



# Policy Statement on compliance with human rights and environmental due diligence obligations

October 2024



When we refer to the Steel Europe business segment (BS-SE for short), we mean thyssenkrupp Steel Europe AG and all its affiliated domestic and foreign Group companies within the meaning of sections 15 et seq. AktG (German Stock Corporation Act). These are generally all companies in which thyssenkrupp Steel Europe AG directly or indirectly holds the majority of voting rights.

thyssenkrupp AG has published its own Policy Statement, which applies to the entire thyssenkrupp Group. Further definitions are contained in the Policy Statement of the business segment, which applies to all affiliated companies in accordance with the aforementioned regulation.

In the following explanations, SCA has the same status as the provisions of the Supply Chain Due Diligence Act and the Conflict Minerals Ordinance.

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# Preamble

thyssenkrupp and thyssenkrupp Rasselstein GmbH ("Rasselstein") are committed to the highest sustainability standards, which include good corporate governance as well as environmental and social responsibility. As an international industrial and technology group, we source raw materials, goods and services worldwide.

Our focus here is on people. This applies equally to everyone – both our own employees and our suppliers.

At thyssenkrupp, we have created a Group-wide compass with our mission statement that guides our actions and behavior. Our fundamental values naturally also include respect for human rights and basic environmental standards.

Our values such as personal responsibility, openness and transparency as well as legal compliance and ethically correct behavior at all times play an important role in this.



## Our understanding of human rights and environmental due diligence at thyssenkrupp Rasselstein

As part of the thyssenkrupp Group, we comply with all applicable laws, regulations and standards in the countries in which we operate or are based and expect the same from our suppliers. If national laws contain more comprehensive provisions than the regulations applicable at thyssenkrupp and thyssenkrupp Rasselstein, national law shall take precedence. We expect our company, managers, members of the Management Board, and other employees as well as our suppliers to comply with the principles of the United Nations Global Compact, the United Nations International Human Rights Charter, the International Covenants on Civil and Political Rights and on Economic, Social, and Cultural Rights, the core labor standards of the International Labour Organization (ILO) and the OECD Charter. Our other expectations relating to human rights and the environment<sup>1</sup> must also be acknowledged and observed by all our employees and suppliers. All regulations on which this Statement is based must be consistently adhered to by all employees. Any breaches will result in internal disciplinary measures being taken.

We actively take responsibility for compliance with laws and regulations and are committed to continuous improvement by regularly reviewing and updating our compliance strategies.

- **Child labor:** Compliance with the prohibition and no use of child labor of any kind;
- **Discrimination:** Ensuring a working environment free of discrimination based on gender, skin color, religion, nationality, political or other convictions, ethnic origin, disability, age, sexual orientation and identity or other characteristics;
- **Forced labor:** Rejection of any form of forced or compulsory labor, slavery or human trafficking;
- **Preventing the financing of armed groups:** we do not cooperate directly or indirectly with non-state military groups;
- **Freedom of association:** Right to form employee representative bodies, strike action and collective bargaining;
- **Remuneration and working hours:** Compliance with the applicable national legislation on working hours, remuneration, minimum income and social benefits or the international standards of the ILO in the absence of national regulations;

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<sup>1</sup> thyssenkrupp has also set out human rights and environmental expectations in its Code of Conduct (CoC) and Supplier Code of Conduct (SCoC).

- **External personnel:** Irrespective of the type of contract, the applicable national law is observed in contractual and labor relations when using external personnel. External personnel must be sensitized and monitored by means of suitable measures, particularly with regard to human rights risks;
- **Occupational health and safety:** Establishment and application of appropriate occupational health and safety management for the best possible prevention of accidents and work-related illnesses;
- **Protection of freedom of expression, personal rights and privacy**
- **No causing of harmful soil change, water pollution, air pollution, harmful noise emissions or excessive water consumption,** which is likely to significantly impair protected rights and legal interests;
- **No unlawful appropriation of land, forests and waters,** whose use secures people's livelihoods;
- **No breach of duties in relation to the environment<sup>2</sup>** resulting from the use, storage, cross-border movement or disposal of mercury (compounds), persistent organic substances or hazardous waste.
- **No breach of the applicable obligations under the Conflict Minerals Regulation** and the implementation of the OECD Due Diligence Guidance for Responsible Business Conduct, as amended, including all annexes ("OECD Guidance")<sup>2.1</sup>. The measures include regular self-assessments and audits, including by third parties.

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<sup>2</sup> Compliance with the Stockholm Convention on Persistent Organic Pollutants, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal and the Minamata Convention on Mercury.

<sup>2.1</sup> In particular, the OECD Guidelines Annex I, II and Annex III are fully taken into account.

## Our approach to compliance with human rights and environmental due diligence obligations

thyssenkrupp and Rasselstein have developed a Group-wide concept and a corresponding organizational structure to create a sustainable culture for compliance with human rights and environmental due diligence obligations.

This is ensured by the interdisciplinary cooperation of various specialist departments, which are responsible for implementing the due diligence obligations in our own business division<sup>3</sup> or in our supply chain together with other experts. This integrated approach is also reflected in our responsibilities for human rights and environmental protection.

The body responsible at Rasselstein manages the implementation of the concept for compliance with human rights and environmental due diligence obligations in the supply chain. The body responsible at Rasselstein reports directly to the Management Board and coordinates continuously with the SCA<sup>4</sup> Council Group. This controls the implementation of the concept for compliance with human rights and environmental due diligence obligations in the thyssenkrupp Group. It meets regularly and as required. The SCA Council Group is coordinated by the SCA Officer Group, who acts as spokesperson for the SCA Council Group and reports directly to the Management Board of the thyssenkrupp Group. The members of the SCA Council Group include representatives from various central functions and divisions as well as representatives from the segments of the thyssenkrupp Group. In addition, a regular Group-wide exchange takes place between the SCA Council Group and experts and managers from the segments.

The Group Function Legal & Compliance is responsible for the legally prescribed monitoring of risk management for thyssenkrupp AG. The Group General Counsel and Chief Compliance Officer have been appointed to perform these tasks.

Responsibility for the prescribed monitoring of risk management at Rasselstein lies with the SCA Risk Manager as part of the governance implemented at Rasselstein.

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<sup>3</sup> The "Own Business Area" comprises all our activities in Germany and abroad that are undertaken for the manufacture and recycling of products and the provision of services.

<sup>4</sup> "German Act on Corporate Due Diligence in Supply Chains", in short: Supply Chain Act.

## Our strategy: Working together for human rights and environmental protection

thyssenkrupp and Rasselstein work continuously to analyze the impacts of our business activities on human rights and the environment in order to minimize potential risks and prevent their occurrence. To this end, thyssenkrupp has created a Group-wide concept for compliance with human rights and environmental due diligence obligations, which is characterized by an integrated and interdisciplinary risk management system<sup>5</sup>. This consists of risk analyses, processes for preventive and corrective measures, the definition of responsibilities, the issuing of a policy statement, the maintenance of a complaints procedure as well as documentation and reporting. This system is also used by Rasselstein to comply with human rights and environmental due diligence obligations.

The main components of thyssenkrupp's concept for compliance with human rights and environmental due diligence obligations are set out in<sup>6</sup>:

- thyssenkrupp Code of Conduct (CoC);
- thyssenkrupp Supplier of Code of Conduct (SCoC);
- International Framework Agreement (IFA);
- thyssenkrupp standards and regulations for health and safety in the workplace;
- thyssenkrupp standards and regulations for the environment and energy;
- thyssenkrupp compliance guidelines, in particular on anti-corruption;
- Implementation of the requirements of the Conflict Minerals Ordinance and the OECD Guidance in its respective current version, including all annexes.

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<sup>5</sup> When we talk about the risk management system, we mean the risk management system for compliance with human rights and environmental due diligence obligations.

<sup>6</sup> All thyssenkrupp's own standards and regulations are embedded in internal guidelines and policies as well as other documents.

As part of the thyssenkrupp Group, Rasselstein has implemented this risk management system. It consists of several elements, in particular

1. a central risk analysis for the company's own business area and for the supply chain, in which risks are assessed on the basis of Group-wide sustainability criteria relating to human rights, occupational health and safety and environmental protection ("SCA risk areas"),
2. the operational implementation of measures to minimize or eliminate identified risks, and
3. a barrier-free, publicly accessible complaints procedure for reporting possible misconduct.

SCA risk areas	SCA individual risks
Human rights:	Child labor; forced labor; discrimination in the workplace; freedom of association; remuneration and working hours; land grab; external personnel; contamination; discrimination; protection of freedom of expression, personal rights and privacy
Occupational health and safety:	In particular due to obviously inadequate safety standards, lack of suitable protective measures and protective equipment, lack of measures to prevent fatigue, inadequate training of employees
Environmental protection:	Use / storage / disposal of chemicals and waste; generation of emissions and consumption of energy and water
Identification of conflict and high-risk areas:	Geographical analyses to identify the origin of our materials. To this end, we regularly use tools to identify suppliers in safe areas.
Own employees:	Employees are made aware of conduct that conforms to compliance requirements through regular training sessions.

As part of the thyssenkrupp Group, using our multi-level approach, we have implemented uniform minimum standards that we at Rasselstein can apply and expand purposefully to minimize risk.

The Group companies are required to compile basic information on the structure of their own company, the procurement structure and their own supply chains and business relationships and to make successive efforts to increase transparency in the supply chain.



Our risk analysis is updated on an ongoing basis and at least once a year. We also carry out a new risk analysis as and when appropriate (e.g. in the event of a change in the risk situation). The same applies to the risk management system, which we are continuously developing and whose effectiveness is regularly reviewed.

In addition to managing and coordinating the monitoring of relevant risks, the responsible body regularly reports to the Management Board on the risk management system and the results of the risk analysis carried out.

The priority risks identified by the completed risk analysis have been considered by the responsible body and included in this Policy Statement.

## In our own business area:

### How we at Rasselstein are responding

We count all our activities in Germany and abroad that are undertaken for the manufacture and recycling of products and the provision of services as part of our own business area.

The basis of the risk analysis in our own business area is Rasselstein's annual self-assessment of compliance with protected human and environmental rights and legal interests, the content of which is uniformly specified by the SCA Council Group of thyssenkrupp AG and made available to the thyssenkrupp Group companies. The risks, which are initially determined in abstract terms, are then specifically analyzed according to criteria such as the type and scope of business activities, probability of occurrence, severity of the breach by degree, potential influence or the company's contribution to the cause of individual risks or risk areas.

These results are evaluated, checked and summarized in a risk score as part of the risk analysis. In addition to the risks determined from the self-assessment, other data sources (e.g. from preventive and remedial measures) can be considered when determining the risk.

The results are evaluated, aggregated and consolidated centrally and assessed by the SCA Council Group of thyssenkrupp AG and the body responsible at Rasselstein. The company mitigates identified risks with appropriate measures. According to the results of the risk analysis in our own business division, no risks have been identified that need to be prioritized.

thyssenkrupp has created long-established processes within the Group that address the threat to human and environmental rights and legal interests. For example, there is/are

- **one organization:** for co-determination, the Sustainability Council, the international IFA committee and the OSH Council
- **Programs / processes:** the International Framework Agreement, collective bargaining agreements, the GEEP program for the development and implementation of energy-saving measures, certified management systems in accordance with ISO 14001 and ISO 50001, we care day
- **Tools:** Whistleblowing tools (for compliance, for the IFA) and other internal tools to prevent violations of protected rights and legal interests
- **Training courses:** Employees and managers at Rasselstein are trained and sensitized to SCA issues as a preventive measure. Internal audits check the level of knowledge regarding compliance with regulations in the supply chain.
- **Internal control systems:** these are applied within the company in accordance with the requirements of laws and regulations. Employees are trained in accordance with the aforementioned requirements and systematically use the corresponding installed tools. The results are evaluated and are available for inspection. All relevant processes relating to the Supply Chain Act and the Conflict Minerals Ordinance are integrated into the internal management system.
- **Risk analyses and audits** are carried out regularly and the relevant strategies are adapted accordingly. As a safeguard, we regularly audit our supply chain and our suppliers to ensure compliance with the specifications made and the OECD guidelines (Annex I, II and III). The company's own employees are included in the risk analysis. We proactively support our suppliers in the implementation and further development of our requirements.

As part of the thyssenkrupp Group, we have implemented many preventive measures in our own business area to prevent or minimize human rights or environmental risks.

In addition to the implemented sets of rules and Group-wide standards, various other measures are implemented within the company.

If a potential breach of human and environmental rights and legal interests is imminent or has already occurred, the respective remedial process must be triggered. This is ensured by implementing the corrective action process within the reporting procedures established at Rasselstein.

If an imminent or actual breach of a human rights or environmental obligation is identified, our portfolio of measures includes ad-hoc measures to prevent or end a breach. This also includes informing and involving key specialist departments, the responsible persons or bodies of the respective company, to the point of involving the responsible body at Rasselstein as well as a root cause analysis and a final effectiveness review.

## Together with our partners: Recognize and avoid risks

### Risk analysis of our suppliers

We only work with suppliers who have a proven track record of acting responsibly.

Based on the individual SCA risks, we subject our direct suppliers to a basic risk analysis and identify their risk potential in relation to our "SCA risk areas". In addition to a different weighting of individual SCA risks, our ongoing risk analysis also takes into account external risk indices, the location and sector of the suppliers, the scope of business activities (purchasing volume), the type of goods supplied, but also the probability of occurrence, the severity of the breach by degree, the number of people affected and irreversibility, the results of audits, potential influence and the Group company's contribution to the cause of individual risks or risk areas.

Based on the results of the risk analysis for specific suppliers, an SCA risk category is determined for each supplier. We use this SCA risk category as a basis for taking suitable preventive measures to mitigate the risk associated with suppliers. Prioritization is based on the identified risk, our contribution to causation, the degree of our influence and considering the characteristics of the respective business. Findings on indirect suppliers are incorporated into our risk analysis on an ad hoc basis.

We publish our supply chain measures and results and report annually on our supply chain in a transparency report.

## Preventive and remedial measures at our suppliers

Based on the SCA risk areas and individual risks in the risk analysis, thyssenkrupp has developed an appropriate catalog of measures. This includes ensuring that the risks identified as part of the properly conducted risk analysis are recognizable and that appropriate measures are implemented. These measures enable us to mitigate the risk of potential breaches of rights and legal interests relating to human rights and the environment relating to our suppliers.

Our preventive measures include, for example, recognizing the thyssenkrupp Supplier Code of Conduct and conducting supplier training courses as required.

We expect all our registered suppliers to acknowledge the thyssenkrupp Supplier Code of Conduct and to meet the expectations stated therein. In the case of suppliers where we have identified an increased risk potential, we expect them to give contractual assurances that they will meet our human rights and environmental expectations and agree individual preventive or remedial measures.

We also involve independent third parties in the review of our processes. To this end, we use regular audits by recognized auditing companies both internally and externally at suppliers.

In the event of known breaches of an obligation relating to human rights or the environment at a direct or indirect supplier, Rasselstein will immediately initiate appropriate measures<sup>7</sup> with the aim of ending these breaches.

A particularly serious breach by a supplier can lead to a temporary suspension or even immediate termination of the business relationship.

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<sup>7</sup> This may also include a coordinated approach with the support of trade associations and industry initiatives to exert the greatest possible influence on the supplier.

## Our responsibility to implement this Policy statement

### Commitment and compliance

This Policy Statement applies to all managers, board members and all other employees of Rasselstein. We actively promote the communication of the guidelines and agreements on which our Policy Statement is based.

This Policy Statement is reviewed by the person responsible at Rasselstein at least once a year and on an ad hoc basis to ensure that it is still valid. It is updated as required, e.g. based on the annual risk analysis, and approved by the Rasselstein Management Board.

This Policy Statement is communicated to our employees and relevant stakeholders on the intranet and via other channels (e.g. Rasselstein app) as well as externally via our company website. We offer employees training to raise their awareness in dealing with human rights and environmental expectations. The training is based on both the thyssenkrupp Code of Conduct and the thyssenkrupp Supplier Code of Conduct as well as this Policy Statement. We also offer a specific training program for our purchasing community and for employees from other relevant areas.

### Reporting potential misconduct

To counteract infringements of laws and internal Group regulations or potential breaches of human rights and environmental rights and legal interests at an early stage, and to mitigate damage to our employees and business partners, thyssenkrupp has established a complaints procedure for all Group companies. This procedure ensures that information reported by Rasselstein employees and external parties, such as our direct and indirect suppliers or their employees, can be received and processed.

The complaints procedure enables anonymous, barrier-free and worldwide submission of complaints on request. Each whistleblower will receive a confirmation of receipt, provided that all the necessary information has been provided. The process ensures that the identity of the whistleblower is protected. In addition, the employee is protected from disadvantages and penalties due to the disclosure.

Complaints are received<sup>8</sup> centrally via various reporting channels, which can be reached at <https://thyssenkrupp.com/de/beschwerdeverfahren> and <https://www.thyssenkrupp.com/de/ifa>.

### Documentation and reporting

We report transparently on the fulfilment of our human rights and environmental due diligence obligations for the past financial year to the responsible authority and publicly on our website. In addition, we continuously document the fulfilment of our due diligence obligations within Rasselstein. The documentation of the processes described in this Policy Statement is retained in accordance with the legal requirements.

Management Board of thyssenkrupp Rasselstein GmbH, 1 October 2024



Clarissa Odewald



Oliver Hoffmann



Dr. Michael Pullen



Dirk Sievers

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<sup>8</sup> The persons entrusted with the management of the whistleblowing system guarantee impartial action, are independent, are not bound by instructions and are obliged to maintain confidentiality

