

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.

- **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.

Considering these areas, Arvedi AST has identified **nine principles** as its priorities:

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**

These nine principles form the core of this Policy and are essential references for the company's commitment to both respect for human rights, ethical and responsible governance, and sustainable steel production. Below please find a detailed description of each principle.

1. Freedom from child, forced or compulsory labour

Arvedi AST does not tolerate any form of child labour* or forced labour** and repudiates practices and treatment incompatible with the dignity of the individual, including the deprivation of individual freedoms by third parties. All forms and types of modern slavery (serfdom, bonded labour and human trafficking) are therefore considered inadmissible.

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

**Any work or service extorted from a person under threat of punishment or for which the person did not volunteer (ILO Convention no. 29)

2. Protection of occupational health and safety

Arvedi AST considers health and safety to be fundamental values and is committed to ensuring a safe and healthy working environment that complies with the highest standards, in compliance with current regulations (see Legislative Decree 81/08) and international standards (see UNI EN ISO 45001 and ResponsibleSteel™).

3. Working conditions, working hours, pay and welfare

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

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

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 ensures that all workers are aware of the risks and tools available to counter such phenomena, through awareness-raising activities; it promotes a safe, respectful, and inclusive work environment by applying the **Arvedi Code of Conduct** and complying with Italian and international regulations.

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

The company guarantees security provisions with full respect for human rights and public freedoms.

6. Training and development of human capital

Arvedi AST considers continuous training and skill updating to be fundamental elements for the professional growth and well-being of workers. That is why it is committed to ensuring training paths that enable each employee to develop their skills and actively contribute to the company's competitiveness. This commitment is realised through:

- **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.

7. Protecting the environment and local communities

Arvedi AST recognises that environmental protection and respect for local communities are an integral part of corporate responsibility and the sustainability of its operations. This is why it is committed to minimising the environmental impact of its activities and to fostering dialogue and collaboration with the communities in the areas where it operates, adopting an approach based on:

- **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.

8. Right to privacy and personal data protection

Arvedi AST recognises that the right to privacy is fundamental for every individual and is therefore committed to protecting the personal data of workers, customers, suppliers, and all stakeholders with whom it has relations. It promotes a data protection culture centred on accountability and risk prevention, with the aim of:

- **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.

Data are managed in a lawful, transparent, and accountable manner, in compliance with current legislation and the highest international standards.

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™ 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.

