

# Principles of compliance with human rights and environmental due diligence requirements of thyssenkrupp AG

January 2024





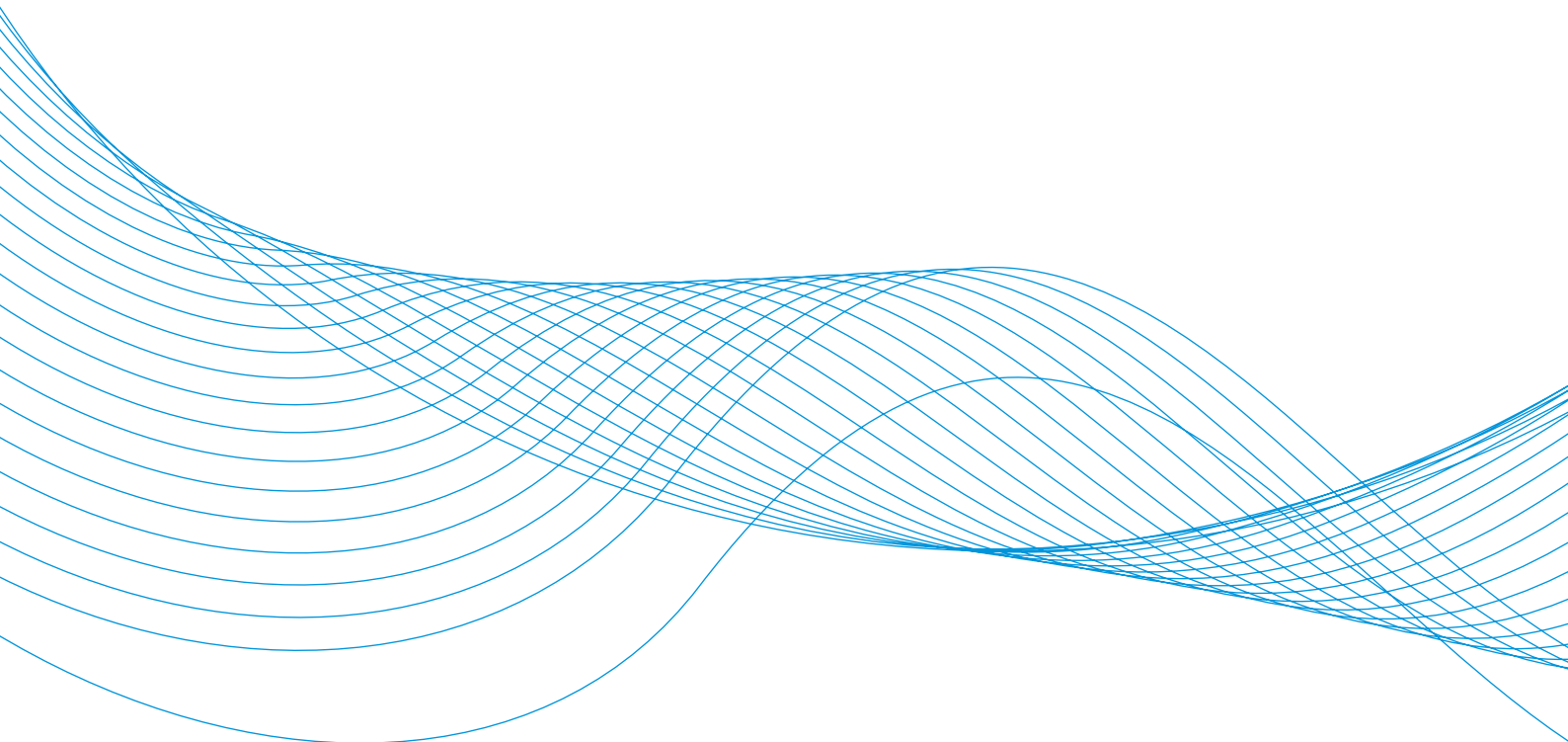
# Preface

thyssenkrupp is committed to the highest sustainability standards, which encompass good corporate governance and environmental and social responsibility. As an international industrial and technology company we source raw materials, goods and services worldwide.

For us, the focus is on people. This applies equally to everyone, both our own employees and our suppliers.

At thyssenkrupp we have created a groupwide compass in our mission statement to guide our actions and behaviour. Our fundamental values naturally included respect for human rights and basic environmental standards.

Our values such as personal responsibility, openness and transparency, as well as conduct that complies with the law and is ethically correct at all times, play an important role in this.



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

As thyssenkrupp Group we comply with all applicable laws, regulations and standards in the countries in which we operate and expect our suppliers to do the same. Where national laws contain more comprehensive regulations than those applicable at thyssenkrupp itself, national law takes precedence. We expect both our Group companies and executives, board and management members and other employees and our suppliers to comply with the principles of the United Nations Global Compact; the United Nations International Bill of Human Rights; the International Covenants on Civil and Political Rights and on Economic, Social, and Cultural Rights; and the core labor standards promulgated by the International Labor Organization (ILO). Our other human rights and environmental expectations<sup>1</sup> are also to be noted and observed by all our employees as well as our suppliers:

- **Child labour:**  
Compliance with the prohibition and refraining from all forms of child labour;
- **Discrimination:**  
Ensuring a work environment free from discrimination on the basis of gender, colour, religion, nationality, political or other opinion, ethnic origin, disability, age, sexual orientation and identity or any other characteristic;
- **Forced labour:**  
rejection of any form of forced or compulsory labour, slavery or trafficking in human beings;
- **Freedom of association:**  
the right to form workers' representative bodies and to strike and bargain collectively;
- **Remuneration and working hours:**  
Compliance with applicable national legislation on working hours, remuneration, minimum income and social benefits or ILO international standards in the absence of national regulations;
- **External personnel:**  
Irrespective of the type of contract, the applicable national law is observed in the deployment of external personnel in contractual and labour relations. External personnel must be sensitized and monitored through appropriate measures, particularly with regard to human rights risks;
- **Occupational health and safety:**  
Establish and apply appropriate occupational health and safety management to best prevent accidents and work-related illnesses;
- **Protection of freedom of expression, personal rights and privacy;**
- **No harmful soil alteration, water pollution, air pollution, harmful noise emission or excessive water consumption** likely to have a significant adverse effect on protected rights and legal assets;
- **No unlawful appropriation of land, forests and waters**, the use of which secures the livelihood of people;
- **No violation of environmental obligations<sup>2</sup>** resulting from either the use, storage, transboundary movement or disposal of mercury (compounds), persistent organic substances or hazardous waste.

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

<sup>2</sup> Comply 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.

## Our approach to human rights and environmental due diligence

thyssenkrupp has developed a groupwide concept and 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 departments which are responsible for implementing due diligence in our Own Business Area<sup>3</sup> or in our supply chain with further experts. This integrated approach is also reflected in the responsibilities of our Executive Board members for human rights and environmental protection.

The SCA<sup>4</sup> Council Group steers the implementation of our concept for compliance with human rights and environmental due diligence obligations within the Group. This body 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 Executive Board of the thyssenkrupp Group. The SCA Council Group includes various group functions, departments and representatives from among our segments as members.

In addition, there is a regular groupwide exchange between the SCA Council Group and experts and managers from the segments.

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

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

thyssenkrupp works continuously to analyze the human rights and environmental impacts of our business activities in order to minimize potential risks and prevent them from occurring. To this end thyssenkrupp has created a groupwide 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> comprising risk analyses, processes for preventive and remedial action, the definition of responsibilities, the issuing of a policy statement, the maintenance of a complaints procedure, and documentation and reporting.

The main components of our thyssenkrupp concept for compliance with human rights and environmental due diligence obligations are regulated, among other things, 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.

We have implemented this risk management system throughout the entire thyssenkrupp Group. It consists of several elements, in particular:

1. A central risk analysis for the Own Business Area as well as for the supply chain, in which risks are assessed on the basis of groupwide sustainability criteria relating to human rights, occupational health and safety and environmental protection ("SCA risk areas"),
2. the operational implementation of measures designed to minimize or eliminate identified risks, and
3. a barrier-free, publicly accessible complaints procedure for reporting possible misconduct.

SCA risk fields	SCA individual risks
Human rights	Child labour; Forced labour; Discrimination in the workplace; Freedom of association; remuneration and working hours; land theft; outsourced labour; contamination; protection of discrimination; protection of freedom of expression, personal rights and privacy.
Occupational health and safety	particularly due to obviously inadequate safety standards, lack of appropriate protective measures and of 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.

<sup>3</sup> "Own business" includes all of our activities at home and abroad that are carried out for the manufacture and utilization of products and the provision of services.

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

<sup>5</sup> When we speak of a risk management system, we are referring to the risk management system for compliance with human rights and environmental due diligence obligations.

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

With our multi-level approach we have implemented uniform minimum standards within the thyssenkrupp Group which our Group companies can apply and expand in a targeted way to minimize risk. Our risk analysis is updated continuously and at least annually. Furthermore, we conduct a new risk analysis as required (e.g. in the event of a change in the risk situation). The same applies to the risk management system, which we

continuously develop and whose effectiveness is regularly reviewed.

In addition to controlling and coordinating the monitoring of the relevant risks, the SCA Council Group regularly reports to the Group Executive Board on the risk management system and the results of the risk analysis performed.

## In our Own Business Area: How we conduct ourselves in the thyssenkrupp Group

### Risk analysis in our Own Business Area

We include in our Own Business Areas all our activities in Germany and abroad that are carried out for the manufacture and exploitation of products and the provision of services. The basis of the risk analysis in the Own Business Area is the annual self-assessment on compliance with protected human rights and environmental rights and legal assets, the contents of which are specified uniformly by the SCA Council Group and made available to the thyssenkrupp Group companies. The results are evaluated as part of the risk analysis, reviewed and summarized in a risk score. In addition to the risks identified as part of the self-assessment, further data sources (for example, from prevention and remedial measures) may be taken into account in the risk calculation.

The results are evaluated, aggregated and consolidated centrally and assessed for risks in the SCA Council Group. Risks identified are mitigated through measures by the group companies.

The following risks have been identified as a result of the risk analysis:

- **Disregard of freedom of association.**  
thyssenkrupp AG operates in countries where freedom of association is legally restricted or where the formation and maintenance of associations is prohibited.

With regard to the other legal rights, no risks were identified that go beyond a general latent residual risk. thyssenkrupp has created long-established processes in the Group which address the threat to human and environmental rights as well as legal assets. For Examples:

- **an organization:**  
for co-determination, the Sustainability Council, the International Committee for the International Framework Agreement (IFA) and the Occupational Safety and Health (OSH) Council;

- **programs / processes:**

the International Framework Agreement, collective agreements, the worldwide energy efficiency program GEEP (Groupwide Energy Efficiency Program) program for the development and implementation of energy saving measures, certified management systems according to ISO 14001 and ISO 50001, "we care Days";

- **tools:**

whistleblowing tools (for compliance, for the IFA) and other internal tools to prevent violations of protected rights and legal assets.

### Preventive and remedial measures in the Own Business Area

The thyssenkrupp Group has implemented a large number of preventive measures in its Own Business Area to prevent or minimize human rights or environmental risks, also in consideration of the risks identified.

In addition to the implemented rules and groupwide standards, various other measures are being implemented in the Group companies.

Insofar as a possible violation of human rights and environmental rights and legal assets is imminent or has occurred, the respective remediation process must be triggered. This is ensured by implementing the remedial action process within the reporting procedures established at thyssenkrupp.

If an imminent or actual violation of a human rights-related or environmental obligation is identified, our portfolio of measures includes ad-hoc measures to prevent or end the violation. This also includes informing and involving key departments, the responsible persons or bodies of the respective segment, up to and including the SCA Officer Group, as well as a root cause analysis and a final effectiveness review.

## Together with our partners: Identifying and avoiding risks

### Risk analysis of our suppliers

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 varying weighting of individual SCA risks, our ongoing risk analysis takes into account, among other things, external risk indices, the location and industry of the suppliers, the scope of business activity (purchasing volume), the type of goods supplied and the severity and (ir-)reversibility of potential events in our ongoing risk analysis.

Based on the results of the risk analysis for specific suppliers, an SCA risk category is defined for each supplier. We use this SCA risk category as the basis for taking suitable preventive measures in order to mitigate the supplier’s risk. Prioritization is based on the identified risk, our causal contribution to the human rights or environmental risk or to the violation of a human rights or environmental obligation, the degree of our influence and taking into account the characteristics of the respective business. Findings relating to indirect suppliers are incorporated into our risk analysis on an ad hoc basis.

As a result of our risk analysis, no risks have been identified that need to be prioritized.

### Preventive and remedial measures in respect of our suppliers

Based on the SCA risk areas and individual risks of the risk analysis, thyssenkrupp has developed an appropriate catalog

of measures. These measures allow us to mitigate the risk of potential violations of human rights and environmental rights and legal assets at our suppliers.

We understand appropriate measures here to also mean that the risks identified as part of the properly conducted risk analysis are recognizable and that reasonable measures are implemented accordingly.

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

We expect all our suppliers to acknowledge of the Supplier Code of Conduct and to meet the expectations stated therein. We expect suppliers that have been identified as having a heightened risk potential to provide contractual assurances that our human rights and environmental expectations are complied with and agree individual prevention and remedial measures, such as supplier audits.

If any violations of a human rights or environmental requirements at a direct or indirect supplier become known, thyssenkrupp will immediately initiate and appropriate measures<sup>7</sup> with the aim of ending these violations.

A particularly serious violation at a supplier can lead to a temporary suspension up to the immediate termination of the business relationship.

On this basis, the identified violations were implemented in a structured corrective action plan and were, or are, addressed by the respective thyssenkrupp Group companies responsible for the supplier.

## Our responsibility for implementing these principles

### Commitment and compliance

These principles apply to all group companies and all managers, members of the Executive Board as well as senior management and all other employees of the entire thyssenkrupp Group. thyssenkrupp actively promotes the communication of the policies and agreements underlying our principles.

These principles will be reviewed for validity at least once a year as well as on an ad hoc basis by the SCA Council Group and updated as necessary, e.g. on the basis of the annual risk analysis, and approved by the Group Executive Board.

These principles are communicated to our employees and relevant stakeholders on the intranet and through other channels, as well as to external parties via our corporate website. To raise awareness of human rights and environmental expectations, we offer training courses for employees. The training is based on the thyssenkrupp Code of Conduct and the thyssenkrupp Supplier Code of Conduct as well as this policy statement. In addition we offer specific trainings for our purchasing community and employees from other relevant areas.

### Reporting of possible misconduct

In order to counteract violations of laws and internal Group regulations or possible infringements of human rights and environmental rights and legal assets at an early stage and reduce damage to our employees, business partners and thyssenkrupp itself, thyssenkrupp has established a complaints procedure for all Group companies. This procedure ensures that any relevant information reported by employees of the thyssenkrupp Group and external parties, such as our direct and indirect suppliers or their employees, can be received and processed.

If requested, the complaints procedure allows complaints to be submitted anonymously, without barriers and worldwide. Each whistleblower receives an acknowledgement of receipt, provided that all the necessary information has been provided.

The process ensures the protection of 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 to the best of our knowledge by all appropriate means against any

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

disadvantages resulting from a report. You can also report information completely anonymously, provided this is legally permissible.

Complaints are received<sup>8</sup> centrally via various of reporting channels, which can be accessed via <https://www.thyssenkrupp.com/en/whistleblower-system> and <https://www.thyssenkrupp.com/en/ifa>.

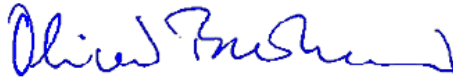
#### Documentation and reporting

We report annually on the fulfilment of our human rights and environmental due diligence obligations in relation to the past financial year to the competent authority and on our website<sup>9</sup>. In addition, we document the fulfillment of our due diligence obligations on an ongoing basis within the thyssenkrupp Group. The documentation of the processes described in this policy statement is kept in accordance with legal requirements.

Executive Board of thyssenkrupp AG, 25.01.2024



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Oliver Burkhard



Dr. Volkmar Dinstuhl



Ilse Henne



Dr. Klaus Keysberg

<sup>8</sup> The persons entrusted with the management of the whistleblower system guarantee impartial action, insofar as they are independent, are not bound by instructions and are bound to secrecy.

<sup>9</sup> Here we also report on our broader activities in the area of human rights and environmental due diligence, as well as integrated as part of our groupwide sustainability agenda in the Annual Report.

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