

Date: June 2024

Att.: Wärtsilä Suppliers

WÄRTSILÄ PROHIBITS RUSSIAN GOODS IN OUR SUPPLY CHAIN IMPORTANT INFORMATION ON SANCTIONS

This communication concerns two issues of importance to Wärtsilä:

- Wärtsilä decision not to buy any goods or products of Russian origin
- Implementation of relevant sanctions regulations relating to steel and iron

Points 1. and 2. are relevant for all Suppliers of Wärtsilä. Point 3. is relevant if you are delivering steel or iron products to Wärtsilä. Point 4. explains changes to Purchase Orders, the new text will appear in all new Purchase Orders from Wärtsilä. If you deliver steel and iron products to Wärtsilä, you need to make changes to your customs invoice and deliver Mill Test Certificates, see point 4. below.

1. NO GOODS OF RUSSIAN ORIGIN TO WÄRTSILÄ

All import and purchase of goods from Russia or originating from Russia is prohibited in Wärtsilä. This means that you as our Supplier are not allowed to sell or deliver any goods or products of Russian origin to any Wärtsilä company. This instruction is relevant to all Suppliers globally.

2. SANCTIONS ON RUSSIA

The EU, UK, US, Norway and other partner countries have implemented sanctions against Russia in response to the Ukraine crisis. They include targeted restrictive measures (individual sanctions), economic sanctions and visa measures. Sanctions regulations include Council Regulation (EU) No 833/2014 and the UK Russia (Sanctions) (EU Exit) Regulations 2019, both specifically regarding iron and steel products.

3. SANCTIONED IRON AND STEEL PRODUCTS

Recent amendments introduced by the EU Council Regulation 2024/745 of 23 February 2024 ("13th Sanctions Package"), among others, and other applicable sanctions the UK Russia (Sanctions) (EU Exit) (Amendment) Regulations 2023 tighten existing import bans on iron and steel products exported from Russia or originating in Russia.



New relevant sanctions, are the following:

- Extension of import ban on iron and steel products from Russia to include iron and steel products
 that originate in countries other than Russia if they incorporate Russia-originating iron and steel
 products, in any quantity (as listed in Annex XVII of Council Regulation (EU) No 833/2014 and
 Schedule 3B of the UK Russia (Sanctions) (EU Exit) Regulations 2019)
- From 30 September 2023, importers shall provide evidence that the goods they purchase, or import do not contain any Russia-originating sanctioned iron or steel items (refer to HS codes in <u>Appendix 1</u>) Typically, Mill Test Certificate is the required evidence.
- This approach has also been adopted by the Government of Norway in Regulation of 15 August 2014 No. 1076 (as amended) on restrictive measures regarding the Ukraine crisis

4. CHANGES TO PROCUREMENT DOCUMENTS

To ensure the compliance concerning the Export Control sanctions' legislation, Wärtsilä's procurement documents (including purchase orders) will be amended such that the sanctions obligations are included as well as requirements for certain related documents.

If you deliver steel and iron products to Wärtsilä, you must add new text to your customs invoice, see yellow highlight below.

Wärtsilä's Purchase Orders will include the following declaration of compliance:

"Declaration of sanctions compliance from the Supplier:

Supplier shall confirm that goods or products supplied to Wärtsilä are not of Russian origin.

FOR SHIPMENTS INCLUDING STEEL AND IRON:

To clear shipments for import to the European Union, the United Kingdom, or the United States, Supplier must include the following wording as a minimum onto their customs invoice:

Shipping to EU: "The goods listed in this accompanying document are not of Russian origin and do not contain any materials of Russian origin in violation of Article 3g of EU Regulation No 833/2014, as amended from time to time."

Shipping to UK: "The goods listed in this accompanying document are not of Russian origin and do not contain any materials of Russian origin in violation of UK regulation 46IB in Russia (Sanctions) (EU Exit) Regulations 2019, as amended from time to time."



Shipping to US: "The goods listed in this accompanying document are not of Russian origin nor subject to import restrictions under US sanctions legislation and executive orders, as issued and/or amended from time to time."

Document requirement:

For each shipment of iron and steel which is to be imported into the EU, the UK, or the US, Supplier shall include the Mill Test Certificate in the customs documentation. The customs authorities may, in the event of reasonable doubt, request additional evidence. Supplier must be able to provide more detailed evidence on such request."

5. FOLLOW-UP

We appreciate your commitment to comply with Wärtsilä requirements relating to sanctions and to providing documentation, as required.

Please contact your regular Wärtsilä Supply Management interface if you have any queries.

Best regards,

Niels Thijssen Director, Supply Management Wärtsilä Corporation Johanna Kauppinen Managing Counsel Wärtsilä Marine Legal & Compliance



Appendix 1: Regulatory requirements and HS Codes Regulatory requirements (including HS Codes) can be found on links below:

EU Sanctions regulations, including Annex XVII:

- Council Regulation (EU) No 833/2014
- Council Regulation (EU) 2024/745 of 23 February 2024 amending Regulation (EU) No 833/2014
 (introducing amendments to expand the list of banned individuals and entities and restrictions on certain goods)
- Council Regulation (EU) 2023/2878 of 18 December 2023 amending Regulation (EU) No 833/2014 (introducing amendments expanding restrictions on importing and exporting goods)
- Council Regulation (EU) 2023/1214 of 23 June 2023 amending Regulation (EU) No 833/2014
 (introducing amendments to call for evidence on no specified Russian content in specified iron/steel products)

UK Sanctions regulations, including Schedule 3B:

- The Russia (Sanctions) (EU Exit) Regulations 2019
- <u>The Russia (Sanctions) (EU Exit) (Amendment) Regulations 2023</u> (introducing prohibitions on iron/steel products incorporating specific Russian inputs)



HS Codes – applicable as of $28 \, \text{th}$ September 2023 (refer to legislation for latest list)

CN code	Description
	iron and non-alloy steel in ingots or other primary forms (excl. remelting scrap, ingots, products obtained by continuous casting and iron
7206	of heading7203)
7207	semi-finished products of iron or non-alloy steel
7208	flat-rolled products of iron or non-alloy steel, of a width >= 600 mm, hot-rolled, not clad, plated or coated
7209	flat-rolled products of iron or non-alloy steel, of a width of >= 600 mm, cold-rolled "cold-reduced", not clad, plated or coated
7210	flat-rolled products of iron or non-alloy steel, of a width >= 600 mm, hot-rolled or cold-rolled "cold-reduced", clad, plated or coated
7211	flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled "cold-reduced", not clad, plated or coated
7212	flat-rolled products of iron or non-alloy steel, of a width of < 600 mm, hot-rolled or cold-rolled "cold-reduced", clad, plated or coated
7213	bars and rods of iron or non-alloy steel, hot-rolled, in irregularly wound coils
7214	bars and rods, of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but incl. those twisted after rolling (excl. in irregularly wound coils)
7215	bars and rods, of iron or non-alloy steel, cold-formed or cold-finished, whether or not further worked, or hot-formed and further worked, n.e.s.
7216	angles, shapes and sections of iron or non-alloy steel, n.e.s.7217wire of iron or non-alloy steel, in coils (excl. bars and rods)
7218	stainless steel in ingots or other primary forms; semi-finished products of stainless steel
7219	flat-rolled products of stainless steel, of a width of >= 600 mm, hot-rolled or cold-rolled "cold-reduced"
7220	flat-rolled products of stainless steel, of a width of < 600 mm, hot-rolled or cold-rolled "cold-reduced"
7221	bars and rods of stainless steel, hot-rolled, in irregularly wound coils
7222	other bars and rods of stainlesssteel; angles, shapes and sections of stainless steel, n.e.s.
7223	wire of stainless steel, in coils (excl. bars and rods)
7224	steel, alloy, other than stainless, in ingots or other primary forms, semi-finished products of alloy steel other than stainless
7225	flat-rolled products of alloy steel other than stainless, of a width of >= 600 mm, hot-rolled or cold-rolled "cold-reduced"
7226	flat-rolled products of alloy steel other than stainless, of a width of < 600 mm, hot-rolled or cold-rolled "cold-reduced"
7227	bars and rods of alloy steel other than stainless, hot-rolled, in irregularly wound coils
7220	other bars and rods of alloy steel other than stainless, angles, shapes and sections of alloy steel other than stainless, n.e.s.; hollow drill
7228	bars and rods, of alloy or non-alloy steel
7229	wire of alloy steel other than stainless, in coils (excl. bars and rods)
7301	sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements; welded angles, shapes and sections, of iron or steel
7302	railway or tramway track construction material of iron or steel, the following: rails, check-rails and rack rails, switch blades, crossing frogs, point rods and othercrossing pieces, sleepers "cross-ties", fish-plates, chairs, chair wedges, sole plates "base plates", rail clips, bedplates, ties and other material specialised for jointing or fixing rails
7303	tubes, pipes and hollow profiles, of cast iron
7304	tubes, pipes and hollow profiles, seamless, of iron or steel (excl. products of cast iron)
7305	tubes and pipes, having circular cross-sections and an external diameter of>406,4mm, of flat-rolled products of iron or steel "e.g., welded, riveted or similarly closed"
7306	tubes, pipes and hollow profiles "e.g., open seam or welded, riveted or similarly closed", of iron or steel (excl. of cast iron, seamless tubes and pipes and tubes having internal and external circular cross-sections and an external diameter of>406,4mm)
7307	tube or pipe fittings "e.g. couplings, elbows, sleeves", of iron or steel
7308	structures and parts of structures "e.g., bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns", of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel (excl. prefabricated buildings of heading)
7309	reservoirs, tanks, vats and similar containers, of iron or steel, for any material "other than compressed or liquefied gas", of a capacity of > 300 l, not fitted with mechanical or thermal equipment, whether or not lined or heat-insulated (excl. containers specifically constructed or equipped for one or more types of transport)
7310	tanks, casks, drums, cans, boxes and similar containers, of iron or steel, for any material "other than compressed or liquefied gas", of a capacity of <= 300 I, not fitted with mechanical or thermal equipment, whether or not lined or heat-insulated, n.e.s.
7311	containers of iron or steel, for compressed or liquefied gas (excl. Containers specifically constructed or equipped for one or more types of transport)



7312	stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel (excl. electrically insulated products and twisted fencing wire and barbed wire)
7313	barbed wire of iron or steel; twisted hoop or single flat wire, barbed or not, and loosely twisted double wire, of a kind used for fencing, of iron or steel
7314	cloth, incl. endless bands, grill, netting and fencing, of iron or steel wire, expanded metal of iron or steel (excl. woven products of metal fibres of a kind used forcladding, lining or similar purposes)
7315	chain and parts thereof, or iron or steel (excl. watch chains, necklace chains and the like, cutting and saw chain, skid chain, scraper chain for conveyors, toothed chain for textile machinery and the like, safety devices with chains for securing doors, measuring chains)
7316	anchors, grapnels and parts thereof, of iron or steel
7317	nails, tacks, drawing pins, corrugated nails, staples and similar articles of iron or steel, whether or not with heads of other material (excl. such articles with heads ofcopper and staples in strips)
7318	screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter pins, washers, incl. spring washers, and similar articles, of iron or steel (excl. lag screws, stoppers, plugs and the like, threaded)
7319	sewing needles, knitting needles, bodkins, crochet hooks, embroidery stilettos and similar articles, for use in the hand, of iron or steel; safety pins and other pins of iron or steel, n.e.s.
7320	springs and leaves for springs, of iron or steel (excl. clock and watch springs, springs for sticks and handles of umbrellas or parasols, shock absorbers and torque rod or torsion bar springs of section17)
7321	stoves, ranges, grates, cookers, incl. those with subsidiary boilers for central heating, barbecues, braziers, gas rings, plate warmers and similar non-electric domestic appliances, and parts thereof of iron or steel (excl. boilers and radiators for central heating, geysers and hot water cylinders)
7322	radiators for central heating, not-electrically heated, and parts thereof, of iron or steel; air heaters and hot-air distributors, incl. distributors which can also distribute fresh or conditioned air), not-electrically heated, incorporating a motor-driven fan or blower, and parts thereof, of iron or steel
7323	table, kitchen or other household articles, and parts thereof, of iron or steel; iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like, of iron or steel (excl. cans, boxes and similar containers of heading 7310; waste baskets; shovels, corkscrews and other articles of the nature of a work implement; articles of cutlery, spoons, ladles, forks etc. of heading 8211 to 8215; ornamental articles; sanitary ware)
7324	sanitary ware, and parts thereof, of iron or steel (excl. cans, boxes and similar containers of heading 7310, small wall cabinets for medical supplies or toiletries andother furniture of chapter 94, and fittings)
7325	articles of iron or steel, cast, n.e.s.
7326	articles of iron or steel, n.e.s. (excl. cast articles)