



POLICY STATEMENT ON HUMAN RIGHTS AND ENVIRONMENT

As globally engaged enterprises, the companies of the SHS Group, explicitly also including Dillinger and Saarstahl, are committed to the internationally recognized human rights standards and pursue a clear human rights strategy.

A central aspect of our strategy is to achieve economic success with the greatest possible respect for our fellow human beings, the environment/natural resources, and by fair, lawful business practices.

These basic ideas already find their expression in our **Code of Ethics** in force since 2012. In 2020, we published the **Code of Conduct for Sustainable Sourcing**. In addition to which we have been a business member of the UN Global Compact since 2021.

Besides the guidelines of the UN Global Compact, we are committed to all national and international standards applicable to us for respecting human rights and environmental protection. Compliance with the principles listed below is the basis of all our business relations with our suppliers as well as our employees:

- Respect for human rights, especially rejection of all forms of child labour, forced labour and slavery
- Commitment to occupational safety
- Respect for the freedom of association
- Prohibition of unequal treatment in employment and the hiring process
- Prohibition of withholding an adequate minimum wage laid down by applicable law
- Prohibition of causing harmful environmental factors unlawfully impairing the population's natural bases of life
- Prohibition of unlawful forced eviction from/expropriation of land, forests and waters attributable to business activities insofar as their use serves the population's livelihoods
- Prohibition of the hiring or use of private or public untrained security personnel for protecting the entrepreneurial project who resort to means of torture or other inhumane methods, injure body or life, or impair the freedom of association
- Prohibition of an illegal handling of mercury, persistent organic pollutants and waste



We have refined our human rights strategy and management of supply chain due diligence in keeping with the requirements, inter alia the German Act on Corporate Due Diligence Obligations in Supply Chains. This involves annual risk-oriented analyses of our supply chains and internal business processes, the derivation of necessary precautionary and remedial measures, awareness-raising amongst the staff, and the documentation of all relevant processes and measures, including the reporting. To this end, the internal departments are continuously identified based on the needs, and involved in the implementation. The implementation of the requirements is regularly evaluated and audited in-house, if necessary also ad hoc.

The starting point of the supplier risk analysis are first of all the risks associated with the country and branch of industry. These are concretized in a defined process. As a company in the steel industry, we can for example be exposed to higher risks amongst our suppliers in the area of resource procurement. We inter alia counter these risks by deliberately selecting our business partners with regard to the observance of and respect for human rights. It is our declared aim to contractually anchor our Code of Ethics in every business relationship. If we discover that our requirements are not being met, we work towards the suppliers recognizing and implementing suitable remedial measures, and addressing them along their supply chain as required, to the extent that we are able to influence them. Findings from incidents that have become known and from applied remedial measures are taken into account in the supply chain management in keeping with the aforementioned German Act. Improvement measures in this respect are based on reports of CSR risk checks, the information provided by the UN Global Compact, and own measures.

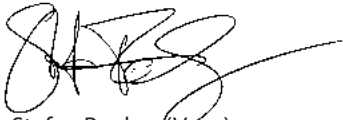
The risk analysis in our own business area is based on the static appraisal of the relevant areas of activity, supplemented by an annual self-assessment. This process takes into account that our production and manufacturing processes take place in the EU without exception, as well as the aspects of co-determination in coal and steel (German Co-Determination Act for the Coal, Iron and Steel Industry), the certifications in OHSAS and environmental areas, as well as a whistleblower system in place since 2020 that is publicly accessible to all stakeholders.

The responsibility for the implementation of this human rights strategy is borne by the entire company management. This tone-from-the-top approach underscores the responsibility we want to assume for the respect for human rights and environmental protection.

The implementation of the supply chain management is integrated in the workflows of the competent departments. The pursuit of the human rights strategy, including the risk analysis, communication with suppliers, derivation and implementation of the respective prevention and precautionary measures is incumbent upon the respectively responsible purchasing and procurement departments. Other superordinate tasks such as the external and internal communication, the organization and performance of training and awareness-raising measures, and continuous evaluation and improvement of the implemented process are realized across the departments. The compliance with our CSR strategy and environmental goals is separately reported in a sustainability report.



SHS – Stahl-Holding-Saar, Dillinger, Saarstahl –
Management Board and Managing Directors
August 2023



Stefan Rauber (Vors.)
*Chairman of the Board of Management SHS,
CEO Dillinger Saarstahl*



Daniel Nicolaas Van der Hout
*Member of the Board SHS,
Member of the Board
Dillinger, Saarstahl*



Joerg Disteldorf
*Member of the Board SHS,
Member of the Board
Dillinger, Saarstahl*



Markus Lauer
*Member of the Board SHS,
Member of the Board
Dillinger, Saarstahl*



Dr. Peter Maagh
*Member of the Board SHS,
Member of the Board
Dillinger, Saarstahl*



Jonathan Weber
*Member of the Board SHS,
Member of the Board
Dillinger, Saarstahl*