the product batch number, codes, and all required traceability information, as well as the relevant reports for each material or product.

Transportation must be carried out using a vehicle in full working order, with the cargo protected against potential damage, adequate covering, and safety locks where required; unloading may be refused in the event of any irregularities.

Scrap is sent directly to the Raw Materials Yard, and unloading is authorized only after confirmation that quality and safety specifications—including those for the vehicle—have been met.

Ferroalloys and auxiliary materials must include their quality certificate with the batch, as well as be sent to the email address qualidade.mp@villaresmetals.com.

All materials/products delivered to the Central Warehouse / Receiving Inspection will undergo an incoming inspection in accordance with specifications and will be classified as Approved, Conditionally Approved, or Rejected.

Items classified as “Approved with Restrictions” and “Rejected” will impact the supplier’s performance, as per item 10 of this manual.

Machined parts must be delivered on wooden pallets and must include a dimensional report in the VILLARES METALS format, with a rounded drawing in accordance with the dimensions, a report on the materials used in manufacturing, and a heat treatment report containing the specifications and values obtained, when applicable. It is not acceptable for machined parts to be delivered in wooden crates.

The reports must be physically submitted along with the parts and also sent electronically to the email address qualidade.pu@villaresmetals.com.

Other documents may be requested by the user and/or receiving inspector, as needed.

The Supplier must ensure that its products are free from any defects or malfunctions, whether apparent or not, related to design, manufacturing,

construction, assembly, composition, handling, presentation, and packaging, as well as insufficient or inadequate information regarding their use and risk.

5.11 Nonconformity

Materials or products classified as rejected or approved with restrictions will be immediately reported to the purchasing department, which will conduct a criticality analysis to determine whether a formal complaint or notification is necessary.

A formal complaint will be filed with the supplier via a Corrective Action Request (CAR), which will be sent by email and must be responded to in the format specified by VILLARES METALS, adhering to the deadlines set forth below:

- Containing actions: 24 hours
- Root cause analysis: 7 business days

Note: In specific cases, the deadline for a response may be established in advance when the CAR is sent.

The SAC will impact the supplier's performance, as outlined in Section 10 of this manual.

The following are considered nonconformities subject to the issuance of nonconformity reports (SAC) and penalties on the supplier's performance indicator, but may not be limited to:

- ❖ Documentation related to products shipped incorrectly or not shipped as requested. E.g., Material Quality Certificate;
- ❖ Material shipped with characteristics that do not meet technical specifications;
- ❖ Expired materials;
- ❖ Mixed products;
- ❖ Damaged packaging;
- ❖ Incorrect identification;
- ❖ Failure to comply with agreements made with VILLARES METALS
- ❖ Inadequate transportation

The following nonconformities do not require a nonconformity report, but they are subject to an action plan and a penalty on the performance indicator.

- ❖ Early/late delivery;
- ❖ Excessive or insufficient quantity;

- ❖ Delays in responses
- ❖ Special shipping

5.12 Costs Due to Quality Deficiencies

VILLARES METALS reserves the right to pass on to suppliers the costs arising from confirmed quality issues, including, but not limited to: containment, rework, additional inspections, transportation, material disposal, production interruptions, use of external services, and administrative charges. Such costs will be agreed upon in advance and in detail with the supplier and will apply whenever the supplier's liability for failure to meet the specified requirements is proven; they may directly impact the supplier's performance evaluation and continued supply status.

5.13 Return of Materials

Products classified as **rejected** may be returned to the supplier or even scrapped in whole or in part.

In both cases, the supplier must bear all costs arising from the disposal of the material.

Unless otherwise provided for in the contract, the supplier is responsible for:

- ❖ Selection, removal, and replacement of nonconforming material delivered to VILLARES METALS;
- ❖ Retention and reinspection of products corresponding to the nonconformities, whether in transit or on the supplier's premises;
- ❖ Prompt response to resolve the issue;

In cases where replacement of the material is not possible, the supplier must compensate for the amounts involved via a letter of credit or debit note. VILLARES METALS reserves the right to return or dispose of the non-conforming material in the most cost-effective manner when this is not done by the supplier in a timely manner, for example, due to return costs or the location of the production plant.

The Purchasing Department will contact the supplier to arrange for the disposal of the materials in question.

5.14 Deviation Request

Products with deviations are defined as those that have been produced—or that, for some reason, must be produced—with characteristics that do not conform to VILLARES METALS' specifications but do not cause quality issues in the final product.

Deviating products may only be shipped following negotiation and approval by the relevant technical department. To this end, the supplier must submit the deviation request via email to the responsible buyer. The buyer will review the request, and only after the buyer's approval will the supplier be authorized to ship the material.

5.15 Debit Notes and Letters of Credit

VILLARES METALS has its own debit note template; however, suppliers may use their own template.

The document must be prepared on the company's letterhead, stamped, and signed by the designated representative of the organization.

5.16 Continuous Improvement

The supplier must use and improve failure prevention methods, such as:

- ❖ Failure Mode and Effects Analysis;
- ❖ Statistical techniques;
- ❖ Methods for analysis and problem solving (MASP), etc.

5.17 Customer Requirements

Our customers' requirements can be cascaded to our suppliers through standards (formalized via ALEMP, when applicable), drawings, audits, specific documents, etc., which are communicated by supplier management, the buyer, or the end-user department itself.

6 ENVIRONMENT

6.1 Overview

VILLARES METALS is committed to pursuing the highest standards for environmental protection and conservation, with the aim of meeting our customers' requirements.

We expect our business partners to be committed to and engaged in actions aimed at preserving natural resources.

6.2 Environmental Requirements for Suppliers

Suppliers of products and services related to environmental requirements must submit the relevant registration documents to the competent environmental

agencies, in accordance with the scope of supply, which will be specified by Supplier Management (Purchasing) during the approval process.

Contractors operating daily at the VILLARES METALS plant must comply with all established standards and are evaluated monthly for environmental compliance, as outlined in Section 10 of this manual.

Suppliers of transportation services, waste and chemical treatment/disposal, environmental analysis, pest control, and tree pruning/cutting services must submit and maintain operating licenses issued by the competent government agencies, as well as a certificate of registration for these activities with IBAMA.

For controlled chemicals, suppliers must also provide licenses from the Civil Police, the Federal Police, and the Brazilian Army.

The validity of these documents will be monitored, and they must be renewed by the supplier before their expiration date.

Failure by the supplier to renew these licenses will result in disqualification.

6.3 Hazardous Products and Controlled Products

Controlled Chemicals that may be directly or indirectly used for the illicit manufacture of narcotic or psychotropic substances, or substances that cause physical or psychological dependence, or any substance in any physical state with physicochemical properties that make it suitable for military use, must meet the supply conditions and licensing requirements established by the regulatory agencies, the Federal Police, the Brazilian Army, or the Civil Police of the State of São Paulo.

When delivering hazardous products, local regulations regarding labeling and transportation must be observed, as well as the correct labeling of materials and packaging.

Only chemicals whose Material Safety Data Sheets (MSDS) have been previously approved by the Environment, Safety, and Occupational Health department at VILLARES METALS may be delivered.

Suppliers must comply with these requirements promptly. Accordingly, a material safety data sheet must be completed and submitted in accordance with VILLARES METALS' instructions, including at a minimum:

- ❖ A list of ingredients contained in the products and any other goods or property brought onto VILLARES METALS' premises by any of the supplier's employees, agents, or contractors;
- ❖ The quantity of such ingredients;
- ❖ Information regarding any changes or additions to such ingredients.

The supplier must notify VILLARES METALS in writing and in advance of all modifications made to materials, compositions, and ingredients (including an

updated Material Safety Data Sheet) and obtain VILLARES METALS' approval prior to sending them to production.

Prior to and concurrently with the shipment of hazardous products and materials, the supplier must provide VILLARES METALS and all carriers with written warnings and notices, including appropriate labels on the products, containers, and packaging, along with all special handling instructions, safety measures, and precautions that may be necessary to comply with applicable law.

The supplier must also inform VILLARES METALS and all carriers of any applicable legal requirements to ensure that personal injury and property damage are prevented to the greatest extent possible during the handling, transportation, processing, use, or disposal of the products, materials, containers, and packaging.

Hazardous products must be transported only by a carrier licensed and authorized by the competent authorities. The condition of the vehicle used for transport will also be inspected before access to the VILLARES METALS plant is granted.

For the supply of controlled products, both the supplier and the carrier must hold the appropriate license issued by the competent authority (Army, Federal Police, Civil Police). Similarly, for products controlled by the Army, the supplier must submit the transport manifest with each delivery.

6.4 Waste

All materials and products owned by the supplier, the supplier's agent, or the supplier's contractor that are brought to VILLARES METALS' plants must be removed and/or disposed of in accordance with applicable law by the supplier, who shall bear all associated costs.

The supplier must comply with all VILLARES METALS environmental rules and regulations.

All waste generated by work performed within VILLARES METALS must be handled in accordance with internal waste management procedures.

Companies responsible for the transportation and final disposal of waste must be licensed, comply with all applicable laws, and dispose of waste in accordance with applicable laws.

Companies responsible for the final disposal of waste must issue a Certificate of Final Disposal and submit it to VILLARES METALS' Waste Management department, along with the Waste Transport Manifest.

7 SAFETY

7.1 Overview

For VILLARES METALS, safety is non-negotiable and must always come first. After all, it is impossible to offer quality products and solutions without taking

into account the need for protection and care in preventing accidents involving our greatest asset: our people.

We expect our business partners to share this same commitment and to uphold it from the very beginning of their process through to the delivery of materials at VILLARES METALS' facilities.

7.2 Contractors

Contractors who work at the VILLARES METALS plant on a daily basis must follow all established safety standards and are evaluated monthly on this requirement, as outlined in Section 10 of this manual.

Contractors must submit the relevant registration and onboarding documents for employees who will perform activities within VILLARES METALS, in accordance with the scope of supply, which will be specified by the Occupational Safety and Supplier Management (Purchasing) department during the approval process.

Each contractor will have a VILLARES METALS employee overseeing the process, responsible for the entire operation; this individual will serve as the Contract Manager.

The documents must be submitted to the Contract Manager, who will handle the procedures with VILLARES METALS' HR and Health Departments.

Failure to submit the documents in advance or the absence of any required document will prevent the third-party employee from completing the onboarding process.

Every third-party employee must go through the onboarding process.

After operations begin, the contractor must designate a representative from management to attend the Contractors' GSSO meeting, which takes place monthly at VILLARES METALS' facilities on dates announced in advance. This representative must have decision-making authority and be able to direct negotiations when applicable.

8 ESG

8.1 Overview

The acronym ESG stands for Environmental, Social, and Governance.

For VILLARES METALS, operating in accordance with ESG principles goes beyond a trend; it is a concrete expression of our commitment to promoting business excellence, taking into account not only the financial impact but also the positive influence we can have on the environment, society, and corporate governance. We encourage our suppliers to adopt the same practices.

8.2 Environmental

Within the Environmental category, there are three scopes, which are fundamental categories used to classify and measure an organization's greenhouse gas (GHG) emissions, and are defined as follows:

Scope 1: Direct Emissions

This refers to direct GHG emissions resulting from the organization's own activities. This includes emissions from the burning of fossil fuels, industrial processes, and any other sources under the company's direct control. Examples include emissions from the company's own vehicle fleet and manufacturing operations.

Scope 2: Indirect Emissions—Purchased Energy

This involves indirect emissions associated with the generation of electricity purchased by the organization. These emissions result from the production of electricity used by the company and are therefore considered indirect, as they are related to the supply chain, not directly to internal operations. It includes the carbon footprint associated with the electricity consumed.

Scope 3: Other Indirect Emissions

This encompasses a wide range of indirect emissions that occur throughout the organization's value chain, ranging from the production of raw materials and the transportation of inputs and products to the end use of products by society. This scope may include activities such as business travel, outsourced manufacturing processes, and even emissions derived from the full life cycle of the products or services offered by the company. It is recommended that suppliers assess their carbon footprint (CO₂) emissions across all scopes (1, 2, and 3) and implement sustainable practices, waste management, energy efficiency, natural resource conservation, and other factors related to environmental impact.

Whenever requested, the supplier must share its sustainability reports with VILLARES METALS, which must include details of its actions and carbon footprint measurements.

Third-party audits to validate these measurements are recommended.

8.3 Social

VILLARES METALS implements internal and external social responsibility initiatives and expects its business partners to respect human rights as fundamental values.

These rules apply primarily to the prohibition of child labor and forced labor, the prohibition of any form of human trafficking and modern slavery, the equal treatment of employees, and the right to collective bargaining and representation of interests.

We encourage VILLARES METALS' business partners to implement initiatives aimed at ensuring the health and safety of their employees, as well as promoting diversity and inclusion.

8.4 Governance

Our business partners are expected to operate with transparency in their operations, implementing internal control systems, evaluating employee compensation, upholding business ethics, and protecting the interests of shareholders, if any.

9 INNOVATION INITIATIVE

Innovation allows us to understand and anticipate our customers' needs, and by incorporating pioneering ideas into our products and services, we ensure the competitiveness and quality of the products we offer.

VILLARES METALS encourages its business partners to pursue continuous improvement through innovation projects that lead to product or process enhancements and/or commercial benefits.

Research and development projects may also be evaluated jointly with our partners to discuss ways to implement them and integrate them into our supply chain.

Innovation proposals may include (but are not limited to):

- ❖ New Technologies
- ❖ Material Reuse
- ❖ Resource Conservation
- ❖ Quality Improvement
- ❖ Process Optimization

Projects will be evaluated by VILLARES METALS based on the extent of the benefits, cost, implementation time, and feasibility.

10 PERFORMANCE EVALUATION

10.1 Overview

Our suppliers' performance is essential to ensuring the continuity of our level of manufacturing excellence. For this reason, we have created a multi-criteria framework of indicators. Our supplier base is evaluated periodically, and suppliers receive their performance results monthly. Below, you will learn about our performance indicators and how they are scored.

10.2 Performance of Contracted Companies , and Resident Companies

Service providers working at VILLARES METALS through integrated employees will have their performance evaluated monthly by the Contract Manager, HR, Workplace Safety, Occupational Health and Safety, and Environment.

The results are presented monthly at the contractors' GSSO meeting and sent individually to each supplier at the end of the month.

The evaluation method is based on predefined penalty points assigned for specific incidents occurring during the current month.

The supplier starts the month with 100%, and penalties, as defined by the strategic team, are deducted from this amount. At the end of the month, the supplier's score will be:

$$IQF = 100\% - (\sum \text{demérito})$$

The supplier must achieve the minimum monthly score set by the strategic team for the current fiscal year.

Note 1: If the evaluation result is a negative number, the minimum score (zero) will be applied for the respective criterion.

Note 2: It is the Contract Manager's responsibility to continuously monitor the contractor's monthly score performance and, when necessary, develop an action plan or impose penalties in the event of poor performance.

10.3 Performance of Non-Resident Contractors

For service providers operating outside VMSA's facilities or providing sporadic services at VMSA's facilities, an evaluation is conducted regarding the supplier's activity during the fiscal year. Following the evaluation, if the contractor receives a rating of "unsatisfactory," "poor," or "very poor," the contractor must submit an action plan aimed at improving its evaluation results. The evaluation is conducted by the requesters of the services provided.

10.4 Performance of Suppliers of Raw Materials, Auxiliary Materials, Scrap, Machined Parts, and Services Applied to VILLARES METALS Products

Suppliers of Raw Materials, Auxiliary Materials, Scrap, Machined Parts, and Product-Related Services will have their performance evaluated monthly using the IQF (Supplier Quality Index), which includes data on quality and delivery.

The evaluation method is based on scores for quality and delivery criteria, as shown in the table below:

Quality Criteria	Points
ADF (Supply Deviation Notice)	3
SAC (Corrective Action Request)	5
ARSAC (Delay in SAC Response)	1 point per day of delay
PD (Pending Documents)	3

Delivery Criteria	Points
EA (Late Delivery)	8
QD (Quantity Discrepancy)	5
TI (Incorrect Shipping)	5
EI (Damaged/Incorrect Packaging)	5
FE (Special Freight)	8

Security	Points
RS (Security Risk)	10

The supplier starts the month at 100%, and penalties are deducted from this amount as described in the tables above. At the end of the month, the supplier's score will be:

$$IQF = 100\% - (\sum \text{points})$$

The result will be classified according to the table below:

Performance Criteria	Percentage
Excellent	100%
Good	≥85% and <99%
Poor	<85%

In cases of unfounded demerits or new retroactive demerits, the demerit will be removed or added to the supplier's indicator, and a new IQF will be submitted.

Each supplier's performance will be critically evaluated every month by supplier management with a performance target of $\geq 90\%$. If a supplier's performance falls below the target for two consecutive months, an action plan will be requested and/or developed, and the supplier may be suspended if its performance remains below 85% for three consecutive months.

11 CONFLICT MINERALS

VILLARES METALS maintains traceable sources of raw materials, and it is mandatory for all its suppliers to provide procurement and traceability data for all materials classified as Conflict Minerals, clearly indicating their origins. This data is made available to our customers in the format of the original RMI (Responsible Minerals Initiative) report and incorporates data from our suppliers to ensure the information remains clear and accurate.

Among the materials monitored by the initiative, the materials listed below are used by VILLARES METALS and must be reported annually to our customers regarding their origins:

- ❖ Aluminum
- ❖ Cobalt
- ❖ Copper
- ❖ Chromium
- ❖ Manganese
- ❖ Nickel
- ❖ Tungsten

Among the materials listed above, tungsten must come from sources listed in the RMI, and for the other applicable materials, it is recommended that they come from sources listed in the RMI. Further information on conflict minerals can be found on the website <https://www.responsiblemineralsinitiative.org/> and in our conflict minerals policy, which is available on our website via the "Downloads" link—[Villares Metals](#)

12 TERMINOLOGY

RESIDENT CONTRACTOR: A company that operates on the premises of Villares Metals as a resident

CRITICAL SUPPLIER: A company that performs high-risk activities

HIGH-RISK ACTIVITY: Work at heights, in confined spaces, excavations, etc.

GSSO: Operational Health and Safety Management

SAC: Corrective Action Request (RNC VM)

OPERATIONS MANAGER: Villares Metals employee responsible for the contractor

QA: Quality

MA: Environment
SE: Safety
ALEMP: Approval of Raw Material Pilot Batch
EQF: Supplier Quality Engineer
IQF: Supplier Quality Index
IQ: Quality Index
ADF: Supply Deviation Notice
SAC: Request for Corrective Action
ARSAC: Delay in SAC Responses
IE: Delivery Index
EA: Late Deliveries
QD: Quantity Discrepancy
EI: Damaged/Incorrect Packaging
FE: Special Shipping
RS: Security Risk
PD: Pending Documents
TI: Incorrect Shipping
FMEA: Failure Mode and Effects Analysis
CEP: Statistical Techniques (CEP)
MASP: Methods for Analysis and Problem Solving
RMI: Responsible Minerals Initiative

13 CONTACT SUPPLIER QUALITY MANAGEMENT

All communications related to Supplier Quality Management should be sent to the following email address: qualidade.fornecedores@villaresmetals.com

14 TERMS OF COMMITMENT

Dear Suppliers,

This Supplier Manual sets forth all requirements and rules for the supply of raw materials, products, and services to Villares Metals SA.

Even if a contract has been previously signed by both parties, the requirements contained in this Manual are considered mandatory in addition to the contract.

Please be advised that signing this agreement in accordance with the provisions described in this Supplier Manual is mandatory.

Failure to sign this commitment agreement will affect your relationship with Villares Metals and may impact your eligibility to compete for new projects or bids.

Please complete the commitment form below and, once completed, send the document to the following email address: qualidade.fornecedores@villaresmetals.com.

Letter of Commitment – Supplier Manual

The Company _____ confirms
that it has read and analyzed the Villares Metals Supplier Manual in full, as well
as agreeing to all the requirements contained in this document.

Based on this information, I confirm my understanding of the actions and
implications in the event of non-compliance with the requirements outlined in this
Manual, Rev. 02

Date: _____

Responsible Party: _____

Position: _____

Signature: _____

Statement of Commitment – Code of Conduct

confirms _____ that it has read and reviewed the Code of Conduct for Business Partners in its entirety and agrees to comply with all requirements contained in this document.

Based on this information, I confirm that I am aware of the actions and implications in the event of non-compliance with the requirements set forth in this Code of Conduct.

Date: _____

Responsible Party: _____

Position: _____

Signature: _____

15 REVISIONS

Revision No.	Date	Change	Responsible
00	March 26, 2024	Document Creation	Elieber Santos / Roberta Ferreira
01	September 2, 2025	General Review	Leandro Coletta / Guilherme Silva
02	September 2, 2026	-Item 5.2 – Updated list of documents -Item 5.6 – Audit status added -Item 5.11 – Added customer service response time -Item 5.16 – Item updated -Item 5.17 – Added section on customer requirements -Item 10.4 – Added performance target -Item 11 – Item updated and conflict minerals policy added	Leandro Coletta