

DECLARATION OF CORPORATE GOVERNANCE

The corporate governance of Salzgitter AG is geared to ensuring the sustainable development and long-term success of the company in harmony with the principles of a social market economy and in observance of its corporate responsibility for people and the environment. It is based on the provisions set out under German stock corporation law and the recommendations laid down in German Corporate Governance Code. It is therefore both intrinsically important to us and our obligation to ensure that the prevailing laws are complied with at all times, that generally accepted basic values in dealing with people and companies are observed, and that nature is preserved in conducting the company's business.

2022 DECLARATION OF CONFORMITY WITH THE RECOMMENDATIONS OF THE GERMAN CORPORATE GOVERNANCE CODE

The Executive Board and Supervisory Board submitted the following declaration on December 8, 2022, in respect of the recommendations of the German Corporate Governance Code, pursuant to Section 161 of the German Stock Corporation Act (AktG):

"From today onward, Salzgitter AG complies – and will continue to comply in the future – with all of the recommendations of the Government Commission on the German Corporate Governance Code in the version dated April 28, 2022, published by the Federal Ministry of Justice in the official section of the electronic Federal Gazette, bar the following exceptions:

- / Recommendation B.3 is not complied with. Under this recommendation, management board members shall initially be appointed for a period of no more than three years.
- / Recommendation G.10, sentence 1, is not complied with. This recommends that amounts of variable remuneration shall be invested predominantly in company shares or granted as share-based remuneration.
- / Recommendation G.13 is not complied with. Under this recommendation, any payments made to a management board member in the context of premature termination shall not exceed twice the annual remuneration.

Since submission of the last Declaration of Conformity from December 16, 2021, all of the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated December 16, 2019, published by the Federal Ministry of Justice and for Consumer Protection in the official section of the electronic Federal Gazette have been complied, bar the following exceptions:

- / Recommendation B.3 was not complied with. Under this recommendation, management board members shall initially be appointed for a period of no more than three years.
- / Recommendation G.10, sentence 1, was not complied with. This recommends that amounts of variable remuneration shall be invested predominantly in company shares or granted as share-based remuneration.
- / Recommendation B.13 was not complied with. Under this recommendation, any payments made to a management board member in the context of premature termination shall not exceed twice the annual remuneration.

In the case of a successor joining the Executive Board from 2021, the member was initially appointed for three years and four and a half months to allow for a time lag between the time when the new Executive Board member is appointed and the time when the appointment of other Board members elapses.

The variable remuneration amounts granted to Executive Board members are 36 % based on shares. The Supervisory Board considers this proportion appropriate.

In accordance with their current employment contracts and under certain conditions, Executive Board members are entitled to a settlement of up to a maximum of three year's remuneration if they leave the company's service prematurely due to a change of control. This arrangement corresponded to the recommendations of the Code valid up until March 2020, but does not accord with the new version of the Code drawn up in 2020, however. In view of current employment contracts, the new version cannot or should not be complied with in the interest of equitable treatment of the Executive Board members."

MANAGEMENT AND CONTROL

THE EXECUTIVE BOARD OF SALZGITTER AG

The members of the Executive Board of Salzgitter AG are appointed by the Supervisory Board. The Supervisory Board can rescind the appointment for an important reason. The Executive Board represents, heads up the company and manages the company's business under its own responsibility in accordance with the German Stock Corporation Act (AktG). It determines the strategic direction and the future development of the company together with the Supervisory Board. The Executive Board is mandated with safeguarding the company as a going concern and enhancing its value in the interest of the company and in consideration of the interests of the shareholders, the workforce and other stakeholders associated with the company. The Executive Board strives to achieve the highest possible return on capital employed within the scope of the corporate purpose. The Supervisory Board has determined that certain business transactions may only be carried out with Supervisory Board approval. The General Meeting of Shareholders can only decide matters affecting the management of the Group if this has been requested by the Executive Board.

The Executive Board currently comprises three members consisting of the Chief Executive Officer, the Chief Financial Officer and the Chief Personnel Officer. The Supervisory Board has assigned each Executive Board member a portfolio of responsibilities for specific organization units and has specified the decisions for which all Executive Board members are jointly responsible. The management of formerly five, but since April 1, 2022, four business units is the joint responsibility of all the members. A Group Management Board is at hand to assist them. Members of this board are the three Executive Board members and generally one manager from each of the four business units who coordinates the activities of his respective business unit (business unit manager).

The members of the Executive Board are liable to the company for any dereliction of duty. The company's D&O insurance provides for an appropriate deductible that accords with statutory requirements.

In the financial year 2022, the following members belonged to the Executive Board of Salzgitter AG and held memberships in the following a) statutory supervisory boards and b) comparable domestic and foreign controlling bodies of commercial enterprises:

Member	Mandates
Gunnar Groebler Chairman and Chief Executive Officer	Non-listed consolidated companies: (a) / Ilseburger Grobblech GmbH, Ilseburg (Chairman) / KHS GmbH, Dortmund / Mannesmann Precision Tubes GmbH, Mülheim an der Ruhr / Peiner Träger GmbH, Peine (Chairman) / Salzgitter Flachstahl GmbH, Salzgitter (Chairman) / Salzgitter Mannesmann Grobblech GmbH, Mülheim an der Ruhr (Chairman) / Salzgitter Mannesmann Handel GmbH, Düsseldorf (Chairman)
Born in 1972 Nationality: German Member since May 17, 2021 Chairman and Chief Executive Officer since July 1, 2021 Appointed through to September 30, 2024	(b) / Ilseburger Grobblech GmbH, Ilseburg, and Salzgitter Mannesmann Grobblech GmbH, Mülheim an der Ruhr (Joint Advisory Council, Chairman)
	Other non-listed companies: (a) / Semco Maritime A / S, Esbjerg, Denmark
	Listed companies: (a) / Aurubis AG, Hamburg

Member	Mandates	Member	Mandates
Burkhard Becker Finance Born in 1960 Nationality: German Member since February 1, 2011 Appointed through to January 31, 2024	<p>Non-listed consolidated companies:</p> <p>(a)</p> <ul style="list-style-type: none"> / Hüttenwerke Krupp Mannesmann GmbH, Duisburg (Second Vice Chairman) / EUROPIPE GmbH, Mülheim an der Ruhr / KHS GmbH, Dortmund (Chairman) / Peiner Träger GmbH, Peine / Salzgitter Flachstahl GmbH, Salzgitter / Salzgitter Mannesmann Handel GmbH, Düsseldorf / Mannesmann Precision Tubes GmbH, Mülheim an der Ruhr (Chairman) / Borusan Mannesmann Boru Yatirim Holding A.S., Istanbul (Vice Chairman) since January 1, 2022 <p>(b)</p> <ul style="list-style-type: none"> / Hansaport Hafenbetriebsgesellschaft mbH, Hamburg / Ilsenburger Grobblech GmbH, Ilsenburg, and Salzgitter Mannesmann Grobblech GmbH, Mülheim an der Ruhr (Joint Advisory Council) <p>Other non-listed companies:</p> <p>(a)</p> <ul style="list-style-type: none"> / Warburg Invest AG, Hanover <p>Listed companies:</p> <p>(a)</p> <ul style="list-style-type: none"> / Borusan Mannesmann Boru Sanayi ve Ticaret A.S., Istanbul (Vice Chairman), since January 1, 2022 	Michael Kieckbusch Personnel Born in 1961 Nationality: German Member since February 20, 2013 Appointed through to December 31, 2024	<p>Non-listed consolidated companies:</p> <p>(a)</p> <ul style="list-style-type: none"> / KHS GmbH, Dortmund / Mannesmann Precision Tubes GmbH, Mülheim an der Ruhr / Peiner Träger GmbH, Peine / Salzgitter Flachstahl GmbH, Salzgitter / Salzgitter Mannesmann Handel GmbH, Düsseldorf / Verkehrsbetriebe Peine-Salzgitter GmbH, Salzgitter (Chairman) <p>(b)</p> <ul style="list-style-type: none"> / Hansaport Hafenbetriebsgesellschaft mbH, Hamburg (Supervisory Board, Chairman) / Ilsenburger Grobblech GmbH, Ilsenburg, and Salzgitter Mannesmann Grobblech GmbH, Mülheim an der Ruhr (Joint Advisory Council) <p>Other non-listed companies:</p> <p>(b)</p> <ul style="list-style-type: none"> / Allianz für die Region GmbH, Braunschweig (Supervisory Board) / Projektgesellschaft Salzgitter-Watenstedt GmbH, Salzgitter (Supervisory Board, Vice Chairman) / Wohnungsbaugesellschaft mbH Salzgitter, Salzgitter (Supervisory Board, Vice Chairman)

The members of the Executive Board bear joint responsibility for the overall management of the company and the development of the Group. In addition, a general monitoring and control obligation is incumbent on each member of the Executive Board in working toward averting any threat of adverse developments, implementing desirable improvements or appropriate changes. The Chairman of the Executive Board coordinates the work of Executive Board members. Resolutions shall be passed unanimously by the Executive Board, as far as possible. If consensus cannot be achieved, resolutions will be passed by the majority.

The **Group Management Board**, acting on behalf of the Executive Board, bears joint responsibility for consulting and deciding on all transactions and matters concerning Salzgitter AG and the Group companies that largely pertain to the business units and for coordinating the Group's operating activities.

The following members belonged to the Group Management Board in the financial year 2022:

Gunnar Groebler

Chairman

Kai Acker

Technology Business Unit

Burkhard Becker

Finance and Steel Processing Business Unit
(up until March 31, 2022, Mannesmann Business Unit)

Dr.-Ing. Sebastian Bross

Integration Steel Production and Steel Processing business units
(up until March 31, 2022, Plate / Section Steel Business Unit)

Ulrich Grethe

Steel Production Business Unit
(up until March 31, 2022, Strip Steel Business Unit)

Michael Kieckbusch

Personnel

Volker Schult

Trading Business Unit

APPOINTING OF MEMBERS AND COMPOSITION OF THE EXECUTIVE BOARD

The Executive Board members are appointed by the Supervisory Board for a maximum of five years. The Supervisory Board ensures long-term successor planning together with the Executive Board. As part of this process, the Supervisory Board discusses in good time before the expiration of a contract whether the incumbent should be offered a renewal of his/her employment contract. The Supervisory Board informs the Executive Board member accordingly of the result. In the event of replacement or if recruiting for a newly created Executive Board position, the Supervisory Board's Presiding Committee approves a requirement profile and searches for suitable candidates, generally with the support of external consultants. Following a pre-selection process, the Presiding Committee then presents one or a selection of several candidates for appointment.

When appointing Executive Board members, the Supervisory Board takes account of the fact that the period of office of the person appointed does not exceed the age of 65. As part of the Board's diversity concept, it also gives consideration to the following:

- / that the member to be appointed possesses the personal competence, skills and expertise necessary for professionally and responsibly performing their tasks; this includes, on the one hand, the specific skills and knowledge for heading up the executive portfolio in question and, on the other, the necessary leadership skills for participating in the management of both company and Group by the entire Executive Board,
- / that, along with their suitability in terms of personal competence, skills and expertise, consideration is also given to age as far as possible, on the one hand in order to permit service to the company for a number of years so as to promote continuity and sustainability in corporate management and, on the other, to have younger persons who are familiar with more recent specialist knowledge and management methods as well as older persons represented on the Executive Board who have greater professional, life and management experience,
- / that, in the case of equal suitability of personal competence, skills and expertise, as far as possible both male and female persons are represented on the Executive Board, with the Supervisory Board targeting a proportion of women of at least 30 % by June 30, 2025 in the event of any future opening for a successor,
- / that, along with their suitability in terms of personal competence, skills and expertise, members of the Executive Board have as wide a range of educational backgrounds as possible, including technical, business, legal and other humanistic and scientific disciplines.

Taking account of the company-specific requirements, the diversity concept applied to the composition of the Executive Board is aimed at contributing to the professional and responsible performing of the management duties of the entire Executive Board through the greatest possible diversity.

The Supervisory Board realizes the concept of diversity in the composition of the Executive Board by taking account within the greatest scope possible of the aspects of diversity under this concept when selecting members to be appointed to the Executive Board. The search for suitable persons is incumbent on the Supervisory Board's Presiding Committee.

The diversity concept for the composition of the Executive Board is implemented to the highest degree possible.

WORKING PRACTICES OF THE EXECUTIVE BOARD

The Executive Board holds regular meetings as well as online and telephone conferences for the purpose of discussion and decision-making. It has not currently formed any standing committees.

In its management and control of the subsidiaries and affiliates, the Executive Board deploys the following instruments, while also consulting with the Group Management Board:

- / rules and regulations on reporting duties and approval requirements in corporate guidelines and the articles of association of Group companies pertaining to specific areas of business,
- / defining of the Group's management principles in the policy entitled "Management and Organization",
- / obligation of all Group companies to prepare annual shipment and sales budgets as well as investment, financial and personnel planning,
- / the regular monitoring of progress made throughout the year in all Group companies; if necessary, the taking of appropriate measures,
- / regular audits and special case-by-case audits performed by an internal audit department,
- / operating of a groupwide monitoring system for the early detection of risks and a risk management system, and
- / agreeing of the goals and deciding of a performance-oriented remuneration component for managers and senior executives of the Group companies.

HANDLING CONFLICTS OF INTEREST

We counteract conflicts of interest at Executive Board level by having Executive Board sideline activities (beyond the prohibition on competition pursuant to Section 88 AktG) subject to prior consent by the Supervisory Board, and Executive Board members are obliged to disclose any conflicts of interest immediately to the Chairman of the Supervisory Board or the other Executive Board members. Furthermore, transactions that pose a danger of a conflict of interest may also only be undertaken with the prior consent of the Chairman of the Supervisory Board. No Executive Board member disclosed a conflict of interest in the financial year 2022.

THE SUPERVISORY BOARD OF SALZGITTER AG

The core tasks of the Supervisory Board are to advise and supervise the Executive Board in its management of the company. In accordance with the law, certain fundamental decisions may only be made with its approval. It has determined that, in addition, certain types of transactions require its approval. The members of the Supervisory Board are liable to the company for any dereliction of duty.

COMPOSITION AND WORKING PRACTICES OF THE SUPERVISORY BOARD

The Supervisory Board comprises 21 members, specifically ten shareholder and ten employee representatives plus one other member. This composition has been laid down under the provisions of the Co-Determination Amendment Act applicable to the company, in conjunction with Article 7 of the company's Articles of Incorporation. In the proposals for election or, in the case of the judicial appointment of Supervisory Board members, the Supervisory Board ensures that the candidates have generally not reached the age of 70 at the start of their term of office and, in the case of judicial appointments, when they join the Supervisory Board. Once the mandate has been accepted, Salzgitter AG supports new members of the Supervisory Board by offering them an onboarding program that presents the Group and its business activities. In addition, each Supervisory Board member is provided with an extensive manual comprising information on the Group relevant to Supervisory Board activities. Furthermore, Salzgitter AG supports Supervisory Board members with measures for continuous professional development. The Supervisory Board regularly assesses how effectively it performs its tasks overall and the effectiveness of its committees. In the financial year 2022, this self-assessment took place with the aid of an external consultant by way of a survey directed at members of the Executive Board and the Supervisory Board.

MEMBERS OF THE SUPERVISORY BOARD

In the financial year 2022, the following members belonged to the Supervisory Board of Salzgitter AG and held memberships in the following a) statutory supervisory boards and b) comparable domestic and foreign controlling bodies of commercial enterprises:

Member	Mandates
Heinz-Gerhard Wente Member since September 16, 2015 Chairman since April 1, 2016 Member of the Management Board of Continental AG, retired, Hanover	Other non-listed companies: (b) / Alpha ABMD Holdco B.V., Alkmaar, Netherlands (Supervisory Board member)
Dr. Hans-Jürgen Urban Member since May 21, 2008 Vice Chairman since August 26, 2011 Chairman Member of the Management Board of Industriegewerkschaft Metall, Frankfurt am Main	Non-listed consolidated companies: (a) / Salzgitter Flachstahl GmbH, Salzgitter (Vice Chairman)
Konrad Ackermann Member since May 23, 2013 Chairman of the General Works Council of KHS GmbH, Dortmund	Non-listed consolidated companies: (a) / KHS GmbH, Dortmund

Member	Mandates
Manuel Bloemers Member since July 1, 2021 Union Secretary, IG Metall Management Board, Düsseldorf	Other non-listed companies: (a) / Speira GmbH, Grevenbroich (Vice Chairman) / Aluminium Norf GmbH, Neuss Listed companies: (a) / Siemens Energy AG, Munich (Supervisory Board), since September 1, 2022
Ulrike Brouzi Member since May 23, 2013 Member of the Management Board of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main	Other non-listed companies: (a) / Bausparkasse Schwäbisch Hall AG, Schwäbisch Hall / R+V Allgemeine Versicherung AG, Wiesbaden / R+V Lebensversicherung AG, Wiesbaden / Union Asset Management Holding AG, Frankfurt am Main / DZ CompliancePartner GmbH, Neu-Isenburg (Vice Chairwoman)
Hasan Cakir Member since July 17, 2006 Chairman of the Group Works Council of Salzgitter AG, Salzgitter Chairman of the Works Council of Salzgitter Flachstahl GmbH, Salzgitter	Non-listed consolidated companies: (a) / Salzgitter Flachstahl GmbH, Salzgitter

Member	Mandates
Dr. Bernd Drouven Member since May 24, 2018 Member of the Executive Board of Aurubis AG, retired, Hamburg	No membership in other governing bodies
Roland Flach Member since May 23, 2013 Chairman of the Executive Board of Klöckner-Werke AG, retired, Duisburg Chairman of the Management Board of KHS AG, retired, Dortmund	Non-listed consolidated companies: (a) / KHS GmbH, Dortmund
Gabriele Handke Member since March 1, 2015 Chairwoman of the Works Council of Peiner Träger GmbH, Peine	Non-listed consolidated companies: (a) / Peiner Träger GmbH, Peine
Reinhold Hilbers Member since January 18, 2018 Minister of Finance, retired, of the Federal State of Lower Saxony	Other non-listed companies: (a) / Norddeutsche Landesbank Girozentrale, Hanover (Chairman), until November 7, 2022 / Deutsche Messe AG, Hanover (b) / KfW-Bankengruppe (Board of Administration)

Member	Mandates
Norbert Keller Member since August 30, 2019 Chairman of the Works Council of Hüttenwerke Krupp Mannesmann GmbH, Duisburg, until March 15, 2022 Member of the Works Council of Hüttenwerke Krupp Mannesmann GmbH, Duisburg since March 15, 2022	Non-listed consolidated companies: (a) / Mannesmann Precision Tubes GmbH, Mülheim an der Ruhr, until May 31, 2022
Frank Klingebiel Member since May 19, 2021 Lord Mayor of the independent City of Salzgitter, Salzgitter	Other non-listed companies: (a) / Braunschweigische Landessparkasse, Braunschweig, (Board of Administration, First Vice Chairman) / Öffentliche Versicherung Braunschweig, Braunschweig (Supervisory Board) / Helios Klinikum Salzgitter GmbH, Salzgitter (Supervisory Board, Vice Chairman) (b) / WEVG Salzgitter GmbH & Co. KG, Salzgitter, (Supervisory Board, Chairman) / ASG Abwasserentsorgung Salzgitter GmbH, Salzgitter (Supervisory Board), until March 18, 2022 / Entsorgungszentrum Salzgitter GmbH, Salzgitter, (Supervisory Board, Chairman) / Projektgesellschaft Salzgitter-Watenstedt GmbH, Salzgitter (Supervisory Board, Chairman)

Member	Mandates
Frank Klingebiel	(b) / Wohnungsbaugesellschaft mbH Salzgitter, Salzgitter (Supervisory Board) / Kraftverkehrsgesellschaft mbH Braunschweig, Salzgitter (Supervisory Board) / Allianz für die Region GmbH, Braunschweig (Supervisory Board) / Wirtschafts- und Innovationsförderung Salzgitter GmbH, Salzgitter (Supervisory Board), since February 16, 2022
Prof. Dr. Susanne Knorre Member since May 24, 2018 Business consultant	Other non-listed companies: (a) / Deutsche Bahn AG, Berlin / Norddeutsche Landesbank Girozentrale, Hanover / Rain Carbon Germany GmbH (formerly RÜTGERS Germany GmbH), Castrop-Rauxel
Heinz Kreuzer Member since May 24, 2018 Chairman of the Management Board of TUI InfoTec GmbH, retired, Hanover	Other non-listed companies: (b) / eves_information technology AG, Braunschweig (Supervisory Board), since January 1, 2022 / Safarihub Europe Ltd. Harrow, Middlesex, United Kingdom
Volker Mittelstädt Member since September 1, 2012 Chairman of the Works Council of Ilseburger Grobblech GmbH, Ilseburg	Non-listed consolidated companies: (a) / Ilseburger Grobblech GmbH, Ilseburg (Vice Chairman) (b) / Ilseburger Grobblech GmbH, Ilseburg, and Salzgitter Mannesmann Grobblech GmbH, Mülheim an der Ruhr (Joint Advisory Council)

Member	Mandates
Klaus Papenburg Member since July 1, 2021 Member of the Executive Board of GP Günter Papenburg AG, Halle	Other non-listed companies: (a) / Member of the Advisory Council of STOCKMEIER Holding GmbH, Bielefeld
Anja Piel Member since July 22, 2021 Member of the Federal Executive Board of Deutscher Gewerkschaftsbund, Berlin	No membership in other governing bodies
Prof. Dr. Joachim Schindler Member since November 24, 2017 Member of various supervisory boards:	Other non-listed companies: (a) / Zoologischer Garten Berlin AG, Berlin / Rocket Internet SE, Berlin (Vice Chairman) / CMBlu Energy AG, Alzenau (Supervisory Board), since March 10, 2022
Christine Seemann Member since May 24, 2018 Works Council member of Salzgitter Flachstahl GmbH, Salzgitter, and Chairwoman of ARGE Steel Production Business Unit	/ No membership in other governing bodies

Member	Mandates
Prof. Dr. Dr.-Ing. Birgit Spanner-Ulmer Member since April 27, 2016 Director of Production and Technology Bayerischer Rundfunk, Munich	Other non-listed companies: (a) / Bavaria Studios & Production und Services GmbH, Geiseltasteig (Supervisory Board, Chairwoman) / Bayern Digital Radio GmbH, Munich (Supervisory Board)
Clemens Spiller Member since May 24, 2018 Systems analyst, Chairman of the Works Council of Salzgitter Digital Solutions GmbH (formerly GESIS GmbH)	/ No membership in other governing bodies

COMMITTEES OF THE SUPERVISORY BOARD

PRESIDING COMMITTEE

Heinz-Gerhard Wente (Chairman)
Konrad Ackermann since September 29, 2022
Hasan Cakir
Reinhold Hilbers until December 31, 2022
Klaus Papenburg since September 29, 2022
Dr. Hans-Jürgen Urban

AUDIT COMMITTEE

Prof. Dr. Joachim Schindler (Chairman)
Konrad Ackermann until December 31, 2022
Manuel Bloemers
Roland Flach until December 31, 2022

STRATEGY COMMITTEE:

Heinz-Gerhard Wente (Chairman)
Konrad Ackermann
Manuel Bloemers
Hasan Cakir
Dr. Bernd Drouven
Reinhold Hilbers until December 31, 2022
Prof. Dr. Dr.-Ing. Birgit Spanner-Ulmer
Dr. Hans-Jürgen Urban

NOMINATION COMMITTEE

Reinhold Hilbers until December 31, 2022
Klaus Papenburg since September 29, 2022
Heinz-Gerhard Wente

OBJECTIVES FOR THE COMPOSITION AND COMPETENCE PROFILE OF THE SUPERVISORY BOARD

The shareholder representatives serving on the Supervisory Board consider at least six independent shareholder representatives on the Supervisory Board to be an appropriate number. In the opinion of the shareholder representatives, the following shareholder representatives can be considered independent within the meaning of the German Corporate Governance Code: Dr. Bernd Drouven, Roland Flach, Reinhold Hilbers, Prof. Dr. Susanne Knorre, Heinz Kreuzer, Klaus Papenburg, Prof. Dr. Joachim Schindler, Prof. Dr. Dr.-Ing. Birgit Spanner-Ulmer and Heinz-Gerhard Wente.

The shareholder representatives also consider Dr. Drouven to be independent. In the year of his appointment in 2018, Dr. Drouven was a member of Supervisory Board of Aurubis AG in which the Company holds a participating investment. He withdrew from the Supervisory Board of Aurubis AG in the same year, however.

In December 2017, the Supervisory Board defined the objectives set out below as further important goals for its composition and competence profile and added to them in December 2022: Along with all statutory requirements placed on the individual Supervisory Board members, they should possess the necessary expertise and personal competence anchored in expert knowledge, capabilities and experience, as well as in their personal suitability for assuming the tasks

incumbent on them. As a whole, they must be familiar with the sectors of steel and mechanical/plant engineering. The members should include persons with technical expertise, practical experience in managing companies and in developing corporate strategies, with expertise in the key areas defined under the company's sustainability strategy, knowledge of financial instruments, expertise in digitalization and information technologies, and preferably international experience. At least one member must be qualified in accounting and at least one member in statutory auditing. Expertise in accounting should in particular comprise knowledge and experience in the application of accounting principles and internal control and risk management systems, and expertise in statutory audit should consist of special expertise and experience in this field. Sustainability reporting and the audit thereof also form part of accounting and statutory audit. With Supervisory Board proposals on the election of the Supervisory Board to be put to the 2018 Annual General Meeting of Shareholders, and in 2021 on the election of Supervisory Board Members, as well as in 2022 concerning applications filed for the judicial appointment of shareholder representatives, the objectives defined by the Supervisory Board for its composition and the competence profile that it has drawn up for the entire Board have been implemented.

The status of implementing the competence profile is disclosed in the following in the form of a qualification matrix.

Qualification matrix

	Familiarity with the steel industry	Familiarity with the mechanical/plant engineering industry	Technical expertise	Practical experience in managing companies and developing corporate strategies	Expertise in the key areas of the company's sustain- ability strategy	Knowledge of financial instruments	Experience in international business	Digitalization and information technologies	Expertise in accounting	Expertise in statutory audit
Heinz-Gerhard Wente	×	×		×	×	×	×		×	
Ulrike Brouzi				×	×	×		×	×	
Dr. Bernd Drouven	×	×	×	×	×	×	×		×	
Roland Flach	×	×		×	×	×	×		×	
Reinhold Hilbers				×	×	×			×	
Frank Klingebiel				×	×	×			×	
Prof. Dr. Susanne Knorre	×			×	×	×				
Heinz Kreuzer			×	×	×		×	×		
Klaus Papenburg		×		×	×	×			×	
Prof. Dr. Joachim Schindler				×	×	×	×		×	×
Prof. Dr. Dr.-Ing. Birgit Spanner-Ulmer		×	×	×	×					

DIVERSITY CONCEPT FOR THE COMPOSITION OF THE SUPERVISORY BOARD

In selecting candidates for its proposals for the election of Supervisory Board members to be put forward to the General Meeting of Shareholders, the Supervisory Board gives consideration to the following:

- / that the personal competence, skills and expertise necessary for professionally and responsibly performing of duties of the Supervisory Board – essentially the appointing of Executive Board members, the supervising of the Executive Board's management of the company, as well as the examination of the annual financial statements and management reports – are represented on the Board as a whole; this includes particularly technical expertise, practical experience in corporate management and the crafting of corporate strategies, expertise in the key areas of the company's sustainability strategy, knowledge of financial instruments, expertise in digitalization and information technology, and experience in international business with regard to the sectors in which the companies of the Salzgitter Group operate and also with respect to the management tasks of Salzgitter AG,
- / along with suitability in terms of personal competence, expertise and skills, that younger persons exercising their professions as well as older persons more experienced in professional life and life in general are represented on the Supervisory Board,
- / along with suitability in terms of personal competence, skills and expertise, that female and male persons are represented on the Supervisory Board, whereby the entire Supervisory Board must consist of at least 30 % women and at least 30 % men in accordance with legal requirements,
- / along with suitability in terms of personal competence, expertise and skills, that such persons come as far as possible from the widest educational backgrounds – including technical, business, legal and other humanistic and scientific disciplines – with different professional backgrounds – including professionals from technical, business, scientific and legal professions.

In terms of the composition of the Supervisory Board, and while taking account of the company-specific requirements, the diversity concept is aimed at contributing to the professional and responsible performing of the duties of the entire Supervisory Board through the greatest possible diversity of the personal competences, skills and expertise represented on the Board, the educational and professional backgrounds, as well as different assessment aspects based on age and gender.

The Supervisory Board endeavors to implement the diversity concept applied to its composition by taking the aspects of this concept into account as far as possible in the election of Supervisory Board members, along with other aspects to be considered when selecting appropriate candidates for its proposals for the election of Supervisory Board members. The search for suitable candidates and their pre-selection are incumbent on the Supervisory Board's Nomination Committee. The ultimate decision on the composition of the Supervisory Board is the province of Salzgitter AG's shareholders in the General Meeting of Shareholders.

The diversity concept applied to the composition of the Supervisory Board is implemented to the greatest extent possible.

WORKING PRACTICES OF THE SUPERVISORY BOARD

The Supervisory Board meets a minimum of four times a year, has the Executive Board report in detail, and discusses the development of business and the situation of the company and of the Group with the Executive Board. It takes receipt of written reports submitted by the Executive Board at regular intervals on the course of business and the performance of the company.

The Supervisory Board deploys the following instruments in particular in performing its advisory and supervisory function:

- / defining the allocation of duties at Executive Board level, with clear assignment of areas of competence,
- / obligation of the Executive Board to submit regular, timely and comprehensive reports to the Supervisory Board,
- / regular discussion of the planning, business development and the strategy with the Executive Board,
- / determination of the type of transactions and measures of the Executive Board that necessitate Supervisory Board approval,
- / obligation of the Executive Board to submit a longer term corporate plan on an annual basis and to report on the execution of such a plan, and
- / agreeing variable remuneration components for Executive Board members.

WORKING PRACTICES OF THE COMMITTEES OF THE SUPERVISORY BOARD

In order to prepare its meetings and decisions the Supervisory Board has currently formed four standing committees:

The **Presiding Committee** undertakes the preparatory work in connection with the appointing of Executive Board members and, in place of the Supervisory Board plenum, makes decisions on certain business measures requiring and in the case of business measures requiring urgent approval.

The **Audit Committee** focuses on the following:

- / accounting (preparatory examination of the separate financial statements and the consolidated financial statements, as well as the non-financial report, discussion of financial reports during the year with the Executive Board),
- / monitoring of the accounting process, the effectiveness of the internal control system, the internal audit system and the risk management system,
- / compliance with the provisions applicable to the company (corporate compliance), and
- / the audit of the financial statements (recommendation to the Supervisory Board for the selection of the external auditor, assignment of the audit engagement and determination of key audit areas, monitoring the quality of the audit carried out on the financial statements and the independence of the external auditor, approval of additional services provided).

Members of the Audit Committee in the financial year 2022 included Prof. Schindler and Mr Flach.

Prof. Schindler has special expertise and experience in statutory audit and in the application of accounting principles. He has been a certified public accountant since 1989 and, among other positions, was responsible for accounting at the level of KPMG Germany's Managing Board and in its Global Executive Team. In the context of Prof. Schindler's long-standing supervisory board service, he engaged intensively with the topic of the steady development of sustainability reporting and its auditing.

Over the last decades, until taking retirement at the end of 2011, Mr Flach performed the tasks of managing director of various private limited companies (GmbH), acted as a board member and as chairman of the board of various (also listed) companies with overall responsibility for accounting and the internal control and risk management systems of these companies. In addition, and particularly since taking retirement, Mr Flach has carried out his duties as a member of a number of supervisory boards as well as the function supervisory board chairman (also in matters of sustainability reporting) from the standpoint of the statutory supervisory role.

The **Strategy Committee** consults in depth with the Executive Board on the corporate strategy whenever necessary.

The **Nomination Committee**, which is exclusively comprised of representatives of the shareholders, proposes suitable candidates to the Supervisory Board that, in turn, presents its proposals to the Annual General Meeting of Shareholders for the election of shareholder representatives to the Supervisory Board.

HANDLING CONFLICTS OF INTEREST

Supervisory Board members must disclose conflicts of interest to the Supervisory Board. In the event of critical conflicts of interest that are not of a temporary nature, the respective Supervisory Board member must lay down his or her office. In the financial year 2022, no Supervisory Board member reported a conflict of interest.

REMUNERATION SYSTEM AND REMUNERATION REPORT

The remuneration report on the financial year now ended and the auditor's report pursuant to Section 162 AktG, the current remuneration system pursuant to Section 87a para. 1 and 2 sentence 1 AktG, and the resolution on remuneration passed by the Annual General Meeting of Shareholders on July 8, 2020 pursuant to Section 113(3) AktG have been made available on the company's website at [➔ Corporate Governance](#).

SUSTAINABLE CORPORATE GOVERNANCE

The Salzgitter Group reports on its sustainability activities in the financial year 2022 in a **➔ non-financial report** that forms part of the annual report. The separate combined non-financial report for the period from January 1, 2022 through to December 31, 2022 was prepared for the first time with reference to the GRI standards. The report focuses on key sustainability topics and KPIs for our company in the dimensions of environmental, social and governance. In addition, the report complies with the Regulation (EU) 2020/852 in the version of June 18, 2020, of the European Parliament and of the Council on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (EU Taxonomy Regulation).

TARGET PARAMETERS FOR THE PROPORTION OF WOMEN IN MANAGEMENT

In 2017, the Executive Board defined a target of 13% for the proportion of women in the first management level under the Board and 20% for women at the second management level under the Board. These quotas should have been achieved by June 30, 2022. Through to the end of this period, the target was achieved for the second management level (two of nine positions), but this did not apply to the target set for the first management level (one of 15 positions). The non-fulfilment of this target is attributable to the fact that changes in personnel in specific functions only occurred to a very limited extent, and that these newly created functions could not be filled with suitable female candidates due to non-availability. Filling the position internally by a suitable candidate that contributed to meeting the target occurred after the end of the target period.

In 2022, the Executive Board defined a target of 13.3% for the proportion of women in the first management level under the Board and 22.2% for women at the second management level under the Board. These quotas are to have been achieved by June 30, 2027. To promote the development of women high potentials within the Group, Salzgitter AG has defined further targets for filling salaried positions not covered by collective agreements that are anchored in the corporate strategy (scorecard).

In 2017, the Supervisory Board decided, in the event of an Executive Board member having to be replaced by June 30, 2022, to strive for a target of 30% in terms of the proportion of women represented on the Executive Board that currently consists of three male persons. This target was not achieved as no female candidate was available for the only appointment made through to the end of this period of the new Chief Executive Officer designate, despite the involvement of a high-profile recruiting expert.

In 2020, the Supervisory Board finally decided that, in the event of an Executive Board member having to be replaced by June 30, 2025, to strive for a target of 30% in respect of the proportion of women represented on the Executive Board that currently consists of three male persons.

The statutory minimum requirement in respect of men and women on the Supervisory Board was adhered to during the financial year.

CORPORATE COMPLIANCE

The Executive Board is responsible for compliance with the relevant statutory requirements and company guidelines and acts, among other things, by deploying the following measures and through their observance by the Group companies (Compliance Management System):

- / publication of a code of conduct binding on all employees in which the Executive Board explicitly declares its commitment to observe all laws at all times and in all places,
- / issuance of a corporate guideline on "Corporate Compliance" that lays down the responsibilities and organizational duties, as well as providing all Group companies and their employees with detailed descriptions and instructions in the form of guidelines on conduct that complies with the law and the fulfilling of their compliance duties in particularly sensitive areas of the law, for instance, guidelines on the avoidance of corruption, correct behavior in competition and information on insider law,
- / setting up the "Fair Together" whistleblower system in order to give all employees as well as customers, suppliers and other business partners the possibility of reporting infringements of the law in the company,
- / setting up a Compliance Committee with the involvement of the Executive Board to facilitate the discussion of topical compliance issues and for arriving at a common consensus and decisions, for instance on changes to the compliance structure or the implementation of special compliance measures,
- / setting up a compliance management organization unit with a compliance officer,
- / carrying out of regular compliance training in order to raise the awareness of managers and employees regarding the observance of standards, to identify potential hazards and to recommend suitable courses of action, and
- / regular analysis of the compliance risks within the Group.

The Executive Board has mandated Internal Audit with reviewing the suitability and effectiveness of the compliance management system (CMS) in the Salzgitter Group. The respective reviews of the CMS form an integral part of the audit plan. The CMS is subject to regular reviews both at Group level and as a mandatory part of the compliance audits conducted at Group companies, as well as on an event-driven basis.

Further information on our CMS is available on our website at [🔗 Compliance](#).

ETHICAL STANDARDS OF SALZGITTER AG

Beyond the statutory requirements placed on managing companies and the recommendations of the German Corporate Governance Code, we have developed a **➤ Mission statement** by the name of "YOUNITED" for our Group. In this process, employees from all Group companies across all hierarchical levels defined a shared system of values, among other things. This system includes values such as reliability, fairness and sustainability.

Moreover, the Executive Board has defined a set of clear rules regulating conduct for all the Group's employees in the form of a **➤ Code of conduct** that they are to follow in carrying out their activities. This Code of Conduct includes in particular observance of human rights, compliance with the law, commitment to fair competition, and the rejection of corruption of any kind. In addition, these rules enable the trustful cooperation of the employees among themselves and honest dealings with one another and with business partners.

SHAREHOLDERS AND ANNUAL GENERAL MEETING OF SHAREHOLDERS

The shareholders principally exercise their rights at general meetings of shareholders. Each shareholder of Salzgitter AG is entitled to participate in the General Meeting of Shareholders, which takes place at least once a year, to ask pertinent questions and submit relevant motions and to exercise their voting rights. Fundamental decisions affecting the company, such as changes to the Articles of Incorporation, the appropriation of annual profit, the election of shareholder representatives to the Supervisory Board, the raising or lowering of capital, or the selection of the annual independent auditor are reserved for the General Meeting of Shareholders. It also decides on the remuneration of the Supervisory Board. We facilitate the process of shareholders exercising their voting rights without having to personally take part in the General Meeting of Shareholders: They can appoint a proxy of the company and instruct this person on how they wish to exercise their voting rights.

The results of voting by the **➤ 2022 General Meeting of Shareholders** have been published on the website of Salzgitter AG.

DIRECTORS' DEALINGS

Members of the Executive Board and the Supervisory Board are obliged, pursuant to Section 19. Regulation (EU) No. 596/2014, dated April 16, 2014 on market abuse (market abuse regulation) of the European Parliament and of the Council, to disclose their own dealings with shares or debt instruments of Salzgitter AG, or the relevant derivatives or other associated financial instruments, inasmuch as the overall amount of the transactions carried out by a member or related parties reaches or exceeds an amount of € 20,000 in a single calendar year. No transactions of this kind were reported to Salzgitter AG in the financial year now ended.

TRANSPARENCY OF THE COMPANY

Salzgitter AG publishes an annual report once a year and provides a summary of the development of business on a quarterly basis as the year progresses. This ensures that our shareholders are kept informed about the situation of the company and the Group in a timely manner. The dates of publication are announced in the **➤ Financial calendar** sufficiently in advance for the coming financial year and posted on the company's website. Furthermore, the Executive Board explains the results of each financial year elapsed at an annual results press conference, reported on by the media, that takes place directly after the meeting of the Supervisory Board when the financial statements are adopted.

Moreover, we regularly hold analyst conferences for analysts and institutional investors, and present the company at domestic and international investment conferences and roadshows. These events were principally held in virtual form in 2022 due to the coronavirus. Finally, the Executive Board reports to the general public on significant events by way of press releases and ad-hoc announcements. All **➤ Reports and Statements** are published on the company's website in both German and English.

ACCOUNTING AND STATUTORY AUDIT

In accordance with Sections 315 (5) and 298 (2) of the German Commercial Code (HGB), the management report of the Salzgitter Group and the management report of Salzgitter AG are combined. Any eventual discrepancies are explained in detail in the management report.

Salzgitter AG's consolidated financial statements are prepared in compliance with the International Financial Reporting Standards (IFRS) as mandatorily applicable within the EU, as well as the supplementary requirements under German stock corporation and commercial law. Salzgitter AG's financial statements are drawn up in accordance with the principles of HGB.

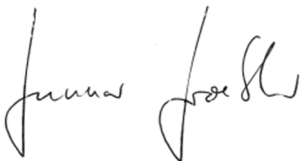
Salzgitter AG's separate annual financial statements and consolidated financial statements, as well as the combined management report at company and at Group level, are prepared by the Executive Board and audited by the statutory auditor as well as, following preparation by the Audit Committee, by the Supervisory Board. The statutory auditor participates consultations of the Audit Committee and the Supervisory Board on the annual financial statements at company and at Group level, reports on the process and on the findings of its audit, and is available to respond to questions and to provide additional information. With regard to the financial year 2022, the Annual General Meeting of Shareholders selected Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Hanover, on June 2, 2022, as the auditor of the two sets of annual financial statements at company and at Group level. Before the Supervisory Board puts forward a proposal to the Annual General Meeting of Shareholders for appointing the statutory auditor, the statutory auditor gives the Supervisory Board assurance of its independence and objectivity.

In accordance with the requirements of the German Corporate Governance Code, the consolidated financial statements and the management report on the Group are published within 90 days following the end of the financial year (December 31), and financial information throughout the year (interim report on the first six months and quarterly statements) within 45 days following the end of the respective quarter or half year.

The [➤ Declaration of corporate governance](#) is accessible on Salzgitter AG's website.

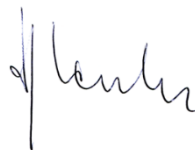
Salzgitter, March 17, 2023

The Executive Board



Gunnar Groebler
Chairman

The Supervisory Board



Heinz-Gerhard Wente
Chairman