



HKVB
HÜTTE KLEIN-REICHENBACH

SUSTAIN ABILITY REPORT

Sustainability report in
accordance with CSRD (VSME)

2023 - 2024

Aluminium melting factory Hütte Klein-Reichenbach GmbH, Kleinreichenbach 25, A-3900 Windigsteig, Austria

**„WE THINK
IN SOLUTIONS,
NOT IN PROBLEMS.“**

In line with our mission statement, we voluntarily fulfil the requirements of the European Green Deal and therefore we publish our first sustainability report in accordance with CSRD (VSME).

Since the 1960s, we have been a recycler and producer of aluminium in the form of truncated pyramids and granules. As a secondary smelter, we need significantly less energy than is necessary for the production of primary aluminium - up to around 95 % less. Still, it is an energy intensive process, so we take up the challenge of reducing our demand in natural gas step by step.

The implementation of an environmental management system back in 1995 was even back then a logical step in the direction of environmental protection and sustainability. Since then, we have been certified according to ISO 9001 and ISO 14001. We are a both well-respected and consistently reliable partner of the European steel industry.

During the last few years, we have continued our path of continuous improvement in the field of sustainable economy. The installation of a 720 kWp solar power system, which is now being expanded, and the programme for workplace health promotion, are two success stories.

As a family-run company with strong regional roots, we put people first. Mutual appreciation, respect, trust and a fair partnership form the foundation of all our stakeholder relationships.

Our environmental and social policy are an essential pillar of our success. Transparent reporting makes sure our stakeholders get a clear picture.

The Management Team



*The Management Team:
Barbara Falkensammer, Franz Dobesberger
and Alfred Sams*

From our code of conduct:

>> *We see ourselves as a regionally rooted company that puts people at the center of everything we do. We encourage the development of employees who think independently and act collaboratively, and we value their performance.*

WE uphold our high-quality standards through a commitment to continuous improvement in environmental protection, occupational safety, and process technology. A responsible and sustainable approach to our procurement-, social-, and environmental policy, along with compliance with all laws and regulations, as well as ethical conduct and integrity in all our actions, are fundamental principles of our corporate philosophy. <<



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Scope of the report

This report covers the year 2024. 2023 is only used for comparative purposes. For more than ten years we have been publishing every other year a sustainability report. The previous report was published in 2023 according to the GRI standard.

For this report, we chose the VSME standard for voluntary sustainability reporting. This standard is based on the Corporate Sustainability Reporting Directive (CSRD) and therefore corresponds with EU requirements.

For the preparation of this sustainability report, option B "Basic and comprehensive module" was selected. The basic module contains general ESG topics. The comprehensive module provides additional information which may be relevant for (potential) suppliers of our company as well as business partners and financial providers.

In order to keep track of the investigated topics, the details of both modules are listed and marked accordingly at the bottom of the respective page (B1 to B11 respectively C1 to C8). The report covers the entire company site at the location Kleinreichenbach 25, 3900 Windigsteig.

The figures are based on the numbers in the annual financial statement and the environmental and social data collected in the management system. The collected greenhouse gas emission data take into account Scope 1, Scope 2 and essential parts of Scope 3.

Our history in brief

- 1892** Founded as a brick factory
- 1960ies** Converted to an aluminium smelter
- 1989** Start-up of the two-chamber closed-well furnace
- 1995** Certified according to ISO 9001 and ISO 14001
- 2004** Construction of a new office building
- 2014** Conversion to regenerative furnace heating system, reconstruction of the production hall. Implementation of an internal energy management system according to ISO 50001.
- 2015** Implementation of a software tool for legal compliance
- 2018** Introduction of a work safety software tool according to the principles of ISO 45001
- Since 2020** Awarded with the quality seal of the Austrian Health Insurance Fund for health promotion
- 2021-22** Installation of a 720 kWp solar power plant
- 2024-25** Construction of a fully electrical scrap processing line
- 2025** Extension of solar power plant



RAW MATERIAL CYCLE FOR PEOPLE AND ENVIRONMENT

Business activities

We at Hütte Klein-Reichenbach have contributed to the circular economy for about 60 years. We procure aluminium scrap in Europe, recycle it and return it back to the European raw material cycle as secondary aluminium in form of high-quality additive for the steel industry.

We sell our products all over the European Union, Swiss as well as in Turkey. The export ratio amount is actually 88 %.



People in leading positions:

Executives:

Franz Dobesberger, Alfred Sams, Barbara Falkensammer

Procurement:

Alfred Sams

Sales:

Mag. Leopold Biberauer

Factory Management:

Hannes Spiegl

Quality & Environment:

Sebastian Zellhofer

The following representatives have been appointed:

Environmental - representative

Fire prevention officer

Safety officer

First Aiders

Waste Management officer

Safety engineer (external)

Medical Service (external)

We create values from scrap

We use 100 % of aluminium scrap in our melting process. About 85 % is end-of-life scrap, that means the product is at the end of the planned life cycle. The remaining 15% is production scrap from the industry. As a manufacturer of deoxidation aluminium we are an important partner of the European steel- and aluminium industry, which values our reliability and quality of our products.

Thanks to our regenerative furnace heating system and the unique melting process our production is efficient and environmentally friendly. In the production process the aluminium scrap used is melted and casted into truncated pyramids, hemispheres and granules (hemispheres with a diameter from 4 mm to 12 mm) in the respective production line according to the specification required by the customer.

The products are used in leading European steel plants as deoxidizing agent for removing the dissolved oxygen in the melted steel. After the successful deoxidation with aluminium, the steel is castable and the production of high-quality steel products is possible.

Our vision: "green deox"

We finally want to achieve CO2 free production of deoxidation aluminium by further reducing our carbon footprint. The path there is significantly dependent on technical developments that are already on the horizon.

This gives us confidence, as we take our responsibility towards the environment and people very seriously.

Further Information:

Legal form of the company:
Limited liability company

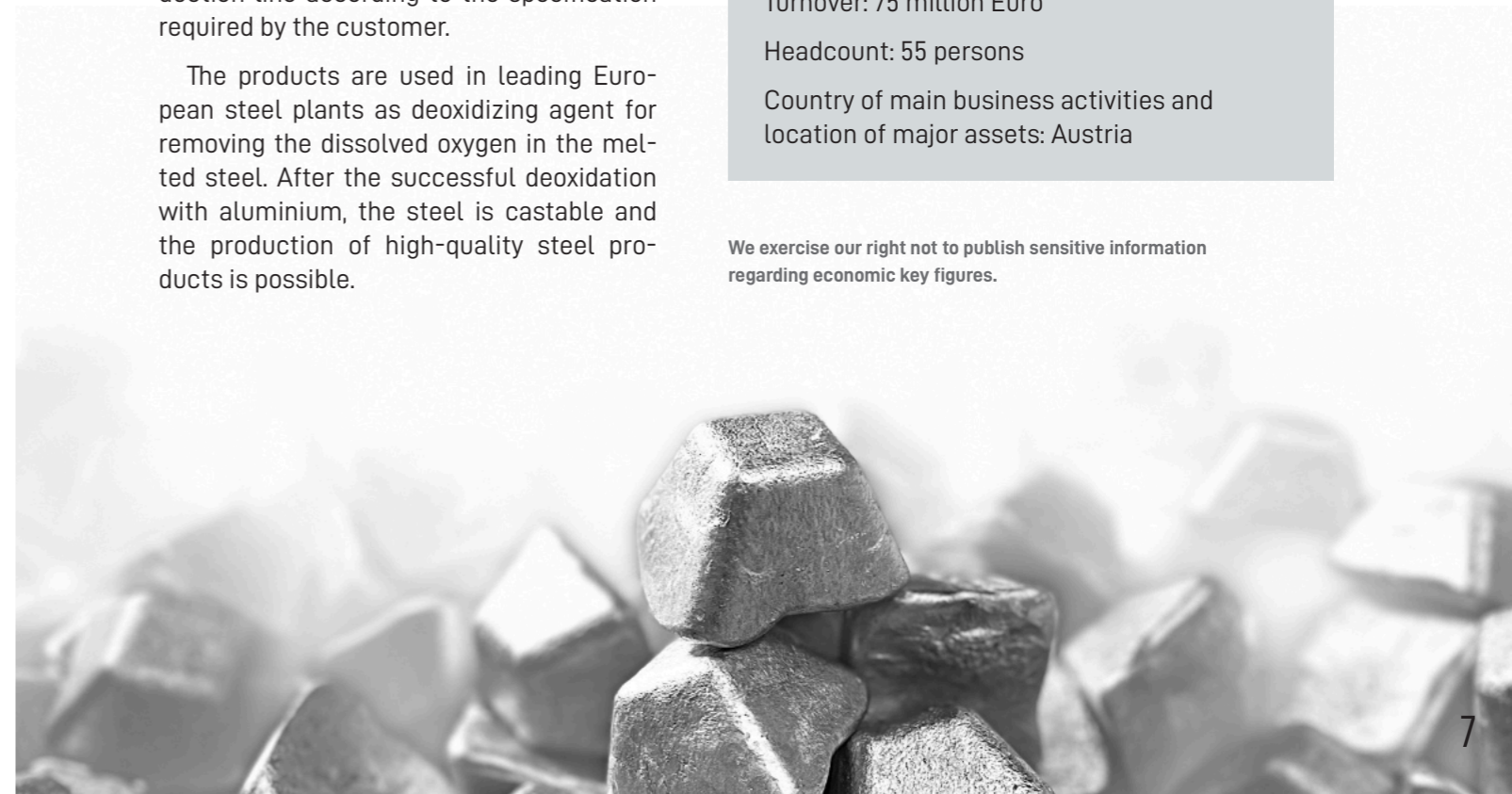
Industry classification (NACE-Code): 24.42

Turnover: 75 million Euro

Headcount: 55 persons

Country of main business activities and location of major assets: Austria

We exercise our right not to publish sensitive information regarding economic key figures.





Our Environmental Policy

In order to achieve continuous improvements in the environmental sector, the following principles are especially important to us:

» Responsibility for our environment

The conservation and protection of the environment are the basis for our actions. With our active environmental management, we support take on responsibility and contribute to the company's long-term success.

» Waste Management

We control the material flow thanks to an optimized separation and efficient recycling of the waste. Waste avoidance and recycling are the principles in our waste management.

» Use of resources

The consumption of energy and resources for the production of aluminium is enormous. The use of 100 % scrap as input material, the regenerative furnace heating system and salt-free melting enable a resource and environmentally friendly and efficient melting process. Through the ongoing optimization of the process, we improve the efficiency constantly. The thoughtful handling with resources and the prevention of using dangerous material is crucial for us.

» Environmentally conscious behaviour

Through an open communication with our employees and constant trainings also on topics regarding the environment, we raise the awareness for environmentally friendly behaviour.

» Active communication

The open dialogue between all stakeholders as well as with the public is crucial for us.

» Legal conformity

Compliance with the legal regulations in the environment field as well as in all other fields, is a natural part of our company philosophy.

Crucial topics and measures

With a standardised process – the “double materiality assessment” – we could identify the crucial topics and compare it to our existing strategy. At the end of the report we will show how we proceeded.

You can find an overview here – detailed information to the individual measures can be found on the following pages.

Field	Measure	Goal	Deadline	Status
Climate change	Evaluating savings through new technologies	Reduction of usage of natural gas	ongoing	in execution
	240 kWp solar power plant on the roof of the new scrap treatment line	Increase of self-production of renewable energy.	2025	in execution
Environmental pollution	Reduction of transport thanks to new scrap treatment plant	Reduction of CO2 emissions of 10% until 2025 in comparison to 2019	2025	in execution
	Cooperation with scientific institutes to develop new technologies	Reduction of CO2 emissions of 30% until 2030 in comparison to 2019	2030	in execution
Circular economy	Reduction of waste through new scrap treatment plant	Reduction of waste	2025	in execution
	Awareness-raising measures	Reduction of waste	ongoing	in execution
Employees in the company	Promotion of team activities and internal communication	Maintaining the very good company climate	ongoing	in execution
	Participation in business health promotion	Promotion of employee health	ongoing	in execution
Company management	Close contact to our suppliers	Securing supply of raw material	ongoing	established for a long time
	Active communication of our code of conduct	Support of value-based company culture.	ongoing	in execution



Energy and emissions

The melting of aluminium scrap of our qualities (mainly end of life scrap) is not economically possible without natural gas, but might soon be through technology development. Aluminium is considered as one of the critical raw materials in the EU. With each ton of aluminium scrap recycled in the European Union, the valuable resource and the energy bound stays in Europe.

We are aware about our responsibility.

The regenerative furnace heating system and our salt-free melting process reduce the environmental impact to the currently technically possible minimum.

The installation of our regenerative heating system in the past years and the thermal post-combustion of organic scrap at-

tachments, make it is possible to melt the aluminium environmentally friendly and to produce the products with a low carbon footprint. Comparing the HKB recycling process with primary aluminium manufacturers, then the HKB process causes around 97 % less greenhouse gas emissions.

The further reduction of natural gas in our process has been one of the top priority topics in our environment policy for years and it will still be for years. Therefore, it is important for us to keep close contact with research institutes. More than 40 academic papers were made in cooperation between Hütte Klein-Reichenbach and academic institutions in the last decades.

Therefore, we are confident, that the technical development brings crucial improvements for this central topic.

Energy consumption

The following table shows our energy consumption in MWh. We distinguish between energy from renewable sources and non-renewable sources and evaluate in comparison the development with last year.

	Unit	2024	2023	% Change
Renewable energy				
Total electricity	MWh	1 925,79	1 724,76	11,7 %
Purchased electricity	MWh	1 482,29	1 291,41	14,8 %
PV electricity	MWh	443,50	433,35	2,3 %
Non-renewable energy				
Total fuels	MWh	26 630,13	23 121,03	15,2 %
Natural gas	MWh	26 630,04	23 120,95	15,2 %
Diesel	MWh	0,09	0,08	12,5 %

Our solar power plant supplies around 25 % of the required electrical power. We will see an increase of this number with the additional solar power plant on the new scrap treatment plant.

When we do not need the energy ourselves, we feed it into the public electricity system (around 25 %) and so we are a supplier of clean energy for the public.

	Unit	2024	2023
PV electricity grid feed-in	MWh	140,83	198,67

The increase of the total energy consumption in total numbers of around 15 % and due to a production increase of 20 %.





Gross greenhouse gas emissions

Our greenhouse gas emissions (GHG) in tons CO2 equivalent (tCO2eq) are based on the GHG Protocol corporate standards.

This includes:

- **Scope 1 GHG emissions:** direct emission of sources, which we control.
- **Scope 2 GHG emissions (location based):** indirect emissions from the production of purchased energy (e.g. electricity, heat, steam or cooling).
- **Scope 3 GHG emissions:** indirect emissions in the value chain.

The values for scope 1 and 2 are calculated with our consumption figures, based on conversion table of the environmental federal office*.

For the calculation of scope 3 emissions, we took the areas transport (delivery of scrap to us and our products from us to our clients) and the crucial waste amounts into account, because these have the most impact on the emissions caused.

The development of scope 3 emissions is very hard to influence. The reduction of scope 1 and 2 is still a crucial topic of our improvement programme.

CO2 reduction goal

We have goals to reduce our greenhouse gas emissions which we will be able to reach only with all parties involved:

- 10 % until 2025
 - 30 % until 2030
 - 100 % until 2050
- in comparison with the base year 2019

We claim the same for all the involved parties in the upstream and downstream value chain. Current developments in the e-mobility sector regarding heavy traffic, the close cooperation with research and development institutes on new technologies, and the ongoing energy transmission make us feel confident, that we can reach these goals.

The increase of the total numbers in all points is caused by a production increase of 20 %.

Greenhouse gas intensity

Our greenhouse gas intensity according to VSME standard amounts to:

0,000156076 tCO2eq/Euro

= gross greenhouse gas emissions divided by turnover.

*secure.umweltbundesamt.at/co2mon/co2mon.html

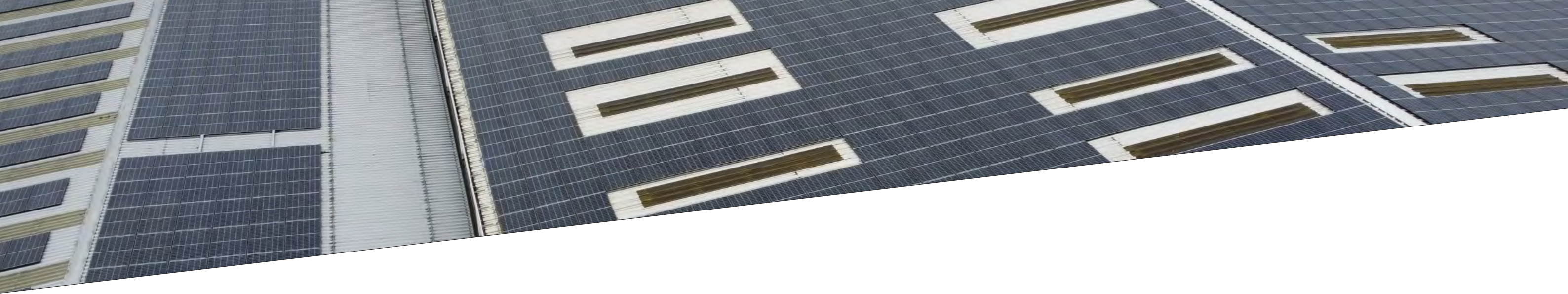
CO2 compensation

Together with our natural gas supplier, we support a climate protection project through the purchase of emissions reduction certificates type VER (Voluntary/ Verified Emissions reductions) from international climate protection projects. 5.381,81 tons of CO2e were compensated this way. The income goes into a wind energy climate protection project in Rajasthan, India.

As this is a compensation and not a reduction measure, it is not shown in the CO2 balance.



The scrap shear treats the scrap through chopping to a chargeable size.



HKB received Austrian solar prize 2023.

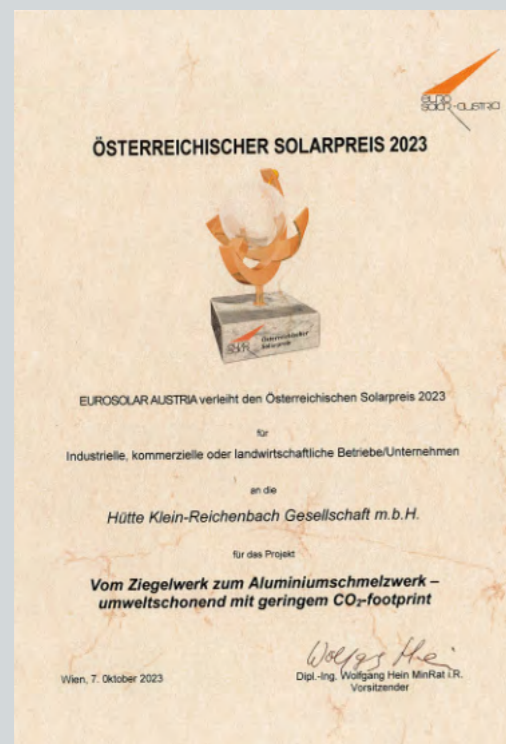
Apart from natural gas for the furnace, electricity is another crucial energy source. We need it to power pumps, valves, in the office and most of it for the electrical scrap shear, which chops the big aluminium scrap pieces.

We have been getting our electricity from renewable sources for years. Even better is the energy production on our own roofs. The installation of photovoltaic panels with an electrical capacity of 720kWp on the roofs of the scrap halls makes it possible to produce around 25% of the yearly energy consumption of HKB.

The plant was planned in a way, that during the day ideally there will be no external energy demand. On sunny days or on days off, when not as much energy is necessary, we feed the remaining energy into the public energy system.

The association Eurosolar Austria awarded us- next to other innovative and environmentally aware companies –with the "prize for industrial, commercial or agricultural companies" in autumn 2023.

Starting in the second half of 2024 we have been working on a new scrap treatment plant (see next page). On the roof of this plant there will be another solar power plant 240 kWp installed and so our own energy production will be further increased.



Our new scrap treatment plant

Most of our aluminium scrap had a former life. Aluminium gets printed, coated, combined with other material, contains water or gas etc.

For the melting it is important, that there are as few foreign materials as possible at or in the aluminium. The mechanical shredding and sorting reduce that risk.

For this and other reasons the cutting and the sorting of the aluminium scrap are essential parts for our production.

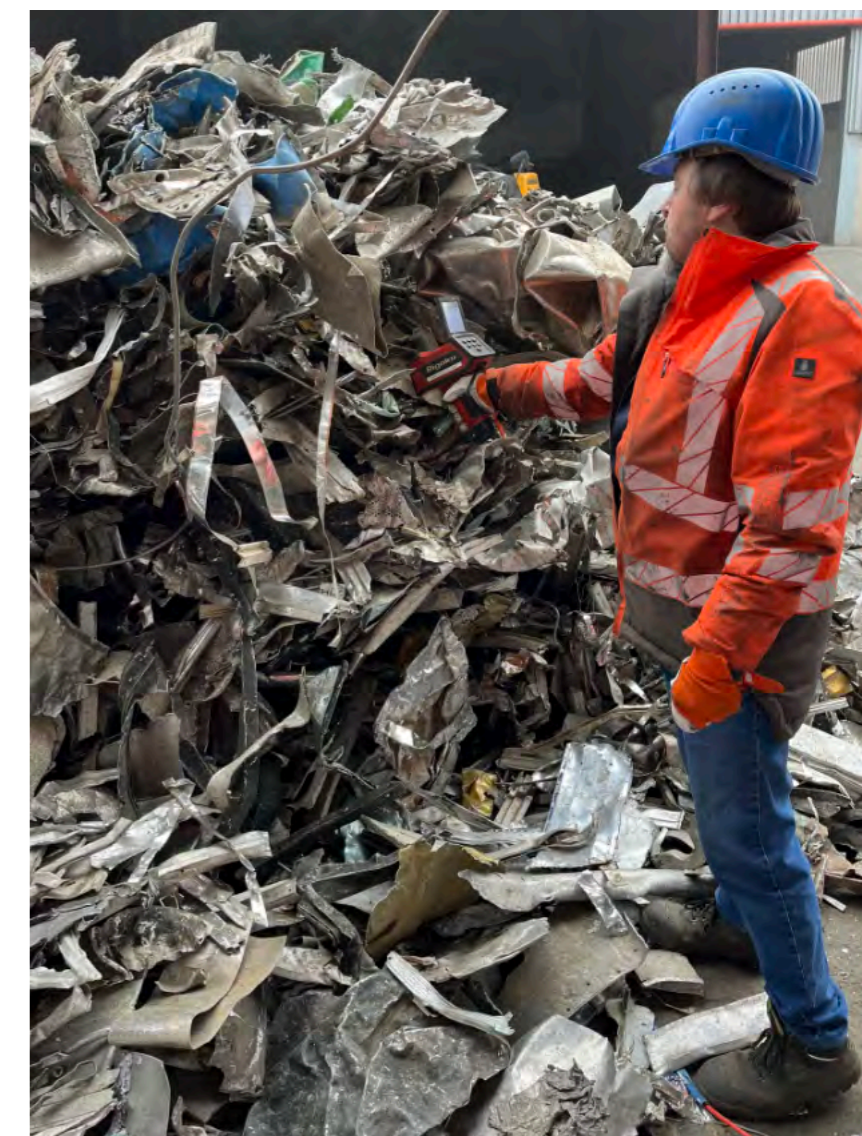
More safety, less environmental impact

Through the mechanical cutting and treatment of the scrap we can reduce the foreign materials and attachments, which results in a better metal recovery in our production.

The cleaner the scrap we put into the furnace, the less dross we have.

This results in reduction of transport emissions and waste and therefore in a decreasing environmental impact. One additional advantage of the new scrap treatment plant is, that it will be powered solely by electricity, which is largely generated on site.

Thanks to that fact, the process is almost CO2 neutral.



Sampling for each delivery: An employee is checking, the containments in the delivered scrap.



Reduction of environmental impact

Emissions into air

The melting of aluminium scrap emits substances of concern, due to attachments and containment on the scrap. Our filter makes sure, that the actual emissions, into the air are at a minimum.

The proper functioning of the filter is permanently monitored. Like in the years before, the results of the external inspection of the emissions are way under the limits allowed and prove the proper functioning of the filter.

Plants clean the surface waters

To prevent a contamination of the water, the usage of a soil filter was a success. This planted sand filter, which was installed together with the university for agriculture, cleans out surface rainwater. Specially selected plants purify the surface water on the premises.

The plants and the filter are regularly looked after, so the natural cleaning of the surface water works reliably.



Our soil filter cleans the surface waters in a natural way.

Protection of the biosphere

Our company is located a bit outside of the village Kleinreichenbach in the municipality Windigsteig in the north of the wood quarter, a part of Lower Austria. The positioning outside of the village has a historical background: On this location there was already a brick factory, which was converted to an aluminium smelter in the 1960s back in 1892.

Records show, that even further back in time, craftsmen, which worked with fire, were always located outside the villages and cities, to reduce the risk of fires.

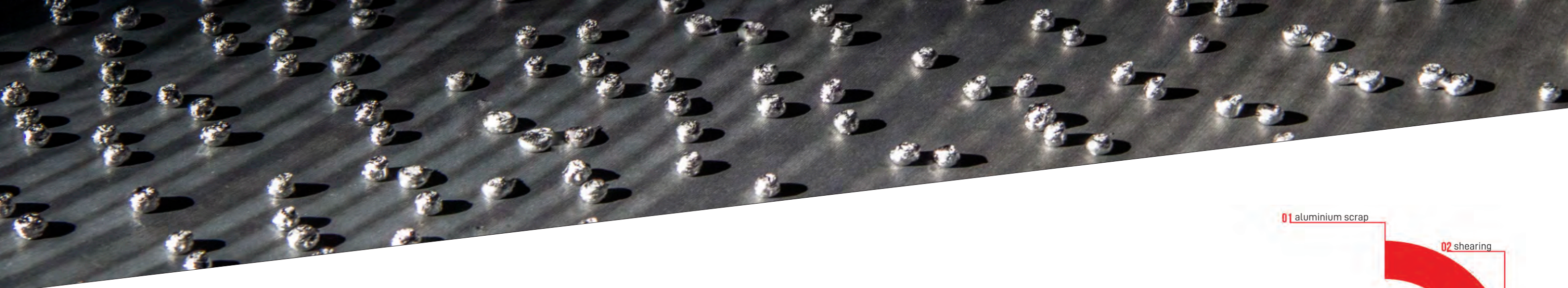
The around one hectare sealed area is located in another three hectares natural area, which is used for agriculture and partially a retreat for endangered species.

Around 30 years of consistent environmental management show positive outcomes: The previously mentioned ground soil filter cleans the surface waters, which flow from the premises and which are gathered and treated there naturally. This area also provides a habitat for endangered species, which need wert surroundings.

In the reporting year, 920 square meters were sealed additional by the new scrap treatment plant. It was not possible to be built on the already existing sealed surface. Vut on the other hand it comes with a reduction of the CO2 emissions, which brings more advantages for the environment than disadvantages.

Key figures on land use

Land-use type	Unit	2024	2023	% Change
Total sealed area	m ²	10.057	11.620	8,59 %
Total nature-oriented area on-site	m ²	34.083	32.520	- 2,75 %
Total use of land	m ²	44.140	44.140	0,00 %



Usage of water

According to the Water Risk Atlas of the WRI – World Resources Index our company is located in a region with middle water stress. For us, this is one more reason to handle this valuable resource with care. For our production we need only a small amount of water for cooling purposes. To reduce the amount of water used, we have all the process water in closed circuits. The sanitary installations are equipped with water saving fittings.

Last year's water usage was around 100l per ton of secondary aluminium. For comparison: environmental federal office calculates with an average water usage of 130l per person and day for Austrias population.

The increase of 19,1 % in comparison to 2023 is quite similar to the increased of the production of 19,4 %.

	Unit	2024	2023	% Change
Water withdrawal	m ³	3 970	3 329	19,1 %

Circular economy

As a secondary smelter we convert aluminium scrap into valuable resources, perfect according to the circular economy. Approximately 75 % of all aluminium produced since the 1880s is still in use today. About one-third of it is bound in buildings, transportation, machinery and cables.

In spite of all these positive effects for the circular economy, there is also waste generated at our company, including dangerous waste like filter dust or small amounts of used oil.

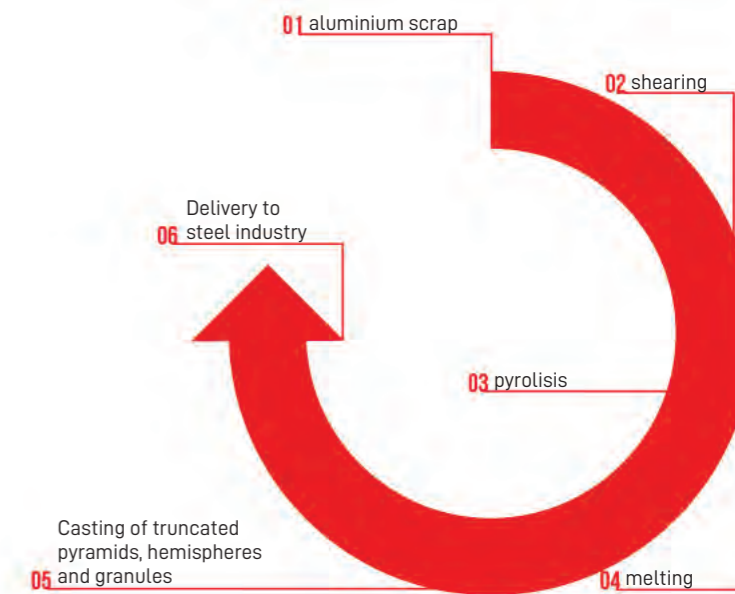
We ensure with our waste management system, that people, animals, plants and the whole biosphere get polluted as little as technically possible. At the same time, our environmental management system minimizes the consumption of resources and keeps landfill volume consumption as low as possible."

The new scrap treatment plant will have positive effects in this area as well, for example by reducing the weight of the dross. Additionally, the non-aluminium metals found in and separated from the scrap, will be returned to the recycling loop as well.

Waste management practices

Our waste management strategy aims at minimizing the waist and reusing and recycling the material. Our employees are our most important allies for the waste reduction and therefore we count on awareness-raising measures, which actually reduce waste:

- Use of deposit bottles at beverage vending machines.
- No plastic cups, coffee machine instead of vending machine
- Water- and soda water dispenser for treatment of the tap water instead of mineral water in plastic bottles.
- Stainless steel bottles provided by the company for all employees.



In addition, we also take technical measures:

- Maximal material use by optimization of the melting process – since 2023 standardizing of the charging process.
- Optimization of the mechanical treatment of the dross in dross presses.
- Additionally reducing the amount of filter dust by technical optimization.

Total waste generated	2024	Recycling	Disposal	2023	Recycling	Disposal
Non-hazardous waste	474,80	331,18	2,95	261,10	258,15	2,95
Waste paper, plastics	1,60	1,6		1,60	1,6	
Cardboard packaging	1,35	1,35		1,35	1,35	
Residual waste	2,95		2,95	2,95		2,95
Waste concrete, construction debris	468,90	328,23	140,67	255,20	178,64	76,56
Hazardous waste	183,00	2,1	180,9	162,20	1	162,2
Filter dust (SNR 31217)	180,90		180,9	161,20		161,2
Waste oil (SNR 54102)	0,30	0,3		1,00	1	
Lead-acid batteries (35322)	1,10	1,1		0,00	-	-
Other hazardous waste	0,70	0,7		0,00	-	-



THE PEOPLE IN THE HÜTTE KLEIN-REICHENBACH

The Hütte Klein-Reichenbach, that is fifty-five humans with their talents, knowledge and skills. We are highly-skilled, motivated and we value a respectful cooperation. Our very good company climate is the result of a number of measures, which are based on our social policy.

We value the people in our company and therefore all of our employees have a permanent employment contract.

Breakdown according to gender

Gender	Number
Female	8
Male	47
Total employees	55

The ratio between female and male employees in the top management is 1:3.

In the report year, three employees reached the retirement age and one left the company. We are happy, that we could welcome four new members to our team, so the number of employees stayed the same.

We do not employ time workers and there are no self-employed workers, who work exclusively for us.

Social employer

In the region and in the industry, we are an employer, known for social values. Crucial improvements in the last few years were:

- Adjustment of the shift operation to a model most suitable for our staff: Reduction of the weekly working time, to 36h at the same wages.
- Adjustment of working time; part time working for older employees, part time after parental leave, the possibility, to share the parental leave or to consume the so-called "father month".
- Establishment of an improvement system without barriers with feedback on every suggestion and success report through the management.
- Reward for every suggestion made and implemented.

A healthy team

The health and safety for our employees is our top priority. Every day we work together to ensure the success of our company.

We have been participating the business health promotion programme (BGF) by the Austrian health insurance since 2019. As we have successfully implemented numerous measures, we have been able to achieve the needed recertification every three years.

The analysis of the standardized and voluntary employee survey at the project start, quickly showed the first potential for improvements. The newly formed team for the BGF programme worked together with external experts and created an action plan, which could be implemented quickly and easily.

From our code of conduct:

Variety and opportunities

>> Nobody gets discriminated use of their age, gender, looks, religion, origin or sexual orientation. We respect every human and we try to treat everybody fairly. Mobbing and harassment do not have a place in our company and will be punished immediately. <<



Examples from our business health promotion programme:

- Paid leave for market-induced lower production level.
- Healthy nutrition: one free hot meal a day and a filled fruit & vegetables basket for all employees.
- First aid training for all employees.
- Back gymnastics training
- Group activities for all employees like excursions, hiking, golf, curling, bowling, etc.

Even though the process is not completed, all those measures contribute to a positive work climate. The renewed participation on the BGF programme helps us to continue the improvement process in this part of the company.



Employees dressing in front of the furnace.



Office building of the Hütte Klein-Reichenbach

Safe work

The regular work safety trainings have proved their values for many years. Since 2019 the annual work-related accidents have been between one and two incidents. In the report year we have the following number regarding accidents and fatalities in the workplace:

- Number of accidents: 1
- Rate of reported accidents at work: 1,8
This calculation shows the number of accidents at the workplace per 100 full-time employees within one year, based on the assumption, that one full time employee works 2.000 hours per year.
- Number of fatalities due to workplace injury and health problems: 0

From our code of conduct:

Integrity and responsibility

>> *We work according to ethic principles and follow all relevant laws as well as guidelines. We show responsibility by setting high goals in terms of work safety and health and therefore reaching a low accident rate.*

First aid training, accident prevention training, preventive medical check-ups (audiometry, etc.) and external experts are tools we are using to support and preserve employee health. Our commitment to employee health is also reflected in the quality seal awarded to us by the Austrian health insurance as a result of the successful implementation of a business health promotion programme. <<

Fair remuneration

Our team does excellent work. This is not taken for granted and gets appreciated by our management, which employees can also see on their pay check.

Regarding remuneration we abide by all applicable laws. A fair and gender-neutral basis for the calculation is the collective agreement of the metal industry. Having said that, our remuneration is significantly higher than that basis.

The proportion of our company's employees who are covered by a collective agreement is 100 %.

Continuous training

Education and trainings of our employees are a core part of our company culture. Especially in these dynamic times, it is necessary to encourage and challenge our employees.

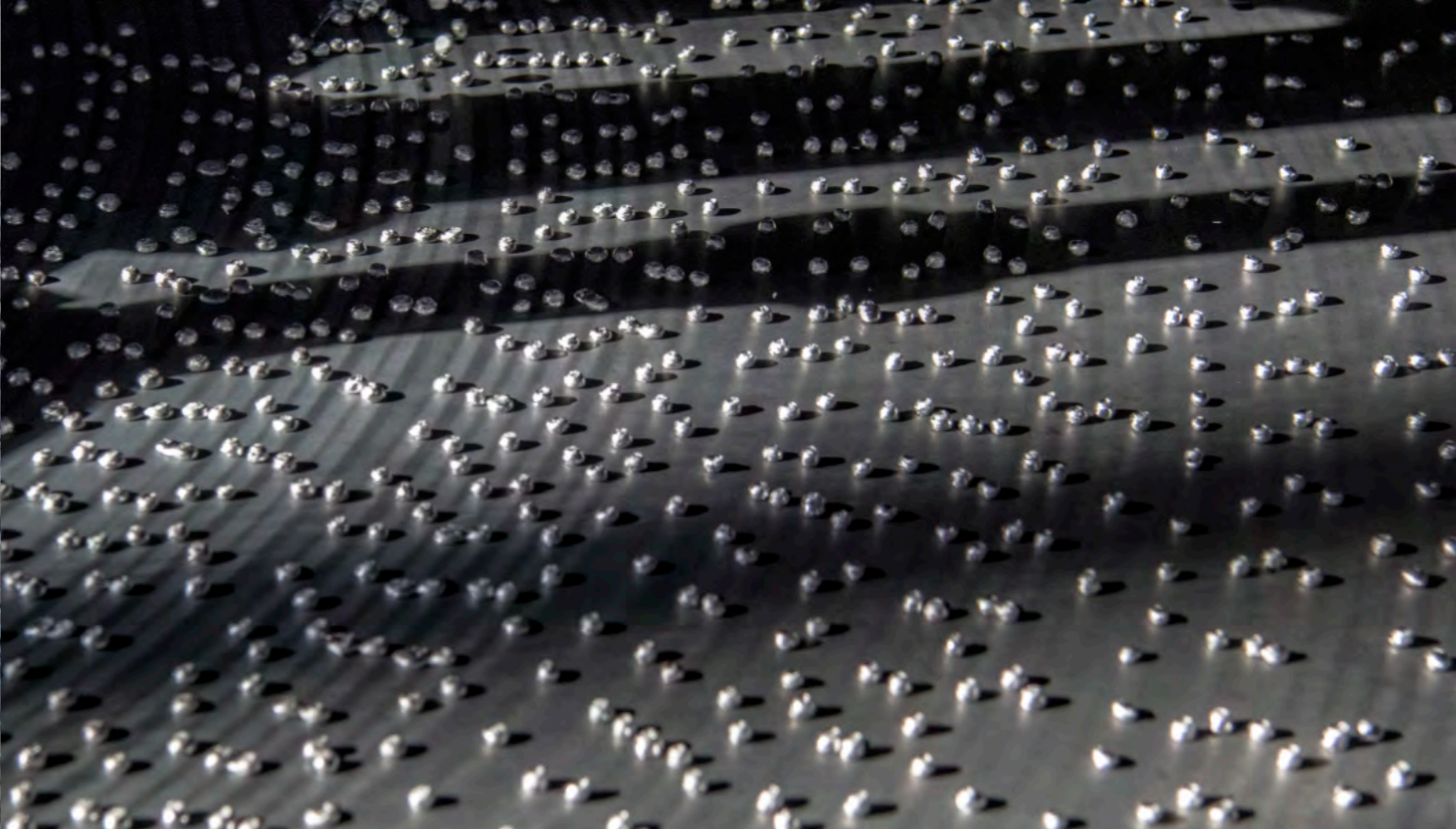
Average amount of training hours for each employee:

- Male employee: 4,2
- Female employee: 4

Training for workplace safety are done constantly and are therefore not included in these figures.



Managing Director Barbara Falkensammer and Operations Manager Hannes Spiegl (right) maintain close contact with the workforce.



Our company policy

We have a code of conduct, which we naturally respect and which is lived by our management.

The code of conduct is clear about respecting the human rights of our own staff as well as for the workforce in the supply chain. It includes standards for topics such as child labour, forced labour, human trafficking, discrimination and prevention of accidents. This is a healthy base for an appreciative and value-oriented collaboration on all levels.

From our code of conduct:

Critical concerns

>> Critical concerns or messages can be communicated directly and trustfully with the management, without any negative consequences for the person. <<

The values in this code are the foundation for our very good company climate as well as for the reputation in our economic region and in the industry.

From our code of conduct:

Ethics

>> We decline every kind of child or forced labour as well as human trafficking and we respect the right of forming unions, a work council and respecting all employee protection laws and the working hours act, continued payment of wages in case of illness and unemployment, retirement and accident insurance.

This is also applicable for parental leave and a punctual payment of salaries and wages above the collective agreement. <<

From our code of conduct:

Supply Chain diligence

>> Our supplier and customer markets comprise The EU and Switzerland only, which guarantees a very high standard in terms of human rights, environment, compliance and quality.

Responsible and sustainable acquisition is part of our company DNA. Our input material is sourced, if possible, exclusively in Europe. We especially keep an eye on our supplies, to make sure they keep their standards on human rights, health and safety at the workplace as well for environmental protection.

The same ethical standards that apply to us are applicable for them as well. These are essential for acquisition decisions.

Our input material consists of 100 % recycling material (aluminium scrap). Economically sanctioned countries are neither target for the acquisition nor for

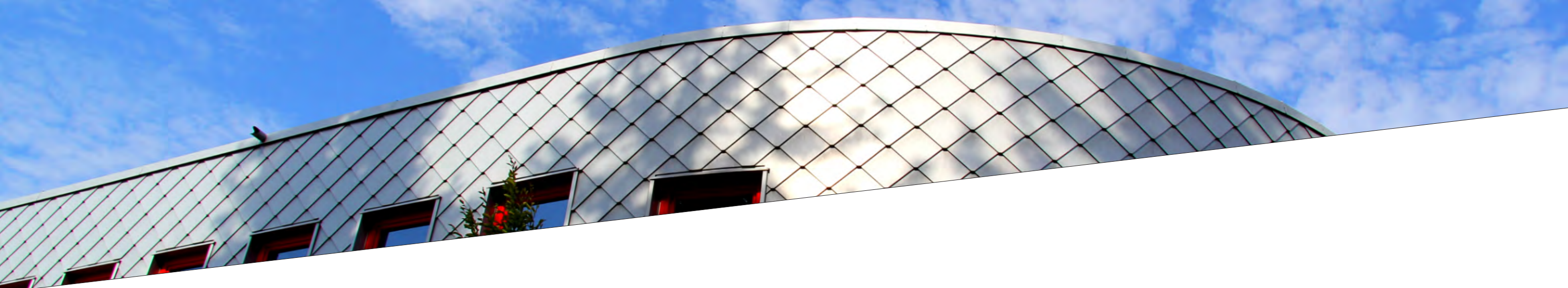
selling our goods. A risk assessment of the supply chain is done regularly. <<

Corporate Compliance

>> Abiding by all relevant laws, guidelines and the code of conduct is natural part of our corporate philosophy.

We act according to ethic principles, business ethical guidelines and we reject every unethical behaviour, such as bribery, money laundering, insider deals or corruption. It is not allowed to take over functions or positions, which cause a clash of interests.

Customary and appropriate presents between business partners or other stakeholders are acceptable as long as there is no business deal directly connected with it, including business dinners. This is not valid for authorities or employees of public bodies. <<



The double materiality analysis

For creating a report according to the corporate sustainability reporting directive (CSRD) of the European Union, the “double materiality” is a central element. It is the result of a comprehensive analysis in which you look at and evaluate ESG issues from two different perspectives.

For the inside-out perspective, you look at the effects which the company has onto external stakeholders and the environment. The outside-in perspective on the other hand looks at the risks and opportunities which are the result of global and local ESG challenges and which affect the company directly.

List of possible sustainability issues

- E1: Climate Change
- E2: Pollution
- E3: Water and Marine Resources
- E4: Biodiversity and Ecosystems
- E5: Circular Economy
- S1: Own workforce
- S2: Workers in the value chain
- S3: Affected communities
- S4: Consumer and end-users
- G1: Business conduct

The topics are gathered in an “IRO long list” (IRO = Impacts, Risks & Opportunities) and afterwards evaluated according to the following criteria.

1. Evaluation of the effects according to the criteria:

- a. Scale
- b. Scope
- c. Reversibility (for negative effects)
- d. Probability (for positive effects)

2. Evaluation of the financial risks and chances according to the criteria:

- a. financial impact
- b. Probability of occurrence (for potential positive and negative effects)

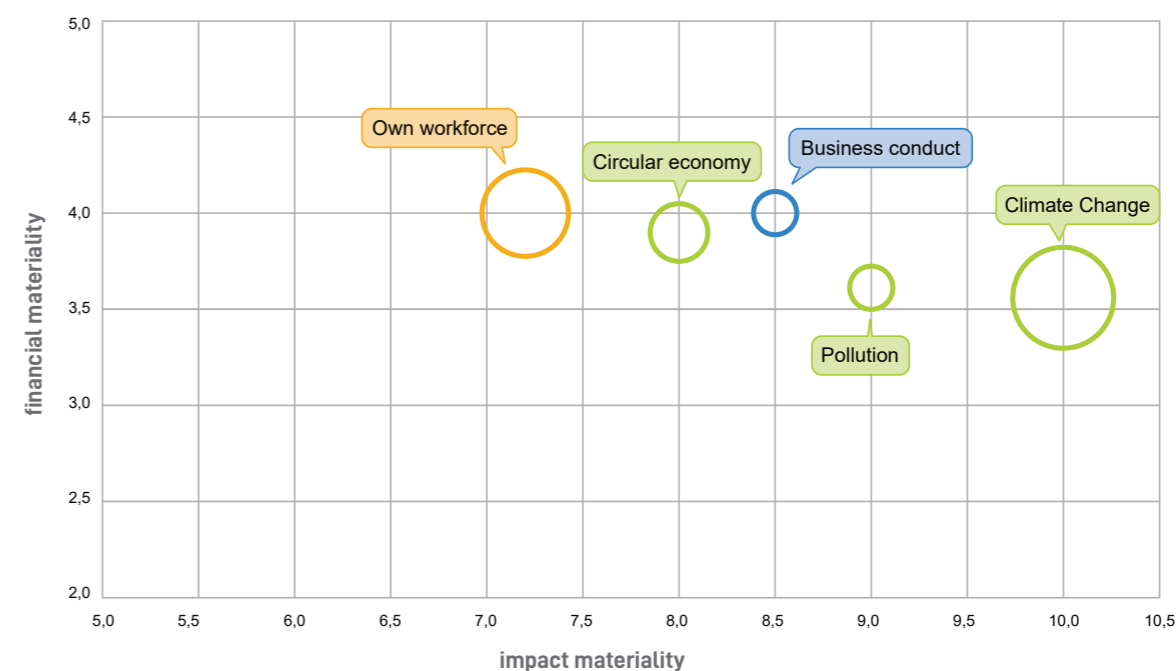
The evaluation happens according to established formulas, which determine a corresponding result for each topic identified. When a specific threshold gets passed, then the topic becomes an essential one and also part of the ESG strategy.

Identification of essential topics

Of the 10 ESG categories, 24 topics are identified as essential and will be put into the materiality matrix.

The size of the circles shows the number of essential topics in the respective category.

The HKB materiality matrix



The result is not surprising, as the metallurgical melting of aluminium scrap requires a high amount of fossil fuel. At the same time the recycling of aluminium returns valuable resources into the circular economy, which causes positive effects and chances.

For a family company, which is value-oriented, the fields of “own staff” and “company policy” have been crucial for many decades. The very well-known reputation in the industry and the low fluctuation are just two of many positive effects.

Comments on the materiality matrix:

- The y-axis shows the financial materiality from 0 to 5; the threshold is 2,7 and the maximum is 4,5.
- The x-axis shows the impact materiality on a scale from 6 to 14, the threshold is 5,4 and the maximum is at 15.

An issue is considered material if it reaches the respective thresholds.



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