 <p>Recycling. Resources. Responsibility.</p> <p>Member of SCHOLZ Group</p>	<h1>Management Manual</h1>	OP_1.16._C_RL 1.1.
	<h2>Guideline</h2> <h3>Policy Statement LkSG</h3>	Revision: 1 Datum: 04.05.2026 Page: 1 of 11

Policy Statement on Respect for Human Rights and the Environment

Table of Contents

Preamble2

1. Scope 2

2. Our Commitment to Respecting Human Rights and Protecting the Environment 2

3. Human rights and environmental principles 3

3.1. Respect for human rights and the avoidance of exploitative practices 3

3.2. Equal treatment and protection against discrimination 3

3.3. Use of security personnel 3

3.4. Protection and support for whistleblowers 4

3.5. Fair and lawful working conditions 4

3.6. Protection of land, forests and water bodies 4

3.7. Protection of communities’ living conditions 4

3.8. Respect for freedom of assembly and promotion of dialogue 4

3.9. Promoting education and skills development 4

3.10. Responsible sourcing of raw materials and conflict minerals 5

3.11. Right to occupational health and 5

3.12. Protection of personal data 5

3.13. Environmental and climate protection 5

4. Approach to implementing human rights and environmental due diligence 6

4.1. Risk management 6

4.1.1. Principles of our risk management 6

4.1.2. Core elements of risk management 6

4.2. Responsibilities 7

4.3. Risk analysis 7

4.3.1. Procedures and methodology 7

4.4. Preventive measures 8

4.5. Corrective measures 9


4.6. Effectiveness monitoring and continuous improvement 9

4.7. Complaints mechanism 9

4.8. Reporting and monitoring 10

5. Requirements for suppliers regarding human rights and environmental risks 10

6. Contact 11

	Management Manual	OP_1.16._C_RL 1.1.
	Guideline Policy Statement LkSG	Revision: 1 Datum: 04.05.2026 Page: 2 of 11

Preamble

Scholz Recycling GmbH is a globally active company and considers it its duty and responsibility to meet the highest standards of ethics, environmental protection, quality, sustainability and fairness. Sustainable business practices, environmental protection, energy efficiency, occupational safety, quality and a non-discriminatory corporate culture are firmly embedded in our corporate policy and are implemented and monitored through an integrated management system. We aim to be a reliable and trustworthy partner for customers, suppliers, business partners, public authorities, colleagues and the general public. We can only earn this trust through acting with integrity and sincerity. Responsibility for the implementation of and compliance with principles regarding the protection of human rights and the environment rests with all levels of the company, including the management, executives and all employees.

The purpose of this Policy Statement is to document our clear commitment to respecting human rights and protecting the environment, and to transparently set out how we fulfil our duty of care throughout the entire supply and value chain. The aim is to identify, prevent or minimise risks to people and the environment at an early stage and to enable those affected to access remedies. This Policy Statement forms the binding basis for all company-wide processes and decisions in accordance with the Supply Chain Due Diligence Act (LkSG) and serves as a guide for all employees, business partners and stakeholders.


1. Scope

This Policy Statement is addressed to all employees of Scholz Recycling GmbH, as well as to our business partners throughout the supply chain.

2. Our commitment to respecting human rights and protecting the environment

We expressly commit to our corporate responsibility to respect human rights and protect the environment throughout the entire value and supply chain. Compliance with and the continuous development of the requirements of the Supply Chain Due Diligence Act (LkSG) are binding for us. We observe and respect human rights within our sphere of influence. Our human rights and environmental requirements, as well as the corresponding provisions, are derived in particular from our Code of Conduct, the Code of Conduct for Suppliers and our corporate policy. Our understanding and our human rights due diligence processes are based on the following international reference instruments, to which we expressly commit. In particular, we commit to the following international conventions and guiding principles:

- Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- United Nations Convention on the Rights of the Child
- Declaration of the International Labour Organisation (ILO) on Fundamental Principles and Rights at Work

	Management Manual	OP_1.16._C_RL 1.1.
	Guideline Policy Statement LkSG	Revision: 1 Datum: 04.05.2026 Page: 3 of 11

- Ten Principles of the UN Global Compact
- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

3. Human Rights and Environmental Principles

The following principles are the result of a comprehensive risk analysis and are binding on all managers and employees of Scholz Recycling GmbH as well as our business partners.

3.1. Respect for human rights and avoidance of exploitative practices

Scholz Recycling GmbH is expressly committed to respecting internationally recognised human rights. No form of forced or compulsory labour, modern slavery, practices similar to human trafficking, or child labour is tolerated or supported. Employment is exclusively on a voluntary basis. Child labour is prohibited, particularly where it contravenes applicable minimum age regulations or compulsory schooling requirements. Through appropriate preventive and control measures, we work to avoid corresponding human rights risks and violations within our own business operations as well as in our supply chains.

3.2. Equal treatment and protection against discrimination

We reject all forms of discrimination, harassment and bullying. Discrimination on the grounds of gender, ethnic origin, disability, age, sexual identity, religion or similar characteristics will not be tolerated. We are committed to equal treatment and equal opportunities in recruitment and employment, and ensure a working environment free from physical or psychological violence, inhuman treatment, corporal punishment or threats.


Diversity, respect and inclusion are integral parts of our corporate culture. We take appropriate measures to prevent human rights risks in this context.

3.3. Deployment of security forces

The deployment of private or public security forces shall take place only on condition that it does not cause or facilitate any violations of human rights, civil liberties or labour rights.

3.4. Protection and support for whistleblowers

We ensure that known or suspected human rights or environmental risks, as well as violations, can be reported without fear of discrimination or retaliation, and that these are consistently investigated. To this end, we promote a trusting working environment and appropriate internal reporting channels.

	<h1>Management Manual</h1> <hr/> <h2>Guideline</h2> <h3>Policy Statement LkSG</h3>	<p>OP_1.16._C_RL 1.1.</p> <p>Revision: 1 Datum: 04.05.2026 Page: 4 of 11</p>
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3.5. Fair and lawful working conditions

We are committed to fair and lawful working conditions. This includes compliance with the applicable legal regulations on working hours, remuneration, social benefits and the protection of privacy. We work to ensure that employees receive at least a lawful and appropriate remuneration and expect our suppliers within the supply chain to comply with the relevant labour law standards.

3.6. Protection of land, forests and water bodies

We respect the right to land, forests and water bodies and reject unlawful evictions as well as the unlawful seizure or unauthorised use of land, forest and water areas.

3.7. Protection of communities' living conditions

We respect the right to decent living conditions for local communities, minorities, vulnerable persons and indigenous peoples, and work to prevent human rights risks in these areas.

3.8. Upholding freedom of assembly and promoting dialogue


Freedom of assembly and association, the right to collective bargaining, and the formation of trade unions and employee representative bodies are respected. We promote an open, trusting and constructive dialogue with employee representative bodies to ensure fair and cooperative working relationships.

3.9. Promoting education and skills development

We are committed to promoting education, skills development and continuous professional development for our employees. Well-trained, informed and motivated staff form an essential foundation for the sustainable economic success of our company. Through training and instruction tailored to our needs, we specifically strengthen the professional and personal skills of our employees and contribute to the continuous development of their performance potential.

3.10. Responsible sourcing of raw materials and conflict minerals

We are committed to responsible and sustainable sourcing of raw materials, taking into account human rights, social and legal requirements throughout our supply chains. Before entering into a business relationship, we subject our business partners to a risk-based assessment, including checks against relevant terrorist and sanctions lists. Where relevant to our business activities, we implement the requirements of the EU Conflict Minerals Regulation (EU) 2017/821 and apply the necessary due diligence obligations when sourcing tin, tantalum, tungsten, their ores and gold, particularly where these may originate from conflict-affected and high-risk areas. Through appropriate preventive and control measures, we work to avoid risks of directly or indirectly financing armed conflicts, as well as forced labour, child labour, slavery and other serious human rights violations.

	Management Manual	OP_1.16._C_RL 1.1.
	Guideline Policy Statement LkSG	Revision: 1 Datum: 04.05.2026 Page: 5 of 11

3.11. Right to occupational health and safety

The protection of employees' health, physical integrity and safety is an essential part of our corporate responsibility. We comply with the applicable legal requirements and recognised occupational health and safety standards, and create a safe working environment that supports the maintenance of physical and mental health.

To prevent accidents at work and work-related illnesses, we implement appropriate organisational, technical and personal protective measures. These include, in particular, regular training and instruction, the use of suitable personal protective equipment, and a systematic accident and incident management system, including the analysis of accidents and near-miss incidents. We identify, assess and monitor work-related risks, including those arising from the use of machinery and the handling of hazardous substances, and derive appropriate preventive and protective measures. Emergency preparedness and fire safety are integral parts of our occupational health and safety policy. The continuous improvement of working conditions, the active involvement of employees and the exemplary role of managers are central elements of our approach to occupational health and safety.

3.12. Protection of personal data


We regard the protection of confidential information and personal data as an integral part of responsible and legally compliant conduct. Information and documents requiring protection are safeguarded against unauthorised access, disclosure or other misuse.

The collection, processing, use, storage and deletion of personal data are carried out exclusively in accordance with the applicable data protection regulations, in particular the EU General Data Protection Regulation (GDPR) and the Federal Data Protection Act (BDSG). We ensure the protection of the rights and freedoms of data subjects through appropriate organisational and technical measures.

3.13. Environmental and Climate Protection

Protecting the environment and climate is an essential part of our corporate responsibility. Through our core expertise in the recycling of steel and non-ferrous metals, we contribute to the conservation of natural resources and the reduction of environmental impact. We are committed to complying with the applicable environmental, climate and resource protection regulations in the countries where we operate, and we take environmental risks into account appropriately in our business decisions.

We strive to prevent or reduce environmental impacts, in particular those caused by harmful soil changes, water and air pollution, excessive water consumption, noise and greenhouse gas emissions. This includes the efficient use of energy and resources, the assessment of potential for savings and decarbonisation, and – where possible – the use of renewable energy. Waste prevention, reuse and recycling are central elements of our operational activities. We promote the

 <p>Recycling. Resources. Responsibility.</p> <p>Member of SCHOLZ Group</p>	<h1>Management Manual</h1>	OP_1.16._C_RL 1.1.
	<h2>Guideline</h2> <h3>Policy Statement LkSG</h3>	Revision: 1 Datum: 04.05.2026 Page: 6 of 11

return of materials to the economic cycle as secondary raw materials. Our employees are made aware of the importance of environmentally and resource-friendly behaviour and are involved in the continuous improvement of our environmental and climate protection measures. The aim is to prevent or minimise the negative impacts of our business activities on the environment, health, and flora and fauna.

4. Approach to implementing human rights and environmental due diligence

4.1. Risk management


In order to fulfil its due diligence obligations under the Supply Chain Due Diligence Act (LkSG), Scholz Recycling GmbH has established a risk management system. The aim is to identify and assess human rights and environmental risks within its own business operations and among its direct suppliers at an early stage, and to implement appropriate measures.

4.1.1. Principles of our risk management

- Systematic integration: Risk management is embedded within our existing management system and is documented and controlled via the management handbook.
- Partnership for transparency: To implement the requirements of the LkSG, we work with an external partner. Their platform enables structured supply chain monitoring and supports the conduct of both abstract and concrete risk analyses.
- ESG risk management approach: Together with our partner, we have developed an approach comprising the following steps:
 - o Identification, weighting and prioritisation of human rights and environmental risks
 - o Conducting risk analyses and validating the results
 - o Adequacy analysis to assess the severity and calculate ESG risk
 - o Taking into account our influence and contribution to the cause
- Derivation of measures: Based on the analysis results, preventive measures are established and, where necessary, remedial measures are initiated.
- Documentation and reporting: The platform supports the fulfilment of our documentation and reporting obligations. The effectiveness of the measures is reviewed at least once a year.

4.1.2. Core elements of risk management

- Establishment of a risk management system in accordance with Section 4 of the LkSG
- Regular risk analyses and updates in the event of significant changes
- Definition of internal responsibilities (human rights officers and operational units)
- Integration into the legal register and management system
- Annual internal reporting
- Link to the complaints procedure for reporting concerns

	Management Manual	OP_1.16._C_RL 1.1.
	Guideline Policy Statement LkSG	Revision: 1 Datum: 04.05.2026 Page: 7 of 11

This risk management framework ensures that we assess risks throughout our supply chain transparently and implement appropriate preventive and remedial measures. It forms the basis for the continuous improvement of our human rights and environmental due diligence processes.

4.2. Responsibilities

Scholz Recycling GmbH has established a two-tier system of responsibilities in accordance with the requirements of the Supply Chain Due Diligence Act (LkSG), which ensures the separation of implementation and monitoring.

- Implementation:

Overall responsibility for fulfilling due diligence obligations lies with the management. The initial implementation of the LkSG was carried out by a project-based team comprising various specialist departments. Ongoing operational implementation is integrated into business processes and is carried out by the relevant organisational units, such as retail, central indirect procurement, accounting, site management and other specialist departments. These units are responsible for conducting risk analyses, implementing preventive and remedial measures, and integrating the requirements into daily operations.

- Monitoring:


Responsibility for monitoring and ensuring effective risk management lies with the appointed human rights officer(s). The human rights officer(s) are supported by an interdisciplinary team and report to the management at least once a year and as required (§ 4(3) LkSG). They have clearly defined tasks and powers, including carrying out checks, making recommendations to improve implementation, contributing to the policy statement, and accessing relevant documents and contracts. The human rights officer(s) are provided with sufficient staff and financial resources and take part in further training.

4.3. Risk analysis

Scholz Recycling GmbH carries out regular risk analyses to identify, assess and appropriately address human rights and environmental risks within its own business operations as well as among direct suppliers and service providers. Where there is substantiated knowledge, indirect suppliers are also included in the analysis. The risk analysis is updated at least once a year and as and when necessary, and is a central element of the due diligence obligations under the Supply Chain Due Diligence Act (LkSG).

4.3.1. Approach and methodology

The risk analysis is carried out in several stages and is based on an ESG risk management approach developed in collaboration with an external partner:

	Management Manual	OP_1.16._C_RL 1.1.
	Guideline Policy Statement LkSG	Revision: 1 Datum: 04.05.2026 Page: 8 of 11

- Abstract risk analysis:
 - Assessment of all suppliers and service providers based on country and industry risks (e.g. environmental pollution, child labour, forced labour, discrimination, occupational safety, corruption).
 - Use of international indicators and NACE codes for industry classification.
 - Segmentation and prioritisation of business partners according to risk profile.
- Concrete risk analysis:
 - Invitation and registration of relevant suppliers on the external portal.
 - Completion of specific questionnaires on human rights and environmental issues (e.g. environmental protection, working conditions, diversity, anti-corruption).
 - Combining the results of abstract and concrete analysis to determine individual ESG risk.
- Validation and impact analysis:
 - Review and validation of responses and supporting documentation (e.g. certificates).
 - Conducting an appropriateness analysis taking into account the nature and scope of business activities, influence, severity and probability of occurrence, as well as contribution to causation.
 - Prioritisation and segmentation of risks, and derivation of preventive and remedial measures.

The risk analysis covers the following areas in particular:

- Environmental pollution, waste, hazardous substances, greenhouse gas emissions
- Forced labour, child labour, working conditions, discrimination
- Freedom of association, occupational safety, diversity & inclusion
- Anti-corruption & bribery, impact on local communities


The aim of the risk analysis is to systematically identify, assess and prioritise human rights and environmental risks in order to implement effective preventive and remedial measures on this basis.

The results of the risk analysis are documented, regularly reviewed and incorporated into the continuous improvement of the risk management system.

4.4. Preventive measures

To prevent human rights and environmental risks, we implement appropriate preventive measures within our own business operations and with our direct suppliers.

Within our own business division, binding internal regulations form the basis of our preventive measures. These include, in particular, a company-wide Code of Conduct, as well as regular briefings and training sessions on compliance, human rights and environmental requirements and due diligence obligations. These measures serve to raise awareness among our employees and ensure that we act in a legally compliant and responsible manner. We apply risk-based preventive measures to our direct suppliers. These include, in particular, an upstream business partner verification (KYC), the establishment of binding expectations in a Code of Conduct for suppliers, and the incorporation of human rights and environmental requirements into general terms and conditions and contractual agreements. In addition, we provide for appropriate contractual control and enforcement mechanisms to support and verify compliance with these requirements.

	<h1>Management Manual</h1>	OP_1.16._C_RL 1.1.
	<h2>Guideline</h2> <h3>Policy Statement LkSG</h3>	Revision: 1 Datum: 04.05.2026 Page: 9 of 11

4.5. Remedial measures

If human rights or environmental breaches are identified or are imminent, we take appropriate remedial action. Within our own domestic operations, there is a duty to ensure the breach is remedied. This is implemented through targeted and appropriate remedial measures. Within our own operations abroad, we pursue a heightened duty of care, which is generally aimed at remedying the breach. With regard to direct suppliers, we act within the framework of a duty of endeavour to bring identified breaches to an end or to prevent future breaches. To this end, we develop – provided that immediate cessation is not possible – a plan with specific measures and a timetable for ending or minimising the breach. If a direct supplier fails to accept or implement a corrective action plan, we reserve the right to temporarily suspend the business relationship. Termination of the business relationship shall only occur as a last resort and under the conditions provided for by law.

The effectiveness of the corrective measures taken is reviewed at least once a year and as and when necessary.


4.6. Effectiveness monitoring and continuous improvement

The effectiveness of our measures to fulfil our human rights and environmental due diligence obligations is regularly reviewed and continuously developed. To this end, we review the adequacy and effectiveness of our preventive and remedial measures at least once a year and as and when necessary, particularly in the event of changes in risk situations or identified breaches of duty. Findings from risk analysis, complaint procedures, internal audits and cooperation with business partners are incorporated into the further development of our processes and measures. The aim is to effectively prevent, eliminate or minimise risks and negative impacts and to continuously improve our due diligence obligations. Scholz Recycling GmbH regards human rights due diligence as an ongoing process. The policy statement is reviewed regularly and adapted to reflect new findings, legal requirements and stakeholder expectations.

4.7. Complaints mechanism

To prevent adverse impacts on human rights and the environment, and to ensure the prompt implementation of remedial measures in the event of potential breaches of duty, Scholz Recycling GmbH has established a structured complaints procedure. This procedure enables employees, business partners and external third parties to report human rights or environmental risks in confidence. We use an external whistleblowing system in collaboration with an external provider, which also complies with the requirements of the Whistleblower Protection Act. The reporting office can be contacted via our company website, a secure online reporting channel and by telephone. The system is available in German and English and guarantees:

- Confidentiality of the whistleblower's identity
- Secure communication channels
- Comprehensive data protection

	Management Manual	OP_1.16._C_RL 1.1.
	Guideline Policy Statement LkSG	Revision: 1 Datum: 04.05.2026 Page: 10 of 11

Reports can be made anonymously or personally. Reports are handled independently, confidentially and with the protection of the whistleblower. The rules of procedure and detailed information on the process are publicly available on our website:

[Whistleblower Reporting Centre – Scholz Recycling](#)

Direct access to the FAQ section: [Rules of Procedure](#)

The complaints procedure is an integral part of our management handbook and is documented in an internal process. It serves as an early warning system for identifying risks and initiating appropriate preventive and remedial measures.

4.8. Reporting and monitoring

The management is informed regularly, at least once a year, regarding compliance with due diligence obligations. The effectiveness of the measures is continuously reviewed and the policy statement is amended as necessary.

5. Requirements for suppliers regarding human rights and environmental risks


We expect our business partners and suppliers to adhere to the principles of responsible business conduct and to respect internationally recognised human rights as well as relevant environmental standards. These expectations are set out in a [Code of Conduct for Suppliers](#), which is derived from our internal Code of Conduct and defines binding requirements regarding human rights and environmental conduct.

These include, in particular:

- Prohibition of forced labour, child labour and modern slavery.
- Non-discriminatory working conditions, equality and the protection of minorities.
- Compliance with statutory wage and salary regulations and the payment of living wages.
- Protection of land, forests and water bodies against unlawful expropriation.
- Promotion of diversity and inclusion within the company.
- Protection of freedom of assembly and collective bargaining.

The following requirements apply in the area of environmental protection and sustainability:

- Compliance with all relevant environmental laws and regulations.
- Climate protection, resource efficiency and sustainable management of natural resources.
- Reduction of greenhouse gas emissions, promotion of renewable energy and decarbonisation.
- Waste prevention, recycling and the proper disposal of environmentally harmful substances.
- Compliance with international agreements (including the Basel Convention, the Minamata Convention and the Stockholm Convention).
- Protection of biodiversity, animal welfare and prevention of deforestation.
- Minimisation of noise emissions and protection the population against environmentally-related health hazards.

 <p>Recycling. Resources. Responsibility.</p> <p>Member of SCHOLZ Group</p>	<h1>Management Manual</h1>	OP_1.16._C_RL 1.1.
	<h2>Guideline</h2> <h3>Policy Statement LkSG</h3>	Revision: 1 Datum: 04.05.2026 Page: 11 of 11

In order to fulfil our duty of care, we reserve the right to appropriate information, disclosure and monitoring rights vis-à-vis our direct suppliers. Any identified human rights or environmental risks or breaches of duty are addressed and lead – in accordance with the principle of proportionality – to appropriate preventive or remedial measures, the implementation of which is monitored. The selection of and collaboration with suppliers is risk-based. Through regular risk analyses within our own business unit and among direct suppliers, we identify, assess and prioritise potential risks. On this basis, we take appropriate preventive measures to avert or minimise risks.

6. Contact

If you have any questions or comments regarding this policy statement or other human rights-related matters, please contact: esg@scholz-recycling.de

Through our reporting channel, you can submit reports of potential breaches in various ways, particularly regarding human rights or environmental obligations: [Whistleblower Reporting Channel – Scholz Recycling](#)

7. Related documents

- [MP_2.06._C_FB 2 Code of Conduct_SRG](#)
- [SP_1_C_FB 2 Code of Conduct](#)

8. Distribution list

- To our company's employees
- To our business partners

9. Entry into force

The Guideline comes into force with immediate effect.

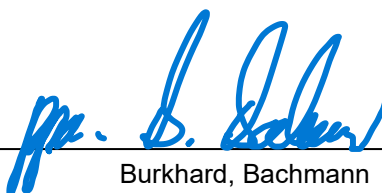
Place, date: Essingen, 05.05.2026



Peter, Lammers

CEO

Scholz Recycling GmbH



Burkhard, Bachmann

CTO

Scholz Recycling GmbH