

Remuneration and Working Time

1. Purpose and scope

The Remuneration and Working Time Policy describes the main principles and rules followed by Outokumpu Group in relation to fair, lawful, and transparent remuneration and working time practices. It defines the company's commitment to ensuring that all employees are compensated in accordance with applicable laws, collective agreements, local wage structures, and internal standards. This policy establishes a consistent global framework for determining pay, managing working hours, recording overtime, and ensuring adequate rest and fatigue prevention across all Outokumpu locations.

It applies to all employees of the Outokumpu Group, regardless of contract type, job level, or location, and must be followed together with relevant national legislation and collective agreements. Where local requirements provide more protective conditions for employees, those requirements take precedence.

2. Applicability

This Policy must be followed globally by all Outokumpu businesses, companies, directors, officers, and employees.

3. Main Principles

- **Fair and Lawful Compensation.** Outokumpu ensures that all employees receive wages that comply with the applicable legal requirements, local wage structures, collective agreements, and prevailing industry standards.
- **Respect for Local Pay Structures and Collective Agreements.** We honour all binding collective agreements, wage guidelines, pay scales, and tariffs.
- **Transparent and Responsible Working Time Practices.** Working hours, overtime, shift arrangements, and rest periods follow national labour legislation, collective agreements, and internal standards.
- **Accurate Recording and Correct Compensation of Time Worked.** All working hours are recorded through approved time and attendance systems. These systems classify hours correctly, including regular hours, overtime, shift differentials, on-call time, and other compensable situations. Employees are compensated based on these records and according to the applicable rates.
- **Payment in Legal and Transparent Monetary Forms.** Employees receive their compensation in legal tender through secure and traceable payment methods. Outokumpu ensures full and timely payment, provides clear pay documentation, and applies only lawful and authorized deductions.
- **Sufficient Rest and Effective Fatigue Management.** Working time arrangements, shift patterns, and rest periods are planned to minimize fatigue and support well-being. Employees receive the required breaks, daily rest, weekly rest, and time off as defined by law and internal guidelines.
- **Voluntary Acceptance of Overtime Beyond Planned Shifts.** Overtime that is not part of a regular shift pattern, must be offered voluntarily. Employees have the right to accept or decline additional hours without negative consequences. All overtime is communicated clearly, recorded properly, and compensated according to legal and contractual requirements.
- **Compliance, Accessibility, and Transparency.** Outokumpu maintains clear processes and communication channels to ensure employees understand their pay, working hours, and related rights.

4. Policy Content

4.1. Fair and Lawful Compensation.

At Outokumpu, we are committed to ensuring that all employees are compensated fairly and in full accordance with applicable legal standards and industry practices. Our compensation policy guarantees that:

4.1.1. Legal Minimum Wage

- We will ensure that all employees receive at least the applicable legal minimum wage as defined by the local, regional, or national labor laws in the jurisdiction where they are employed. This includes compliance with:
 - National Labor Laws: Where a national minimum wage is established by the government, we will comply with these standards and ensure that all employees are paid at least this amount.
 - Regional or Local Wage Laws: In cases where local or regional authorities set a higher minimum wage than the national standard, we will comply with these regional or local regulations, ensuring that employees receive the highest applicable wage rate.
 - Regular Adjustments: The legal minimum wage may be subject to change over time based on government legislation or updates to local labor regulations. Outokumpu commits to conducting regular reviews of wage standards to ensure ongoing compliance with the most current wage laws. Employees will receive timely updates and adjustments to their pay when such changes occur.

4.1.2. Local Pay Structures, Wage Guidelines, and Tariffs

In certain regions and countries, wage structures are established and published as wage guidelines, pay scales, or tariffs, which serve as industry-specific reference frameworks based on occupation, industry, and geographic region.

These frameworks provide detailed wage recommendations for specific roles and consider factors such as:

- Type of Work and Industry Sector
- Occupation and Skill Level
- Regional Considerations

Outokumpu will ensure that employees pay aligns with the locally applicable wage guidelines, pay scales, or tariffs, considering both occupation and region.

4.1.3. Collective Agreements

Where a collective bargaining agreement (CBA) is in place, Outokumpu will honor and adhere to the wage provisions outlined in the agreement. In cases where the wage rate specified in the collective agreement is higher than the legal minimum or industry standard, we will pay employees according to the terms set forth by the CBA.

4.1.4. Prevailing Industry Standard

In regions where no legal minimum wage or collective agreement exists, Outokumpu is committed to paying wages that align with or exceed the prevailing industry standard.

4.1.5. **Mandatory Benefits**

In addition to base wages, we will provide all legally required benefits, as mandated by local law or contractual agreements. These may include but are not limited to:

- Health insurance
- Paid leave
- Retirement savings plans
- Social security contributions
- Other legally mandated benefits

4.1.6. **Compliance and Transparency**

Our compensation practices are designed to comply with all applicable local, national, and international laws. We ensure transparency in how compensation is determined and communicated to all employees, fostering an open and fair workplace.

4.2. **Overtime Compensation**

4.2.1. **Adherence to Legal and Local Standards**

Outokumpu is committed to complying with all applicable local, regional, and national regulations regarding working hours and overtime. This includes:

- Observing legally defined regular working hours per week and the official definition of a "workweek" in each jurisdiction.
- Respecting overtime definitions as established by local labor legislation or collective agreements, including thresholds for daily or weekly overtime.
- Applying locally mandated premium rates for overtime hours worked, which may vary depending on the timing, day, or nature of the work performed.

4.2.2. **Work Shifts and Time Classification**

Where applicable, work shifts are defined and structured to allow for clear identification of:

- Regular working hours
- Overtime hours
- Early shifts, late shifts and night shifts
- Weekend work
- Holiday work

4.2.3. **Additional Compensable Work Circumstances**

Outokumpu recognizes that there are various circumstances outside of standard hours that may require additional compensation:

- Leave of Absence: Paid leave periods such as maternity, paternity, parental, or health-related leave, in accordance with local laws and policies.
- Public Holidays: Work performed during official holidays may be subject to special compensation rates or time off in lieu.

- **Travel Time:** Where compensable, time spent traveling for work-related purposes will be paid in line with legal and policy requirements.
- **Training and Mandatory Meetings:** Attendance at mandatory company-sponsored training sessions or required meetings will be compensated when applicable.
- **On-Call Work (Duty or Standby):** Employees required to be available outside regular working hours may be compensated for on-call time, which may be classified as regular or overtime hours depending on work shifts, local regulations, and actual time worked.

4.2.4. **Documentation and Transparency**

Outokumpu places significant emphasis on accurate recordkeeping of working hours:

- All the time worked is recorded through our time and attendance systems and then processed in payroll systems.
- These systems classify hours and determine pay rates accordingly.
- Payroll admins and employees have access to time and attendance systems and/or visualize worked and paid time.

4.3. **Payment in Monetary Means**

Outokumpu is committed to ensuring that all employees are compensated in a clear, lawful, and transparent manner. To uphold this commitment, we adhere to the following principles regarding the method and timing of wage payments:

4.3.1. **Payment in Legal Tender**

All earned wages, salaries, and additional compensation shall be paid in legal monetary means, recognized and authorized by the respective national government. We do not use payment in the form of goods, vouchers, coupons, or any other non-monetary substitute as a replacement for earned wages.

Other types of pay, where applicable and in accordance with local laws, may be compensated in different ways, such as vouchers or benefits, as permitted by national or regional legal requirements.

4.3.2. **Full and Timely Payment**

Employees will receive full payment of earned wages without unlawful deductions or delays. Outokumpu ensures that:

- All compensation is paid on a regular and predictable schedule, in accordance with local legal requirements and employment contracts.
- Pay slips or equivalent documentation are provided to employees for each pay period, detailing hours worked, wage rates, bonuses, overtime payments, deductions (if any), and net pay.

4.3.3. **Lawful Deductions Only**

No deductions will be made from an employee's pay unless required by law (such as social security contributions or taxes, court mandated orders) or expressly authorized by the employee through a clear, written agreement. Unlawful deductions including those made as disciplinary measures are prohibited unless determined in agreement or employees' handbooks that guide these types of actions.

4.3.4. **Secure and Accessible Payment Channels**

Wages will be paid using secure, traceable methods such as direct deposit into a bank account, electronic payment platforms, or other reliable monetary systems. Cash payments, where legally permitted, are used only in exceptional circumstances and with proper documentation and safeguards in place.

4.3.5. **Transparency and Access**

Employees will have access to wage documentation through our payroll and HR systems, allowing them to view pay slips, personal data, absences, pay periods, deductions, and total earnings. Local payroll administrators will also have access to the system to ensure compliance and assist with employee inquiries.

4.4. **Effective Fatigue Management**

At Outokumpu, we acknowledge that managing employee fatigue is not only a critical factor for ensuring health and safety but also a fundamental aspect of maintaining productivity and overall job satisfaction. Fatigue is a well-documented risk to employee performance and safety, which is why we prioritize effective fatigue management in our working time arrangements, shift patterns, and time off. The following guidelines are established to ensure the well-being of our workforce:

4.4.1. **Balanced Working Time and Shift Patterns**

We are committed to developing and maintaining working time schedules and shift patterns that consider both operational needs and employee health. Shift schedules are designed to avoid excessive work hours and ensure adequate rest, in line with legal requirements and best practices in the industry. These schedules are developed with input from workers, safety representatives, and health professionals to minimize the impact of fatigue and maintain productivity. Our approach to working hours involves:

- Designing shift systems that reduce the risk of fatigue, such as limiting the number of consecutive working days, ensuring sufficient recovery time between shifts, and avoiding excessively long shifts.
- Adhering to rest breaks between shifts to allow employees adequate recovery time. This includes both daily and weekly rest periods as mandated by labor laws and company policies.
- Rotational shifts are implemented carefully, with an understanding of how frequent rotations can impact rest cycles. We prioritize balanced rotation to reduce disruptions to employees' sleep and social patterns.

4.4.2. **Ensuring Sufficient Rest Periods**

We ensure that all workers receive adequate rest between shifts, in compliance with local regulations and collective agreements. This includes:

- Adhering to maximum working hour limits, as well as requirements for rest breaks, as stipulated by national labor laws.
- Observing the legally required weekly rest periods, ensuring that employees are not overburdened by extended hours and have sufficient time to recover.

- Where applicable, the company ensures that employees have uninterrupted rest periods between shifts, in accordance with local regulations, to promote better recovery and prevent fatigue from accumulating.
- In addition, Outokumpu takes proactive measures to go beyond regulatory compliance, striving to create work schedules that prioritize employee well-being while meeting operational needs. When national laws and regulations offer flexibility, we design work schedules that aim to promote a better work-life balance and health outcomes for our employees.

4.4.3. Time-Off Policies for Fatigue Management

We recognize that adequate time off is essential for mitigating fatigue and ensuring the well-being of our employees. Time off policies play a crucial role in helping employees' recharge, rest, and recover from the physical and mental demands of work. Outokumpu offers the following time-off benefits to promote effective fatigue management:

- **Paid Annual Leave:** All employees are entitled to paid annual leave to allow them to take time off to rest and recover, maintain their overall well-being and reduce the risk of fatigue. The minimum amount of annual leave is determined by local regulations and practices, and it can vary depending on the country. For example, in the European Union, local labor laws stipulate a minimum of 3 working weeks of paid leave after the worker reaches 1 year of service.
- **Providing adequate time for employees to disconnect from work** helps reduce the risk of burnout, stress, and fatigue, while promoting long-term productivity and engagement. We comply with local legal requirements and consider regional cultural expectations.
- **Meal and Rest Breaks:** In accordance with local regulations, all workers are provided with appropriate time off for meals and breaks during their shifts. This ensures that employees have sufficient opportunities to rest and recharge during the workday, promoting better performance and well-being.
- **Sick Leave and Personal Leave:** Employees are entitled to sick leave and personal leave as per local labor laws. These leave options allow employees to take time off when they are unwell or need to address personal matters, reducing the likelihood of fatigue affecting their work performance.
- **Maternity and Paternity Leave:** Outokumpu complies with all legal requirements regarding maternity and paternity leave, ensuring that employees who become parents whether by birth or adoption, can take time off to care for their newborn/adopted children. This policy contributes to overall employee well-being by allowing them to focus on their family while maintaining work-life balance.

4.4.4. Compliance with Legal and Regulatory Standards

Outokumpu is fully committed to complying with all applicable local and international regulations related to working hours, rest periods, and fatigue management. This includes:

- Adhering to maximum working hour limits, as well as requirements for rest breaks, as stipulated by national labor laws.
- Observing the legally required weekly rest periods, ensuring that employees are not overburdened by extended hours and have sufficient time to recover.
- Where applicable, the company ensures that employees have uninterrupted rest periods between shifts, in accordance with local regulations, to promote better recovery and prevent fatigue from accumulating.

4.5. **Voluntary Acceptance of Overtime**

At Outokumpu, we believe in upholding fair and transparent labor practices. A fundamental aspect of this commitment is ensuring that any work performed beyond the standard working schedule is undertaken voluntarily by the employee and compensated accordingly. We distinguish between overtime hours that are structurally embedded in a shift pattern and additional hours requested beyond the planned shift.

4.5.1. **Overtime Embedded in Shift Patterns**

In certain roles or operational environments, work shifts may naturally include hours that exceed the standard threshold for regular time, as defined by local laws or agreements. These additional hours are clearly defined, known in advance, and accepted by the employees as part of their regular work shift. Such hours are consistently compensated for overtime, in line with applicable regulations and company policy.

4.5.2. **Additional Overtime Requests**

Any request for an employee to work beyond their planned shift must be made separately and accepted voluntarily by the employee. These requests are not assumed or implied, and employees have the right to decline such overtime without any form of retaliation or negative consequence.

In cases where overtime, night, or holiday work is an integral and necessary part of the regular work shift, employees are generally expected to perform these duties. However, they may request to be excused from such assignments if they present a valid and reasonable justification, which will be assessed in accordance with applicable local laws, company policies, and operational needs. Outokumpu ensures that:

- All overtime is recorded accurately and paid in accordance with local labor laws and collective agreements.
- Overtime beyond regular work shift or working hours is not imposed, and employees are informed of their right to accept or decline such work.
- Systems and/or processes are in place to track all working hours, classify overtime correctly, and ensure proper compensation.

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Document approver: Kristel Welander – Interim Chief Human Resources Officer
Document owner: Carlos Villacreces – Senior Rewards Manager, Pay Structures

5. **DOCUMENT HISTORY**

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APPENDICES

6. Appendix 1: