

# Human Rights Policy



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## Letter from the Director of Human Resources

The primary responsibility for the protection of human rights lies with states and governments, through the ratification and enforcement of international standards. However, it is becoming increasingly clear that companies also have a crucial role to play in promoting high ethical standards, preventing all forms of abuse, and ensuring that fundamental rights are respected throughout the value chain.

In this context, Arvedi AST makes clear and transparent commitments on human rights, working conditions, health and safety, environmental protection, anti-corruption, and personal data protection, in line with the Arvedi Group Code of Conduct and the main international reference standards.

Even in contexts where legal safeguards are fragile or inadequate, Arvedi AST confirms its commitment to ensuring respect for human rights by promoting a shared culture of responsibility and integrity, also in relations with suppliers and business partners.

While recognising the centrality of labour-related rights - as enshrined in the Declaration on Fundamental Principles and Rights of the International Labour Organisation (ILO), the Italian Constitution (Articles 1, 35 and 41) and the sector's National Collective Bargaining Agreement - our responsibility is broader. We are committed to integrating ESG (environmental, social and governance) principles into our business strategy, with respect for human dignity, legality, and sustainable development. This translates, for example, into the adoption of advanced environmental monitoring systems, the promotion of safety and well-being in the workplace, and the implementation of transparent governance and anti-corruption practices.

This Policy therefore reflects the Company's desire to adopt a structured due diligence approach, which envisages monitoring the related risks, adopting mitigation measures and effective tools for the collection and management of stakeholder reports for each right and principle.

We strongly believe that respect for human rights should not just be a set of principles to be declared, but a daily responsibility that translates into concrete behaviour, authentic relationships, and a working environment where everyone can feel valued, safe, and listened to. We also consider it essential to promote the active participation of our people in company processes, valuing their contribution and fostering an open and constructive dialogue. The dignity of people is the foundation on which we build every choice we make, and it is on this value that we want to continue to grow our corporate culture.

We sign this document with the understanding that any commitment requires consistency, openness, and concrete action. It is in this spirit that we choose to act every day, together with our people, with determination and a sense of responsibility.

Giovanni Scordo

Human Resources Director Arvedi AST

Human Resources Director, Arvedi ASI

## Policy and due diligence

## Human rights and ESG principles for responsible and sustainable development

## 1. Foreword

This Policy refers to *due diligence on human rights*, but its contents reflect a broader commitment: respect for people, employee welfare, environmental protection, and transparent and accountable governance. It expresses the values shared by Arvedi AST concerning the protection of workers' health and safety, respect for the environment, dialogue with communities, integrating ESG (Environmental, Social, Governance) sustainability principles for the environment, workers and the company, in compliance with the international *ResponsibleSteel*™ standard and the *Arvedi Group Code of Conduct*.

This is no mere fulfilment of regulatory obligations, as **the public commitment of Arvedi AST goes beyond compliance**: it aims to create value in a concrete, as well as sustainable and responsible manner, for the benefit of all stakeholders, communities and the territory in which it operates.

## The Arvedi AST system of values and principles

Having become part of Arvedi Group in 2022, **Acciai Speciali Terni (Arvedi AST)** shares the Group's objectives, strategies, and principles of conduct.

In 2024, it obtained the **ResponsibleSteel™ certification**, confirming its commitment to steel production that is sustainable, responsible and oriented towards continuous improvement, respecting people and the environment.

Arvedi AST, in fact, recognises the importance of protecting the inalienable human rights of every individual, without distinction, by virtue of their common belonging to the human race; it is inspired by the principles of dignity, freedom and equality sanctioned by the *Universal Declaration of Human Rights* (UN, 1948), foundation of freedom, justice and peace, and by the fundamental labour standards of the *International Labour Organisation* (ILO), recalled by the *Italian Constitution*, which recognises and guarantees the inviolable rights of man (art. 2) and the equality of all citizens (Art. 3).

The corporate value system also refers to international directives (GDPR, CSRD) and the relevant Italian regulations, National Collective Labour Agreements, (It.) Legislative Decrees nos. 81/08 and 231/01, and is consistent with the requirements of ResponsibleSteel™ and ISO 45001, ISO 14001 and ISO 50001 (*details in chapter 3. Legal framework*).

This Policy, therefore, is a public declaration of responsibility towards all stakeholders with whom the Company relates; **it is a concrete commitment to ethical and sustainable production, pursued with determination, despite the challenges and difficulties that characterise the current context.**



## 2. Objectives and scope

The objective of our Policy is to lay down **clear principles and courses of action** to promote safe, inclusive, and mutually respectful working environments, that can:

- prevent all forms of direct or indirect human rights violations;
- ensure fair and transparent working conditions;
- empower people, fostering their development and active participation;
- responsibly manage environmental and social impacts along the value chain.

This Policy is intended for all employees and collaborators of Arvedi AST, so that they integrate the principles and values expressed in the **Arvedi Code of Conduct** in all their activities. It is also a guide towards spreading and sharing the protection of rights throughout the value chain (suppliers and subcontractors) and in the communities where the company operates. In summary, this document applies:

- to all Directorates, Operational Units, Areas, Departments, Functions, Locations, and Sites;
- to all employees, collaborators, and managers, who are required to adopt ethical and responsible behaviour;
- to all suppliers, business partners, and contractors, for whom respect for human rights is an essential requirement for contractual relations with Arvedi AST.

A **structured due diligence system** is implemented to integrate this Policy into the company's business model; this system includes risk monitoring and mitigation tools along the entire value chain. The aim is to **identify possible violations** in order to remedy (where possible) or mitigate them. The system includes a transparent handling of critical reports and non-compliant behaviour, which guarantees confidentiality and protection for whistleblowers.

Arvedi AST adopts a structured due diligence approach, which involves identifying, preventing, mitigating, and monitoring potential impacts on human and labour rights, including in relations with suppliers and partners.

This approach translates into accessible and reliable operational tools, procedures, listening channels, and reporting mechanisms, with the active involvement of individuals and corporate functions.

### 3. Legal framework

Operating in full compliance with international regulations and standards on human rights and working conditions, Arvedi AST lays the foundations of this Policy on top of a solid regulatory framework, which includes:

## International regulations and standards

**Universal Declaration of Human Rights (UN, 1948)** - Fundamental principles of freedom, equality and dignity for every individual.

**UN Convention on the Rights of the Child (1989)** - Recognises and protects the rights of children, including protection from child labour and exploitation.

**Convention on the Elimination of All Forms of Discrimination against Women (1979)** - Commits states and organisations to promote gender equality.

**International Covenant on Civil and Political Rights (UN, 1966)** - Defines the fundamental rights of political participation and individual freedom.

**International Covenant on Economic, Social and Cultural Rights** (UN, 1966) - Establishes essential rights such as decent work, education, and social protection.

**United Nations Guiding Principles on Business and Human Rights (UNGPs, 2011)** - Framework for corporate responsibility to respect human rights.

**Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy** (ILO, 1977, updated 2017) - Provides guidelines for respecting workers' rights and industrial relations.

**Fundamental conventions of the International Labour Organisation (ILO) *Standard for Decent Work***, including:

- Freedom of Association and Collective Bargaining Convention (ILO Conventions no. 87 and no. 98)
- Abolition of Forced Labour (ILO Conventions no. 29 and no. 105)
- Elimination of child labour (ILO Conventions no. 138 and no. 182)
- Equal pay and non-discrimination (ILO Conventions no. 100 and no. 111)
- Workers' participation in company decisions (ILO Convention no. 135)

**OECD Guidelines for Multinational Enterprises** - Recommendations for responsible social, environmental and economic conduct.

**Ten UN Global Compact Principles** - AST adheres to these principles, which promote respect for human rights, labour, the environment, and anti-corruption.

**2030 Agenda for Sustainable Development (UN, 2015)** - AST contributes to the achievement of the Sustainable Development Goals (SDGs), with a focus on the goals related to decent work, equality, and sustainable growth.

## European standards

**Charter of Fundamental Rights of the European Union (2000)** - Recognises and protects civil, political, economic and social rights.

**Corporate Sustainability Reporting Directive (EU) 2022/2464 (CSRD)** - Replaces the previous Directive NFRD and introduces more detailed obligations for companies on non-financial reporting, including impacts on human rights.

**Corporate Sustainability Due Diligence (CSDDD) Directive (EU) 2024/957** - Establishes specific obligations for companies to identify, prevent, and mitigate negative impacts on human rights and the environment along the supply chain.

**EU Taxonomy Regulation (EU) 2020/852** - Establishes criteria for sustainable investments and introduces Minimum Safeguards, which include respect for human rights.

## National standards (Italy)

**Italian Constitution** - Articles 1, 2, 3 and 4 on the principles of equality, dignity and the right to work.

**Legislative Decree 231/2001** - Introduces the administrative liability of companies for offences related to the violation of workers' rights and safety at work.

**Occupational Safety Consolidation Act (Legislative Decree 81/2008)** - Reference legislation for the protection of occupational health and safety.

**Equal Opportunities Code (Legislative Decree 198/2006)** - Rules for the prevention of discrimination in the workplace.

**Law 199/2016 on the gangmaster system** - Measures to combat labour exploitation and irregular work.



## Main corporate human rights documents and instruments

- Arvedi Code of Conduct
- Organisation, management and control model pursuant to (It.) Legislative Decree 231/01
- Trade union agreements on corporate social responsibility at Group level
- Whistleblowing platform
- ESG sustainability policy
- Sustainable procurement policy
- Policies: for Health and Safety, the Environment, Quality, Energy
- Anti-corruption guidelines

## The Arvedi AST commitment to sustainability

Management systems holding the following certifications constitute good practices and tools for the preservation, protection, and monitoring of human rights:

- **ResponsibleSteel™ Standard**
- **ISO 9001 (Quality), ISO 45001 (Health and Safety), ISO 14001 (Environment), ISO 50001 (Energy).**

In any case, AST does not only ensure regulatory compliance, but is actively engaged in implementing **strategies and processes** that foster human rights protection in its business model. For this reason:

- **It integrates social and human rights criteria** into its procurement policies and relations with suppliers.
- **It adopts due diligence systems** to prevent and mitigate risks of human rights violations along the supply chain.
- **It promotes and participates in projects and events to promote a sustainable economy**, including the UN Global Compact and the 2030 Agenda for Sustainable Development.
- **It ensures mechanisms for reporting and handling non-compliance** to protect workers and the communities in which it operates.

In this way, Arvedi AST seeks to translate compliance with each regulation into **concrete values and actions** both within the organisation and in the supply chain.

## 4. Responsibility and sustainability values and commitments

For Arvedi AST, the defence and protection of human rights are issues that cut across the management of its business activities, the lives of its people, and the communities and territories within its sphere of influence. For these reasons, the company sees the following as being of fundamental importance:

- 1. promoting respect for** universally recognised **human rights** in all its business relations, towards its employees, partners, suppliers, contractors, and subcontractors;
- 2. ensuring that it is not complicit**, even indirectly, in abuses and their violation.

This chapter of the Policy defines the fundamental principles that guide the company in the protection and promotion of human rights, integrated into every area of its business. In particular, the commitment is structured thus:

- **Workers' rights**, to guarantee safe, fair working conditions that respect the dignity of every person, through the rejection of child and forced labour, health and safety protection, respect for working time and conditions, trade union freedom, and the enhancement of training.
- **Human rights**, to promote equal opportunities, the fight against all forms of discrimination, harassment or violence, and the protection of privacy and personal data, with special attention to situations of fragility and vulnerability.
- **Environmental and community rights**, to contribute to the protection of the environment and to maintain a responsible and respectful relationship with the local communities and territories in which the company operates.
- **Ethics and governance**, to prevent corruption and promote transparency, integrity, and respect for legality in all business activities and relationships.

1. **Freedom from child, forced or compulsory labour**
2. **Protection of occupational health and safety**
3. **Working conditions, working hours, pay and welfare**
4. **Freedom of association and collective bargaining**
5. **Combating discrimination, harassment, acts of violence**
6. **Training and development of human capital**
7. **Protecting the environment and local communities**
8. **Right to privacy and personal data protection**
9. **Ethics, transparency and anti-corruption**

## 1. Freedom from child, forced or compulsory labour

*\*Child labour refers to anyone under 16 years of age (Italian legislation)*

## 2. Protection of occupational health and safety



### 3. Working conditions, working hours, pay and welfare

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**Arvedi AST** is committed to guaranteeing decent and fair working conditions that respect the individual, ensuring that all workers receive adequate remuneration, contractual conditions that comply with current legislation, and tools to balance work and private life. It guarantees a work organisation that lets workers fully exercise their rights, including holidays, pauses during working hours, and meal breaks, in compliance with the applicable regulatory framework and the individual's dignity. Arvedi AST pays its workers fairly, regularly and on time. The Company does not apply any kind of wage discrimination, inappropriate deduction and adequately rewards overtime.

In particular, guarantees:

- a) the legal minimum wage applicable to all workers or the wage established by a collective agreement, whichever is higher. In the absence of legal minimum wage and collective agreement, the site pays the prevailing industry standard. The site also pays all benefits required by law or contract;
- b) equal pay for work of equal value;
- c) adequate remuneration for overtime;
- d) payment of workers only in monetary terms and in full.

The company ensures a fair working schedule in compliance with applicable law and industry standards regarding working hours, overtime, public holidays, paid vacation, and statutory leave.

### 4. Freedom of association and collective bargaining

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**Arvedi AST** recognises and protects the right of workers to freely associate, join trade unions and participate in collective bargaining, without fear of discrimination or retaliation. The company ensures an open and constructive social dialogue, fostering transparent industrial relations that respect workers' fundamental rights. The commitment of Arvedi AST is based on Italian and international regulations, including:

- **National Collective Bargaining Agreement (CCNL) for the Metalworking Industry**, which regulates trade union representation and workers' rights.
- **Italian Constitution, Art. 39**, which recognises trade union freedom and the right to collective bargaining.
- **Workers' Statute (It. Law 300/1970)**, which protects trade union activity and prohibits discrimination against workers who are members of trade unions.
- **International Labour Organisation (ILO) Conventions no. 87 and no. 98**, which guarantee trade union freedom and the protection of the right to collective bargaining.
- **UN Guiding Principles on Business and Human Rights**, which recognise the right of workers to organise and bargain collectively.

### 5. Combating discrimination, harassment and acts of violence

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**Arvedi AST** does not allow any form of harassment or violence in the workplace and requires that all employees, collaborators, and partners be treated with dignity and respect. Corporal punishment, intimidation, sexual or racial harassment, including verbal harassment, are not tolerated. In addition, Arvedi AST requires all suppliers, contractors, and business partners to adopt equivalent standards.

The company also ensures that no threats are used or disciplinary practices that undermine the dignity of workers are tolerated.

## 6. Training and development of human capital

- **Compulsory and specialised training programmes** aimed at occupational safety, improving technical skills, and professional development.
- **Opportunities for further training and development**, through refresher courses and customised training paths.
- **Initiatives for lifelong learning**, including focus on technological innovation, digitalisation and ecological transition in the steel sector.

- **reducing environmental impacts** through the sustainable management of resources and the transition to low-impact production processes;
- **engaging local communities**, with initiatives for dialogue and consultation on social and environmental aspects related to the company's activities;
- **implementing** environmental and energy **management systems** to ensure continuous monitoring and improvement of environmental performance.

- **protecting** the confidentiality and integrity of the personal data processed;
- **ensuring** that the data are collected for specific, explicit, and legitimate purposes;
- **ensuring** that appropriate technical and organisational measures are taken to prevent unauthorised access, loss, or unlawful processing;
- **fostering** awareness and empowerment of those involved in data processing.

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## 9. Ethics, transparency and anti-corruption

**Arvedi AST** operates according to principles of integrity, fairness, and transparency, ensuring that all company activities are carried out in compliance with the law and the highest ethical standards. The company rejects all forms of corruption, conflicts of interest, and unethical practices, promoting a culture of legality and responsibility. It is committed to:

- **Preventing and combating** all forms of corruption and malpractice.
- **Guaranteeing** transparency in business management, ensuring compliance with regulations on tenders, supplies, and relations with the public administration.
- **Implementing** a whistleblowing system, protecting the anonymity of whistleblowers.

For these objectives it refers to:

- **It. Legislative Decree 231/2001**, which regulates the administrative liability of companies for corruption and fraud offences.
- **OECD Principles on Corporate Governance**, for transparency and ethical management of companies.
- **ResponsibleSteel™**, for integrity and social responsibility in the steel industry.

## 5. Due Diligence and risk monitoring

To ensure respect for human rights and ESG principles in corporate activities, the company adopts a **structured Due Diligence process** described in detail in *Annex 1. Guide to the Human Rights and ESG Principles Risk Matrix*, which is an integral part of the ResponsibleSteel™ management system.

The **Risk Matrix** is used to identify, assess, and manage risks related to human rights and ESG principles, contributing to preventing negative impacts on workers, communities, and the company's organisation. The information gathered from the Due Diligence process contributes to the drafting of the Arvedi AST sustainability report and to the reporting required by the *Corporate Sustainability Reporting Directive (CSRD)*.

## METHODOLOGY FOR CREATING THE MATRIX

The Matrix is built by **mapping the risks** related to the nine principles defined in the Arvedi AST Policy and Due Diligence. This census represents the first fundamental step in the risk management process, as it involves: the identification of potential risks, including in the supply chain and in relations with local communities; the structured description of risks to ensure effective and traceable management; and the definition of internal responsibilities for the management and ongoing monitoring of identified risks.

## USE OF THE MATRIX

This operational tool is mainly used by the Quality Assurance Body (GDQ), which has to ensure compliance of the ResponsibleSteel<sup>®</sup> certified management system, and by the corporate functions involved in respecting human rights and local communities.

## RISK ASSESSMENT

Following the initial mapping, risks are assessed according to two parameters: probability of occurrence and severity of the potential impact on human rights and the business organisation. This assessment makes it possible to: quantify the level of risk associated with each potential event; plan corrective actions; identify intervention priorities; and direct risk prevention and mitigation strategies.

The Matrix also makes it possible to identify improvement actions aimed at reducing risks; to assign specific responsibilities within the organisation; to establish KPIs for monitoring the effectiveness of the planned actions.

## 6. Handling reports

- Violations of human and labour rights (child or forced labour, discrimination, harassment, unfair conditions, etc.)
- Conduct contrary to the Arvedi Code of Ethics and Code of Conduct, the ESG principles, the Model 231/01.
- Irregularities in relations with stakeholders (suppliers, customers, authorities, local communities, etc.)

## PROCESS FOR HANDLING OTHER REPORTS OR GRIEVANCES

### 1. Receipt of the report/grievance

## 2. Registration

### 3. Sorting

#### 4. Analysis and evaluation

## 5. Reply to the reporting party

## 6. Performance monitoring and analysis



## TRAINING AND AWARENESS-RAISING

## 7. Roles and responsibilities for the Policy

## DISSEMINATION, COMMUNICATION OF AND UPDATES TO THE POLICY

