

REPORT OF THE SUPERVISORY BOARD



Chairman of the Supervisory Board: Heinz-Gerhard Wente

The year 2023 continued to be determined by Russia's war of aggression against Ukraine, fragile supply chains, energy price hikes and a high inflation rate, which resulted in the persistently weak development of the German economy. At a geopolitical level, this situation was compounded by the terror attack on October 7, 2023, that re-ignited the conflict between Israel and Hamas. The Salzgitter Group nevertheless got off to an encouraging start to the year. The Steel Production and Steel Processing business units initially benefited from the exceptional trend of the previous year and at the start of the year before business began to slow in the second quarter. The Trading Business Unit suffered from the downturn in steel prices over most of the year, as opposed to the Technology Business Unit that delivered a stellar performance throughout the full year. As a result of criminal activity against Aurubis AG, the company itself as well as Salzgitter AG that holds a

participating investment of 29.99% in Aurubis AG in relation to the total number of shares were forced to initially suspend their profit forecasts and subsequently to revise them downward. The sales forecast was also adjusted at the start of November due to weaker business activity. Our company nevertheless generated a satisfactory annual result in 2023. Compared with the exceptionally successful financial year 2022, however, the result returned to a normal level.

In view of updated insights gained from detailed planning, progress made in construction, and the general facilities price trend, the overall budget for the first stage of the SALCOS® program was increased in March 2023 to between € 2.2 and € 2.4 billion. In the reporting year, the Group continued to lobby at all political levels to gain the necessary financial support for the program while campaigning for the requisite framework conditions conducive to the transformation from coal-based toward low carbon steel production to be set in place. At the same time, the Group made headway with the technical and financial planning, preparation and implementation of SALCOS®. These endeavors were rewarded on April 18, 2023, through Federal Republic of Germany and the Federal State of Lower Saxony handing over a funding commitment amounting to around € 1 billion. In addition, the Salzgitter Group continued to rigorously forge ahead with its current efficiency program in the financial year 2023, while raising the profit improvement potential resulting from the measures to between € 200 and € 250 million through to 2026.

MONITORING AND ADVISING THE EXECUTIVE BOARD IN THE EXERCISING OF ITS MANAGEMENT DUTIES

In the financial year 2023, the Supervisory Board kept itself continuously apprised of the situation of the Group and the development of business. The Executive Board informed the Supervisory Board by way of detailed written quarterly reports about the Group's result of operations, the current financial position and the net assets, as well as about developments in the relevant markets, the course of business and the investments in the individual business units. The reports also comprised information on the developments and activities in the personnel area as well as detailed estimates on the opportunities and risks over the course of the year. Moreover, the Supervisory Board held six meetings to obtain detailed oral reports on the respective current situation of the Group and the important Group companies, as well as on material business transactions and relevant changes. The development of business compared with corporate planning was explained to the Supervisory Board. Any deviations from planning were elaborated on, and then queried and



discussed by the Board. Compensatory measures were addressed. In addition, the meetings also addressed the status of implementation of the groupwide "FitStructure 2.0" efficiency program. The Supervisory Board devoted special attention to long-term planning, as well as to the status of the SALCOS® program. By using the dashboard provided by the Executive Board, the Supervisory Board was able to track the development of the SALCOS® program in a timely manner and, if necessary, engage in clarifying discussion with the Executive Board. Business transactions requiring the consent of the Supervisory Board were approved by the Board after thorough examination and consultation. Furthermore, between meetings, the Chairman of the Supervisory Board was kept regularly informed by the Executive Board Chairman on current topics.

The Supervisory Board held regular meetings in the reporting year in the months of March, May, September and December, and convened extraordinary meetings in March and June as well as an inaugural meeting of the newly elected Supervisory Board in May. The attendance rate at the Supervisory Board meetings, held without exception as plenary meetings with individual members participating via online connection, if necessary, stood at 95%. The Supervisory Board convened generally with the Executive Board attending. However, it regularly discussed topics such as Executive Board remuneration and the key findings of the audit conducted on the annual financial statements in the absence of the Executive Board members. Regular preliminary discussions – partly with and partly without the attendance of the Executive Board – in separate meetings with owner and employee representatives served the purpose of initial consultation on the current situation and imminent decisions. No conflicts of interest were brought to the attention of the Supervisory Board, neither by the Supervisory Board members nor by members of the Executive Board, in the reporting year.

Upon assuming their mandates, members newly appointed to the Supervisory Board in the financial year were supported, as is customary with all new Supervisory Board members, through an onboarding program that includes detailed information on the Group and its various business activities, along with an extensive manual with further information relevant to Supervisory Board activities.

FOCUS OF THE CONSULTATIONS OF THE SUPERVISORY BOARD

The extraordinary meeting of the Supervisory Board held on March 2, 2023, essentially focused on the status of the SALCOS® program. In its meeting on March 23, 2023, and as is customary in the regular March meetings, the Supervisory Board focused primarily on the financial statements of Salzgitter AG and of the Group, both drawn up as of December 31, 2022, as well as on the combined management report on the company and the Group for the financial year 2022. The representatives of Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, the auditor selected by the Annual

General Meeting of Shareholders, explained the key findings of their audit and answered the questions put to them by the Supervisory Board members. Following a detailed examination of the documentation pertaining to the financial statements, with the aid of the report of the auditor, the Supervisory Board ratified the separate and consolidated annual statements.

With a view to the variable remuneration of Executive Board members, the Supervisory Board used the fixed performance criteria to determine the degree to which targets set had been achieved for the Performance Cash Award 2019 and the annual bonus for 2022. Moreover, the Board ratified its report for the Annual General Meeting of Shareholders, the remuneration report and the resolutions to be put forward to the 2023 Annual General Meeting of Shareholders on the individual agenda items. Furthermore, the Supervisory Board also consulted on the 2022 non-financial report and, following its own detailed examination, approved the audit findings in the report by the auditor. In addition, the Supervisory Board extended its approval for investments – on July 13, 2022, initially only in the amount of the funds to be committed at that point in time – in the first stage of the SALCOS® program to the effect that it released the entire investment volume envisaged (internal and external funds).

The Supervisory Board continued to follow the development of business and the legal relationship with an Executive Board member who left the company some time ago. Moreover, it elected Mr. Gerald Heere as a further member of the Presiding Committee, of the Nomination Committee and of the Strategy Committee. Finally, the Supervisory Board approved the sale of BERG EUROPIPE Holding Corp., a subsidiary of EUROPIPE GmbH, in which Salzgitter AG holds a 50% stake indirectly, including the subsidiaries.

The main topics addressed by the Supervisory Board in its regular meeting on May 25, 2023 concerned business development and the profit improvement program, along with the status of the SALCOS® program. Following the re-election of the Supervisory Board by the Annual General Meeting of Shareholders on May 25, 2023, the Board held its inaugural meeting on the same day, partly in its new composition. The chairman and vice chairman were elected, the committees defined and their members determined.

In its extraordinary meeting on June 16, 2023, the Supervisory Board focused on discussions about the future composition of the Executive Board. In view of the imminent retirement of Mr. Burkhard Becker, Chief Financial Officer, and following a structured search and selection process, the Supervisory Board appointed Ms Birgit Potrafki as a member of Salzgitter AG's Executive Board for the period from February 1, 2024, through January 31, 2027, and extended Mr. Becker's appointment for the last time through to March 31, 2024. In addition, the Supervisory Board approved the



sale of the participating investment in Borusan Mannesmann Boru Yatirim Holding A.S. and obtained an overview of the development of the Group's business.

In its meeting on September 28, 2023, the Supervisory Board had the head of Salzgitter AG's Investor Relations Department provide information about the findings of an Investor Relations Perception Study conducted with external support. Furthermore, the Supervisory Board deliberated on the review of Executive Board remuneration, discussed the most recent business development, and informed itself about the current status of the SALCOS® program. The Supervisory Board also had the Executive Board report in writing and orally on the Group's compliance management system and on investigated activities.

On December 7, 2023, the Supervisory Board and the Executive Board discussed the corporate plan submitted, explained by the latter for the financial years 2024 through 2026. The Supervisory Board was also brought up to date on the SALCOS® program. Other topics of consultation in this meeting, included the imminent defining of the qualitative criteria determining variable Executive Board remuneration in 2024 for assessing the performance of the individual Executive Board members, as well as the stakeholder objectives in the form of sustainability targets for the performance period from 2024 through 2027. The Supervisory Board also concerned itself with the recommendations of the German Corporate Governance Code for purpose of submitting the Declaration of Conformity for 2023. Furthermore, it appointed Mr. Gunnar Groebler as the Chief Executive Officer and Chairman of Salzgitter AG's Executive Board for another five years through to September 30, 2029. Finally, the Board was brought up to date on the theft and fraudulent activity at Aurubis AG generally known to the public.

WORK OF THE COMMITTEES

In order to prepare for its consultations and decisions, the Supervisory Board has formed presiding, audit, strategy and nomination committees.

The Presiding Committee held four plenary meetings in 2023. The committee consulted in detail on business development and on the SALCOS® program in particular. Moreover, the Presiding Committee concerned itself with successor planning at Executive Board level, corporate planning, reviewing Executive Board and Supervisory Board remuneration, the components of variable Executive Board remuneration, the recommendations of the German Corporate Governance Code, plans for the disposal of holdings, issues concerning the topic of sustainability, along with the theft and fraudulent activity at Aurubis AG that is in the public domain.

The members of the Audit Committee held five meetings during the reporting period, the first as a web conference, but all other meetings with physical attendance. As is customary in March, it prepared the audit of the 2022 annual financial statements at company and at Group level by the whole Supervisory Board in the presence of representatives from the auditor, in particular by way of in-depth consultation on the respective audit reports and the oral report by the representatives of the auditor on the key findings of the audit. To this end, the Audit Committee met twice: on March 9 exclusively with representatives of the statutory auditor and again on March 21 with these auditor representatives and the Executive Board. In the context of its audit, the Audit Committee saw no reason to raise objections and recommended that the full Supervisory Board approve the annual financial statements.

In the same manner, the members of the Audit Committee examined the 2022 non-financial report in preparation and discussed the results of reviewing the remuneration report. In addition, the Audit Committee once again focused on the independence of the external auditor as a routine task, in particular the scope of non-audit services provided by the auditor and the quality of the audit. The consultations of further meetings of the Audit Committee concerned IT security and IT structures, monitoring the accounting process, as well as the effectiveness of the internal control system, the risk management system, and the internal audit system. Moreover, the Audit Committee obtained detailed information on the Group's compliance management system and compliance measures. The Audit Committee also dealt with preparing the proposal of the Supervisory Board for the appointing of the statutory auditor for the financial year 2023 by the Annual General Meeting of Shareholders, the assignment of the audit engagement, and agreeing the fees with the statutory auditor. The quarterly financial reporting of the Group was discussed in detail with the Executive Board before publication. The Chairman of the Audit Committee also maintained regular dialog with the statutory auditor between meetings.

In March 2024, following a detailed preliminary review, the Audit Committee recommended that the full Supervisory Board approve the 2023 annual financial statements at company and at Group level. The committee's preliminary review of the 2023 non-financial report did not give rise to any objections either.

The Strategy Committee held one meeting with members personally attending in 2023. The main topic consisted of the SALCOS® program and in particular its development stages going forward.

The Nomination Committee met once in 2023 in person to discuss the composition of the Supervisory Board for the period of office from 2023 through 2028.

Participation of the Supervisory Board members in Supervisory Board and committee meetings in the financial year 2023

| Members of the Supervisory Board | SB meetings (7) | Presiding Committee (4) | Audit Committee (5) | Strategy Committee (1) | Nomination Committee (1) | Attendance |
|--|-----------------|-------------------------|---------------------|------------------------|--------------------------|------------|
| Heinz-Gerhard Wente, Chairman | 7/7 | 4/4 | / | 1/1 | 1/1 | 100% |
| Prof. Dr. Hans-Jürgen Urban, Vice Chairman | 7/7 | 4/4 | / | 1/1 | / | 100% |
| Konrad Ackermann | 7/7 | 4/4 | / | 1/1 | / | 100% |
| Manuel Bloemers | 6/7 | / | 4/5 | 1/1 | / | 85% |
| Ulrike Brouzi | 6/7 | / | / | / | / | 86% |
| Hasan Cakir | 7/7 | 4/4 | / | 1/1 | / | 100% |
| Dr. Bernd Drouven | 7/7 | / | / | 1/1 | / | 100% |
| Marco Gasse since February 21, 2023 | 7/7 | / | / | / | / | 100% |
| Gabriele Handke | 6/7 | / | / | / | / | 86% |
| Karin Hardekopf since January 1, 2023 | 6/7 | / | 4/5 | / | / | 83% |
| Gerald Heere since January 3, 2023 | 5/7 | 2/3 | / | 1/1 | 0/0 | 73% |
| Norbert Keller until January 31, 2023 | 0/0 | / | / | / | / | 100% |
| Frank Klingebiel | 7/7 | / | / | / | / | 100% |
| Prof. Dr. Susanne Knorre | 7/7 | / | / | / | / | 100% |
| Heinz Kreuzer | 7/7 | / | / | / | / | 100% |
| Dirk Markowski since May 25, 2023 | 4/4 | / | / | / | / | 100% |
| Volker Mittelstädt until May 25, 2023 | 3/3 | / | / | / | / | 100% |
| Klaus Papenburg | 6/7 | 4/4 | / | 1/1 | 1/1 | 92% |
| Anja Piel | 7/7 | / | / | / | / | 100% |
| Prof. Dr. Joachim Schindler | 7/7 | / | 5/5 | / | / | 100% |
| Christine Seemann | 7/7 | / | 5/5 | / | / | 100% |
| Prof. Dr. Dr.-Ing. Birgit Spanner-Ulmer until May 25, 2023 | 3/3 | / | / | 0/0 | / | 100% |
| Clemens Spiller | 7/7 | / | / | / | / | 100% |
| Dr. Susanna Zapreva-Hennerbichler since May 25, 2023 | 4/4 | / | / | / | / | 100% |

DEALING WITH SUSTAINABILITY TOPICS

A recurring, key topic addressed by the Supervisory Board in its work concerns sustainability issues. The SALCOS® program that is geared to the company's virtually climate-neutral steel production forms the centerpiece of this work. Including the requisite preliminary discussions by the Presiding Committee, the SALCOS® program was a fixed item on the agenda of each regular Supervisory Board meeting, while also the focus of an extraordinary full Board meeting and a central topic of the Strategy Committee's meeting. Deliberations in the committees were then reported on in the next full Supervisory Board meeting. The head of the Steel Production Business Unit who also bears responsibility for the program as General Manager of Salzgitter Flachstahl GmbH also participated in the Board meetings.

In addition, the Supervisory Board agreed non-financial targets in 2022 for 2023 and in 2023 for 2024 exclusively with the members of the Management Board for the purpose of variable remuneration accorded to Executive Board members in the area of sustainability (meeting the challenge of demographic change, training and continuous professional development concepts in connection with ongoing digitalization, improving ESG ratings, reducing accidents, securing green electricity supplies, ramping up scrap recycling).

The compliance management system and investigated activities are regularly debated at the Supervisory Board plenum's autumn meeting, prepared beforehand by the Audit Committee's in-depth deliberations on this topic. The head of the Group's Legal Department reports to the full Supervisory Board and the head of the Group's Compliance Management to the Audit Committee.

Special expertise in matters of sustainability is represented on the Audit Committee by the person of Prof. Schindler who has dealt intensively over many years with sustainability reporting and the respective audit as part of his supervisory board activities, and by Ms Hardekopf who, in the position of managing director and Management Board member, has borne long-standing responsibility for the respective company's finance department and therefore also for sustainability reporting. At the present point in time, the Supervisory Board does not view establishing a sustainability committee as expedient, especially as, in addition to the regular discussion of sustainability issues by the full Supervisory Board, these topics are also addressed by the various existing committees, each with their own different focus.

At Executive Board level, the topic of sustainability is largely the remit of the Chief Executive Officer in his role as Chairman, with the responsibility for matters affecting the employees resting with the Chief Personnel Officer.

AUDIT OF THE ANNUAL FINANCIAL STATEMENTS OF SALZGITTER AG AND THE CONSOLIDATED FINANCIAL STATEMENTS

In its meeting on March 14, 2024, the Supervisory Board conducted a detailed examination of the financial statements of Salzgitter AG and of the Group, both drawn up as of December 31, 2023, as well as of the combined management report on the company and on the Group for the financial year 2023. Prior to this meeting, the independent auditor EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Hanover, Germany, selected by the Annual General Meeting of Shareholders, reviewed both sets of financial statements and the management report on the Group and issued an unqualified → **Auditor's opinion**. The auditor thereby confirmed that the accounting, valuation and consolidation carried out in the consolidated financial statements complied with the International Financial Reporting Standards (IFRS) as applicable within the EU. Moreover, it was confirmed that the management report on the Group provides an accurate picture of the Group's position. As part of its assessment of the early risk detection system, the auditor also ascertained that the Executive Board had taken the steps required by the German Stock Corporation Act (AktG) for the early recognition of risks that could endanger the company as a going concern.

The annual financial statements of Salzgitter AG, the consolidated financial statements of the Group, the combined management report on the company and the Group, the Executive Board's proposals for the appropriation of retained earnings, as well as the auditor's reports were available to the Supervisory Board for examination. The representatives of the independent auditor took part in the discussions of the annual financial statements and the consolidated financial statements and elaborated on the most important findings of their audit.

Based on the final results of its own examination of the annual financial statements at company and at group level and the combined management report, the Supervisory Board did not raise any objections. The Board therefore approved the findings of the auditor's review and ratified the annual financial statements and the consolidated financial statements. The annual financial statements are thereby adopted. We gave our approval to the proposal made by the Executive Board on the appropriation of retained earnings.

NON-FINANCIAL REPORT

In its meeting on March 14, 2024, the Supervisory Board also addressed the topic of the separate, combined non-financial report for 2023. Prior to this, EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Hanover, mandated by the Supervisory Board, examined the non-financial Group Report to obtain limited assurance (→ **Opinion**). The auditor confirmed that no matters came to its attention that would cause it to believe that the report had not been prepared in all material respects in accordance with Sections 315c in conjunction with Sections 289c through 289e of the German Civil Code (HGB) and of the Taxonomy Regulation.

Following its own examination, the Supervisory Board concurred with the findings of the audit performed by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft.

CHANGES TO THE SUPERVISORY BOARD

Over the course of 2022, Messrs Flach and Hilbers, both shareholder representatives, each laid down their mandates effective December 31, 2022, and Mr. Keller, employee representative, laid down his mandate effective January 31, 2023.

Through to the expiration of the Supervisory Board's current period of office at the time, the following new members were appointed by the court as successors:

- / Ms Karin Hardekopf as successor to Mr. Flach, effective January 1, 2023,
- / Mr. Gerald Heere as successor to Mr. Hilbers, effective January 3, 2023, and
- / Mr. Marco Gasse as successor to Mr. Keller, effective February 21, 2023.

Otherwise, with the exception of the aforementioned changes in the composition of its committees, there were no changes to the Supervisory Board over the period through to the end of the Annual General Meeting of Shareholders on May 25, 2023.

The term of office of the Supervisory Board expired at the end of the Annual General Meeting of Shareholders. After many years of serving as members, shareholder representative Prof. Dr. Dr.-Ing. Birgit Spanner-Ulmer and employee representative Mr. Volker Mittelstädt withdrew from the Board.

The Annual General Meeting of Shareholders elected Dr. Susanna Zapreva-Hennerbichler as a new member of the Supervisory Board. The other shareholder representatives were re-elected.

Mr. Dirk Markowski was newly elected as employee representative by the respective employee representative body. The other employee representatives were re-elected.

CHANGES TO THE EXECUTIVE BOARD

Aside from the aforementioned appointing of Ms Birgit Potrafki, effective February 1, 2024, there were no further changes to the Executive Board in the financial year 2023.

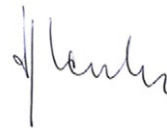
THANKS FROM THE SUPERVISORY BOARD

The Supervisory Board wishes to thank Prof. Dr. Dr.-Ing. Spanner-Ulmer and Mr. Mittelstädt for their many years of service in promoting the company.

Our thanks go to the Executive Board and to all the employees of the Group for their dedicated work and sound commitment throughout the financial year 2023.

Salzgitter, March 14, 2024

The Supervisory Board



Heinz-Gerhard Wente
Chairman