

# POLICY STATEMENT ON HUMAN RIGHTS STRATEGY

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**SALZGITTER  
FLACHSTAHL**

A Member of the Salzgitter Group

## Human Rights

Respect of internationally recognized human rights is a matter of course for us.

Salzgitter Flachstahl GmbH in Salzgitter produces up to 4.7 million tons of crude steel per year. The production of steel products, the procurement of the necessary raw materials, goods and the exchange of goods as well as services both throughout the Group and with suppliers and customers are an essential part of our economic activities.

Being the biggest subsidiary in the Salzgitter Group, as Salzgitter Flachstahl GmbH, we are integrated in the supply chain management system of the Salzgitter Group. Therefore, the principles of conduct enshrined in the [Salzgitter Group's Code of Conduct](#) also apply to all our employees. These principles are at the core of our corporate culture and at the same time represent binding guidelines for the actions of all Group employees. The respect of internationally recognized human rights is an essential component of these rules. Consequently, in the past, we have already aligned ourselves with the National Action Plan "Business and Human Rights" (NAP) of the Federal Republic of Germany with regard to corporate diligence in respecting human rights.

Our goal is to also strengthen and solidify this understanding with all of our suppliers and in this way have a positive impact on the respect of human rights along the entire supply chain.

### Identification - Prevention - Remedy

In order to achieve this goal, it is essential to know our supply chains and to be aware of risks relating to respect of human rights in connection with our business activities. Therefore, we have implemented a supply chain risk management system that is monitored by our human rights officer.

Our employees are provided with the necessary knowledge through e-learning and classroom training to better identify human rights and environmental risks<sup>1</sup> in the supply chains and to react appropriately.

All direct suppliers are screened for human rights and environmental risks by way of uniform Group-wide risk indicators. This risk analysis is conducted at least once a year and also on an ad hoc basis, for example if there are indications of a significantly changed or expanded risk situation, for example as a result of current market information or prompted by reports to the whistleblower system of the Salzgitter Group.

The "[FAIR TOGETHER](#)" whistleblower system provided by the Salzgitter Group offers all our employees, business partners and anyone else impacted by the economic activities of the Salzgitter Flachstahl GmbH or its suppliers the opportunity to point out circumstances in connection with the economic activities of the Salzgitter Flachstahl GmbH or one of its suppliers as a result of which they themselves or other people, the environment, Salzgitter Flachstahl GmbH or other Salzgitter Group companies are harmed, unjustly disadvantaged or natural resources unlawfully harmed and impaired. The whistleblower system established by the Salzgitter Group also encompasses the Salzgitter Flachstahl GmbH and ascertains that we receive all information regarding the economic activity of the Salzgitter Flachstahl GmbH, to adopt appropriate measures.

We encourage our direct suppliers' efforts to ensure the respect of human rights in their own companies and among their suppliers. To this end, we positively assess the willingness of our direct suppliers to commit to meeting our expectations in terms of lawful conduct and respect for human rights, as well as the recognition of the Supplier Code of the Salzgitter Group in our award decisions.

Any violations of human rights that have occurred or are imminent must be reported immediately to the compliance management of the Salzgitter Group. We shall take appropriate remedial action to prevent an infringement, to bring it to an end immediately or to minimize the extent of the infringement.

The effectiveness of the preventive and remedial measures taken and of the whistleblower system is reviewed by us once a year and on an ad hoc basis, among other things by means of risk-based control measures. Our Corporate Audit department of the Salzgitter Group carries out additional random checks.

The results of ongoing and incident-related risk identification and assessment, the preventive measures implemented, and the concepts, progress and results of any remedial action to be taken are documented and reported to the compliance management of the Salzgitter Group. In the same manner as the results of our risk analysis, they are incorporated in condensed form into our Supply Chain Report.

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<sup>1</sup> Unless explicitly stated otherwise, human rights and environmental risks are those within the meaning of the German Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains (Lieferkettensorgfaltspflichtengesetz – LkSG).

## Risks and expectations

Already in 2022, a working group consisting of employees of Salzgitter AG and other Group companies conducted an initial review of Salzgitter Flachstahl GmbH, further Group companies of Salzgitter AG and all essential direct suppliers of the Salzgitter Group for human rights and environmental risks. This risk analysis was already based on human rights and environmental risks as well as other benchmarks of the German Act on Corporate Due Diligence Obligations for the Prevention of Human Rights Violations in Supply Chains (Lieferkettensorgfaltspflichtengesetz).

A standardized risk analysis application was introduced in the course of 2023 to further develop our supply chain risk analysis. This serves to implement the risk analysis with regard to the companies of the Salzgitter Group as well as with regard to the direct and indirect suppliers of all Group companies. The supply chain risk analysis is based on standardised assessment criteria that are based, inter alia, on the recommendations of the German Federal Office for Export Control (BAFA) and include country and industry risk as part of an abstract risk analysis.

In addition to all operational domestic and foreign Group companies, the essential direct suppliers of all Group companies were also included in the risk analysis. All operating Group companies and suppliers with defined risk indications were asked to complete an online questionnaire. A specific risk analysis is carried out based on the individual data obtained from this survey.

Based on the results of our risk review, we did not identify any specific infringements or violations of human rights-related or environmental obligations either in the business units of our Group companies or at our direct suppliers.

Our risk assessment has shown that human rights or environmental risks are to be expected primarily along our supply chains, which extend to suppliers in regions with higher country risks and/or higher industry risks, as well as in particularly complex supply chains whose participants are often unknown to us.

Based on these findings, further efforts were made to gain a better understanding of our supply chains. With the support of the Human Rights Officer of Salzgitter AG and together with experts from the purchasing unit, in-depth analyses of our supply chains were conducted with the aim of better recognizing potential risks and avoiding them in the future. These discussions and exchanges are continued on a regular basis and will lead to targeted development measures in the future if necessary.

In addition to the Code of Conduct and the Group Guidelines of the Salzgitter Group, which also contain mandatory code of conduct for the employees of the Salzgitter Flachstahl GmbH, our internal guidelines set out in concrete terms the Executive Board's expectations of the behaviour of all employees. As members of the Executive Board, we ensure that all human rights-related and environmental obligations are observed within the scope of our respective duties and responsibilities. This is also expected from all our employees. The Code of Conduct and the Group Guidelines of the Salzgitter Group also apply to the Salzgitter Flachstahl GmbH and thereby ensure uniform respect of human rights throughout the Salzgitter Group and the Salzgitter Flachstahl GmbH.

In order to further reduce human rights and environmental risks in our supply chains independently of the results of a risk analysis, we aim in future to work only with suppliers who recognize the Supplier Code of Conduct of the Salzgitter Group or enter into a comparable contractual arrangement with us, thereby committing themselves, among other things, to address our expectations regarding respect for human rights also with regard to their own suppliers and consequently along the entire supply chain.

We expect all the suppliers throughout the supply chains to adhere to and observe the principles of the United Nations International Labor Organization (ILO), to comply with the prohibitions under the Minamata Convention, the Stockholm Convention (POP's Convention) and the Basel Convention, and to adhere to and observe the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights in order to make a joint contribution to a humane working environment and a sustainable economy in harmony with natural resources. The expectations of Salzgitter AG and the Salzgitter Flachstahl GmbH with regard to suppliers in the supply chain are specified in concrete terms in the [Salzgitter Group Supplier Code of Conduct](#).