

Statement on Human Rights, Environment & Ethics



**Swiss
Steel**
Group

December 8th, 2024 Approved by
the Executive Board of Swiss Steel Holding AG

Letter to the Stakeholders



Frank Koch
Chief Executive Officer



Thomas Löhr
Chief Financial Officer



Patrick Lamarque D'Arrouzat
Chief Sales Officer

Swiss Steel Group believes that operating with the highest standards of ethics, integrity and sustainability is a prerequisite for long-term economic success, but we recognize that this is a challenge.

Our Group is based in over 25 countries in the world and 5 continents, and this global footprint brings a diversity of laws, regulations, as well as political developments in the different regions of the world that we cannot influence. In addition, our supply chain which is mainly based around our facilities is international for some specific products. This triggers a diversity of risks that the Swiss Steel Group is committed to manage.

The Board of Directors, the Executive Board and all the employees of the Swiss Steel Group are determined to adhere to respecting human rights, the associated environmental commitments, and ethical values in line with our Corporate Responsibility. We contribute today on all levels with our own business activities and our employees, we influence our global supply, and we will continue to do so as this is important not only for our employees and financial stability, but beyond that for our future generations and our planet.

Frank Koch

Thomas Löhr

Patrick Lamarque D'Arrouzat

Expectations

To demonstrate our commitment, we have aligned our business activities and strategy with the internationally recognized United Nations Guiding Principles on Business and Human Rights.



Click for United Nations Guiding Principles on Business and Human Rights

In this document we want to reaffirm our:

- Rejection of child labor, forced labor, unfair working conditions, any form of discrimination, or restrictions on rights of associations, and abusive use of security forces, and our
- Commitment to respect the Minamata, Basel and Stockholm convention as well as the Conflict minerals regulations.

Our company's position on Human Rights, Environment and many other Ethics standards is clearly detailed in our Swiss Steel Code of Conduct and Supplier Code of Conduct where we describe our business practices and expectations for our employees and suppliers.

These two documents were recently updated using:

- The internationally recognized standards: United Nations Guiding Principles on Business and Human Rights, United Nations Universal Declaration of Human Rights, Standards of the International Labor Organization (ILO) and
- Relevant national laws such as the German Supply Chain Act, the Swiss ESG law, the French Anti-corruption law, the UK Anti Bribery Act and the US Foreign Corrupt Practices Act.



Click for Swiss Steel Code of Conduct



Click for Supplier Code of Conduct



Click for United Nations Guiding Principles on Business and Human Rights



Click for United Nations Universal Declaration of Human Rights



Click for Standards of the International Labor Organization (ILO)



Click for German Supply Chain Act



Click for Swiss ESG law



Click for French Anti-corruption law



Click for UK Anti Bribery Act



Click for Foreign Corrupt Practices Act

Approach

Swiss Steel Group has taken Group-wide actions in recent years to ensure a holistic approach. Our Group has invested significantly in its compliance, human rights and environmental programs and has implemented several measures to control and monitor our own risks and those of our business partners.

Management Organization

The Board of Directors and the Executive Board of the Swiss Steel Group have decided to onboard all the employees of the Group in this journey. This important investment in terms of time and resources is crucial to ensure that our entire group and workforce are fully committed.

Each Legal entity within the Group has a **Compliance Officer overseeing Human Rights, Environmental, and Ethical issues**. This team is reporting to the local management and to the Corporate Compliance responsible of Swiss Steel Group. This process enables our employees to have a proximity and close contact with a local person to support them if required.

Local Management and Swiss Steel Group management are fully onboard, as we organize quarterly **management meeting updates** with each Production Assets of the Group to ensure that all management members are aware of the upcoming challenges (new laws, new risks identified, new third-party requests, etc.). In this meeting the local Compliance Officer overseeing Human Rights, Environmental, and Ethical issues and Corporate Compliance participate and use the opportunity to exchange with management on their specific needs and possible adaptations required vs. the Group plan.

Communication, Policies and Trainings

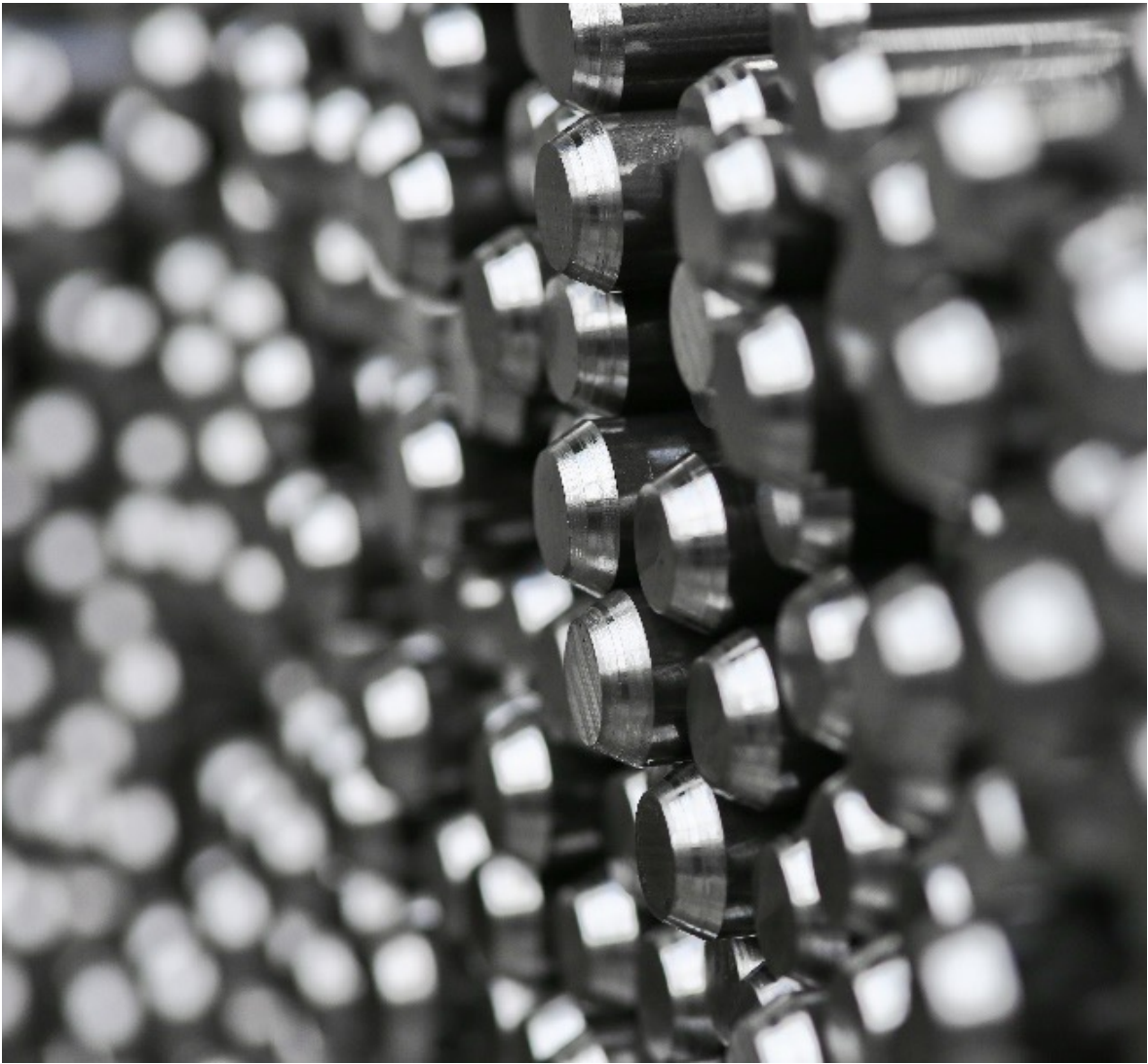
Quarterly **communications** on Human Rights, Environment and Ethics are made available to all the employees of the Group or specific target groups in the three main spoken languages of the Group ensuring that employees are reminded about the standards and rules in place as well as the main points to be vigilant on.

The above communications are often linked to the issuance of new or updated **policies**, that we regularly review and update following the identification of new business needs, new risks, or regulatory changes. In the last 24 months Swiss Steel Group has updated or issued new documents internally or externally such as the Swiss Steel Code of Conduct and Supplier Code of Conduct, the Anti-corruption policy, the Human Rights Policy, the Environmental Policy and the Due Diligence policy. Further combined with the above and to ensure a large scale and close contact with the Compliance Officers overseeing Human Rights, Environmental, and Ethical issues in general, Swiss Steel Group has entered into a large-scale **training** plan including face to face trainings for the employees that are most exposed to risks (ability to see, detect and report human rights, environmental, or ethical risks). Those trainings are conducted in different formats to ensure a full coverage of the entire workforce with face-to-face trainings, e-learning's, and videos.



Whistleblower Line

Finally, to complete the before-mentioned measures we also have a **whistleblower system** in place, communicated through posters at all our sites, in local languages; backed up with an annual communication plan from the Group CEO to all employees in the Group. This system is a critical element of our compliance management system to ensure that risks on Human Rights Environment and Ethics in general are raised. The Ethics Steering Committee (composed of the Group Heads of Human Resources, Legal, Internal Audit and Compliance) is responsible for reviewing alerts received from the whistleblower line and deciding the next course of action. This system is published on our internet, intranet, as well as on our code of conduct and supplier code of conduct to ensure that our employees and all our business partners have access to it.



Risk Assessment and Due Diligence

Swiss Steel Group’s main entities are performing a **Compliance Risk Assessment** on a yearly basis covering anti-corruption, human rights, environmental, antitrust, sanctions, etc. This risk assessment is completed by the Compliance Officer overseeing Human Rights, Environmental, and Ethical issues in general. They are responsible to conduct interviews across the legal entities within their scope. This assessment focusses on Swiss Steel Group operations and is used to adjust our internal policies, controls, and potentially our plan within the organization to prevent or detect specific risks if applicable.

To ensure a full picture of Swiss Steel risks, the Group conducts a **supplier risk assessment** supported by the Group in close collaboration with the subsidiaries as part of our spent is done with shared suppliers. The suppliers risk assessment is performed in a two-stage approach including:

(A) Reputational and sanction screening focusing on (1) sanctions and embargoes screening, (2) publicly available legal decisions taken by governments and (3) adverse media reporting on possible wrongdoings.

(B) Swiss Steel Group’s enhanced risk assessment. It is important to note that the risk assessment focusing on anti-corruption, human rights and environmental risks across our direct suppliers is tailor-made by Swiss Steel Group to ensure that risks linked to (1) our supplier activity (services or goods), (2) their subsequent supply chain risks, and (3) the location of the supplier are included. Our Supplier Profile Risk indicates the level of risk that third parties represent to Swiss Steel Group including its own supply chain.

Swiss Steel Group has invested in a tool to support the **due diligence process**. The Group tool not only identifies potential red flags promptly, but also helps the Group’s procurement professionals to better understand and mitigate the ESG-related risk in the supply chain. The Procurement team together with the Compliance Officers and the relevant internal experts, are now able to ask simple clarifications from suppliers, send **detailed questionnaires** or even proceed to audits when required. Those tasks are traceable within the tool. To complete those actions, the Group has as well taken some other

measures such as the **signature of the Supplier Code of Conduct**, or the introduction of additional or specific clauses for specific suppliers with elevated risk. As a result of the above, **the Due Diligence Risk Committee** (including the Group Head of Procurement, Compliance and Sales) can be contacted for taking further measures in case of confirmed violations, such as temporary suspension of the business relationship or termination of the business cooperation whenever necessary.

Audits & Legal Reporting

Swiss Steel Group is a Swiss stock listed group and as such follows the legal obligations of an **Audit Committee, an Internal Control System, Internal Auditors**, External Auditors, an Annual Financial Report, and an Annual Non-Financial Report. Within the scope of the Internal Audit and External Audit the above-mentioned processes are controlled either via design or via sample. To complete the control above mentioned, our third parties and particularly our customers are auditing us to ensure that our compliance with the different international standards are respected in matters of Human Rights, Environment and Ethics in general.

Swiss Steel Group and its major subsidiaries are in scope of several national regulations requiring **reporting** on Human Rights, Environment and Ethical measures and activities around those matters. The Group and its subsidiaries are committed to comply with these regulations.



Contact

For further details on the activities of the Swiss Steel Group and its subsidiaries in matters of sustainability, we recommend you to consult our Annual Non-Financial Report.



Click for Annual Non-Financial Report

If you have any questions or comments about this document, please contact Corporate Compliance team:

Swiss Steel Holding AG
Landenbergstrasse 11
6005 Lucerne
Switzerland
+41 (0)41 581 40 00
compliance@swisssteelgroup.com
[swisssteelgroup.com](https://www.swisssteelgroup.com)

If you want to remain anonymous, please use our SpeakUp Line:



Click for Whistleblower System

This Declaration of Principles has no retro-active effect and will enter into force on 8th of May 2024. No rights of individuals or third parties can be derived from it. We review this policy statement annually and on an ad hoc basis and will update it immediately if we become aware of any changes or expanded risks.