

# Report on the LkSG (Supply Chain Due Diligence Act)

Reporting period from January 1, 2024 to September 30, 2024

**Name of the organization:** thyssenkrupp Rasselstein GmbH

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## Table of contents

### A. Strategy & anchoring

A1. Monitoring of risk management & responsibility of the executive board

A2. Policy statement on the human rights strategy

A3. Anchoring the Human Rights Strategy within the organization

### B. Risk analysis and preventive measures

B1. Implementation, procedure and results of the risk analysis

B2. Preventive measures in own business area

B3. Preventive measures for direct suppliers

B5. Communication of the results

B6. Changes in risk disposition

### C. Identification of violations and corrective measures

C1. Identification of violations and corrective measures in own business area

C2. Identifications of violations and corrective actions for direct suppliers

C3. Identification of breaches and corrective actions for indirect suppliers

D. Complaints procedure

D1. Establishment of participation in a complaint procedure

D2. Requirements for the complaint's procedure

D3. Implementation of the complaint's procedure

E. Review of risk management

## A. Strategy & anchoring

### A1. Monitoring of risk management & responsibility of the management

#### **What responsibilities were defined for monitoring risk management during the reporting period?**

The Human Resources department at thyssenkrupp Rasselstein GmbH is responsible for monitoring risk management in accordance with Section 4 (3) LkSG (Supply Chain Act).  
The SCA Risk Manager has been appointed to perform these tasks at thyssenkrupp Rasselstein GmbH.

## A. Strategy & anchoring

### A1. Monitoring of risk management & responsibility of the management

**Has the management established a reporting process that ensures that it is regularly - at least once a year - informed about the work of the person responsible for monitoring risk management?**

**It is confirmed that the management has established a reporting process that ensures that it is informed regularly - at least once a year - about the work of the person responsible for monitoring risk management within the meaning of Section 4 (3) LkSG.**

- Confirmed

**Describe the process that ensures reporting to management at least once a year or regularly with regard to risk management.**

The SCA Risk Manager reports on the results of monitoring to the management of thyssenkrupp Rasselstein GmbH when the situation demands but at least once a year. The SCA Risk Manager also informs the ICS Manager in Controlling, Accounting & Risk regularly and as required (in the case of a major risk) and integrates the risk management system in accordance with the LkSG into thyssenkrupp's Group Risk Management, which is based on an internal set of rules.

## A. Strategy & anchoring

### A2. Policy statement on the human rights strategy

**Is there a policy statement that has been prepared or updated based on the risk analysis carried out during the reporting period?**

The policy statement has been uploaded

The policy statement has been uploaded under:

<https://www.thyssenkrupp-steel.com/de/rasselstein/grundsatzerklaerung-lksg/>

## A. Strategy & anchoring

### A2. Policy statement on the human rights strategy

**Has the policy statement for the reporting period been communicated?**

**It is confirmed that the policy statement has been communicated to employees, the works council if applicable, the public and the direct suppliers where a risk was identified in the risk analysis.**

• Confirmed

**Please describe how the policy statement was communicated to the relevant target groups.**

The policy statement was published on the intranet and internet. The content was integrated into the internal training concept. The publication was also communicated within the company.

## A. Strategy & anchoring

### A2. Policy statement on the human rights strategy

#### What elements does the policy statement contain?

- Establishment of a risk management system
- Annual risk analysis
- Establishment of preventive measures in the company's own business area, with direct suppliers and, if applicable, indirect suppliers and their effectiveness review
- Corrective measures in own business area, at direct suppliers and, if applicable, indirect suppliers and their effectiveness review
- Provision of a complaint's procedure in the company's own business area, with suppliers and review of its effectiveness
- Documentation and reporting obligations
- Description of the priority risks identified
- Description of human rights-related and environmental expectations of own employees and suppliers
- Further elements: Commitment of the management of thyssenkrupp Rasselstein GmbH to comply with human rights and environmental due diligence obligations

## A. Strategy & anchoring

### A2. Policy statement on the human rights strategy

#### **Description of possible updates during the reporting period and the reasons for them.**

As of January 1, 2024, thyssenkrupp Rasselstein GmbH, a subsidiary of thyssenkrupp Steel Europe AG and itself a company subjected to reporting under the LkSG, also the declaration of principles submitted by thyssenkrupp Steel Europe AG. In the first half of the year, thyssenkrupp Rasselstein GmbH drew up its own declaration of principles within the newly established SCA Working Group, which essentially contained the following adjustments:

- Incorporation of company-specific values
- Presentation of the company's own SCA organization
- Extension of validity at the same time to the Conflict Minerals Ordinance

thyssenkrupp Rasselstein GmbH's first own declaration of principles was subsequently adopted by the Executive Board and published in June 2024.



## A. Strategy & Anchoring

### A3. Anchoring the human rights strategy within the own organization

**In which relevant departments/business processes was the anchoring of the human rights strategy ensured during the reporting period?**

- Personnel/HR
- Environmental management
- Occupational safety & occupational health management
- Communication / Corporate Affairs
- Purchasing/Procurement
- Supplier management
- CSR/Sustainability
- Legal/Compliance
- Economic Committee
- Other: Controlling, Accounting & Risk, Internal Control System (ICS), Sales / Logistics, Production Operations, Works Council (co-determination), Energy and Environmental Management

**Describe how responsibility for implementing the strategy is distributed within the various specialist departments/business processes.**

The Executive Board of thyssenkrupp AG is responsible for the implementation of the group-wide concept for compliance with human rights and environmental due diligence obligations. Implementation is carried out by the SCA Council Group, a committee, to which functions relevant to compliance with these due diligence obligations and the thyssenkrupp segments belong. The spokesperson of the SCA Council Group is the SCA Officer Group, who reports to the Executive Board of thyssenkrupp AG on behalf of the Council.

The SCA Council assumes a governance role towards the segments and companies of the thyssenkrupp Group by defining regulations for the group-wide implementation of the requirements of the LkSG and coordinating their implementation. In addition to the further development of the Group-wide concept, the SCA Council Group assumes the role of an advisor in the cooperation with the segments and businesses and offers the opportunity for cross-segment exchange. To take into account, the individual requirements and supply chains of our businesses, each is represented by their own segment manager, the so-called SCA Officer Business. Among other things, the segment manager reports to the SCA Council Group and the segment Management Board and is responsible for implementing the group-wide concept for compliance with human rights and environmental due diligence obligations in the businesses.

Within the Steel Europe segment, including thyssenkrupp Rasselstein GmbH, the group-wide guidelines are implemented by two committees, namely the SCA Council Business Segment Steel Europe (hereinafter referred to as SCA Council BS SE) with a governance role as well as the SCA Working Group BS SE, which reports to SCA Council BS SE and the SCA Officer BS SE. The functions relevant to compliance with these due diligence obligations and the relevant business units are represented on both committees. The SCA Officer Business of thyssenkrupp Rasselstein GmbH is also a member of both committees.

Within thyssenkrupp Rasselstein GmbH, the Group-wide requirements are implemented by the SCA Working Group SE-PS, which is made up by representatives from the relevant specialist departments. The spokesperson for the SCA Working Group is the SCA Officer Business, who, together with the SCA Risk Manager, reports to the management of thyssenkrupp Rasselstein GmbH on behalf of the SCA Working Group.

The SCA Working Group assumes a governance role towards the subsidiaries of thyssenkrupp Rasselstein GmbH by defining regulations for the implementation of the requirements of the LkSG and coordinating their implementation.

In addition to further developing the concept, the SCA Working Group SE-PS assumes the role of an advisor in cooperation with the subsidiaries and offers the opportunity for exchange.

### **Describe how the strategy is integrated into operational processes and procedures.**

Our group-wide, segment-wide and also company-wide concept for compliance with human rights and environmental due diligence obligations is characterized by an integrated and interdisciplinary risk management system. With our multi-level approach, we have implemented uniformly regulated minimum standards in the thyssenkrupp Group which our businesses can apply and expand in a targeted manner to minimize risk.

In addition to identifying, managing and monitoring human rights and environmental risks, the SCA Working Council BS SE is also responsible for communicating the results, including to the segment's Executive Board. Various central functions and divisions as well as representatives from the subsidiaries (including thyssenkrupp Rasselstein GmbH) are involved in the SCA Council BS SE and the SCA Working Group BS SE as voting members. Through interdisciplinary cooperation between the various central functions and other experts, we ensure that our group-wide and segment-wide concept is integrated into operational risk management processes and procedures. The SCA Working Group SE-PS consists of representatives of the relevant specialist departments and divisions of our company. The SCA Officer Business SE-PS is also responsible for communicating the results together with the SCA Risk Manager SE-PS to the management and the company's economic committee, among others.

Thanks to the interdisciplinary cooperation between the various specialist departments within the SCA Working Group SE-PS, other experts and the segments within the SCA Council BS SE, the company ensures that the group-wide concept is integrated into operational risk management processes and procedures.

### **Describe which resources & expertise are provided for implementation.**

As described above, the interdisciplinary composition (e.g. engineers, business people, lawyers) of the SCA Council BS SE and SCA Working Group BS SE as well as the SCA Working Group SE-PS ensures that all relevant experts at company level, including the group-wide internal control system (ICS), as well as our affiliated companies are represented on our committee.

The relevant resources for thyssenkrupp Rasselstein GmbH are provided by the respective specialist departments /divisions in cooperation with BS SE. In addition, regular internal training courses are held, which can also be accompanied by external consultants if required.

## B. Risk analysis and Preventive measures

### B1. Implementation, procedure and results of the risk analysis

**Was a regular (annual) risk analysis carried out during the reporting period to identify, weight and prioritize human rights and environmental risks?**

- Yes, for your own business area
- Yes, for direct suppliers

**Describe the period in which the annual risk analysis was carried out.**

The risk analysis for the company's own business division was carried out once during the reporting period. Issues that arise after the end of the reporting period are included in the risk analysis for the next reporting period. Exceptional circumstances or critical events that occur outside of the respective reporting period can be proactively addressed as an exception in the risk analysis and reported if necessary.

For direct suppliers, risk analysis is carried out continuously over the entire reporting period using an IT-supported risk analysis system.

**Describe the risk analysis procedure.**

thyssenkrupp works continuously to analyze the human rights and environmental impacts of its business activities in order to minimize potential risks and prevent their occurrence. For that purpose, 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 for compliance with human rights and environmental due diligence obligations. A central component of risk management is risk analysis, both for the company's own business area and for the supply chain, in which risks are assessed based on group-wide sustainability criteria relating to human rights, occupational health and safety as well as environmental protection ("SCA risk areas")

- the operational implementation of measures to minimize or eliminate identified risks

as well as,

- a barrier-free, publicly accessible complaints procedure for reporting possible misconduct.

Our SCA risk areas are divided into the following individual risks:

- Human rights:

Child labor; Forced labor; Discrimination in the workplace; Freedom of association; Remuneration and working hours; Land grabbing; Contract workers; Contamination; Discrimination; Protection of freedom of expression, personal rights and privacy.

- Occupational health and safety

- Environmental rights:

Use / storage / disposal of chemicals and waste; generation of emissions and consumption of energy.

With our multi-stage approach, we have implemented uniformly regulated minimum standards in the thyssenkrupp Group, which our Group companies and thus also thyssenkrupp Rasselstein GmbH and its affiliated companies can apply and expand in a targeted manner to minimize risk. Our risk analysis is updated on an ongoing basis and at least once a year. We also carry out a new risk analysis as required (e.g. in the event of a change in the risk situation). In addition to managing and coordinating

the monitoring of the relevant risks, the SCA Council Group regularly reports to the Group Executive Board, the SCA Council BS SE regularly reports to the Segment Executive Board of BS SE and the SCA Officer Business SE-PS together with the SCA Risk Officer SE-PS reports to the management of thyssenkrupp Rasselstein GmbH (SE-PS) on the risk management system and the results of the risk analysis performed.

Risk analysis in own business area:

We include all of our activities in Germany and abroad that are undertaken for the manufacture and utilization of products and the provision of services to our own business segment.

The risk analysis in our own business area is carried out in four stages.

In the first stage, the risk potential of the companies is determined based on a combination of abstract country and sector risks of the LkSG protected assets. The risk potential is expressed using a risk index between 0 and 100, with 100 being the best possible value.

At level two, the effectiveness of group-wide guidelines, policies and management processes implemented at the respective Group company with regard to the LkSG protected assets is assessed and assigned a score between 0 and 100.

The third stage is a regular self-disclosure by each BS SE Group company, which is applied as part of the group-wide internal control system (ICS) and is used to assess business risks and provide information on the specific risks of the respective Group company and the risk-mitigating measures. The ICS query includes the risks relating to possible violations of the LkSG protection goods and is submitted internally in electronic form by persons responsible for the business (usually managing directors). The ICS risk assessment is also translated into a risk index between 0 and 100. The average value for the final, abstract risk index is then calculated from the values of levels 1 to 3.

In the fourth stage, this index is finally compared with other qualitative characteristics, such as: existing certifications, audits, the number of complaints and if necessary further additional characteristics, in order to come to a final risk assessment for each company. The evaluation of results, as well as their aggregation and consolidation is centrally assessed and in the SCA Council Group evaluated with regard to risks. Identified risks are mitigated by the group companies with measures as far as possible.

Risk analysis for direct suppliers:

Based on the individual SCA risks, we subject our direct suppliers to a basic risk analysis and identify an abstract risk potential for them in relation to our "SCA risk areas".

In addition to a different weighting of individual SCA risks, our ongoing risk analysis 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, results from self-disclosures by suppliers, as well as the severity and (irreversibility) of potential events. At thyssenkrupp Rasselstein GmbH (SE-PS), new potential suppliers are checked for their risk potential in accordance with internal guidelines before a collaboration is established.

After evaluating the data sources for the risk analysis, overall risk profiles are created for direct suppliers. The suppliers, where particularly high human rights as well as environmental risks as a whole are identified, are therefore classified as potentially risky. These potentially high-risk suppliers are successively subjected to a detailed analysis (specific risk analysis) in accordance with the business-specific prioritization.

Our risk analysis is updated on an ongoing basis and at least once a year. We also carry out a new risk analysis as required, e.g. if a change in the risk situation is identified. Based on the results of the risk analysis for specific suppliers, an SCA risk category is defined for each supplier. As a thyssenkrupp Group company, we use this SCA risk category as the basis for taking suitable preventive measures to further mitigate the risk of individual suppliers. Prioritization is based on the identified risk, our contribution to causation, the degree of our influence and by taking into account the characteristics of the respective business.

The SCA Working Group SE-PS is responsible for managing, coordinating as well as the monitoring of relevant risks at company level and reports to the Executive Board of thyssenkrupp Rasselstein GmbH on the risk management system and the results of the risk analysis carried out.

## B. Risk analysis and preventive measures

### B1. Implementation, procedure and results of the risk analysis

**Were event-driven risk analyses also carried out during the reporting period?**

- No

**Give reasons for your answer.**

Own business division:

The information obtained in the complaint's procedure and in the annual risk analysis did not give reason to any specific (event-related) risk analyses.

Direct suppliers:

Ongoing risk analysis for direct suppliers. No substantiated knowledge of indirect suppliers.

## **B. Risk analysis and preventive measures**

### B1. Implementation, procedure and results of the risk analysis

#### **Results of the risk assessment**

**What risks were identified in the risk analysis(es) in your own business area?**

- None

## B. Risk analysis and preventive measures

### B1. Implementation, procedure and results of the risk analysis

#### Results of the risk assessment

#### What risks were identified in the risk analysis(es) for direct suppliers?

- Prohibition of hiring or using private/public security forces that could lead to impairments due to lack of instruction or control
- Disregard for occupational health and safety and work-related health hazards
- Destruction of the natural basis of life through environmental pollution
- Disregard for freedom of association - freedom of association & right to collective bargaining  
unlawful violation of land rights
- Prohibition of forced labor and all forms of slavery
- Prohibition of unequal treatment in employment
- Ban on child labor
- Prohibition of withholding an appropriate wage
- Other prohibitions: Identified risks (human rights and environmental) are mainly potential risks from the abstract risk analysis based on the country and industry of the suppliers.  
Thyssenkrupp Steel Europe AG is a company with a global and widely ramified supply chain. For this reason, no risk can be excluded with absolute certainty in the abstract risk analysis. The concrete examination of risks is carried out successively according to prioritization and weighting.
- Prohibited production and/or use of substances within the scope of the Stockholm Convention (POPs) and non-environmentally sound handling of waste containing POPs
- Prohibited import/export of hazardous waste within the meaning of the Basel Convention
- Prohibited production, use and/or disposal of mercury (Minamata Convention)

## B. Risk analysis and preventive measures

### B1. Implementation, procedure and results of the risk analysis

**Were the risks identified in the reporting period weighted and, if applicable, prioritized and, if so, on the basis of which appropriateness criteria?**

- Yes, based on the expected severity of the injury in terms of degree, number of people affected and irreversibility
- Yes, based on own ability to influence
- Yes, based on the probability of occurrence
- Yes, based on the nature and scope of the company's own business activities
  
- Yes, based on the type of causal contribution

**Describe in more detail how the weighting and prioritization process was carried out and what considerations were made.**

Risk analysis in your own business area:

Compliance with human rights has long been a central component of thyssenkrupp's corporate culture and is expressed in the mission statement, the Code of Conduct and the International Framework Agreement as well as the associated processes. We are not yet aware of any particular risk areas. Against this backdrop, all risks were included in the risk analysis on an equal footing.

Risk analysis for direct suppliers:

The systematically derived abstract risk analysis already includes a weighting of the risk potential for all suppliers based on severity, irreversibility and probability of occurrence. As part of the business-specific prioritization, other available findings are taken into account in addition to the purchasing volume (scope of business activities), such as the individual ability to influence the supplier. In addition to the above-mentioned factors for prioritizing suppliers and their identified risks, the factors "strategic relevance of the supplier" and "connection / relevance for value creation" are also taken into consideration. Suppliers with whom no further business relationships are planned and therefore no orders or new contracts are planned are also deprioritized.

Due to the globally distributed supplier base of thyssenkrupp Rasselstein GmbH, various human rights risks were identified as part of the abstract risk analysis. No risks were prioritized, but all risks were considered equally. The consideration of direct suppliers is based on the respective overall risk profile, which is formed by the holistic consideration of all identified risks. The potentially risky suppliers are successively subjected to a detailed analysis in accordance with the business-specific prioritization. In principle, thyssenkrupp Rasselstein GmbH is responsible for prioritizing all of the above factors in order to make an appropriate assessment of the business requirements.



## B. Risk analysis and preventive measures

### B2. Prevention measures in own business area

**Which risks were prioritized in your own business area during the reporting period?**

- None

**If no risks have been selected, give reasons for your answer.**

The available information does not give rise to any prioritization of human rights or environmental risks.

## B. Risk analysis and preventive measures

### B2. Prevention measures in own business area

**What preventive measures were implemented for the reporting period to prevent and minimize the priority risks in your own business area?**

- Implementation of training courses in relevant business areas
- Other/additional measures: Display of information posters, flyers with information on the grievance procedure as a supplement to the payslip which is sent to all employees as well as podcast and articles in the company's internal employee magazine on the grievance procedure.

#### Implementation of training courses in relevant business areas

**Describe the measures implemented and, in particular, specify the scope (e.g. number, coverage/area of application).**

At thyssenkrupp Rasselstein GmbH, all employees in the relevant areas who are defined as mandatory participants are registered for the LkSG e-learning basic training course. This training is mandatory for this group of people and must be completed with a final test. New employees who fall into the group of mandatory participants automatically receive an invitation by e-mail to take part in the LkSG basic training course via the e-learning system used. If participation, including an effectiveness check, has not been documented 8 weeks after the invitation to the basic training course, employees receive a reminder e-mail every week with a request to participate in the basic LkSG training course. This ensures that even after longer absences (e.g. parental leave, long-term illness, etc.), participation takes place promptly after the resumption of work.

The basic training course is repeated in regular intervals, usually every 3 years. If necessary, the LkSG basic training is repeated earlier, e.g. to inform employees about current developments in case law and changes to the law. Employees who do not work in the relevant business areas or who do not have access to a work computer are informed about the duty of care and made aware of the complaint's procedure through other measures.

Such measures in the reporting period include in particular

- The display of information posters in production areas and social rooms
- Information inserts for payroll
- Podcast and article in the company's internal employee magazine
- Segment-wide newsletter to all employees

In addition to the LkSG e-learning basic training course, additional target group-specific training courses were held segment-wide for the purchasing departments.

**Describe the extent to which training to prevent and minimize the priority risks is appropriate and effective.**

We use our training formats to raise our employees' awareness of our human rights and environmental due diligence obligations. The training courses explain our due diligence obligations, explain why these due diligence obligations are of central importance and how we ensure compliance with due diligence obligations within the thyssenkrupp Group. In addition, the training courses outline the various channels of our grievance procedure and the protection against discrimination of whistleblowers, i.e. our employees learn how they can do their part to comply with the due diligence obligations - whether in relation to our own business area or in cooperation with our suppliers and who they can contact if potential breaches of duty become known.

Participation in the training courses is controlled by a final examination. Only when this has been successfully completed will the participant receive a certificate, and the training is deemed to have been effectively completed. Proof of the effectiveness of the e-learning, the rollout of which began at the start of the reporting period, is provided in the form of a certificate, which is issued following successful completion of the final examination. At the end of the reporting period on 30.09.2024, the mandatory participants at thyssenkrupp Rasselstein GmbH were 100% trained on the LkSG and the complaints channels.

### Other/further measures

**Describe the measures implemented and specify the scope (e.g. number, coverage/area of application).**

In the thyssenkrupp Group, posters informing employees about the grievance procedure were displayed in the production halls and social rooms as well as in places generally designated for such information purposes in the eight relevant languages of the group employees, with the aim of also reaching employees outside the relevant business areas or without business PC access in order to achieve comprehensive sensitization of all employees. In addition, flyers with information on the complaint's procedure were enclosed with payslips to ensure that every individual in this group of employees is reached personally. thyssenkrupp Rasselstein GmbH also published information about the grievance procedure via flyers on pay slips, via podcasts that could be accessed via the company-wide app and via publications in the company-wide employee magazine.

The compliance with legal, collective bargaining and internal regulations when deploying external personnel is monitored on a risk-based and if necessary.

**Describe to what extent the measures to prevent and minimize the priority risks are appropriate and effective.**

Publications and permanent communication on the complaint's procedure serve to sensitize the employees of thyssenkrupp Rasselstein GmbH (including the affiliated companies) to human rights and environmental due diligence obligations and to inform them about the possibility of lodging a complaint in the event of non-compliance. At thyssenkrupp Rasselstein GmbH, this is done in particular via the company-wide app.

## B. Risk analysis and preventive measures

### B3. Preventive measures for direct suppliers

**Which risks were prioritized for direct suppliers during the reporting period?**

- None

**If no risks have been selected, give reasons for your answer.**

Due to the globally distributed supplier base of thyssenkrupp Rasselstein GmbH, various human rights risks were identified as part of the abstract risk analysis.

No individual risks were prioritized, but all risks were considered equally. The consideration of direct suppliers is based on the respective overall risk profile, by taking a view as a whole of all identified potential risks. Suppliers with particularly high human rights and environmental risks identified as a whole are classified as potentially risky. These potentially high-risk suppliers are successively subjected to a detailed analysis in accordance with the business-specific prioritization.

## B. Risk analysis and preventive measures

### B3. Preventive measures for direct suppliers

**What preventive measures were implemented for the reporting period to prevent and minimize the priority risks at direct suppliers?**

- Development and implementation of suitable procurement strategies and purchasing practices
- Integration of expectations in supplier selection
- Obtain contractual assurance for compliance and implementation of expectations along the supply chain
- Training and further education to enforce the contractual assurance
- Agreement and implementation of risk-based control measures

**Category: Procurement strategy & purchasing practices** selected:

- Development and implementation of suitable procurement strategies and purchasing practices

**Describe the measures implemented and the extent to which the definition of delivery times, purchase prices or the duration of contractual relationships have been adjusted.**

thyssenkrupp is an international Group that bundles its business activities (as of September 30, 2014) in five segments (Automotive Technology, Decarbon Technologies, Marine Systems, Materials Services and Steel Europe). Due to its decentralized organizational form, the different business model compared to other segments and the associated business-specific risk distribution, the Steel Europe business segment, which also includes thyssenkrupp Rasselstein GmbH, has developed and implemented suitable procurement strategies and purchasing practices for itself.

In addition to the specific business requirements and the procurement market situation, which are generally decisive for the agreed delivery times and purchase prices, the expectations and values set out in the thyssenkrupp Supplier Code of Conduct provide the framework for the partnership-based cooperation we strive for with our suppliers. Adjustments to delivery times or purchase prices have not been made solely based on the measures implemented, but on the basis of general market-related considerations.

In principle, the measures implemented do not affect the duration of the contractual relationship. If our suppliers demonstrably fail to meet our expectations communicated in the Supplier Code of Conduct, do not strive for improvement measures or do not take remedial action within a reasonable period set by thyssenkrupp, and a violation of a protected legal position is recognized and considered particularly serious, thyssenkrupp Rasselstein GmbH reserves right to terminate or temporarily suspend individual or all contractual relationships.

**Describe how adjustments to your own procurement strategy and purchasing practices will help to prevent and minimize the priority risks.**

As part of the supplier selection process, potential business partners are subjected to an abstract risk screening in advance and checked for their human rights and environmental risk potential. The identified risk potential is appropriately taken into account in the procurement strategy and the award of decision. In particular, if an increased risk potential is identified at a supplier, we have been using the concept of contractually guaranteeing the validity of our Supplier Code of Conduct, our specific risk analysis and a catalog of preventive measures since the beginning of 2024 to ensure that we identify our human rights and environmental risks and minimize them in cooperation with the suppliers. Depending on the risk potential identified, we request further evidence from suppliers in order to further specify and mitigate the risk or carry out specific measures, such as sustainability audits.

At thyssenkrupp Rasselstein GmbH, we have transparently set out our expectations of our direct suppliers both in our Policy Statement and, in particular, in our Supplier Code of Conduct. If our suppliers demonstrably do not meet our expectations communicated in the Supplier Code of Conduct, do not strive for and implement improvement measures or do not take remedial action within a reasonable period of time set by thyssenkrupp and a violation of a protected legal position or an environmental obligation is identified and considered particularly serious, thyssenkrupp Rasselstein reserves right to terminate or temporarily suspend individual or all contractual relationships.

#### Other categories:

selected:

- Integration of expectations in supplier selection
- Obtain contractual assurance for compliance and implementation of expectations along the supply chain
- Training and further education to enforce the contractual assurance
- Agreement and implementation of risk-based control measures

**Describe to what extent the measures to prevent and minimize the priority risks are appropriate and effective.**

Measures (general):

By integrating our expectations into the supplier selection process, we try to identify potential risks at an early stage and, if possible, avoid them through targeted selection or deal with them in a structured, preventative manner. We generally expect each of our suppliers to take note of our expectations, which are summarized in our Supplier Code of Conduct, or, if they are a supplier with increased risk potential, to ensure compliance and implementation of the expectations along the supply chain by the contractual assurance. In particular, if an increased risk potential is identified, we use the contractual assurance concept to ensure that our specific risk analysis and a catalog of preventive measures ensure that we identify our specific priority risks with regard to suppliers and minimize them in cooperation with the suppliers. Depending on the risk potential identified, we request further evidence to further limit and specify the risk or specific measures, such as sustainability audits.

By agreeing contractual assurances with our risk suppliers, we sensitize our business partners to our human rights and environmental expectations as part of the associated negotiation process. We implement the agreed control measures within the appropriate framework of a prioritization and implementation strategy, e.g. through accompanying self-assessments, supplier visits, accompanied audits or audits carried out externally by third parties.

Further risk-based control measures are planned and implemented on a business-specific basis. This is based on an individual implementation strategy that is geared towards the identified risks, business requirements and other prioritization criteria, such as the ability to exert influence. Risk-based control measures range from self-disclosures and structured supplier visits to externally commissioned sustainability audits. Where possible, suppliers can also be asked to join industry initiatives/standards.

The effectiveness of preventive measures is assessed on an ongoing basis. The key factor here is monitoring whether the measures implemented have reduced the risks identified at our suppliers.

Training courses:

We use our training formats to raise awareness of human rights and environmental due diligence obligations among our direct suppliers. The training sessions explain our expectations of our suppliers and why it is important that our employees emphasize the importance of our suppliers' compliance with due diligence obligations. In addition, the training focuses on ensuring that participants understand how thyssenkrupp's approach to supplier due diligence is designed and integrated into our purchasing processes. There is also a focus on the topics of "contractual assurance" and maintaining the information in our Group-wide IT tool for human rights and environmental due diligence in the supply chain as well as the complaints processes installed at thyssenkrupp.

## B. Risk analysis and preventive measures

### B5. Communication of the results

Were the results of the risk analysis(es) for the reporting period communicated internally to relevant decision-makers?

It is confirmed that the results of the risk analysis(es) for the reporting period have been communicated internally to the relevant decision-makers, such as the Executive Board, the management or the purchasing department, in accordance with Section 5 (3) LkSG.

- Confirmed

## **B. Risk analysis and preventive measures**

### B6. Changes to the risk disposition

**What changes occurred with regard to priority risks compared to the previous reporting period?**

No comparison can be made with the previous reporting period, as this is the first report.



## C. Identification of violations and corrective measures

### C1. Identification of violations and corrective measures in own business area

**Were any breaches identified in your own business area during the reporting period?**

- No

**Describe which procedures can be used to detect violations in your own business area.**

Violations in your own business area can be determined using the complaints procedure, among other things. Further information on the complaint's procedure can be found under "D Complaints procedure".

The survey of group companies as part of the risk analysis in the own business area is suitable for potential breaches in own business area.

The training and information provided to employees them to recognize violations and report them to the relevant internal departments.

## C. Identification of violations and corrective measures

### C2. Identification of violations and corrective actions at direct suppliers

**Were any violations identified at direct suppliers during the reporting period?**

- Yes

**Describe the basis on which the identified violations were weighted and prioritized and what considerations were made.**

The issues identified at direct suppliers during the reporting period were assessed using the following criteria and, where necessary, weighted and prioritized:

Classification as a violation within the meaning of Section 2 (2) and (3) LkSG Type, scope and duration of the violation

(Individual case/systematic)

Severity of the violation, taking into account the impact on the people affected, in particular with regard to the irreversibility and irreparability of the damage thyssenkrupp's ability to influence and contribution to causing the violation or risk within the meaning of Section 3 (2) LkSG

If violations within the meaning of Section 2 (4) LkSG or other relevant deviations were found on this basis, these were transferred to a structured corrective action plan and were or are processed by the purchasing organization responsible for the supplier (if necessary, with the involvement of other specialist departments), considering the prioritization of risks and the severity of the violations.

**In which areas were violations identified at direct suppliers?**

- Disregard for occupational health and safety and work-related health hazards

**Describe the appropriate remedial action you have taken.**

In all cases, structured corrective measures were defined as part of a corrective action plan, agreed with the supplier and implemented by the respective purchasing department of thyssenkrupp Rasselstein GmbH responsible for the supplier in cooperation with the supplier, as well as following it up. Some of the corrective actions are still being processed (in accordance with the Corrective Action Plan). The corrective measures are based on the respective breaches of duty identified.

The following remedial measures, among others, were agreed with the affected suppliers with regard to the identified violations of occupational health and safety regulations and work-related health hazards in the company:

- Carrying out fire drills: It has been agreed that all shifts, including the night shift, will participate in the fire safety and evacuation drills in order to ensure full safety for all employees.
- Installation of eye showers in the maintenance area: Agreement on the installation of eye showers to enable rapid first aid measures in the event of eye injuries caused by the use of paints.
- Securing lifting hooks: Agreement on the installation of hook safety devices for cranes in all flat production buildings to minimize the risk of accidents.

**Describe what considerations were made with regard to the selection and layout of the measures as part of the corresponding follow-up concepts for termination and minimization**

Immediately after the respective violations became known, the direct suppliers were requested to respond within a short period of time. In the case of the breaches of duty described, this was already

done as part of an audit. Based on the breaches of duty identified in the corresponding audit, individual measures were defined to end the breaches or minimize their impact. When prioritizing the measures, the consequences of the violations for the individuals affected and the extent to which damage can be repaired also played a special role in the reporting period. These defined measures are documented and scheduled in a corrective action plan and have been/will be tracked until they are confirmed as having been rectified. Depending on the type and scope of the breach of duty, the defined measures are completed by means of a written confirmation, evidence (e.g. photo documentation), follow-up inspections on site or follow-up audits.

**Describe how the effectiveness of the corrective measures is verified.**

As part of internal LkSG audits, the process for the effective implementation of remedial measures was reviewed at the reporting units in the Steel segment. In addition to this, the measures introduced were reviewed as part of the audits carried out, with the results of the audits being incorporated into the further development and implementation of the Corrective Action Plan.

**Have the remedial measures led to the cessation of the violation?**

- Partial

**Explain.**

Some of the breaches of duty were still being addressed at the time of reporting. Ending violations is an ongoing process that is implemented in close cooperation with the concerned suppliers in order to ensure sustainable improvements. All measures are monitored and followed up in accordance with the deadlines set out in the Corrective Action Plan.

**Have you analyzed to what extent the identified violation is an indication of a possible adjustment/addition to existing prevention measures? Describe the process, results and impact.**

On the one hand, the findings from the breaches of duty identified confirm our approach of using audits to create transparency, raise awareness and make concrete improvements at strategic and high-risk suppliers.

On the other hand, the priorities identified were used to further develop the existing preventive measures. In the current reporting year, for example, the portfolio of external sustainability audits was expanded to include additional providers and standards to ensure better coverage of risks. In addition, supplier training on due diligence obligations was revised and will be made available as an e-learning module to achieve a broader and continuous sensitization of business partners with regard to human rights and environmental obligations. These measures help to ensure that prevention is better aligned with the real risks identified in order to avoid future violations.

## C. Identification of violations and corrective measures

### C2. Identification of violations and corrective actions at direct suppliers

**If there were breaches at direct suppliers during the reporting period that could not be resolved within a foreseeable period of time:**

**Describe the cases in which violations could not be resolved.**

At one supplier, individual agreed remedial measures were not yet fully implemented in the reporting period and therefore did not fully end the violation. This related to the disregard for occupational health and safety and work-related health hazards.

The decision on remedial measures is the responsibility of the individual business units in accordance with the Group's internal regulations and is made on a case-by-case basis. The business units are encouraged to find solutions with suppliers in the spirit of a long-term partnership and to only ever consider the termination of business as a last resort.

## C. Identification of violations and corrective measures

### C2. Identification of violations and corrective actions at direct suppliers

**If there were breaches at direct suppliers during the reporting period that could not be resolved within a foreseeable period of time:**

**Describe what long-term remedial measures have been taken, in particular what trade-offs have been made with regard to the selection and design of the measures as part of the corresponding follow-up concepts for termination and minimization.**

Long-term remedial actions have been adapted to the supplier's context and challenges. Regular information on the progress of the measures is obtained to ensure that the supplier rectifies the problems in accordance with agreed implementation deadlines. Violations are weighted and measures are identified, communicated and monitored to ensure improvements. The aim remains to develop sustainable solutions in collaboration with audit service providers and suppliers, with business termination only as a last resort to promote long-term partnerships and compliance with due diligence obligations. Regular risk analyses ensure a continuous review of suppliers to identify risks at an early stage and take action. The measures are aimed at finding suitable solutions to minimize the risks depending on the breach of duty, be it by supporting suppliers to make sustainable improvements or through alternative sources of supply. At the time of reporting, long-term remedial measures for the protected legal position "Disregard of occupational health and safety and work-related health hazards" are being processed at direct suppliers. The selection and design of these measures were agreed in accordance with the Corrective Action Plan based on appropriateness for termination or minimization and are carefully followed up within the specified deadlines.

## C. Identification of violations and corrective measures

### C2. Identification of violations and corrective actions at direct suppliers

**If there were breaches at direct suppliers during the reporting period that could not be resolved within a foreseeable period of time:**

**Describe how the effectiveness of the corrective measures is verified.**

The effectiveness of the remedial measures is ensured by various methods. The respective method depends on the type of breach of duty identified. This may, for example, involve following up a corrective action plan resulting from an audit or carrying out re-audits or targeted supplier visits. All information is documented to enable continuous tracking of the measures and to check their effectiveness.

## C. Identification of violations and corrective measures

### C2. Identification of violations and corrective actions at direct suppliers

**If there were breaches at direct suppliers during the reporting period that could not be resolved within a foreseeable period of time:**

**Describe what the specific timetable for the concept looks like.**

The corrective measures are implemented as part of a structured corrective action plan that defines clear deadlines for eliminating the identified breaches of duty. These deadlines have been communicated to the affected suppliers and are tailored to the severity and priority of the violations. Serious violations are eliminated first to ensure a rapid improvement in conditions. Where necessary, follow-up audits are scheduled in coordination between the audit service providers and the suppliers to check the progress and implementation of the measures. Regular supplier confirmations are carried out to document the implementation status of the corrective action plan and to ensure that all measures are carried out as planned.

In addition, thyssenkrupp Steel Europe AG and thyssenkrupp Rasselstein GmbH are in close contact with the suppliers concerned to offer support in implementing the measures within the scope of their own possibilities and to ensure that the agreed deadlines are met. Regular audits and reviews are carried out to continuously monitor progress and ensure that all planned measures are effective in the long term.

## C. Identification of violations and corrective measures

### C2. Identification of violations and corrective actions at direct suppliers

If there were breaches at direct suppliers during the reporting period that could not be resolved within a foreseeable period of time:

Specify which measures were taken into consideration when creating and implementing the concept.

- Joint development and implementation of a plan with the company that caused the injury
- Others: Preparation and agreement of a corrective action plan for the targeted rectification of the respective individual violation



## C. Identification of violations and corrective measures

### C2. Identification of violations and corrective actions at direct suppliers

If there were breaches at direct suppliers during the reporting period that could not be resolved within a foreseeable period of time:

In how many cases was the business relationship with one or more direct suppliers terminated as a result of the breaches?

None

## C. Identification of violations and corrective measures

### C3. Identification of violations and corrective actions for indirect suppliers

**Were any violations identified at indirect suppliers during the reporting period?**

- No

## D. Complaints procedure

### D1. Establishment of or participation in a complaints procedure

**In what form was a complaints procedure offered for the reporting period?**

- In-house complaints procedure

**Describe the company's own process and/or the process in which your company participates.**

To counteract violations of laws and internal group regulations at an early stage and reduce damage to thyssenkrupp employees and business partners, thyssenkrupp has established a grievance procedure for all group companies. This procedure covers possible violations of human rights and environmental due diligence obligations and ensures that information in this regard can be reported, received and processed by both thyssenkrupp employees and external parties, such as our direct and indirect suppliers and their employees.

The complaints procedure enables anonymous, barrier-free and worldwide submission of complaints on request. Every whistleblower receives a confirmation of receipt, if all the necessary information has been provided.

As part of our process, we protect the interests of whistleblowers not only by setting up a secure whistleblowing system, but also by promising to treat incoming reports confidentially and to protect whistleblowers acting in good faith against any disadvantages resulting from a report by any means necessary. You can also report information completely anonymously, provided that it is legally permissible.

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

The persons entrusted with the management of the whistleblower system guarantee impartial action, are independent, are not bound by instructions and are obliged to maintain confidentiality. The above also applies accordingly to the complaints channel set up as part of the International Framework Agreement (IFA), which also receives reports relevant to the protection of intellectual property.

## D. Complaints procedure

### D1. Establishment of/or participation in a complaint's procedure

**Which potentially involved parties have access to the complaint's procedure?**

- Own employees
- Communities in the vicinity of own locations
- Employees at suppliers
- External stakeholders such as NGOs, trade unions, etc
- Other: any legal and natural person

**How is access to the complaint's procedure ensured for the various groups of potentially involved parties?**

- Publicly accessible rules of procedure in text form
  - Information on accessibility
  - Information on responsibility
  - Information on the process
- 
- All information is clear and understandable
  - All information is publicly accessible

#### Publicly accessible rules of procedure in text form

**Optional: Describe.**

-

#### Information on accessibility

**Optional: Describe.**

-

#### Information on responsibility

**Optional: Describe.**

-

#### Information on the process

**Optional: Describe.**

#### All information is clear and understandable

**Optional: Describe.**

-

#### All information is publicly accessible

Optional: Describe.

-

## D. Complaints procedure

### D1. Establishment of/or participation in a complaints procedure

**Were the rules of procedure for the reporting period publicly available?**

File has been uploaded

**The Rules of Procedure:**

<https://www.thyssenkrupp.com/de/verfahrensordnung-beschwerdeverfahren-tkag>

## D. Complaints procedure

### D2. Requirements for the complaints procedure

**Indicate the person(s) responsible for the procedure and their function(s).**

1. Compliance Officer of the Legal & Compliance - Compliance Investigation of thyssenkrupp AG (receipt of the complaint, plausibility check and forwarding; procedural rules)
2. Labor Relations Expert of the Human Relations Management - Labor Affairs & Pensions of thyssenkrupp AG (receipt of the complaint, plausibility check and processing/forwarding)
3. Person(s) responsible in each business unit (further processing of the complaint and documentation)

**It is confirmed that the criteria contained in Section 8 (3) LkSG are met for the responsible parties, i.e. that they offer the guarantee of impartial action, are independent and not bound by instructions and are obliged to maintain confidentiality**

- Confirmed

## D. Complaints procedure

### D2. Requirements for the complaints procedure

**It is confirmed that precautions were taken during the reporting period to protect those potentially involved from being disadvantaged or penalized as a result of a complaint.**

- Confirmed

**Describe what precautions have been taken, in particular how the complaints procedure ensures the confidentiality of the identity of whistleblowers.**

The SCA Officer Business BS SE is responsible for the operational processing of incoming complaints and works according to the "need to know" principle, thereby ensuring the confidentiality of the identity of whistleblowers. We ensure that the interests of whistleblowers are protected by providing a whistleblowing system that is secure in terms of IT technology and data protection law, as well as corresponding systems if their use becomes necessary. In addition, we are obligated to treat incoming reports confidentially and to take all necessary measures to protect whistleblowers acting in good faith from any possible disadvantages that could result from a report. In this respect, information can also be reported completely anonymously, if legally permissible.

**Describe what precautions have been taken and what other measures are in place to protect whistleblowers.**

Whistleblowers are also protected by a specially secured IT tool for reports. Furthermore, we sensitize potentially involved employees/departments, who may have to deal with the whistleblowers, or the processing of the reports received, through appropriate training.



## D. Complaints procedure

### D3. Implementation of the complaints procedure

Did you receive any information with the help of the complaints procedure during the reporting period?

- No

## E. Review of risk management

**Is there a process in place to review the appropriateness and effectiveness of risk management across the board?**

**In which of the following areas of risk management is the appropriateness and effectiveness checked?**

- Preventive measures
- Remedial measures
- Complaints procedure

**Describe how this audit is carried out for the respective area and what results it has led to, particularly regarding the prioritized risks.**

The effectiveness of preventive and remedial measures and complaints procedures is reviewed on an ongoing and event related basis.

The thyssenkrupp Group's Chief Compliance Officer and General Counsel are responsible for the effectiveness review; they report on the results of the review to the thyssenkrupp AG Executive Board at least once a year. The effectiveness review at thyssenkrupp consists of two components: Firstly, a review is carried out by means of internal audits. The audits focus on all legal interests and positions protected by the LkSG, such as human and environmental rights, as well as the effectiveness of the company's internal LkSG risk management system, including both areas of application. On the other hand, both quantitative and qualitative indicators are used for the review. Both components serve to identify and implement potential improvements to the existing LkSG risk management system. The review of the preventive measures is oriented on the extent to which they adequately address the identified risks. On the one hand, this is done by asking specific questions in the above-mentioned audits. On the other hand, the documentation is used to check the extent to which prioritized risk mitigations result from already established preventive measures and the extent to which further adjustments may be necessary. During the reporting period, no risks were identified in the units audited that would have required such adjustments. The effectiveness of the remedial measures introduced is reviewed on a case-by-case basis.

This is accompanied by an audit for thyssenkrupp Rasselstein GmbH by the SCA Risk Manager SE-PS, who reports on the results of the audit to the management of thyssenkrupp Rasselstein GmbH at least once a year. A separate audit of the appropriateness of the risk management system implemented and applied on the basis of Group-wide requirements was not deemed necessary at BS SE level in the reporting period. In this respect, the determination of the appropriateness of the system implemented at BS SE participates in the determination of the appropriateness of the Group-wide system.

The effectiveness of preventive measures, corrective measures and the complaints procedure at thyssenkrupp Rasselstein GmbH was reviewed once during the reporting period as part of a structured process and if necessary. The functional areas responsible for implementing the LkSG and the reporting company thyssenkrupp Rasselstein GmbH were reviewed by means of the aforementioned internal LkSG audits conducted by thyssenkrupp AG; in addition, the SCA Risk Manager BS SE conducted further event-related surveys of relevant business areas.

During the reporting period, no deviations were identified in the units examined by means of audits and other means of knowledge.

The effectiveness of the complaint's procedure provided centrally by thyssenkrupp AG and shared by BS SE and SE-PS is checked, among other things, by the number of complaints received, the number of justified and unfounded complaints and the number of open complaints. In addition, a detailed evaluation of the quality and processing of the complaints received is carried out, usually by closely involving the SCA Risk Manager BS SE or the SCA Risk Manager SE-PS in the final assessment. The review revealed that the complaints procedure was effective during the reporting period.

## E. Review of risk management

**Are there processes or measures in place to ensure that the interests of your employees, the employees within your supply chains and those who may otherwise be directly affected in a protected legal position by the economic activities of your company or by the economic activities of a company in your supply chains are adequately taken into account when establishing and implementing risk management?**

**In which areas of risk management do processes or measures exist to take into account the interests of those potentially affected?**

- Preventive measures
- Remedial measures
- Complaints procedure

**Describe the processes and measures for the respective area of risk management.**

Taking into account the interests of potentially affected parties is a central task for us in the continuous improvement process of risk management.

Thyssenkrupp has always been committed to its responsibility as a fair employer. This means that we take our social responsibility seriously, are committed to good working conditions worldwide and also expect certain principles and standards from suppliers and business partners. This requires minimum standards.

For this reason, thyssenkrupp AG, the European Works Council, the Group Works Council, the IG Metall trade union and IndustriALL Union concluded an International Framework Agreement (IFA) on global minimum labor standards for the entirety of the Group on March 16, 2015.

In addition to the recognition of the ILO core labor standards and the Universal Declaration of Human Rights, the IFA includes principles on good occupational health and safety, opportunities for professional and personal development, the right to appropriate remuneration, the prohibition of child and forced labor and the prohibition of discrimination of any kind.

We want these standards and principles to be implemented throughout the whole of the thyssenkrupp Group. Violations are therefore investigated. An online-based reporting system is available to record possible violations. All employees and third parties have the opportunity to report anonymously and by name if they see that standards and principles are not being adhered to.

A so-called International Committee, set up with the participation of the Group Works Council, European Works Council and trade union, has the task of intervening in the event of infringements or disputes that cannot be resolved locally. Through this committee, the interests of the employees are integrated in pursuing the minimum standards.

We also try to integrate the perspective of potentially or actually affected persons or groups of persons as much as possible through our external cooperation with relevant initiatives such as the UN Global Compact, Econsense, the Human Rights Working Group of the German Institute for Compliance and the Federation of German Industries. We also take on board informations from suppliers.