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Policy of Diversity and Work Environment free of Harassment.

Normative System

Policy

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1. Purpose

Ternium is an equal opportunity employer and aims to foster a workplace environment that attracts and develops talents across all genders, nationalities, generations, cultures, religions and backgrounds, respecting and valuing individual differences.

In keeping with this commitment, Ternium will treat all employees and prospective employees fairly and based on their individual merit, and will not tolerate any kind of Harassment or Discrimination in its workplaces.

Employees have the right to work in an environment free of Discrimination or Harassment, which includes freedom from sexual harassment and any other form of offensive conduct.

Ternium expects employees to interact with each other and anyone conducting business with the Company, Subsidiaries or associated companies, with courtesy, respect and dignity, regardless of rank or contractual status, whether on or off work premises.

Ternium is also committed to providing reasonable accommodations to individuals with disabilities and for religious beliefs and practices, all in accordance with applicable law.

2. Scope

This Policy applies to all employees, contractors, subcontractors, commercial intermediaries, suppliers, consultants, business partners, and anyone who performs services for or on behalf of Ternium.

For the purposes of this Policy, “Ternium” or the “Company” means Ternium SA and its Subsidiaries, and Subsidiary means a company that is directly or indirectly controlled by Ternium SA.

3. Implementation and Monitoring

3.1. Definitions

Ternium prohibits every type of Discrimination and Harassment.

“Discrimination” in the workplace includes (a) any distinction, exclusion or preference made on the basis of race, color, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation; and (b) such other distinction, exclusion or preference which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation as may be determined by applicable regulations. Any distinction, exclusion or preference in respect of a particular job based on the inherent requirements thereof shall not be deemed to be discrimination.

“Harassment” consists of an improper conduct by an individual, that is directed at and offensive to another individual in the workplace, including at any event or any location related to work, and that the individual knew or ought reasonably to have known would cause offence or harm. It comprises objectionable act(s), comment(s) or display(s) that

demean, belittle, or cause personal humiliation or embarrassment, and any act of intimidation or threat. It also includes harassment based on race, color, physical characteristics, national or ethnic origin, religion or beliefs, sex (including pregnancy, childbirth or related medical condition), gender or sexual orientation, age, marital or domestic partner status, family status, disability, medical condition, political opinions or of any other nature, economic position or other grounds prohibited by applicable regulations. Harassment is normally a series of incidents but can be one severe incident which has a lasting impact on the individual.

While there is no complete list of behavior that could be defined as Harassment, and applicable law may vary country to country and state to state, examples of prohibited conduct include:

- *Sexual*: unwelcomed sexual advances, request for sexual favors and verbal, non-verbal¹ or physical conduct of a sexual nature that interferes with an individual's work performance or creates an intimidating, hostile, humiliating or sexually offensive work environment;
- *Bullying*: a repeated pattern of incidents or behavior which intimidates, demeans, humiliates or embarrasses a person or group of people. Bullying can include: actions, comments, displays; persistently picking on someone; and, demeaning, belittling, spreading rumors, gossiping or damaging someone's reputation.
- *Otros tipos*: demonstration of hostility or aversion towards an individual that creates a hostile, degrading, humiliating or offensive work environment, unreasonably interferes with an individuals' work performance or behavior, or otherwise adversely affects the person's employment opportunities, including physical violence or intimidation, public humiliation, persecution, racist/homophobic insults, stalking, sending racially offensive or derogatory messages through any system, media or device, ridicule or mockery, and other verbal or physical conduct of offensive nature.

Regardless of specific legal definitions of harassment and sexual harassment, if an employee's conduct (or a non-employee's conduct, such as a contractor, subcontractor, commercial intermediary, supplier, consultant, business partner or anyone performing services for or on behalf of Ternium) could be improper and offensive to another, then that conduct might be construed as not appropriate to a work relationship.

Ternium employees are strictly prohibited from engaging in harassing conduct against other employees or third parties such as customers, vendors, or outside contractors, with whom they come in contact during the course of or as a result of their employment.

¹ Examples of non-verbal conduct: display of sexually explicit or suggestive material, sexually-suggestive gestures, whistling, leering

3.2. Main Responsibilities

Every Employee is responsible for:

- Understanding and complying with this Policy;
- Cooperating to maintain a respectful workplace environment;
- Contacting and reporting to his/her Supervisor, Human Resources, Internal Audit or the Compliance Line (www.ternium.compliance-line.com) in case of having experienced or witnessed Harassment or Discrimination, or in case of questions or concerns.

Every Supervisor is responsible for:

- Promoting a working environment free of Discrimination and Harassment;
- Communicating immediately to Human Resources, Internal Audit or the Compliance Line (www.ternium.compliance-line.com) in case of having experienced or witnessed Discrimination or Harassment or receiving any report of Harassment or Discrimination.

Human Resources Department is responsible for:

- Supervising the implementation and communication of this Policy, ensuring that training to all Ternium employees is provided;
- Promptly notifying Internal Audit of any incident reported and agreeing which of the two departments should investigate the matter taking into consideration its seriousness, legal requirements and availability of qualified resources for such purpose.
- Taking remedial actions in coordination with Ternium Legal Services and the management of the involved area (Level 5 or up), if applicable;
- Reporting to the employee superiors such cases of Harassment or Discrimination, when seriousness justifies such action.

Human Resources and the Internal Audit Departments will investigate incidents of Policy violation reported to either of them, in accordance with jointly agreed rules.

Ternium Legal Services is responsible for:

- Providing legal assistance to assure that the investigation be carried out in compliance with applicable laws;
- Providing the necessary advice to assure that the evidences collected may be used or filed with a Court of law;
- Assisting Human Resources to validly impose the most appropriate disciplinary sanctions.

3.3. Reporting violations

If an employee considers that he or she is being or has been discriminated against or harassed in violation of Company Policy or witnessed Harassment or Discrimination, the employee is urged to report it immediately to his or her Supervisor, the Human Resources Department, Internal Audit or the Compliance Line (www.ternium.compliance-line.com).

Ternium has in place a Compliance Line available to allow employees, customers, suppliers and other interested parties to report, on an anonymous basis, any conduct contrary to the Code of Conduct or its principles, including this Policy. The Compliance Line operates according to the procedures designed by the Internal Audit under the direct supervision of the Audit Committee (See further details in Compliance Line www.ternium.compliance-line.com).

3.4. Investigations and safeguards

All complaints of Harassment or Discrimination will be taken seriously and treated with respect. Every complaint shall be investigated promptly, impartially and thoroughly. The persons involved in the review and investigation of any possible violation of this Policy shall take reasonable actions to maintain confidential the event and persons involved to the extent consistent with the need to conduct a fair, complete and responsive investigation.

If the investigation confirms that Harassment or Discrimination took place, prompt and appropriate remedial action will be taken to properly sanction and stop the harassing or discriminatory conduct and prevent it from recurring. Remedial action may consist of disciplinary action against the harasser up to and including dismissal with cause in accordance with applicable regulations.

If the person who engaged in conduct in violation of this Policy is not a Ternium's employee but a contractor, subcontractor, commercial intermediary, supplier, consultant, business partner or anyone performing services for or on behalf of Ternium, then Ternium will take, or cause such third party to take, whatever action is reasonable and appropriate under the circumstances to properly sanction and stop the harassing or discriminatory conduct, and prevent it from recurring.

Taking into account the circumstances of each case and while investigation is conducted, Ternium may adopt provisional measures to protect the victim.

3.5. Non-Retaliation

Ternium forbids retaliation against any person by any other person for:

- Rejecting or protesting Harassment or Discrimination,
- Reporting Harassment or Discrimination, or
- Participating or cooperating in an investigation of Harassment or Discrimination.

Retaliation is a serious violation of this Policy and should be reported in the same manner as a complaint of Discrimination or Harassment.