2024 Sustainability Report

H. Butting GmbH & Co. KG · Knesebeck

BUTTING

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BUTTING

01 Foreword and Company Profile

Foreword 6
Company profile BUTTING in Knesebeck 8
Organisational structure and management systems 9
Keys facts of H. Butting GmbH & Co. KG in 2024 11

02 Sustainability Strategy

Vision and mission 17
BUTTING's mission statement 19
CSR commitment and management obligation 22
Identification of material topics
through discussions with both internal and external stakeholders 23
Our sustainability strategy 25
Sustainability standards 28

03 Social/People

Our greatest asset: People 32
Personal transformation: Training and education 34
Health 38
Working conditions: Promoting family 46
Employer attractiveness 50
Family member at BUTTING 54

04 Governance/Corporate Management/Economics

Value-based leadership 60
Financial stability and healthy growth:
The key topic in our sustainability strategy since 1777 64
Sustainable innovations and products 66
Customer satisfaction 67
Sustainability and transparency in the supply chain 70
Compliance 72
Social commitment 74

05 Climate/Environment/Ecology

Conserving resources in practice 82
Corporate carbon footprint: The road to a carbon neutral company 83
Energy intensity 86
Waste 88
Water/effluents 90
Biodiversity 91

06 Appendix

Carbon footprint: Methodology and emission factors 94
About the report 98

07 Index

GRI 102
SDG 105
List of abbreviations 106

01

Foreword and Company Profile

> More than pipes –
> for a better quality of life

Dear Readers,

BUTTING looks back on a history of more than 247 years, characterised by continuity and a clear focus on the future. The company was established in 1777 by my ancestors marking the start of an incredible journey. BUTTING remains a family-owned business to this day. This close connection between ownership and leadership has significantly shaped our identity and forms the foundation for our entrepreneurial actions.

We see it as our responsibility to maintain the balance between tradition and progress by focussing on the highest quality, comprehensive flexibility and continuous innovation in metal processing. In a world of unrelenting change, we have demonstrated the courage to invest in both modern production facilities and the development of our employees, whilst steadily expanding our international market presence.

Today, in an era where regulatory requirements in the fields of Corporate Social Responsibility (CSR), Environmental, Social and Governance (ESG) and sustainability are steadily gaining importance – such as the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) and the Carbon Border Adjustment Mechanism (CBAM) – companies are being challenged more than ever to demonstrate their commitment to sustainable corporate practices. Our business partners also expect sustainable business practices from us, as demonstrated by ESG ratings, questionnaires, audits and workshops.

To meet this requirement and respond to the increasing demands for transparency, we have implemented EcoVadis. We use this platform to review the sustainability practices of our supply chain whilst ensuring that we meet all relevant environmental, social and governance criteria. EcoVadis enables us to assess our suppliers in these areas, identify risks early and initiate targeted improvements, leading to greater transparency and traceability throughout our entire value chain.

At BUTTING, we recognise the importance of being transparent about our commitment to sustainability and our corporate responsibility. Our strategy and objectives are firmly focused on addressing material topics and promoting sustainable practices. We have set clear key performance indicators (KPI) to track and demonstrate our progress in these areas. This report reflects our commitment to comprehensive and transparent reporting on our sustainability and ESG efforts.

Transparency in climate protection is essential for BUTTING. We want to achieve climate neutrality by 2050 and have already taken numerous measures that we will intensify in the coming years. We have calculated our emissions in Scope 1, 2 and 3 and, based on this, set reduction targets. We have also joined the United Nations Global Compact (UNGC), one of the world's most important initiatives for responsible corporate governance. In doing so, we commit ourselves to upholding ten universal principles in the areas of human rights, labour standards, environmental protection and anti-corruption. This voluntary commitment underlines our goal of further strengthening sustainable and ethical standards.

A central concern for us is also the question: What prospects does the future hold in the post-oil and gas era? Fossil fuels are finite resources and are at the centre of international climate policy. There is therefore no alternative to the transition to renewable energies if we want to establish a sustainable economy in the long term. In our 2030 corporate strategy, which is currently being developed, we are integrating "Beyond Oil and Gas" as a strategic guiding principle. We are working intensively on possible alternatives that will not only benefit our environment, but also our own future security.

Digitalisation and the use of artificial intelligence (AI) will play a key role in economic growth and in addressing social and environmental challenges in the coming years. At the same time, we must not ignore the risks associated with digitalisation and AI. Responsible use of new technologies requires knowledge and education. This is why, in the coming years, we want to raise awareness of this topic among our employees and partners and promote media literacy to ensure the conscious and safe use of these technologies.

We want to remain an important employer for our region and represent stability for our employees as well as our customers worldwide. This means not only securing jobs, but also creating attractive prospects and driving innovation. Transparent communication is always the first step, but the real work only begins afterwards. Finding solutions requires courage and a willingness to take risks. These challenges are easier to overcome when we work together.

In this context, there are plans to extend all our sustainability efforts to the entire corporate group in the coming year. In this way, we will ensure that sustainability is promoted consistently in all areas of our organisation and across all locations.

We thank you for your interest in our 2024 report and invite you to join us on our journey.

Kind regards,

Hermann Butting

Company profile of BUTTING in Knesebeck

H. Butting GmbH & Co KG (hereinafter referred to as BUTTING) is the main site of BUTTING Gruppe GmbH & Co KG. The Butting family settled in Knesebeck in Lower Saxony after fleeing from Crossen an der Oder after the Second World War. The company has been operating in Knesebeck since 1945. BUTTING is currently able to process over 80,000 metric tons of stainless and clad materials annually at the factory premises, which now cover more than 535,000 m². Today, BUTTING in Knesebeck is one of the largest employers in the region. The main plant employs more than 1,700 people, and over 120 trainees are continuously being trained in Knesebeck in 14 different occupations or study programmes

The BUTTING family business is fully owner-managed by its President, Hermann Butting.

Range of services

The primary activities in Knesebeck revolve around the production of longitudinally welded pipes from coils and plates, finishing them into ready-to-install pipe components through comprehensive finishing capacities as well as specialising in piping technology.

BUTTING offers a wide range of products and services ranging from design and development right through to production and assembly. Our primary focus is on the manufacturing of welded piping components using stainless, heat-resistant and creep-resisting materials, such as high-alloy steels, nickel, copper, aluminium and titanium alloys. We also specialise in producing welded pipes made from mechanically or metallurgically clad raw materials.

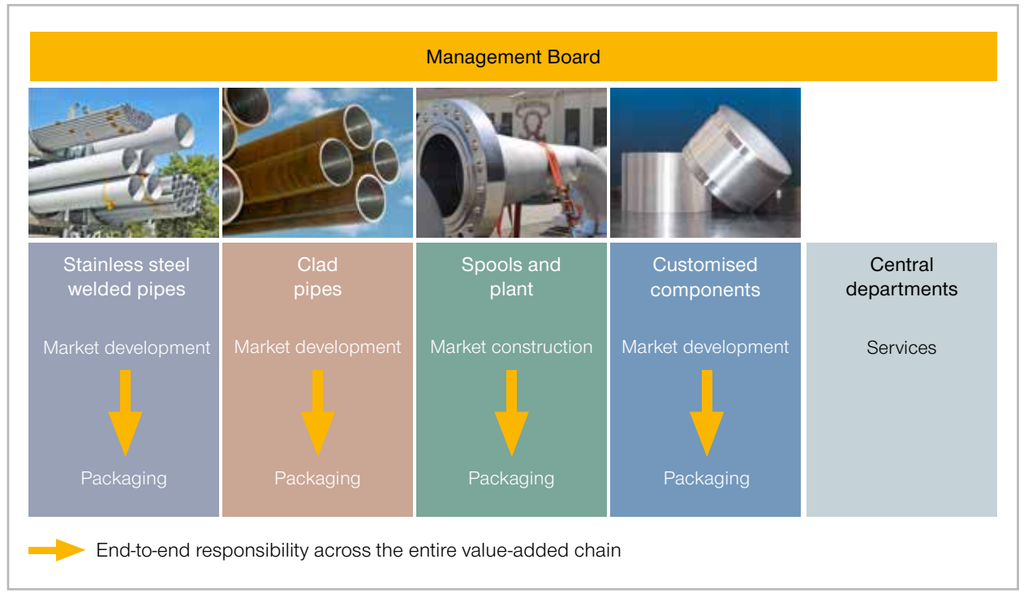
Manufacturning processes and technology

The products are mostly manufactured through cold forming from plates or coils and then welded using protective gas, submerged arc, plasma, metal arc, laser or electron beam processes with or without filler material. The specific type and extent of the subsequent heat and surface treatment will be determined by the individual requirements of the standards, customers, projects or specifications.

The focus of the manufacturing methods is on:
- Forming
- Welding
- Heat treatment
- Surface treatment

Industries, markets and fields of application

The customers and fields of application of the products are predominantly in the following sectors:
- Plant and apparatus engineering
- Architecture and design
- Drilling and well construction technology
- Chemical industry
- Automotive engineering
- Research and technology
- Trade
- Food industry
- Aviation, aerospace and defence
- Nuclear technology and power engineering
- Oil and gas industry
- Pulp and paper-making industry
- Pharmaceutical industry and biochemistry
- Pneumatic conveying
- Pump technology
- Shipbuilding technology
- Environmental technologies
- Water and effluent technology



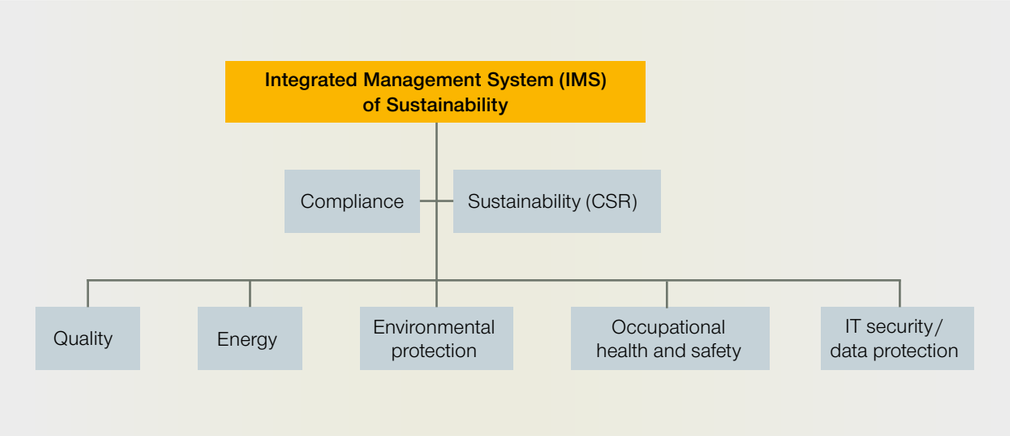
The organisation into business units at BUTTING in Knesebeck is based on the business area model

Organisational structure and management systems

Since 2019, BUTTING's corporate structure has been divided into four business units, which are responsible for processes ranging from market development to packaging. The division of the company into these four business units took into account the needs of the markets and customer groups, as well as the product portfolio and optimised processes. The overarching goal is to ensure customer satisfaction through quick response times to inquiries and short throughput times in production and order processing. Central departments provide the business units with higher-level functions in technology and commercial services as service functions.

As one of the world's leading processors of high-quality stainless steels and clad materials, BUTTING in Knesebeck has been ISO 9001 certified.since 1989. In addition, our aim is to lead by example with regard to environmental protection, occupational health and safety, and responsible resource management. The supreme quality of our products, along with our commitment to environmental protection, occupational health and safety, and the pursuit of energy-saving opportunities, are integral to our corporate philosophy and significantly contribute to the success of our company.

Since 2006, BUTTING in Knesebeck has combined the areas of quality, environmental protection, and occupa tional health and safety into an Integrated Management System (IMS). In this system, we implement the requirements of the ISO 9001, ISO 14001 and ISO 45001 (formerly OHSAS 18001) standards. Certification of the energy management system in accordance with ISO 50001 was added in 2015.



Anchoring sustainability in the organisation

Sustainability is an integral part of the corporate vision, mission and strategy. The Management Board is responsible for the sustainability strategy. Since 2023, BUTTING has formed its own sustainability team, which convenes regularly, at least quarterly, with top management to deliberate on prioritisation, progress and adjustments to the initiatives. A member of the Management Board leads the sustainability team and serves as both a sponsor and an operational and strategic driver of sustainability activities within the company. This sustainability team works in collaboration with the quality, energy, environmental protection, occupational health and safety, and IT security/data protection teams to advance corporate social responsibility (CSR). An annual sustainability report provides transparent information about the company's progress in terms of sustainability. The sustainability team has undergone further training on various sustainability topics. The exchange of experience with other companies is actively pursued and advanced through networks, such as the German Mechanical Engineering Cooperation Initiative (Kooperationsinitiative Maschinenbau e. V. (KIM)), or via the BUTTING Group's advisory board.

In recent years, efforts have been made to gradually integrate compliance, IT security/data protection and sustainability (CSR) topics into the Integrated Management System (IMS) and to transition the existing structure into a sustainability management system. The officer is responsible for the individual management systems and continues to report directly to the Management Board. A structured management review is conducted at least every six months to report and evaluate progress, risks and new developments.

All management systems are designed to continuously and sustainably optimise our processes, always in compliance with legal, contractual and other obligations, in accordance with the Plan-Do-Check-Act (PDCA) cycle. All managers and employees are actively involved in these efforts to drive continuous improvement and advance long-term sustainable development. Our philosophy is characterised by a holistic approach that focuses not only on the company's success, but also on our responsibility towards society, our employees and business partners as well as future generations. BUTTING has always been thinking in terms of generations.

In addition to management serving as decision-makers for the business, typical CSR stakeholders in the company include employees and applicants, who can expect fair working conditions, equal opportunities and a safe working environment, among other things. The same principles apply to service providers and individuals who work for or within the context of BUTTING. We also expect our suppliers to adhere to environmental regulations, ethical standards as well as labour and human rights, and to ensure sustainable procurement in the supply chain. Customers, banks, insurance companies, official bodies, municipalities and local residents rely on us as a company to provide these sustainability services.

Keys facts of H. Butting GmbH & Co. KG in 2024

This report pertains to H. Butting GmbH & Co. KG, based in Knesebeck. As of the end of 2024, the company had a workforce of 1,644 employees and an additional of 141 trainees. As a result, this company is the largest operational unit in the BUTTING Group. More than 2,700 employees work for the BUTTING Group worldwide.

The breakdown of the workforce is as follows:

	2022[1]	2023[1]	2024[1]
Employees[2]	1.553	1.605*	1.644
Trainees	124	122	141
Temporary staff	19	10	16

	2022[1]	%	2023[1]	%	2024[1]	%
Employees[2]	1.553		1.605		1.644	
of which full-time	1.423	92	1.471	92	1.501	91
of which part-time	130	8	134	8	143	9

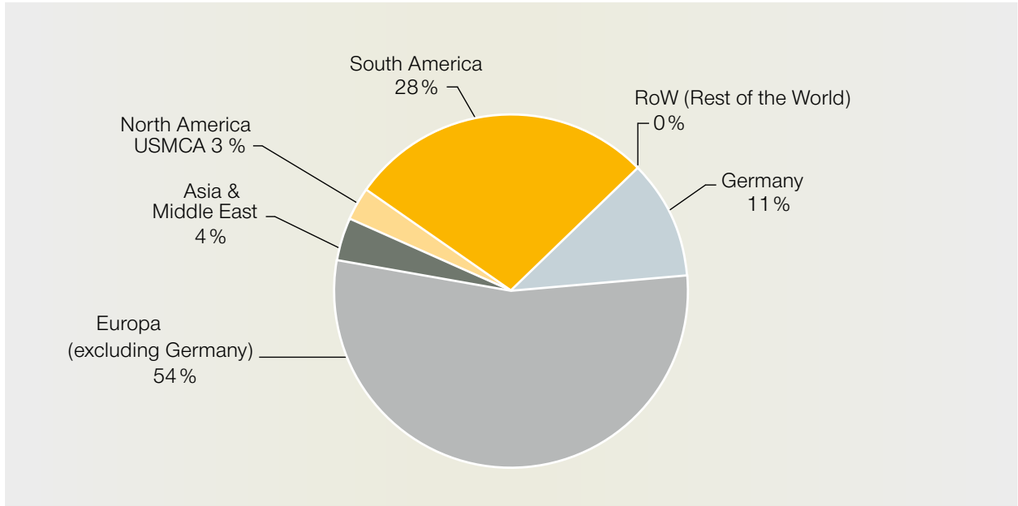
	2022[1]	%	2023[1]	%	2024[1]	%
Employees[2]	1.553		1.605		1.644	
of which male	1.347	87	1.387	86	1.408	86
of which female	206	13	218	14	236	14

	2022[1]	%	2023[1]	%	2024[1]	%
Trainees	124		122		141	
of which male	105	85	107	88	117	83
of which female	19	15	15	12	24	17

*see „About the report“
[1]Number as at 31. December of the year
[2]Workforce excluding holiday employees, postgraduates, interns, working students and trainees

Turnover with distribution by region in %

In 2024, BUTTING in Knesebeck reached customers from 47 different countries worldwide with its products and services achieving a turnover of 822 million euros.



> Our aim is to
> pass on a healthy company
> to the next
> generation(s).

02

Sustainability Strategy

> **Progress by tradition**
>
> This is a tried and trusted slogan for BUTTING and will continue to be put into practise by the BUTTING Group going forward. Only for the courageous new paths and opportunities will continue to open up, and strengthen regional business success.

Vision and Mission

For a company like BUTTING that prioritises long-term thinking, future viability is of utmost importance. Future viability entails maintaining competitiveness and sustainability tomorrow, the day after tomorrow and in the future, as well as meeting the needs and demands of customers. For BUTTING, future viability means having a strong community tomorrow, the day after tomorrow and in the future – a strong BUTTING family of employees that is flexible and efficient in addressing market challenges.

Slogans play a vital role in communicating BUTTING's identity and message. Every slogan we choose should reflect our values, vision and the unique offering we provide to our customers. Our slogans represent a promise to our customers, employees and business partners, and are more than just words.

We have developed a range of slogans to highlight various aspects of our company, including innovation, quality, customer satisfaction and social responsibility. Each slogan carries its own significance and is designed to foster a strong connection with our target audiences.

Progress by tradition

"The name BUTTING has a time-honoured history of over 247 years and represents progress based on tradition, for our customers and employees in this generation and the next. With courage, care and diligence, my ancestors contributed to the advancement of the metal processing industry, laying the foundations for a successful company history," explains Hermann Butting, the 7th generation owner of the company, as he describes this BUTTING motto.

More than pipes – for a better quality of life

Our medium-sized company is deeply committed to sustainable practices, which are ingrained in our DNA. Our commitment extends beyond efficient pipe systems to encompass a comprehensive sustainability strategy, all under the motto "More than pipes – for a better quality of life". We are committed to producing high-quality products and ensuring their proper finishing. We manufacture longitudinally welded stainless steel pipes for our customers around the world. We supplement this offering for the benefit of our clients by incorporating various processes throughout the value creation chain. By integrating modern production technology with skilled craftsmanship and extensive experience, we create custom components tailored to our customers' specific requirements, thereby supporting a sustainable process.

Additionally, we strive to make a positive impact on the quality of life in our community and on the environment. We put people at the centre of all decisions, developments and processes. This is why we are dedicated not only to our customers and employees, but also to the people in the region. For example, we support a wide range of social projects in the region where we live and work.

Our 2024 BUTTING strategy : We are the preferred partner for our customers

We have gained valuable insights from our 2020 strategy, particularly about ourselves and our customers. Through collaborative efforts, we have developed target processes and achieved a significant milestone with the implementation of the organisation into business units. Building on this, we have defined five strategic goals in our 2024 BUTTING strategy.
Hermann Butting explains: "One of our key responsibilities as management is to provide clear direction. It is important for everyone to understand the path we are taking. We aim to achieve 'Progress by Tradition – for our customers and staff in this generation and the next'. In order to succeed, it is essential for us to be future-proof, sustainable and competitive. We also rely on the favour and support of our customers. Our goal for BUTTING is to be their top choice!"

BUTTING – consciously SAFE

At BUTTING, the health and safety of our employees and business partners are top priority. In order to further and sustainably improve occupational safety at our Knesebeck site, we launched the project "BUTTING – consciously SAFE". In the coming years, a comprehensive set of initiatives will be implemented involving all employees and managers. This will include various training programmes aimed at increasing awareness of accident risks and promoting safe walking and climbing.

Noble & Strong

BUTTING considers Corporate Social Responsibility (CSR) to be an essential component of our corporate culture. One of our key focus areas is on the benefits we provide to our employees. These measures demonstrate our commitment to social responsibility and are also a crucial component of our strategy to establish a sustainable and supportive work environment. With the motto "noble & strong", our benefits programme has been bringing our employees together for a number of years. In this context, living values form the foundation of our collaborative approach. The strong partnership within the BUTTING family of employees is built on appreciation, reliability and honest communication. We strive to set new benchmarks in the stainless steel industry and are committed to supporting our employees

We are confident that these slogans will help us effectively communicate BUTTING's identity, values and objectives within the organisation and to the public, thereby positively influencing the perceptions of both employees and customers.

BUTTING's mission statement

Since our establishment over 247 years ago, prioritising responsibility and integrating sustainability into our business practices has been a fundamental aspect of our corporate culture. Our long-standing mission is founded on the principles of integrity, social responsibility and environmental awareness.

Our company has consistently been guided by the following principle: "Our aim is to hand over a healthy company to the next generation!" We have been committed to this tradition for many generations and are simultaneously focused on building a successful future. This is reflected in our motto "Progress by Tradition". We grow with challenges and embrace change. To this end, we are continuously developing our company, our products and our employees.

Our corporate philosophy is expressed in our mission statement. It reflects the way in which we see ourselves as a company and our vision for the future. We focus on the customers and their requirements. At the same time, our mission statement brings us together within the organisation.

We take pride in the fact that our values are lived across all areas of our business. From the supply chain and product life cycle through to collaboration with our employees and business partners, we strive to promote positive societal change.

In this year's sustainability report, we would like to highlight the ongoing nature of our efforts. This long-standing commitment is evident not only in our ethical business practices, but also in specific initiatives that support social justice, protect the environment and create long-term value for all stakeholders.

We view the promotion of sustainability not only as a responsibility, but also as a fundamental aspect of our identity. This deeply ingrained mission statement inspires us to persist in finding innovative ways to make a positive contribution and proactively address the challenges of the future.

Our Mission statement –

A clear vision for the future.

A family business

We are an independent, self-determined family business managed by the 7th generation of the Butting family. Our goal is to pass on a thriving company to the next generation.

The family of employees

We are a well-trained, international family of employees, yet we see ourselves as learning every day. We owe our innovative strength and ability to find solutions to many years of experience and teamwork, as well as to new ideas and unique personalities.

Meaning and quality of life

We support the success of our customers and promote sustainability and quality of life through our corrosion-resistant products. With our economic success we assure our future as a self-determined family business and contribute substantially to the living standards of our employees and their families.

Valuable collaboration

We live and breathe the value of the "House of Cooperation":

- Mutual appreciation • Performance • Honesty
- Openness • Reliability • Courage

so that our collaboration is successful and enjoyable.

BUTTING fans

We are well-known for quality and reliability. We take responsibility for our work – as well as our mistakes. We provide our customers with a service that exceeds their expectations.

A powerful, global network

We create a powerful network with worldwide co-operation partners – and through global market presence with BUTTING companies.

Top performance

We are inspired by high-quality performance!
We are strong in the sectors of

- Materials and welding technology • Cryogenics
- Production technology and quality assurance
- Handling of major projects

and we invest continuously for a successful future.

Healthy, safe and environmentally friendly

When designing our employee workplaces, we pay special attention to the health and safety of our staff and visitors on site. Occupational safety is our top priority in all areas of our business. We use resources sparingly, protect the environment and act in harmony with people and nature..

The Management Board at H. Butting GmbH & Co KG 2024 (from left to right: Dirk Meinecke, Hermann Butting, Norbert Heinzle)

CSR commitment and management obligation

CSR is the ethical obligation of businesses to contribute to the well-being of society. BUTTING recognises its social responsibility. The actions of businesses today will determine the future of generations to come. Every company has a direct or indirect impact on people and the environment through its business activities. Entrepreneurs have a responsibility to adopt and implement these practices and decisions in a sustainable and socially responsible manner to ensure that the world remains habitable for future generations. Conducting due diligence for companies involves carefully examining business decisions and activities to identify any potential negative impacts or harm to individuals, society and the environment

BUTTING was founded in 1777. As a family business in its 7th generation, it has always prioritised sustainability. As a company, we believe that our contribution to society is dependent on the success of both ourselves and our customers. BUTTING's approach has always been to prioritise long-term results over short-term profits. Establishing long-term and reliable partnerships with customers, suppliers and employees is a cornerstone for sustainable practices. Our commitment to creating meaning and prosperity for our employees and the region has always been our credo and guiding principle. When our employees thrive, it positively impacts the success of the company and the region as a whole.

At BUTTING, sustainability is a core principle that guides all decisions and actions within the company. This principle encompasses the procurement of raw materials, the high-quality manufacture of our products and their sustainable use and recycling by the customer. The same principle applies to our employees – from career entry, training and education to ensuring safe working conditions and a healthy retirement. The demands on contemporary corporate management are immense. Issues such as advancing climate change, environmental protection, the conservation of nature and the role and rights of people are becoming increasingly important. Sustainability is a key concern for stakeholders, including political decision-makers, potential and current employees, customers, business partners, and the general public.

BUTTING's management is committed to practising sustainable corporate management. We are actively committed to climate protection, protecting the environment, ensuring job security and promoting equal opportunities. Our principles align with the ten principles of the United Nations Global Compacts (UNGC) and the 17 Sustainable Development Goals (SDGs). We are committed to integrating these values into our strategy and daily operations, with a strong emphasis on transparency and accountability.

20th anniversary of the advisory board in 2023

Identification of material topics through discussions with both internal and external stakeholders

Collection of sustainability topics:
In collaboration with the sustainability team, BUTTING's management initiated a workshop to identify relevant sustainability issues in a first step. These issues were identified within the framework of BUTTING's business and include both favourable and adverse effects on the economy, the environment and people, including human rights. In accordance with the Global Reporting Initiative (GRI), topic standards, industry benchmarks for sustainability and the input of BUTTING employees, managers and the President were taken into account. Surveys and literature research were used as the foundation for this process.

Integration of expectations and ideas:
In the second step, the expectations of external stakeholders were incorporated into the identification of key topics. This was done on the basis of surveys and feedback. We conducted interviews with various external CSR stakeholders, including individual customers, suppliers, banks, insurance companies and official bodies, to gather their perspectives.

Assessment prioritisation:
As a result of these steps, we have compiled a list of 28 topics or sustainability aspects. The third step involved an assessment and prioritisation by BUTTING's top management team, individual managers, employees and other stakeholders, such as business partners, the advisory board and auditors. The assessment took into account the materiality of the impact within BUTTING's corporate context. A weighted evaluation was used to determine the top 10 topics.

Supplementation and determination of the material topics:
In the final step, the top 10 topics were subsequently supplemented to include the aspects of greenhouse gas (GHG) / CO_2 emissions as well as sustainability and transparency in the supply chain. The individual topics were classified according to the ESG categories. The list on the following page presents the findings of our materiality analysis and serves as the foundation for BUTTING's sustainability strategy, outlining the action areas and key topics.

In future, we will continuously refine and update the process for identifying the material topics in line with the applicable reporting requirements. This will ensure that we always recognise the most relevant topics and can address them proactively. In parallel, we conduct regular reviews of our strategy and adjust it as needed to optimally maximise our progress.

Results of the materiality analysis		
E Climate/Environment/ Ecology	**S Social/People**	**G Governance/Corporate management/ Economics**
Very material topics		
		Financial stability and healthy growth
		Sustainable innovations and products
		Customer satisfaction
Quality and Product safety		
		Value-based leadership
	Occupational health and safety	
Conservation of resources		
	Training and education	
	Fair working conditions and remuneration	
	Attractiveness as an employer	
CO_2 emissions		**Sustainability and transparency in the supply chain**
Other material topics		
Circular economy Water and effluents (water management) Waste Energy intensity Transport and traffic Biodiversity	Employee commitment Diversity, inclusion and equal opportunities Cooperation with the social partner Respect for human rights	Partnership-based business relationships Ethical business behaviour and integrity Resilience and transition to a low-emission economy Transparent communication and reporting Social (regional) commitment Anti-corruption and anti-bribery measures

BUTTING pipes for a better quality of life, here in a sewage treatment plant

Our sustainability strategy

Our vision "BUTTING products for a better quality of life" and our mission "We want to pass on a healthy company to the next generation" are the objectives of our sustainability strategy. At BUTTING, we are dedicated to developing and manufacturing sustainable solutions that not only provide the highest quality, but also respect the environment and improve the quality of life of our customers, employees and future generations. We are committed to environmentally friendly production processes, resource efficiency and continuous innovation to make a positive impact on creating a more sustainable world. We strive for a future where environmental protection, social responsibility and responsible corporate management are aligned.

Our sustainability strategy is informed by the findings of the materiality analysis. Based on the top topics identified, we have defined focus topics in the environmental, social and corporate management categories. We have also established short-, medium- and long-term targets for each focus area. Performance indicators will enable us to monitor progress effectively and make necessary adjustments if projects and measures do not achieve the desired outcomes. Our action areas are the building blocks of our sustainability strategy and are listed in the table on the next two pages.

BUTTING sustainability strategy	Motto	Overall objectives	Action areas	KPI
Environment	On the road to carbon neutrality 2050	Reduction of our carbon footprints	• Increased utilisation of renewable energies • Efficiency improvements through process optimisation and the implementation of energy-efficient technology	We are committed to achieving carbon neutrality (Scopes 1, 2 and 3) by 2050 at the latest. As milestones towards this goal, we want to reduce our CO_2 emissions by 30 % by 2030 compared to the 2022 reference year and by 60 % by 2040.
		Conservation of resources	• Improving energy and resource efficiency and establishing cycles for materials, waste and water • Adherence to high quality and product safety standards • Ongoing optimisation through the continuous improvement process (CIP)	We are working towards energy efficiency and reducing our scrap and rework rates by 20 % each by 2035 compared to the 2022 reference year.
Social responsibility	We live community	Attractiveness as an employer	• Strengthening the employer brand • Family-friendly, team-oriented employer and training company • Fair working conditions and remuneration • Promoting lifelong learning through training and education	We are an attractive employer in the region, and our training places and job vacancies are or can be filled promptly.
		Occupational health and safety	• Development of a reliable occupational safety culture • Creating a safe and healthy working environment • Vision Zero: Aiming for zero accidents	A maximum of 5 workplace accidents per 1 million hours per year by 2030, no work-related fatalities
Responsible, value-based corporate management	A valuable future for the next generation	Financial stability and healthy growth	• Risk-controlled business policy • Responsible handling of contractual commitments and financial resources	a) Equity ratio greater than 50 % b) Preservation of an owner-managed, self-determined family business in the 8th generation
		Value-based corporate management	• Establishing value-based leadership standards and behaviour at all management levels • Promoting a culture of integrity and accountability • Ensuring compliance through training and understanding	a) The annual rates of Integrated Leadership System (ILS) fulfilment in nationwide qualification and application of the standards are above 90 % b) At least 95 % of the employees concerned have taken part in the mandatory annual compliance training courses
		Sustainable business model: BUTTING – more than pipes – for a better quality of life	• Continuous increase in customer satisfaction • Ongoing development of sustainable products and innovations • Promotion of sustainability standards throughout the supply chain	a) Customer satisfaction score is rated as "good" on average, at a minimum b) Requirements for the German Act on Corporate Due Diligence Obligations in Supply Chains have been implemented

Sustainability standard

Global Reporting Initiative (GRI)

Our company is guided by the standards of the Global Reporting Initiative (GRI) to ensure transparent and comparable sustainability reporting. The GRI standards provide a solid foundation for presenting our environmental, social and governance (ESG) performance in a structured and easy-to-follow way. In doing so, we place particular emphasis on the materiality of our reporting content in order to fulfil the expectations of our stakeholders.

At the same time, we are actively preparing for the requirements of the Corporate Sustainability Reporting Directive (CSRD). By gradually adapting our processes and data structures, we are ensuring that we will fully comply with the enhanced transparency and disclosure requirements from next year, when the new reporting obligations become mandatory.

UN Global Compact

In September, the BUTTING Group reached another important milestone in its sustainability endeavours by joining the United Nations (UN) Global Compact. This is the world's largest initiative for responsible corporate governance, involving more than 25,000 companies from over 160 countries and providing a platform for the exchange of best practices and the development of innovative solutions in the field of sustainable business.

By joining the UN Global Compact, the BUTTING Group commits to actively supporting the ten universal principles in the areas of human rights, labour standards, environmental protection and anti-corruption, and to integrating them into its business practices. At the same time, the company is making a direct contribution to the implementation of the 17 United Nations Sustainable Development Goals (SDGs).

"Sustainability has always been firmly embedded in our corporate philosophy. With our EcoVadis gold medal, we have already proven that we place the highest value on responsible business practices. Joining the UN Global Compact is a logical next step for us to continue fulfilling our responsibility at an international level and to actively participate in shaping sustainable solutions," emphasises Dirk Meinecke, CPO of the BUTTING Group.

Through targeted innovation and sustainable growth, BUTTING aims to continue making a positive contribution to society and the environment in the future – with the goal of ensuring a liveable and sustainable world for future generations. The company's time-honoured tradition of combining quality with responsibility continues.

EcoVadis

H. Butting GmbH & Co. KG has been a member of the EcoVadis collaborative network since 2022. EcoVadis is a globally recognised online platform that awards ratings and sustainability certifications, and also monitors sustainability performance in our supply chains.

In this way, BUTTING can evaluate existing suppliers and pursue sustainable procurement within our supply chain.

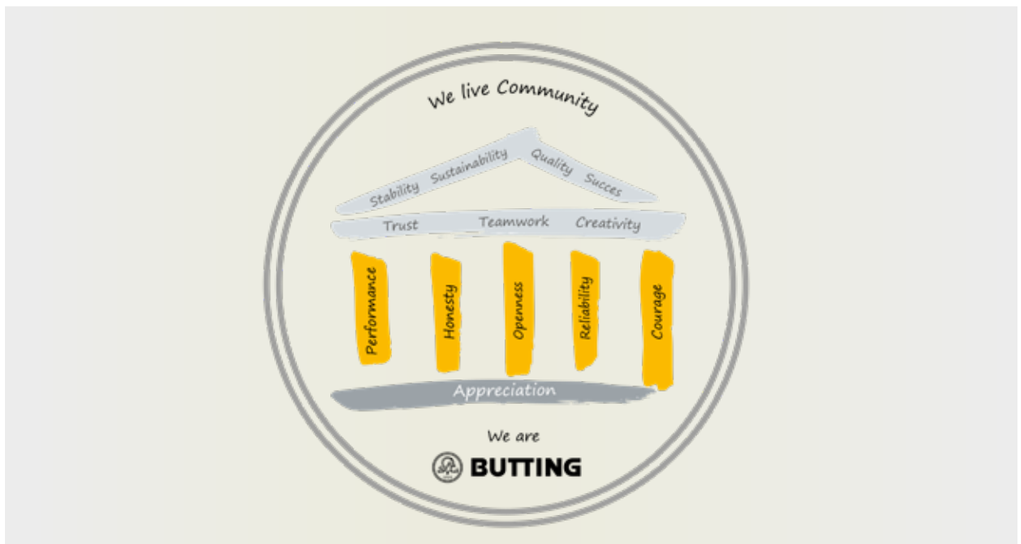
Sustainability is an integral part of our strategy. Certification by EcoVadis enables us to demonstrate our efforts transparently to all stakeholders. It serves not only as a benchmark, but also identifies potential for improvement in order to enhance our sustainability performance in the long term. As part of the EcoVadis assessment, our business practices are evaluated in the areas of environment, labour and human rights, ethics and sustainable procurement. Thanks to continuous improvement, we were able to increase our EcoVadis score to 74 out of a possible 100 points in 2024. This puts us in the top 5% of the industry worldwide and we have achieved the gold standard.

This recognition not only confirms our achievements but also motivates us to continue implementing our sustainability strategy consistently. We are proud to be among the leading companies in the industry and will continue to work on improving our sustainability performance in the future.

Standards
Innovation
Growth

03

Social / People



House of Collaboration 5.0

Our greatest asset: People

Understanding of values

Since the establishment of the BUTTING family business, people have been valued as the company's greatest asset, and leadership has been guided by ethical principles. Over the course of seven generations, the Butting family has consistently upheld and strengthened their understanding of values. The "House of Cooperation" is our cornerstone of our way of life and work at BUTTING.

Appreciation is the foundation at BUTTING. We are convinced that every individual deserves consideration and respect. This means, for example, that we approach each other in a positive manner, demonstrate good etiquette, including when communicating by e-mail, and talk with each other rather than about each other. People who contribute to the well-being of the company are supported by BUTTING in developing their potential.

This is the foundation for the following supporting pillars:

Performance means for us that every individual commits themselves 100 % to the success of the BUTTING Group. Here it is not only important that every individual diligently takes on the tasks assigned to them. Rather, we also support one another as a team and are successful together. If we cannot deliver the performance expected, we will work together to identify the root causes and explore possible solutions. In this way we are committed to progress, growth and ensuring the future of the BUTTING Group.

Honesty means for us that what we say is in line with what we do. We know the limits of our own actions and don't make promises that we can't keep. We stand up for our convictions, face up to difficulties and admit our own mistakes openly at an early stage.

Openness means for us that we are open towards other people, new technologies and new forms of teamwork and organisation. In order to continue to be competitive in future, we must as a company regard changes as opportunities and take advantage of them. That is why we see ourselves as learning every day. We question existing interdependencies and develop new ideas for our own tasks, processes, the department or the company. In doing so, we take arguments and ideas of employees and colleagues into account when reaching decisions.

Reliability implies for us that we build long-term retionships. We succeed in this when we live the values of care, discipline, faithfulness and loyalty to the company. That is why, for example, we complete our tasks and appointments reliably and on schedule, or communicate difficulties and possible delays to the downstream departments at an early stage. Discrete handling of personal information and corporate expertise is crucial to us.

Courage means for us that every individual takes decisions independently within their area of responsibility and implements new ideas. We therefore try out innovations on our own initiative if this benefits our corporate objectives and progress. Every individual fulfils the tasks allocated to them responsibly and stands up for the consequences of their actions. But we also stand up for our own ideas even if they do not directly affect our own area of responsibility.

If these values are embraced, we firmly believe that an atmosphere of trust, creativity and genuine teamwork will develop. Every employee should have the opportunity to reach their full potential to the best of their ability. The rewards are stability, sustainability, quality and success. This is the way to achieve Progress by Tradition.

Social responsibility

The Universal Declaration of Human Rights serves as the foundation for BUTTING's work. BUTTING is committed to protecting human rights and dignity in order to foster a fair and respectful society.

All employees receive fair remuneration and are entitled to establish committees and enjoy fair working conditions and hours. In the BUTTING family of employees, every individual is valued and respected regardless of gender, nationality or occupation.

The scope of application includes companies and stakeholders of the company as well as sustainability requirements in the supply chain. The relevant frameworks here are the Code of Conduct (CoC) and Social Compliance.

Incidents of discrimination can be reported in person or via our BUTTING whistleblowing system.

Outstanding proof of the high quality of our training: Hannes Mielmann won the international TIG welding competition in 2024

Personal transformation: Training and education

The BUTTING Management Board knows the crucial success factor for the company: The foundation, which cannot be replaced by technological developments, is the specialised knowledge of our staff. We provide a wide range of internal and external training opportunities to help them enhance their personal competencies and further develop their diverse skills and abilities. At our main plant in Knesebeck, career starters have a wide range of opportunities. With a total of ten different trainee occupations and four degree programmes, we offer a wide range of training in attractive professional fields. With a focus on holistic training, all trainees – whether in commercial or industrial-technical fields – gain practical experience in working with stainless steels.
Regular discussions are an important part of training at BUTTING. We provide trainees with regular feedback on their progress. This feedback is an essential and important building block for development. Receiving honest feedback at an early stage is essential for individuals to utilise it in their work and advance their personal and professional development.

As a company with a global presence and high standards for the quality of our products, this approach is reflected in the strong performance of our trainees. In the biennial "Jugend schweißt" competition for young welders organised by the German Welding Society (DVS), our trainees have the opportunity to showcase their welding skills alongside trainees from other companies. We are proud to see them consistently qualify for participation at the district, state and national levels.

World champion comes from Knesebeck

Our commitment as a training company is paying off. In 2024, we were able to produce a welding champion from our own ranks – outstanding proof of the high quality of our training. The welding competition took place in Beijing at the end of October. Here, our talented young welder Hannes Mielmann secured the title of World Champion in TIG welding (tungsten inert gas welding). The systems mechanic had previously won the district, state and national competitions. With this outstanding performance, he demonstrated his exceptional skills and became the first employee in the history of our family business to win a world championship title.

BUTTING gives special recognition to exceptional performance. The top trainees of each year receive a training completion bonus as a form of recognition. Furthermore, we provide all interested trainees with a twelve-month fixed-term employment contract upon successful completion of their training. This often leads to a permanent employment contract for those who demonstrate strong performance and commitment.

Training occupation		Number of trainees*			
		Training year 1	Training year 2	Training year 3	Training year 4
Commercial-technical training	System mechanic	11	11	10	11
	Electronics engineer	4	1	3	1
	IT specialist	2	2	2	0
	Industrial mechanic	3	2	2	1
	Machine and system operator	6	6	0	0
	Technical product designer	2	2	1	1
	Materials inspector	4	3	2	1
	Cutting machine operator	4	4	3	3
Commercial training	Storage logistics expert	3	3	2	0
	Commercial clerk	5	5	5	0

Study programmes*			
	Study programmes	Number of Bachelor students	Number of Master students
Part-time study programmes	Business administration	1	0
	Business information technology	2	0
	Industrial engineering	5	2
	Marketing & communications	1	0
	Commercial law	0	1

*as at 31.December 2024

Modern training

We also continuously support the advancement of digital learning in our training programmes and provide tablets to all trainees and students. This enables our trainees at BUTTING to easily conduct online research and quickly save notes as part of their daily routine. Our trainees have the option to use digital versions of their textbooks and benefit from interactive learning. In the classroom they can capture images from the whiteboard, share their work results and effectively use their study materials to prepare for tests. More and more apps are available as learning aids.

As a global company, BUTTING provides international opportunities for trainees and students. As an additional development option for experiencing other cultures, learning foreign languages and furthering personal growth, BUTTING provides trainees and students with the opportunity to complete an internship abroad. The Youth and Trainee Representation (YTR) body collaborates closely with the social partner. It is dedicated to supporting the interests and needs of our young employees and trainees. Its primary goal is to foster a strong sense of community, both among the trainees and between them and their trainers. For example, they organise the annual Christmas party and the trainee excursions.

Study programmes

Students at BUTTING face a wide range of tasks and challenges within a technical, economic and scientific environment. They can also take on responsibility from day one. The interdisciplinary training programme allows for the direct application of theoretical knowledge in practice. Thanks to the various learning models with partner universities, such as Ostfalia Wolfenbüttel and Hanover University of Applied Sciences and Arts, BUTTING offers excellent study opportunities. These include degree programmes such as business administration, business information technology, industrial engineering with a specialisation in mechanical engineering, and industrial engineering with a specialisation in technical sales.

Internal training (using the example of NDT)

BUTTING relies on non-destructive testing (NDT) for industrial production and maintenance. The physical measuring technology and energy interactions enable quality control measures to be carried out without damaging the test specimen itself. Thanks to this high level of waste avoidance, the process has a significant ecological impact on the metal industry. In order to ensure a standardised test procedure, it is essential to have high expectations for the testing personnel, as described in the EN ISO 9712 standard. As a result, one of our quality features is our extensive training in non-destructive testing methods, which is available both internally and externally.

Employee programme – individual support

BUTTING is continuously committed to its employees and offers an annual employee programme for in-house training. The programme covers various topics, including BUTTING expertise, personal skills, languages and leisure activities. This enables us to support a variety of different personal qualification fields. The current programme includes the following offerings:

- Leisure activities: Cookery courses, nutrition seminars such as "Interval Eating", health seminars such as "Good sleep as a Driver of Health and Success", chainsaw course
- Personal development: Microsoft Office-courses at various levels, live online training "Achieving Good Organisation with Outlook", and English language courses for various learning levels

The programme is open to all BUTTING employees and selected external individuals. Participation in the seminars is voluntary and takes place in the employee's spare time (e.g. holidays, reduction of work hours). BUTTING covers the participation fees and the organisational expenses.

BUTTING Academy

Long-term relationships are part of our mission. The name BUTTING is synonymous with the Knesebeck region and stands for Progress by Tradition, high-quality products, reliability and growth as well as a strong value orientation. When entrepreneur Hermann Butting founded the BUTTING Akademie in Knesebeck in 2004, he had a clear vision! People should receive support in their personal and professional development. Simultaneously, regional businesses should be empowered through the promotion of a value-based corporate culture and employee development. Today, the vision is being realised through three independent business divisions, all of which share a strong emphasis on personal commitment and quality awareness in the execution of each project:

BUTTING-employee programme

Programm / Edition	Year	BUTTING expertise		Personal skills		Leisure time		Language course English	Parents-forum	
		NC[1]	Ps[2]	NC[1]	Ps[2]	NC[1]	Ps[2]	NC[1]	AK[1]	Ps[2]
10th edition	2021/2022	3	36	11	101	3	21	1		
11th edition	2022/2023	1	5	10	88	4	31	1	2	9
12th Auflage	2023/2024	0	0	11	149	4	29	3		
Total Amount		4	41	32	338	11	81	5	2	9

[1]NC = Number of courses conducted
[2]Ps = Participants

In addition to renting out the company's own conference centre, BURG Knesebeck , the company also offers customised training concepts and supports charitable projects in the region. The aim of the BUTTING Akademie is not only to impart knowledge, but also to convey values that are practised at BUTTING. The BUTTING Akademie aims to promote the potential of each individual through targeted development, advice and training. It is committed to supporting others, particularly with regard to private individuals, day care centres and schools.

Little Scientists Foundation

A particular example is the Little Scientist Foundation project ("Stiftung Kinder forschen") in the district of Gifhorn. This cooperative project, based in Berlin, aims to promote early childhood education in the fields of science, mathematics and technology throughout Germany. The initiative in the district of Gifhorn is supported by a range of regional companies, and BUTTING Akademie GmbH is in charge of project coordination. In 2024, the project celebrated its fifteenth anniversary in the Gifhorn district. On the initiative of the Gifhorn district, local companies IAV GmbH, Volksbank BraWo Stiftung, Sparkasse Celle-Gifhorn-Wolfsburg and the German Red Cross Gifhorn Regional Association, under the project management of BUTTING Akademie, are committed to offering early support in the STEM subjects. The support provided by the network partners takes the form of financial resources or the provision of human resources. With 704 participants from 94 currently active day care centres, 61 themed workshops have been conducted.

In autumn 2022, our network launched the Foundation's educational programme on "Education for Sustainable Development", complementing the existing themed workshops in the STEM fields. Through this educational concept, we aim to empower children to explore and understand our complex world, including its finite resources, and to inspire them to actively participate in shaping it. The "Open the door!" introductory training programme addresses sustainability issues that affect the daily lives of both girls and boys.

Health

BUTTING practises the holistic health approach. Ensuring a healthy and safe working environment is an essential part of our sustainable corporate strategy.

At BUTTING, activities relating to health-promoting preventive measures are summarised under occupational health management (OHM). The specific objective of occupational health management is to maintain and enhance the physical, emotional, mental and social well-being of all employees. We advocate for comprehensive health support for employees of all risk levels and age groups. Each year, initiatives are implemented to address various important health topics. For help and support with occupational health concerns, the corporate healthcare service/company doctor is accessible on site and during publicised working hours

The following organisations act as BUTTING's health partners:

Preventive healthcare

B·A·D Gesundheitsvorsorge und Sicherheitstechnik GmbH supports BUTTING with a wide range of services including:

- Conducting compulsory preventive and optional occupational healthl examinations
- Company inspections
- Occupational health consultations
- Guidance on organising corporate first aid
- Occupational reintegration
- Advice on ergonomics for workplace and lifestyle enhancement
- Assistance with risk assessments
- Providing employees with information on occupational health and safety issues

Healthy career start

The health insurance company AOK Niedersachsen is a long-standing partner and supports trainees in starting their careers in good health. The goal is to raise awareness about health-related issues. This has resulted in the offering of workshops for exchanging information and reflecting on one's own health behaviour. Modules with a specific focus can be selected and completed as needed.

Psychosocial counselling

The Christian Psychological Counselling Service Gifhorn (Christlich-Psychologischer Beratungsdienst Gifhorn e.V., CPB) looks after the mental well-being of BUTTING employees and their family members. The service is available for a wide range of issues, including:

- Overload and burnout
- Fears and health concerns
- Challenging family issues and crises
- Relationship problems, couples counselling
- Concentration issues, restlessness, sleep disorders, increased irritability, lack of joy and loss of interest
- Psychosomatic complaints
- Work-life balance
- Mental health conditions such as depression, com-, pulsions, panic attacks and eating disorders
- Post-traumatic stress disorders
- Traumatic experiences
- Feelings of hopelessness and suicidal ideation

In-house addiction prevention

The primary goal of addiction prevention is to assist employees who are affected by addiction at an early stage in finding a way out of recognised addiction situations. Simultaneously, the goal is to prevent any potential harm to those affected by the addiction as well as others, – both in their personal lives and at work.

In recent years, it has become evident that dedicating resources to addiction support is a valuable endeavour. Numerous employees who have been impacted have received assistance and have successfully reintegrated into the company community.

An addiction task force has been established to coordinate the company's efforts in preventing addiction.

In addition to online assessments, the company addiction counsellors and the addiction task force, support resources such as self-help groups, counselling centres and specialist clinics are also included in BUTTING's assistance process.

Additional health initiatives

BUTTING offers its employees a range of health promotion initiatives, such as regular fruit weeks and the "BUTTING gets moving" programme. The programme includes the popular company runs that take place annually in Knesebeck and Braunschweig. "An event like this is enjoyable and beneficial for your health. It also encourages a sense of community among colleagues, which has a positive impact," explains Norbert Heinzle, Managing Director of BUTTING in Knesebeck.

Occupational health and safety in accordance with ISO 45001

Ensuring the occupational health and safety of our employees has always been a fundamental aspect of our mission statement. Under the motto "We make BUTTING safe", it is our declared aim to practise the occupational health and safety culture throughout the entire BUTTING Group and to invest in it continuously. We are making every effort to prevent injuries, accidents and work-related illnesses. At the same time, we are continuously working to actively reduce hazards at our sites. The working environments of our employees, the machines and systems, as well as the workstations are systematically analysed for potential hazards. Risks are assessed and measures are implemented to minimise and prevent them.

BUTTING has invested over €1.3 million in occupational safety during the reporting period alone, for example in anti-fatigue mats. Since April 2024, approximately 600 m² of ergonomic mats have been laid in the production halls in Knesebeck – with visible success! Anyone who stands for long periods every day will notice the difference: less fatigue, reduced strain on the musculoskeletal system and overall improved well-being. The mats ensure an even distribution of pressure, relieve pressure on the joints and promote circulation. A real relief for employees – and it's officially certified! Aktion Gesunder Rücken e. V. (campaign for healthier backs) has tested and confirmed that the anti-fatigue mats noticeably improve working conditions. They have therefore been awarded a quality seal.

In order to ensure occupational, operational and plant safety for our external companies and visitors at our Knesebeck site, all external companies and visitors are briefed by our external company coordinator or the visit coordinator before entering the site. The provisions and requirements are outlined in our guideline for dealing with external companies.

Workplace accidents

Work-related injuries with serious consequences

Year	2022	2023	2024
Number	25	36	39
Lost Time Injury Frequency Rate (LTIFR)**	9,0	11,9	12,5
Fatalities due to workplace accidents	0	0	0

* Number of reportable workplace accidents resulting in more than threed days of lost
** per 1,000,000 hours

BUTTING – consciously SAFE

At BUTTING, the utmost importance is placed on health and safety. A variety of measures has been introduced and put into practice in recent years. Our ultimate objective is to be able to achieve a zero accident rate (Vision Zero) at BUTTING. As a first step, we aim to achieve a rate of no more than 5 workplace accidents per 1 million hours per year by 2030.

To ensure the long-term stability of this intermediate step, the "BUTTING - consciously SAFE" programme was launched and will be gradually rolled out for all employees and managers over the next few years. The goal is to cultivate a reliable occupational safety culture within our company. The programme will cover the following key training areas:

- Targeted perception of accident risks
- Safe walking, climbing
- Control movements safely
- Avoid dangerous reflexes
- Coordination of safe workflows for new activities and routine tasks

Sustainable training programmes were developed in close cooperation with external occupational health and safety experts. These programmes were launched in 2022 and will be gradually implemented over the coming years. As part of this project, the training priorities mentioned above are being developed and followed up in workshops at all levels and with all employees. The goal is to effectively and sustainably guide all employees to transition from unconscious unsafe behaviour to unconscious safe patterns of behaviour. Particular attention is paid to the unconscious patterns of behaviour.

The programme consists of five modules:

- Preparing of consulting and training
- Determining the current status of the quality and stability of the safety culture
- Defining various roles in occupational safety
- Occupational safety in practice as an essential management task
- Preventing unintentional mistakes

The strategy for injury-free operation

Consciously unsafe behaviour

Module 1	Preparations for counselling and training
Module 2	Quality and stability of the safety culture
Module 3	Definition: The role in occupational safety
Module 4	Occupational safety as a management task "Management principles of occupational safety"

Unconscious safe patterns of behaviour

Module 5	Utilising unconscious patterns of behaviour

In the year 2023, the foundation was laid for the further development of the culture of occupational safety at BUTTING. The first phase began with an internal survey on the quality and stability of the safety culture, in which 343 employees participated. In addition, external occupational safety experts carried out potential audits to analyse the importance of occupational safety and hazard management, as well as safety communication and competence. Dialogue workshops were then held with a total of 157 participants, in which the results of the survey and audits were presented and discussed and initial measures for improvement were developed.

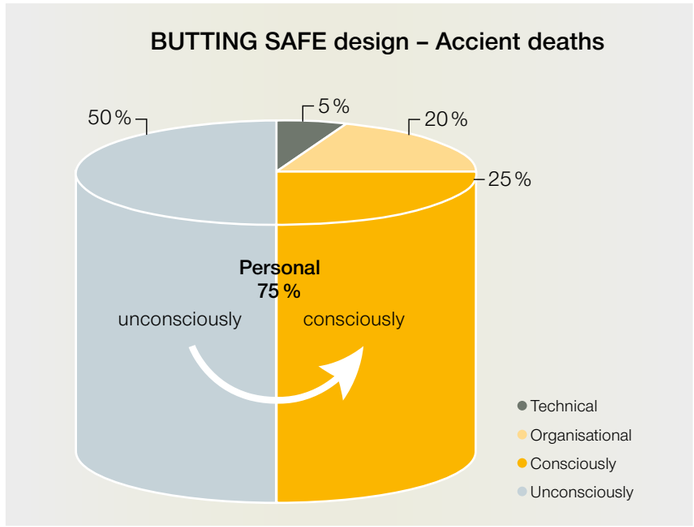
Overview of counselling and training concept

Analysis	Training	Sustainability
• Behavioural accident analysis • Plant inspection • Potential audit • Evaluation safety culture	• Dialogue workshops • Role workshops • Management workshops • Behavioural training (managers) • Behavioural training – Shop Floor	• Collegial consulting (leadership) • Booklet for managers • Creative posters • Sustainability check • Sustainability training • Tool Box flash cards • Hazard and prevention map
Recognising: • Consciously unsafe behaviour • Unconsciously unsafe patterns of behaviour	• Creating awareness • Acquiring skills and abilities	• Development of consciously safe behaviour • Development of unconsciously safe patterns of behaviour

Particular attention was paid to identifying the causes of accidents, which were categorised into technical, organisational and personal factors. In the following months, dedicated workshops were held for managers to define and specifically strengthen their role in occupational safety. In addition, strategies were developed to promote conscious hazard perception, with a particular focus on breaking habitual patterns of visual attention.

With the completion of the first phase in 2024, comprehensive training sessions and workshops were conducted across various areas of the company. A total of 387 employees and managers took part. Across the 61 sessions held, the average participation rate was 86%.

In the second phase, further training sessions and workshops were carried out, involving 437 employees and managers. The average participation rate was 72%, with a total of 63 sessions conducted. As in the first phase (survey, dialogue workshop, potential audit, etc.), a key component of this phase was the regular evaluation of accident log entries and near-miss incidents in order to derive targeted improvement measures. At the same time, a planning concept was developed for the further expansion of the project, with the aim of embedding and continuously developing the safety culture within the company over the long term.



Phase 3 is scheduled to start in 2025. In this phase, we aim to use surveys of our employees and managers to assess how the current safety standards achieved at the Knesebeck site are perceived. The results will then be jointly analysed in follow-up dialogue workshops, where targeted measures will be developed to further optimize the level of safety.

BUTTING – consciously SAFE designing – Initial area 2024

Measurement criteria	Behavioural training 2 – Mngr.	Behavioural training 2 – Empl.	Behavioural training 3 – Mngr.	Behavioural training 3 – Empl.	Behavioural training 4 - Mngr.	Behavioural training 4 – Empl.	Management training 3	Safety officer training		
Period	04.03. - 18.03.2024	04.03. - 05.04.2024	27.05. - 13.06.2024	27.05. - 21.06.2024	09.09. - 23.09.2024	09.09. - 01.10.2024	04.11. - 06.11.2024	2024		
Scheduled dates	3	16	3	16	3	16	3	3	Scheduled	63
Completed dates	3	14	3	16	3	16	3	3	Total	61
Implementation rate	100%	88%	100%	100%	100%	100%	100%	100%		
Potential participants	46	335	44	344	43	346	43	14	Pot. participants	1.215
Number of participants	41	294	39	286	37	296	34	14	Number of participants	1.041
Participation rate	89%	88%	89%	83%	86%	86%	79%	100%	Rate	86%

BUTTING – consciously SAFE designing – Production GE02 including instructors– 2024

Measurement criteria	Employee survey*	Potential audit	Dialogue workshops**	Role workshop***	Management training 1	Behavioural training 1 – Mngr.	Behavioural training 1 – Empl.		
Period	21.03./16.04. + 17.04.2024	May 24	May/ June	Aug./Sept. 2024	Aug. 24	Nov. 24	Nov./Dec. 2024		
Scheduled dates	26	2	12	1	3	3	18	Scheduled	65
Completed dates	26	2	12	1	3	3	16	Total	63
Implementation rate	100%	100%	100%	100%	100%	100%	89%		
Possible participants	506		414	44	50	50	387	Pot. participants	993
Number of participants	365		270	18	42	41	265	Number of participants	713
Participation rate	72%		65%	41%	84%	82%	68%	Rate	72%

* Apprentices also interviewed
** Full participation of all employees is not planned
*** Full participation of all FCs is not necessary (each level must represented on site)

The winner of the "Golden Broom" 2024 is GE01 Stainless Steel Welded Pipes (Finishing Stainless Steel Pipes + Finishing Surface Technology)

BAGU-Team

BAGU stands for Betrieblicher Arbeits-, Gesundheits- und Umweltschutz and refers to Occupational Health and Safety and Environmental Protection. The team meets four times a year in accordance with Section 11 of the German Occupational Safety Act (Arbeitsschutzgesetz, ASiG).

In addition to the statutory requirements, BUTTING also includes the topic of environmental management.
The Management Board, an occupational safety specialist, the company doctor, the environmental management officer, safety officers and other internal experts, if necessary, all participate in identifying the extent of the relevant topics.
The core topics include:

- Analysis of current key figures
- Status of ongoing projects related to occupational health and safety environmental protection
- Coordination of improvement measures for occupational health and safety and environmental protection
- Discussion of upcoming legal changes

Occupational safety management software

In 2023, BUTTING implemented occupational safety management software with a focus on updating and transitioning risk assessments. This goal was successfully achieved over the course of 2024. In addition to a uniform and clear presentation of the risk assessments, the processes for creating and updating them were also significantly improved and standardised. A gradual expansion of the software is also planned. For example, in 2024, the software was already used to process internal audits, including tracking the resulting measures. The plan for 2025 is to expand the software with functions for organising and conducting training sessions – particularly in the area of e-learning. This represents a key annual goal in the field of occupational safety.

„Golden Broom“ award

Ensuring occupational safety is a fundamental aspect of BUTTING's mission statement. Production departments that demonstrate exceptional performance in this regard have been honoured once a year at BUTTING in Knesebeck for several decades. The "Golden Broom" challenge cup is awarded
at the end of December. The managers of GE01 Stainless Steel Welded Pipes (Finishing Stainless Steel Pipes + Finishing Surface Technology) were presented with the coveted award for 2024 by the occupational safety management officer. The title was awarded to this area specifically due to the implementation and execution of the "BUTTING – consciously SAFE" project.

Cultivating a community spirit: Family Day on 1 July 2023 at BUTTING in Knesebeck

Working conditions: Promoting family

BUTTING provides support to young families through financial subsidies for family events or grants special leave to care for a relative. Parental leave is also readily available, and every family member at BUTTING is welcome to take advantage of it. We are particularly pleased to have a 100% return rate after parental leave. In addition, our flexible working options and hours can be customised to suit our employees' individual needs when returning to work after parental leave. At BUTTING, we value and prioritise the importance of family and strengthening bonds.

Once again, BUTTING invited everyone to a big family day on the company premises on 1 July 2023. Employees, their families and friends spent a memorable day together on the factory grounds of the Group headquarters, enjoying information, games and fun activities. Visitors had the chance to take a look at selected production areas and learn more about the company.
The family event offered a colourful programme for the whole family, including stage acts, manufacturing exhibitions and an in-house exhibition. BUTTING trainees presented the different training occupations and had come up with some special ideas for this purpose: ranging from a welding simulator and a 3D printer to the construction of birdhouses and barbecue tongs. Since the topic of sustainability is a high priority at BUTTING, it was not neglected on the Family Day either: Our partner for green power generation as well as our BUTTING Förderverein support the association for BUTTING staff and the integration workshop, among others, were represented with their own stands.

The Management Board drew a positive conclusion: "We are delighted with the 5,000 visitors and the great interest shown by our employees and their relatives. Our family of employees is something very special – and of course the families and friends of our employees are just as close to our hearts. We can all be proud to be part of this great community." At BUTTING, celebrating successes together with the employees is a long-standing tradition. While the 2022 "All aboard" staff party was certainly a great event, the 2023 festival was for the whole family. Because families are what makes our society colourful, diverse and vibrant. "We wanted to show our appreciation to our employees and their families by organising a family festival as a way to say thank you," said the Management Board.

The **"Corporate Benefit Portal",** which offers employees and their families discounts on purchases from selected partners, demonstrates BUTTING's commitment to the well-being of its employees beyond the workplace.

BUTTING consistently engages in open and constructive communication with its employees to ensure their needs are met. The family of employees expressed a strong desire for more **flexibility in working hours** in order to increase productivity in the team and better accommodate the division of labour in everyday family life. In response to these needs, it was decided in collaboration with the social partner to implement the following changes:

- Personal core working hours have been eliminated
- Functional hours corresponding to normal office hours have been introduced for each team or sub-process in place of core working hours
- Breaks have been made more flexible and shortened
- A flexible working time account has been established
- Hourly and all-day reduction of working hours have been standardised: Both are possible with the consent of the manager. A refusal can be made for operational and objective reasons (e.g. the requirement to take annual leave within the current year)

As part of the ongoing digitalisation at BUTTING and the incorporation of new working models, "mobile working" is a recognised form of working at BUTTING. The combination of mobile working and office presence increases the flexibility of every employee at BUTTING. It made a significant contribution to the safety of the BUTTING family of employees during the COVID-19 pandemic.

BUTTING attaches great importance to offering its employees fair remuneration, which is primarily based on the requirements of the work performed and takes experience, dedication and performance into account. The willingness to accept the percentage-based pay increases resulting from negotiations between the German Employers' Association in the Metal Industry and the trade union demonstrates the commitment to align remuneration with market conditions and current trends.

As a full-time employee at BUTTING, employees are entitled to the statutory holiday benefits, as well as an additional number of days off, resulting in a total of 30 days of annual leave. Flexibility in the use of holiday periods and special leave days for special events take into account the individual needs of employees.

A particular highlight is the working time account, which provides employees with the opportunity to save their accrued work hours, invest them, and then use them to take paid time off at a time of their choosing. All of this in a very safe and secure manner. BUTTING tops up these payments with the employer's social security contributions. The accounts are held in cash and are protected against insolvency. Interest is paid on the savings and the credit balance from the working time account can be used as follows:

- Paid leave of absence immediately preceding the commencement of the statutory retirement pension
- To pursue a qualification
- Taking a partial leave of absence as part of a part-time arrangement (with full or proportional salary compensation)
- For extended parental leave
- For care periods
- For a sabbatical

Further savings options include:

- Current monthly gross salary: contributing at least 50 €
- Gross special payments: Christmas bonus, holiday allowance or anniversary bonus
- Special leave days

In addition, BUTTING pays a voluntary subsidy of 2,7 % to cover the currently incurred one-time costs for the deposit.

As a family business, BUTTING also supports partial retirement models. This is a popular and modern way for employees to take early retirement (block model) or offers individual time solutions for each member of the BUTTING family of employees (part-time model). Through this voluntary agreement, BUTTING acknowledges and appreciates the dedication of long-serving employees and fulfils its duty of care. People with special needs are given preferential treatment. At present, 61 people are taking advantage of the partial retirement programme.

Welcome event for new employees

Solidarity
Trust
Fairness

Overall, BUTTING considers employee satisfaction to be an important objective and fosters a positive working environment based on fairness, flexibility and support.

In 2023, BUTTING relaunched its remuneration project, driven by a joint project team consisting of representatives from the HR department, works council and management. Through close collaboration, a new framework for the remuneration and classification system was created in 2024. The result of this cooperative process are three company agreements that extend the collective wage agreement (LGRTV) of the metal industry in Lower Saxony by introducing a modern career concept with three defined career paths and corresponding levels. This has established a transparent, clear and fair remuneration structure that recognises both individual performance and the value of different roles. The successful implementation strengthens pay equity and comparability across the company, while also ensuring the long-term viability of our business model – a win for both the company and its employees.

Social partners in the company

The BUTTING family of employees has a long tradition in shaping industrial relations and has facilitated comprehensive representation of employee interests through the social partner since 1953.

Pensioners' Christmas party

In this context, the BUTTING social partner recognises the following principles of action for itself:

- We prioritise the well-being of our employees.
- We take responsibility for our actions.
- We make decisions together as a body.
- We work for the task and adhere to the rules.
- We adapt to new requirements and circumstances as a team. In order to achieve this, we acquire the necessary knowledge and share it with others.
- We express our opinions clearly and objectively.
- We are open to addressing conflicts, and problems are openly discussed rather than swept under the carpet.
- We actively participate in shaping processes and strive to find satisfactory solutions

The action areas are based on the following values from the perspective of the works council:

Solidarity
We are collegial, helpful and treat everyone with respect, esteem and appreciation. It starts with a daily greeting. As a works council, we are here to support you with our helpfulness. Even the smallest problem is worth solving. We demonstrate loyalty by defending our decisions and standing up for one another. We do not operate in separate groups, but rather work as a cohesive team, maintaining open communication and treating each other with respect.

Trust
For us, trust is the basic principle for cooperation within the committee, with the workforce and with the employer. We foster a culture of open communication and appreciate any constructive feedback. With this in mind, we are always open to discussions. Maintaining discretion is a matter of course. Confidential matters are treated accordingly. We reliably keep our promises, inform people promptly and provide feedback on unsolved issues.

Fairness
We treat each other with decency and hold each individual in high regard. We treat each other with respect and as equals, engage in objective discussions and listen to each other. We value diverse perspectives, are open to compromise and strive to find common solutions.

Extract from the published statement of the BUTTING works council

EDEL &STARK
Unser BUTTING Benefit-Programm

IHK 2023–2026
TOP AUSBILDUNG UNSERE BESTEN

"Zukunftgeber" is a distinction that is given to particularly attractive employers in the Brunswick-Wolfsburg region. It's not just that the award certifies that we have attractive working conditions – the auditing process was also an excellent opportunity to gain new impetus and increase our attractiveness as an employer for future generations too.

It was particularly pleasing that BUTTING received top marks in eight categories. This reflects the wide range of benefits available to our employees.

Our training programme also received an award in 2023: The Lüneburg Chamber of Industry and Commerce thoroughly examined processes and certified our excellent performance in developing, implementing and reviewing processes in the dual vocational training programme.

Employer attractiveness

In addition to customer- and product-focused paths, we have made employer attractiveness a key strategic pillar in our 2024 Corporate Strategy. This is essential for our long-term viability and respectful collaboration. The project layout provides all interested parties with easy access to jointly defined topics. Weekly face-to-face discussions at production and administrative workstations throughout the year as well as specific surveys revealed pain points related to basic needs, for which solutions were immediately put in place:

- Action plan for the development of state-of-the-art sanitary and social facilities in modular construction
- Substantial investment in transforming the company restaurant into a contemporary catering facility. This allowed us to offer a wide range of regional and organic products that cater to diverse international dietary requirements
- Extension and repair of parking areas

Employee retention

We have compiled more than 50 unique benefits for our employees' families into a specially designed programme called "Real Strengths". In 2024, we focused on family-friendliness, mobility and retirement provision in response to the needs of different generations. We support young families during the holidays through regional cooperation, offering a wide range of childcare services for each holiday period. This enables parents to access over 100 days of reliable childcare. In terms of content, we place significant emphasis on addressing the post-pandemic landscape through various initia-tives, such as comprehensive exercise programmes for schoolchildren, offering creative design activities in our integration workshop, and fostering a vibrant community around the campfire.

Company bike

Since 2022, we have been offering our employees the opportunity to lease a bike or e-bike at an affordable rate – a benefit that has been received with great enthusiasm! There are now over 330 active leasing contracts, with 81 bikes delivered during the reporting period alone. With this programme, we are promoting a healthy and sustainable form of mobility that is valued both for everyday commuting and leisure.

The bike leasing initiative emphasises our commitment to providing modern, attractive benefits while offering real added value for our employees. While we support the safety of cyclists and provide behavioural advice from HSE and OHM, Generation X employees show a preference for our company pension scheme (bAV) offerings and, more recently, the working time accounts that BUTTING has set up with an initial credit balance.

Hansefit

Since October 2024, our employees have been able to take advantage of another attractive benefit: a corporate fitness membership with HANSEFIT. More than 100 employees signed up during the initial phase – a clear sign of the strong interest in incorporating more exercise and wellness into the workday.

Cultivating a community spirit: Company party 2024

With HANSEFIT, our staff enjoy discounted access to a Germany-wide network of gyms, swimming pools, yoga studios and other sports facilities. This gives them the flexibility to decide when and how they want to improve their fitness – be it before work, during their lunch break, after work or at the weekend.

We believe it is important to invest in the health and well-being of our employees, as this lays the foundation for strong, long-term collaboration.

Sustainable culinary variety in our "on-board restaurant"

With our new restaurant operations, we are fully committed to sustainability, regional sourcing and climate-friendly nutrition. As a participant in the UN Global Compact, our caterer Klüh Catering shares our values and actively supports the shift towards resource-efficient and healthy eating.

A particular highlight is the vegetarian product line "We love green", which is made exclusively from regional and seasonal ingredients. All dishes in this range are climate-friendly, and the Klüh Catering app provides detailed information on each meal's carbon footprint, water usage and animal welfare.

To further improve the environmental impact of our food services, Klüh is increasingly focusing on reducing animal-based products and increasing the use of regional and seasonal ingredients.

In the second half of 2024 (from June), BUTTING sold 2,460 vegetarian or vegan dishes – an average of around 350 per month. Each dish in the "We love green" range saves an average of 0.6 kg of CO_2.

In addition to ecological sustainability, we have also significantly increased the appeal of our lunch offerings. The restaurant facilities have been completely renovated to the latest standards to create a modern and welcoming atmosphere for our employees. At the same time, the quality of our offerings has noticeably improved – both in terms of the variety and the freshness of the ingredients.

Company party 2024

To make healthy and balanced eating even more appealing, we provide financial support for our employees' meals.

Our caterer Klüh* is also embracing digital innovation and process sustainability is being further optimised. As part of a pilot project, an AI tool analyses food waste left on plates and helps to adjust the menu in order to conserve resources.

Another system is being developed to support ordering processes in the long term by taking into account historical data, event schedules and weather forecasts.

The collaboration between Klüh and BUTTING has been very successful. Whenever possible, Klüh uses seasonal products grown in Knesebeck under a BUTTING open-air photovoltaic system. This creates a closed loop, with regional food processed directly in the restaurant.

With this concept, the restaurant is taking an important step towards climate-friendly and employee-focused catering – offering mindful enjoyment with a sense of responsibility.

Employee engagement through shared celebrations

For decades, the BUTTING family of employees has celebrated its successes together – with memorable events that not only strengthen unity, but also serve as a genuine expression of appreciation. "To celebrate is to truly live," says owner Hermann Butting. For him, these special occasions are a heartfelt way to show his gratitude to his employees. The year 2024 was once again marked by this spirit of togetherness. Under the motto "BUTTING – The Team. Together. Celebrate. Thrive." moments were created that bring people closer, inspire and leave a lasting mark on the company culture.

Employer branding

We have learned from recruitment interviews with production employees and trainees that the reputation of our company is largely based on positive word of mouth within the region.

Through targeted personnel marketing initiatives, we support, expand and manage the quality promise of the BUTTING employer brand. Trainees share their experiences with interested school-leavers at career information events, for example. Establishing partnerships with universities allows us to enhance the reputation of our degree programmes in the academic environment. Thousands follow us every day on the relevant social networks.

*Klüh Sustainability Report 2023

Family member at BUTTING

As a family business, it is important to us to focus on strong product quality and customer satisfaction, as well as on a healthy and positive company culture. We believe that our employees are the key to our company's success and that it is only by working closely together and sharing a clear vision that we can develop our full potential. The average age of the workforce at H. Butting GmbH & Co. KG in 2024 is 40.3 years (reporting date: 31 December 2024).

Diversity

Embracing responsibility has always been the foundation of our corporate culture and fosters a high level of trust. For us, this trusting relationship with customers, suppliers and employees means that every individual is valued. The diversity we practise in the company enables us to truly appreciate the different perspectives and experiences that continuously contribute to our success. Employees are selected and supported on the basis of their qualifications and skills.

Proportion of age groups [%]			
	2022[1]	2023[1]	2024[1]
under 25 years	15	15	16
25 – 35 years	21	22	22
35 – 45 years	20	20	20
45 – 55 years	19	18	18
55 – 65 years	21	21	21
over 65	3	4	3

[1]This data comprises the workforce including trainees (excluding holiday employees, interns, postgraduates working students), at the end of the respective year.

Diversity indicators			
	2022[1]	2023[1]	2024[1]
Number of severely disabled	66	68	74
Number of partial retirees	50	54	61
active	20	31	42
passive	30	23	19
Employees with fixedterm employment contracts	240	230	186
Number of nations	24	26	27

[1]Workforce excluding holiday employees, postgraduates, interns, working students and trainees, at the end of the respective year

Employees entitled to parental leave			
	2022	2023	2024
Employees	1.502	1.551	1.583
Employees taking parental leave*,1			
Men	42	42	30
Women	14	17	13
Total	56	59	43

*Parental leave taken in the respective year
[1]Return rate 100 %

Female workforce [%]			
	2022[1]	2023[1]	2024[1]
Proportion of women	13	14	14
Proportion of women in management positions at levels 2 to 5	8	10	15

[1]Workforce excluding holiday workers, graduates and interns, Working students and trainees, each at the end of the year

BUTTING strongly opposes all forms of discrimination, such as unfair treatment, harassment, bullying or defamation – including on social media – and advocates for respectful, cooperative behaviour. We have presented and explained our most important values in the "House of Cooperation".

Equal opportunities

BUTTING's commitment to these values makes it especially important to actively promote gender diversity. We can achieve this through targeted communication to address the female target group and by strengthening the inclusive corporate structure.

We guarantee equal opportunities and equal treatment, irrespective of ethnic origin, skin colour, gender, disability, world view, religion, nationality, sexual orientation or social origin. This also applies to political opinions, providing these are based on democratic principles and tolerance towards those who think differently. It is therefore an inherent part of our corporate strategy to recognise minorities and embrace diversity.

> It is not
> the person,
> who is disabled,
> but society
> which prevents
> people from being
> egual members
> and so
> 'disempowers' them.
>
> (Unknown)

Inclusion

The BUTTING family of employees is committed to ensuring that every family member can participate in all company processes and work autonomously. Providing customised onboarding and representing individual needs and interests in every life situation is important to us at BUTTING. In addition, the BUTTING family of employees is particularly keen to build the confidence of employees with disabilities in terms of inclusion in order to ensure consistent well-being in the workplace.

At BUTTING in Knesebeck, the number of people with disabilities is around 5% of the workforce.
They have an additional voting right in the election of the representative body for disabled employees (Schwerbehindertenvertretung (SBV)). The SBV has been an important advocate for employees with disabilities for many decades and ensures that the workplace is suitably adapted. It enables employees with a disability to work under the same conditions as their non-disabled colleagues. With minimal adjustments in some cases, this ensures a sustainable level of performance. In addition, it is not uncommon for non-disabled employees to benefit from these workplace optimisations.

In recent years, for example, BUTTING has customised a workstation for an employee who suffers from a rare eye condition. Special software was installed on the employee's computer. Documents can be enlarged or inverted using a VisioBook. This enables the employee to take part in everyday working life despite their condition. Another workstation was technically converted for a hearing-impaired employee following consultation with a company specialising in hearing concepts so that the employee can take part in discussions and meetings. A connection to the hearing aid and telephone was also implemented.

Following a commuting accident, one employee had significant limitations (severely disabled and limited mobility). His workplace had already been redesigned following the accident in 2017. To make his work even easier, a special forklift truck was purchased (ergonomic arrangement of the controls, specifically an accelerator for changing direction, better all-round visibility, ergonomic seat, hydraulic fork adjustment). Since the accident, the employee's colleagues had been primarily responsible for operating the forklift truck, but thanks to the new forklift, the employee is now able to work independently once more.

Our "on-board restaurant" is currently only accessible via a staircase. However, we place great importance on ensuring that all our employees can reach it easily. That is why we are planning to install a lift in 2025 to guarantee accessibility for everyone.

In 2024, the position of Inclusion Officer was partially vacant. Despite our efforts, we were unable to fill the position by the end of the year. Our goal for 2025 remains to fill this position again.

04

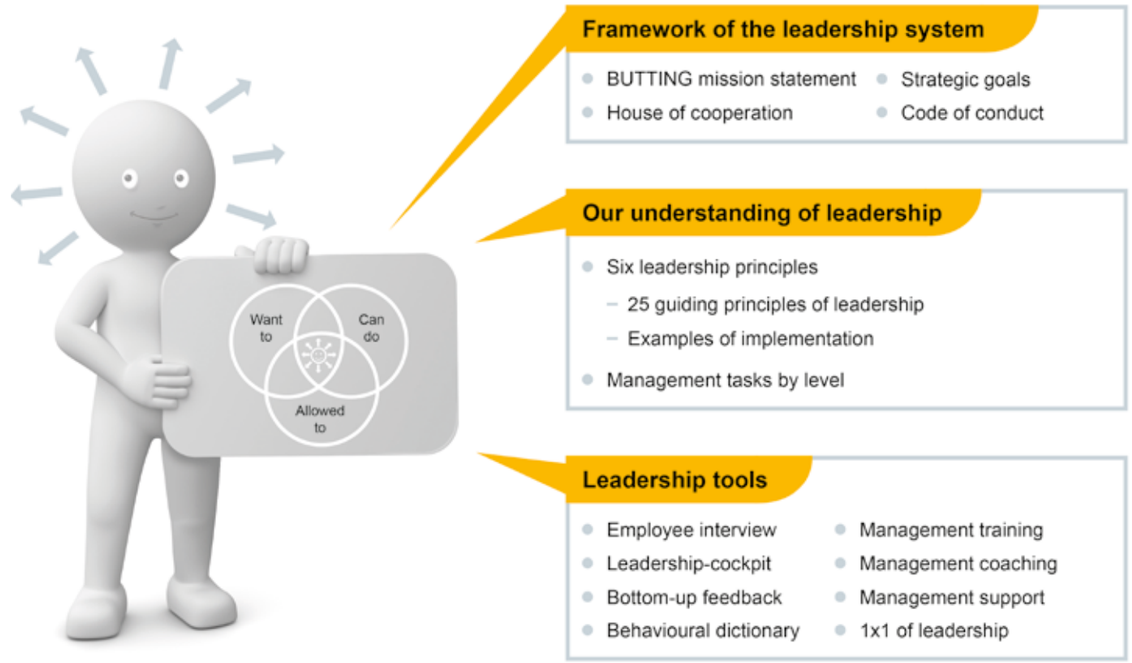
Governance/
Corperate Management /
Economics

BUTTING leadership philosophy 1.0

Value-based leadership

Particularly in these challenging times, values are the basis for behaviour. Values provide direction and support. Particularly when it comes to people leadership.

For us, value-based leadership means supporting every employee so that they experience joy and a sense of self-efficacy in their work, are able to contribute and develop their skills and are excited to be a member of our BUTTING family of employees. We have developed the BUTTING leadership philosophy to help us focus on a common goal. It describes the various facets that characterise good leadership at BUTTING. It also serves as a basis for developing simple, consistent and practical leadership tools such as the TOP leadership tasks.



BUTTING Integrated Leadership System (IFS)

Leadership development

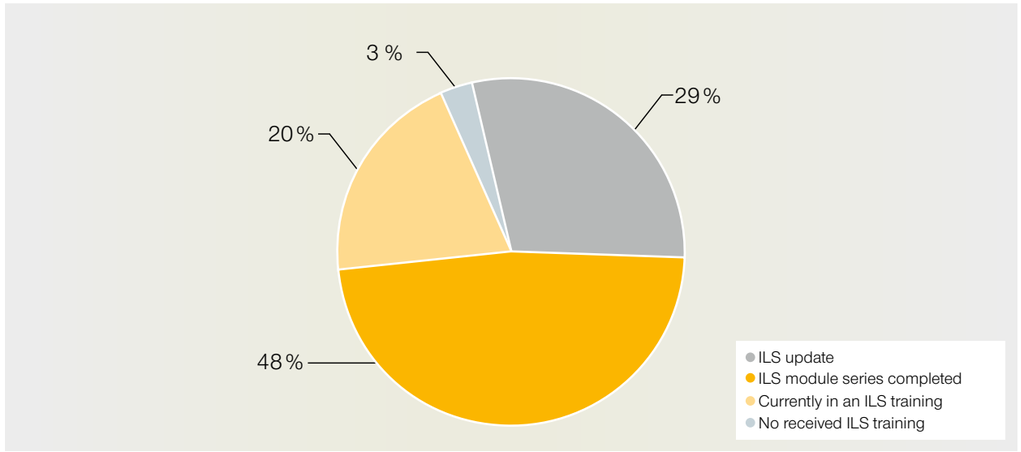
A key component of our leadership development programme consists of the ILS training courses in which the BUTTING leadership philosophy is conveyed. The training programme has a modular structure based on the principles of leadership. Over a period of two years, participants are given the opportunity to engage and reflect intensively on the respective leadership principle and to try out leadership methods.

In order to reinforce the sustainability of the training programme, each training module includes practical and personalised coaching sessions. This gives participants the opportunity to thematise unsolved issues, explore interesting topics in greater depth, become more confident in using the methods they have learnt or be supported in specific everyday issues.

Participation in training is mandatory for managers across all five management tiers. In addition, deputies, junior staff or employees with project management tasks are given the opportunity to take part in the training courses.

We are convinced that only those who enjoy the management task will support us and our employees in the long term. For managers who decide against a management role either during or after completing the training programme, we will find other areas of employment for them in our company.

A total of 229 people from Butting GmbH & Co. KG have now taken part in an ILS training programme, including the Management Board. In 2024, eight training programmes were held with 51 participants from H. Butting GmbH & Co KG, 76 % of whom were managers. Four of these training programmes were newly launched in 2024, whilst three rounds that had started in 2023 were completed in 2024. In total, 77 % of the managers at H. Butting GmbH & Co KG have already completed the ILS training programme. Another 20 % are participating in an ongoing ILS training programme.



Participation status of BUTTING managers in the ILS training. (As of: 29 January 2025)

In addition, we launched the ILS update in 2023 to further expand the continuity of our leadership development. This training programme is aimed at managers who completed their ILS training by 2019. In 2024, we conducted two modules with 32 participants. An ILS update was also launched in 2024 for managing directors and business unit managers of the BUTTING Group. Fifteen people took part in the first module.

Overview of participant hours			
	2022	2023	2024
	[h]	[h]	[h]
ILS training	3.140	1.836	2.247
ILS update	0	429	344
Feedback rounds	198	222	216
Total	3.675	2.699	2.807

Supporting sustainability

We see our Integrated Leadership System as a project for long-term change. We are aware that shaping our management culture takes time and requires strategic support. This is why we provide our managers with internal coaches. Our management support staff are there to answer questions relating to practical, day-to-day management issues and to assist in the implementation of BUTTING leadership tools. In 2024, for example, they facilitated 72 moderated feedback sessions in which managers received feedback on their leadership behaviour and determined specific development opportunities for themselves.

The higher-level managers also support the sustainable implementation of our BUTTING leadership philosophy. They are role models for value-based leadership behaviour and support the leadership tools. For example, they use the leadership cockpit to speak with their subordinate managers about challenges and support opportunities.

The ILS cockpit is a further step towards sustainability. The status of the implementation of the management tools is evaluated twice a year and made available to the top two management tiers. On this basis, each department can make precise adjustments.

For BUTTING, good leadership means lifelong reflection and learning. It requires a constant willingness to take a selfcritical look at one's own behaviour. For us, progress comes from tradition. We want to continue to face the challenges of the future and are confident about the path ahead of us -above all because we place great trust in our managers!

BUTTING in Knesebeck, 1981

BUTTING in Knesebeck, 2022

Financial stability and healthy growth: the key topic in our sustainability strategy since 1777

Sustainable development and resilient business practices have been at the centre of our corporate management strategy for seven generations. BUTTING has been following this approach since 1777. We and our stakeholders understand the importance of financial stability and healthy growth as cornerstones of BUTTING's long-term business success. This is a clear outcome of our materiality analysis.

Our business model is geared towards sustainability and resilience. We pursue conservative principles in order to maintain an appropriate balance between risks and opportunities.

Opportunities in business are only utilised if the risks are calculable. In all business decisions, care is taken to ensure that there are no serious risks that could pose an existential threat to the company. Speculative transactions are taboo. Hedging transactions are concluded in the form of trade credit insurance and, in the large-scale project business, in the form of individual credit insurance in order to counteract risks arising from defaulted receivables. In order to exclude losses due to fluctuations in foreign currencies, material prices and alloying elements, these are minimised by hedging or direct transactions in the project. In 2024, all transactions were hedged via our insurance and banking partners.

One of the key indicators for financial stability is a healthy equity ratio. We aim for a target value of over 50 % to maintain our independence. We will reach this target again at the end of the 2024 financial year.

We regularly carry out an overarching risk and opportunity assessment and systematically evaluate the organisational context. Each identified risk is assessed in terms of probability of occurrence and extent of damage. As part of our risk policy, suitable measures are taken to minimise risks and ensure financial stability.

In 2024, we once again carried out a comprehensive risk and opportunity assessment. Known and new risks from the categories of external business risks, process risks, and information and decision-making risks were identified and assessed in terms of their risk significance and probability of occurrence. Decisions on how to handle the identified risks are made on the basis of a conservative risk appetite.

In 2023, we focused primarily on minimising risks. To this end, we have implemented and revised contract standards and defined "red lines" in our contract handbook. This ensures a clear alignment with our corporate philosophy. These standards serve as a guide for responsible behaviour and minimise potential risks in business relationships. In 2024, we used these standards again as a basis to consciously refrain from submitting quotations or to withdraw our quotation when an alignment with our principles was not possible.

Our philosophy in favour of healthy, organic growth is in clear contrast to the incalculable risks of short-term profit or quarterly thinking. These measures are crucial for us to ensure sustainable success for our company and our stakeholders.

Sustainable innovations and products

Our innovation strategy is focused on combining economic success with sustainable practices. Targeted investments have enabled BUTTING to introduce innovative technologies and production processes for increased efficiency.

In this context, we have optimised our processes in order to reduce resource consumption and minimise emissions. By implementing state-of-the-art technologies, we have been able to achieve cost savings whilst significantly reducing our environmental impact.

Our product range reflects our commitment to sustainable development. We use innovative materials that not only meet the highest quality standards, but are also produced in a resource-efficient manner.

Stainless steel and non-rusting steels are versatile materials that are valued in various applications due to their sustainability. The following aspects underscore this approach: Durability, recyclability and low maintenance requirements thanks to its resistance to corrosion and other environmental effects. Although the production of stainless steel and non-rusting steel requires energy, energy efficiency has increased considerably in recent years. State-of-the-art technologies and processes help to minimise energy consumption. Some stainless steel producers are opting for renewable energy sources to further reduce their environmental impact.

The integration of recycling materials into our products is a further step towards a circular economy and contributes to the conservation of limited resources.

Innovative products

Our customers benefit from high-quality products and solutions that support their own sustainability goals. By collaborating with our customers, we can promote a responsible supply chain and together strengthen competitiveness.

In 2024, the production of "HTCR tube bundles" was one of our major projects at BUTTING. As a long-standing partner of TOPSOE, we were once again able to demonstrate our expertise by manufacturing key components for the innovative technology used in HTER reformers. For over ten years, we have been regularly producing "HTCR tube bundles" for use around the world, making a significant contribution to the advancement of innovative reforming technologies.

The TOPSOE™ HTER is a key technology for sustainable syngas production. By making efficient use of waste heat, it increases the reforming capacity by up to 30 % and optimises hydrogen and ammonia production. Especially in the context of the global energy transition, the HTER is gaining in importance: hydrogen is considered one of the most crucial energy sources of the future and plays a key role in the shift towards a climate-neutral industry.

The growing demand for this technology confirms the success of our collaboration with TOPSOE. In 2025, for the first time, we will manufacture two reactors in parallel – a significant milestone for BUTTING. We are proud to be able to contribute to the development of sustainable energy solutions through our manufacturing expertise and close partnership with TOPSOE.

Another forward-looking project in which BUTTING is involved is the supply of pressure pipes for a large desalination plant on the eastern Mediterranean coast. The plant utilises the reverse osmosis process, in which seawater is forced through semi-permeable membranes under high pressure to remove salt and other impurities. With a capacity of around 390,000 cubic metres per day, the plant meets a significant proportion of the region's drinking water needs. When it was commissioned, it was among the largest and most advanced membrane-based desalination plants in the world and was named "Desalination Plant of the Year" in 2006.

To ensure the plant's long-term performance, we have now been tasked with supplying new pressure pipes specially designed for the demanding operating conditions. We are proud to contribute our pipe manufacturing expertise to the modernisation of this vital infrastructure. The collaboration demonstrates how high-quality materials and precise manufacturing can help to create reliable long-term solutions for water supply.

Customer satisfaction

Customer satisfaction is a key factor for the long-term success of a company. Satisfied customers promote not only customer loyalty, but also the reputation of the company by making positive recommendations. Structured customer feedback makes it possible to identify potential for improvement, optimise processes and respond specifically to customer needs.

Customer surveys

BUTTING conducts customer surveys at two-yearly intervals to gain an insight into customer satisfaction with the quality of our products and processes and to make further improvements. This is the only way we can guarantee that our customers derive the maximum benefit from working with us.

I In October 2024, we introduced the first prototype of a new system for systematically recording customer satisfaction. By the end of the year, 18 enquiries had been sent, of which 9 had already been answered – this corresponds to a response rate of 50 %. The survey now covers a broader range of topics, such as recommendation, cooperation, response time, dispatch processing, adherence to delivery dates, professional advice and quality. The initial feedback resulted in an average rating of 1.68 (on a grading scale from 1 to 6), which indicates a very high overall customer satisfaction. The analysis is carried out both for the entire sample and for specific customer groups, so that specific target group measures can be developed.

Nevertheless, further development and more comprehensive implementation of the new system and the associated process is planned for 2025. This includes a detailed evaluation of the feedback in order to visualise developments and derive specific measures for optimisation. We are also examining how the system can be holistically integrated into the company and incorporated into existing processes. Our aim is to continuously measure customer satisfaction and increase it sustainably through targeted measures.

Partnership-based business relationships

We see our business relationships as long-term partnerships based on trust, transparency and mutual respect. We maintain close relationships with our suppliers, customers and other business partners. Open communication and the joint development of sustainable solutions take centre stage. By working in partnership, we aim to increase efficiency in the supply chain and also contribute to the promotion of sustainable practices throughout the value chain.

One example of this is our partner VDM Metals. Material manufacturer VDM Metals and pipe producer BUTTING have cultivated a partnership for several decades. Our shared vision: bringing innovative and sustainable product solutions to the world! Current and future topics of cooperation are discussed at regular meetings. Norbert Heinzle, Managing Director at BUTTING in Knesebeck, is pleased about the dialogue with our business partner's representatives: "In an era of digital change, we at BUTTING are deliberately holding on to tradition: Cultivating a community spirit! I'm very pleased that after more than 40 years we still get together regularly as a large group of people." Reliability – an important core value for BUTTING. Alongside performance, honesty, openness and courage, which have shaped the BUTTING culture and its principles for seven generations and have contributed to the family company's 247 years of success.

In 2024, we were also recognised as a premium supplier by E. Hawle Armaturenwerke GmbH. Our high-quality standpipes are an essential component of Hawle fire hydrants. With a fulfilment rate of 96.44 %, we have exceeded the high expectations of our long-standing business partner. The assessment included criteria such as delivery performance, quality and certification management, as well as competitiveness. This recognition confirms our high quality and reliability in the field of water and wastewater technology.

"We are delighted with the recognition and look forward to continuing our collaboration with Hawle. Together we want to develop innovative solutions for a reliable water supply and fire protection," says Michael Dylong, Sales Manager Customised Components.

Innovation for sustainable customer experiences

We focus on continuous innovation in order to offer sustainable products and services that meet out customers' requirements. We integrate ecological aspects into the entire product life cycle. For a large number of our customers, BUTTING is already an important partner in the product development process. This means that many projects in recent years were carried out as collaborative endeavours.

One example of this approach is particularly impressive: Progress based on environmentally friendly technologies is one of the sustainability goals of the European aerospace corporation Airbus. It is both a duty and an aspiration to protect the resource of outer space. The space division of the international Defence and Space group in Bremen has designed and built the European Service Module (ESM) for NASA's ORION spacecraft. This requires sustainable and high-quality product solutions such as those provided by BUTTING. The Knesebeck-based company has already manufactured and successfully delivered several propellant lines consis-

ting of titanium elbows in the dimensions 6.35 x 0.41 to 44.45 x 2.03 mm (diameter x wall thickness) for the ESM of Artemis missions 1 to 3. To meet the requirements of this high-tech industry, BUTTING is certified according to EN 9100. In addition, the family business has a clean-room of class DIN ISO 14644-1 Class 8 / US Fed. STD.: 100,000. Welding supervisors are designated in accordance with DVS 2715.

"From the initial idea to series production, from raw material procurement to final cleaning and packaging: We manage the entire process chain for ready-to-install components for our aerospace customers. Of course, everything is documented in a traceable manner. We guarantee this through specially described processes and specifications," says Jan-Lukas Böhm, Technical Project Manager at BUTTING in Knesebeck, explaining the advantages of the "one-stop shop".

Our commitment to customer satisfaction and collaborative business relationships is firmly established in our corporate culture. We are convinced that these values not only promote long-term business success, but also make a positive contribution to the sustainable development of our society.

> BUTTING is a long-standing partner, that has already supplied pipework for Ariane 5's upper stage production.
>
> ArianeGroup and Airbus Defence and Space are building on this experience and since the first Orion flight model have ordered the production of selected lines from BUTTING.
> The successful maiden flight of Orion in 2022 attests to BUTTING
>
> Tim Wagner
> Team Leader ORION-ESM, JTLF2 Liquid Propulsion
> Airbus Defence und Space

Sustainability and transparency in the supply chain

A sustainable supply chain is essential for responsible corporate governance. Since 2024, BUTTING has been subject to the German Act on Corporate Due Diligence Obligations in Supply Chains. We recognise its importance and are actively committed to minimising human rights and environmental risks in our supply chain. Our aim is to develop sustainable solutions together with our business partners and contribute to overcoming global challenges.

We added sustainability criteria to our supplier management system back in 2023. In addition to the commercial and qualitative supplier evaluation, internal responsibilities were defined and a Supplier Code of Conduct was introduced. By December 2024, we had sent our Supplier Code of Conduct to a total of 825 suppliers, with a
response rate of around 71%. The feedback from our suppliers was obtained gradually. Six suppliers are currently blocked because they do not want to accept our code and do not have a comparable code of their own. Additionally, we have established a publicly accessible complaints procedure through our whistleblowing system.

To ensure a sustainable and responsible supply chain, we introduced EcoVadis at the beginning of 2024 – an established tool for evaluating the sustainability performance of our business partners. The increasing regulatory requirements as well as the expectations of customers, investors and society make a transparent and sustainable procurement strategy essential. As a family-run business in its seventh generation, we have high standards for sustainability – not only within our company, but also throughout our entire value chain.

Our sustainable procurement strategy pursues the goal of consistently anchoring environmental and social standards in our purchasing processes. To this end, we have defined clear requirements for our suppliers, introduced a risk assessment to identify critical suppliers and obtained ESG self-disclosures. We also require our business partners to comply with our Code of Conduct, which sets out minimum ethical, environmental and social standards.

With EcoVadis IQ, we are able to systematically assess the sustainability performance of our suppliers, initiate targeted improvements and better manage risks in our supply chain. Despite our efforts, we found that smaller suppliers in particular had difficulty participating. Many perceived the evaluation process as complex and saw high barriers to entry.

To increase acceptance and create a broader data base, we will introduce EcoVadis Vitals on 1 February 2025. This simplified assessment enables a low-threshold evaluation and makes it easier for smaller suppliers in particular to become actively involved in the sustainability process. In this way, we increase transparency, identify opportunities for improvement at an early stage and promote sustainable development throughout our supply chain.

The introduction of EcoVadis not only brings benefits for our own procurement, but also for our suppliers. A clear and standardised assessment makes sustainable standards more measurable and easier to understand. This promotes open dialogue with our business partners and enables us to work together on improvements. At the same time, we ensure that we also act transparently ourselves and consistently implement our high sustainability standards.

In the long term, we plan to gradually roll out EcoVadis throughout the entire group of companies. In this way, we will create a unified system for sustainable procurement and set group-wide standards for a responsible supply chain.

We believe we are well on the way to fulfilling the legal requirements and at the same time achieving sustainable progress in dialogue with our suppliers. Our commitment is based on shared values and principles that promote transparency and responsibility. By working closely with our partners, we strengthen the sustainability of our entire supply chain and make a positive contribution to the environment and society.

Compliance

Compliance with laws and regulations is a fundamental component of our company's success. It is not just the absolute basis for the rule of law – it is also the basic principle for respectful cooperation and valuable teamwork. BUTTING understands the importance of these laws and its in-house rules and has set up its own Compliance department.

Taking responsibility has always been the foundation of our company culture here at BUTTING. Active responsibility creates an atmosphere of trust. A trusting, appreciative relationship with customers, suppliers and employees, combined with courage, diligence and meticulous work, form the basis of our success as a family company – for what is now more than 247 years.

The task of compliance management is to communicate legislation and rules, as well as BUTTING voluntary codes of conduct, to our employees, customers and suppliers and to ensure their compliance with these regulations. Compliance is an important pillar in our Integrated Management System (IMS) and sits alongside quality management, occupational health and safety management, environmental and energy management as well as the management of IT and information security and data protection. Compliance means that as a company we always act within the framework of statutory requirements and ethical principles.

With the Code of Conduct as the basis for our compliance management, we want to set out rules so that our actions are always above reproach, correct and exemplary. Alongside the Code of Conduct, our BUTTING mission statement and our leadership philosophy define our actions and shape our corporate culture – for the good of our employees, our company and all our business partners.

BUTTING undertakes to abide by fair, ethical and transparent business practices. We do not purchase any materials or services that do not comply with national or international laws and conventions. At the same time, we undertake to use raw materials with legal and sustainable origins. This means that we also do not knowingly purchase raw materials from conflict regions ("conflict minerals").

BUTTING sets particular store on conforming with statutory provisions on the employment of both its own and third-party employees. We are therefore committed to respecting and protecting all human rights, in particular those set out in the United Nations Universal Declaration of Human Rights, such as

- The right to life, liberty and security of the person
- The prohibition of torture and inhuman treatment
- The right to freedom of thought, conscience and religion-
- The right to freedom of expression and information
- The right to work and fair working conditions
- The right to education and participation in cultural life
- The prohibition of discrimination of any kind
- The prohibition on child labour
- The prohibition of slavery and the trading of slaves

No confirmed incidents of human rights violations were documented at BUTTING in 2024.

We condemn any active or passive bribery or any attempts at bribery. The aim of our anti-corruption programme is to actively prevent attempts at corruption by ensuring strict compliance with the dual control principle in selected processes through defined processes for approval with segregation of duties and implemented approval limits in our ERP system. Gifts, favours, hospitality, offers of entertainment and other benefits are only granted or received if they remain within what is legally permitted or if they do not go beyond normal business practice in the relevant region and are not of disproportionately high value and do not constitute a bribe.

No confirmed incidents of corruption at BUTTING were documented in 2024.

We filmy commit to upholding all the laws to prevent, detect and report on money-laundering activities and have business relations only with customers and business partners that pursue legitimate business activities and use legitimate financial means. To minimise the risk of money laundering, BUTTING uses a business partner check integrated in the ERP system. Participating business partners are checked with regard to applicable sanctions lists. In addition, BUTTING relies on the EcoVadis rating to assess the sustainability performance and compliance of business partners. Through this auditing process, we ensure that our partners act responsibly and comply with regulatory and ethical standards.

There can only be stable business cooperation for the benefit of all if there is fair competition and strict compliance with the legal framework. Thus BUTTING undertakes to respect and comply with the national and international rules of fair competition and not to undertake any actions that violate anti-cartel legislation. We do not make any bogus proposals, do not have discussions with competitors about prices, capacities or not competing with one another, and do not make any agreements on dividing up customers, territory or production programmes. For selected project business, BUTTING works in partnership and in compliance with all competition law requirements. This collaboration allows us to pool the expertise and resources of different organisations and business partners to achieve the best possible results for our customers. Our agreements with customers and suppliers are complete and clear, and subsequent changes and additions are documented. This also applies to arrangements for the payment of bonuses, credits, commissions, and advertising or sales promotion subsidies. We select our suppliers purely on a competi tive basis after comparing the price, quality, reliability, performance and suitability of the products or services on offer.

No confirmed incidents of competition or anti-cartel legislation violations were documented in 2024.

Compliance training is an important component of BUTTING compliance management as a preventive compliance measure. During compliance training, the principles of compliance management are communicated to everyone, from the managing director to the administrative assistant. In addition, regular training sessions increase awareness of the subject areas covered.

For 2024, BUTTING has defined the key objective of also using the software solution already used for risk assessments for training and instruction. Besides the creation of initial training content, an initial pilot department was able to carry out compliance training via the tool. The training programme for this software solution is to be further expanded in 2025. BUTTING has set itself the goal of being able to offer various training programmes to all relevant employees across the board.

Social Commitment

For us, active social responsibility means taking responsibility for our society in a variety of ways.

For our region

Our deep-rooted commitment to the local community is at the heart of our sustainability efforts.

In the reporting year, we have financially supported various projects that aim to help socially disadvantaged groups in our region. We have worked with local organisations to provide financial support, food aid and educational opportunities to families in need.

Here is a selection of some of our campaigns:

- BUTTING recently granted an employee from the production department leave of absence to undertake voluntary work in Africa. His helping hands and skill as a machine and systems operator came in useful for the construction of a children's nursery in Uganda.

- Following the payment of a bonus, staff from a production department spontaneously collected money and donated it to a family in Gambia

- As part of BUTTING'S annual general meeting in Knesebeck in 2024, a total amount of €5,440 was donated to the local hospice. Its committed staff make an important contribution to society. According to the hospice, the amount collected will be able to fund a a bed for a guest for half a year. While the services of the hospice are 95 % covered by health insurance providers, the remaining 5 % has to be financed through donations – an aspect that further emphasises the importance of this social engagement.

- The best school is life itself– on the local football pitch children learn to play together as a team, to stand their ground or sometimes to take a step back. In that sense, a kickabout area is a great school! That is why in five different villages near our headquarters, football pitches have been fully equipped and financially supported, including site preparation. It is a fantastic opportunity for sports enthusiasts of all ages and for the whole community.

Strong together – thanks to our employees

The BUTTING Förderverein support association was set up by employees in 1990. It supports people and institutions in need of assistance, club sports within the region, training and education projects, as well as elderly and youth welfare schemes. The goals of the Förderverein support association are achieved with the help of monthly donations from BUTTING employees

Almost 600 projects have been supported so far and over €500,000 have been distributed as donations for a good cause. The following measures, among others, were implemented in the reporting year:

- For instance, in 2024, a BUTTING employee who had suffered a stroke was promptly supported with approximately 5.000€ for renovations to his house.

- A partial donation was also made for an assistance dog for a girl from the region with spinal problems and hydrocephalus.

- The Westerbeck primary school in the Gifhorn district received a donation from the support association for its prevention work in the field of sexual violence.

Promote education

Promoting education has always been an investment in the future for BUTTING. With the BUTTING scholarship programme, we help young people to achieve their career goals and meet the increasing demands of the industry. With fifteen places on our programme, we want to secure our own young talent at the same time. We also give young people from financially disadvantaged backgrounds access to education.

Supporting a forest nursery is another integral part of our sustainable corporate philosophy. With this initiative, we are sending out a clear signal in favour of environmental protection, education and the common good for the benefit of our region and for a better quality of life. The forest nursery Die Kienäppel in Barwedel (in the district where our main site is located) is a place where children can discover their environment in a playful manner while developing a deep understanding of nature. With our financial support for this project, we want to promote the education and development of children and at the same time contribute to the conservation of our natural resources.

We believe that promoting education and environmental awareness at a young age can have a long-term positive impact on society.

In addition, BUTTING has in recent years supported the Neue Auetal School, a Montessori school in Lüder in the neighbouring district. Company owner Hermann Butting is in no doubt: "To ensure the quality of life and future viability in our region, we need individuals who are responsible and courageous, self-reflective and creative, and who are able to act with an entrepreneurial spirit and take responsibility for their actions."

Hermann Butting hopes that the Neue Auetal School in Lüder will discover and promote this potential and create a space for holistic learning. For BUTTING employees and potential managers and skilled workers who would like to to settle in our region, the school enriches the educational opportunities for their children and thus increases the attractiveness of our region as a place to live and work.

"Unsere Freie Schule Bergfeld" e.V. (in the Gifhorn district, near our headquarters) is also benefiting from our support and is receiving financial assistance. This independent school, run by a private organisation, opened its doors in the 2024/2025 academic year.

The school aims to be a place where children and young people can learn and grow, where their individuality is recognised and where they are encouraged to discover and develop their potential. The focus is always on self-directed learning.

Promoting reading with an app

Reading is one of the key skills that children learn during their school years. But not every child finds it easy to get started. "I was deeply affected by the alarming figures on poor reading skills in Germany, particularly among children. As a family business, we see it as our responsibility to actively contribute to addressing this challenge and sustainably improving educational opportunities for the next generation," says Hermann Butting.

To help improve reading skills among primary school pupils, BUTTING has been supporting the introduction of the reading support app kluug in primary schools in the districts where its production sites are located – including Knesebeck – since 2024. In collaboration with LEAD Lernen digital GmbH, BUTTING is providing schools with free licences for the app, initially for three years. The aim is to give pupils a fun and personalised way to learn to read and to improve their reading skills at their own pace.

The app offers tailored training for each pupil, with reading games across more than 400 difficulty levels. kluug was developed together with scientists and reading ex-perts to help children learn to read in a fun and structured way.

School without racism

As part of our commitment to social responsibility, BUTTING is proud to sponsor the local primary school in Wittingen as part of the "School without Racism – School with Courage" network. As a partner in this initiative, we work closely with students and teachers to regularly promote tolerance, diversity and mutual respect. Through joint projects and activities, we help children develop an early awareness of democratic values and encourage them to take an active stand against discrimination and exclusion.

Naturepartner Germany

As part of the "Naturpartner Deutschland" network, BUTTING will now be supporting a local environmental initiative right next to its headquarters in Knesebeck: Aktion Fischotterschutz e.V.

For over 35 years, this organisation has operated the Otter Centre in Hankensbüttel and has been dedicated to preserving and restoring vital habitats for animals, plants and entire ecosystems. The non-profit association has already implemented more than 100 projects in the fields of habitat development, revitalisation, animal research and environmental education.

To carry out these activities, the team relies on support and donations. The "Naturpartner Deutschland" business network plays an important role here, with over 125 companies – from local craftsmen to global corporations – getting involved.

The aim of Aktion Fischotterschutz is to teach students valuable knowledge about nature and species conservation, and to preserve or restore habitats for all living creatures. By joining "Naturpartner Deutschland", BUTTING is strengthening its commitment to nature conservation and supporting the future work of a long-standing local initiative.

Commitment
Trust
Promotion

Promotion of diversity

We are actively committed to diversity and inclusion in the workplace and believe that a diverse workforce not only strengthens innovation, but also contributes to an inclusive and respectful corporate culture.

BUTTING has been supporting the Nordkreis Gifhorn integration workshop since 2018. The project is a work opportunity provided by Jobcenter Gifhorn, and has a multicultural focus. Refugees and the long-term unemployed come together on site and can benefit from each other's wealth of experience. Both groups are prepared for (re)integration into society and the world of work based on the same set of values, which include appreciattion, reliability and courage. The values-based development of the participants is an important goal of the integration workshop; it is a source of motivation, guidance and meaning in the region. The main focus of the scheme is craft activities, such as working with wood and colours, fabrics, garden maintenance and the bicycle workshop. Effective networking with other societies for the common good is elementary for the project: "We support social and charitable actors such as the Wittingen Youth Development Agency, the Wittingen Diakonisches Werk (Protestant welfare agency), the Gifhorn Women's Shelter, and the nurseries and schools in the district with products that often could not be purchased otherwise due to a lack of finances. This gives real enrichment to the lives of all of us in the region," says Uschi Schüller, head of the integration workshop.

Fitness equipment made by BUTTING

BUTTING firmly believes that movement is the key to health and well-being. That is why, in 2024, the company supported the creation of a new fitness trail at its headquarters in Knesebeck. Through the in-house production and assembly of stainless steel fitness equipment, BUTTING significantly contributed to enhancing exercise opportunities and improving quality of life in the region.

Thanks to the new fitness trail, a full-body workout outdoors is now possible. The trail covers a total distance of 2,010 metres. There are several signs along the route providing explanations of the training sequences at each station. Each of these stations is equipped with fitness equipment produced by BUTTING, inviting you to engage in a workout.

By utilising your own body weight, you can strengthen your muscles and improve your health. Simple and effective exercises can be incorporated into daily walks. By setting up the trail and providing the equipment, BUTTING encourages visitors to spontaneously engage in a workout.

Our conviction is that social engagement is not only a responsibility but an opportunity to shape our society in a positive way. We will continue to work with passion and determination to make a sustainable contribution to social welfare and justice in our region and beyond.

05

Climate / Environment / Ecology

Conserving resources in practice

Conserving resources is an overarching goal that is achieved in various ways at BUTTING. Our focus is on improving energy and resource efficiency and establishing closed loops for materials, waste and water. By consistently maintaining high quality and product safety standards as well as ongoing optimisation through continuous improvement processes (CIP), we strive to conserve material, energy and labour resources.

BUTTING favours the processing of materials that are particularly corrosion and temperature-resistant. These materials are characterised by their low maintenance and durability in use, making them the most environmentally friendly options.

There is a continuous dialogue between quality management, production, production technology and our raw materials manufacturers in order to determine the optimum use of materials in accordance with customer requirements. Well-trained and conscientious employees are another key to minimising rework and reject rates. However, there are technical limits to production, which means that there will always be a certain amount of waste scrap during processing.

The topic of recycling therefore plays an important role in our sustainable production with metals too. Almost complete processing and reutilisation are crucial in order to reduce the need for primary raw materials. Since 2021, we have been working closely with the recycling specialist Cronimet Envirotec to reduce waste and improve the recycling rate.

Innovative recycling technologies now enable the processing of residues from separation and grinding processes as well as dusts from BUTTING filter systems by Cronimet Envirotec. In a special recycling process, materials subject to mandatory waste disposal can be separated into their constituent parts again and fed back into the general value chain. This progress makes it possible to utilise materials requiring disposal as recyclable materials, for example as an additive in metal production. BUTTING's metal waste containing oil and water is treated using vacuum distillation technology. In this process, sludge from grinding processes is dried and de-oiled. The result: distilled water, oils and metal powder, meaning that all metallic components can be fully recycled. Powders and dusts containing metal are processed in a special briquetting plant using a natural binding material.

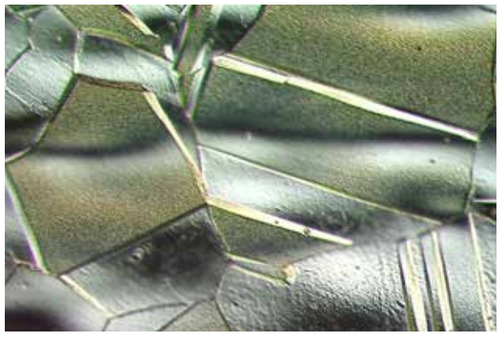
In 2024, we achieved significant progress in the processing and reuse of metal waste. We were also able to save a considerable amount of plastic by replacing our employees' water bottles. BUTTING remains committed to further exploring ways of optimising the recycling of metal waste and continues to work intensively with recycling and disposal companies in this important area of the circular economy.

New stainless steel water bottles for our employees

To mark World Day for Safety and Health at Work, we made a strong statement in favour of sustainability and employee wellbeing. All employees received a high-quality BUTTING stainless steel bottle from the manufacturer Blockhütte – free of charge and designed for long-term use. New employees receive their bottle on their very first day, making them part of our sustainable company culture right from the start.

With this initiative, we are replacing our previous reusable plastic bottles and making an important contribution to the UN Sustainable Development Goals (specifically SDG 3 – Good Health and Well-being). Stainless steel is more durable and of higher quality, and it helps reduce microplastics in our food chain. Switching to stainless steel also saves a significant amount of plastic – until now, we had to purchase around 500 new plastic bottles each year.

What makes this initiative especially fitting is that stainless steel is not only more sustainable, but also at the very heart of our production at BUTTING. In this way, we combine technical expertise with responsible action.



Corporate carbon footprint: The road to carbon-neutral company

In a world characterised by environmental awareness and sustainable practices, the issue of an organisation's ecological footprint is coming increasingly to the fore. BUTTING is a company with a clear commitment to sustainability and has pledged to make its contribution to limiting global warming. In this context, determining the corporate carbon footprint plays an important role.

Create transparency: Determining the carbon footprint

Having a clear conception of one's own impact on the environment is essential to engender real change. BUTTING has therefore calculated its corporate carbon footprint for 2022 for the first time in accordance with the requirements of EN ISO 14064-1:2019 and based it on the internationally recognised Greenhouse Gas Protocol (GHG). With the support of AGIMUS GmbH Umweltgutachterorganisation & Beratungsgesellschaft in Braunschweig, a carbon footprint was calculated for Scopes 1, 2 and 3. The calculation method used is shown in the Appendix. The CO2 values for the years 2022 to 2024 are listed below. BUTTING has set the result for 2022 as the reference year for measuring future success. For the year 2025, we are planning a cooperation with the Technical University of Braunschweig to develop a prototype Product Carbon Footprint (PCF) for our products. The PCF measures the total greenhouse gas emissions generated throughout a product's entire life cycle – from raw material extraction and production to use, disposal and recycling.

Overview of emissions per Scope [t CO_2e]

	2022	2023*	2024
Scope 1 (direct emissions)	6.407	6.508	6.367
Scope 2 (indirect emissions from secondary energy sources)	7.638	10.299	10.151
Scope 1, 2 Total	**14.045**	**16.807**	**16.518**
Scope 3** (other indirect emissions such as upstream processes, manu facturing, input, material, etc).	112.926	173.489	158.537
Scope 1, 2, 3 Total	**126.970**	**190.297**	**175.055**
Processed outgoing goods tonnage [tonnes]	48.570	67.877	81.252
Scope 1 -3 emissions per processed outgoing goods tonnage [t CO_2e/t]*	2,6	2,8	2,2

*See "About the report"
**The factors can fluctuate more strongly each year due to changing material combinations.

Calculating a PCF is an essential step towards gaining transparency about the climate impact of our products. This enables us to develop targeted measures to reduce emissions, make more sustainable choices in materials and production, and further optimise our collaboration with suppliers. At the same time, PCF data is becoming increasingly important throughout the supply chain, as many customers and partners now require detailed CO_2 information for their own sustainability strategies and reporting.

By partnering with TU Braunschweig, we will ensure that our calculations are based on scientifically sound methods and meet current standards. This provides a valuable foundation for further developing our sustainability strategy and strengthens our position as a responsible company.

The ultimate goal: Carbon neutrality by 2050

Determining the carbon footprint forms the basis for future measures. BUTTING has committed to being carbon neutral by 2050. This ambitious target requires a consistent decarbonisation programme aimed at minimising carbon emissions in the long term.

Concrete steps 30 % reduction in emissions by 2030, 60 % reduction in emissions by 2040

There are clear stages on the road to carbon neutrality. By 2030, BUTTING plans to save up to 30% of emissions in Scope 1, 2 and 3 compared to 2022 through efficiency measures and the increased use of renewable energies. This time frame not only enables a gradual changeover of processes, but also the integration of sustainable technologies. However, decarbonisation will not stagnate at this point: BUTTING has set itself the ambitious target of reducing emissions by 60% by 2040 compared to the 2022 reference year.

We aim to achieve our ambitious reduction targets through measures in the following action areas:

1. Action area: electricity

- Approach 1: Energy efficiency measures through technical adjustments and optimisation of energy-consuming processes, in particular Significant Energy Use (SEU) as part of the energy management system. Further reduction paths include lighting, drives and pumps, refrigeration, compressed air and ventilation technology.

- Approach 2: Expansion in the use of green electricity and own generation from renewable energies.

2. Action area: heating

- Approach 1: Implementation of energy efficiency measures (e.. expanding the use of waste heat, system optimisation).

- Approach 2: Expansion of the use of fuels and heat sources with lower or no carbon emissions.

3. Action area: process heat

- Approach 1: Process optimisation/optimisation of heat/use of waste heat.

- Approach 2: Transition to renewable fuels/electricity.

4. Action area: mobility and logistics

- Approach 1: Enhancing logistics planning efficiency optimising trips and route management, minimising travel (e.g. by adopting video conferences in lieu of business trips), advancing in-plant logistics (including drive technology and the fuels used).

- Approach 2: Utilising carbon-neutral transportation options for goods and staff (e.g. rail, electric mobility, bike, public transport).

5. Action area: procurement and product design

- Approach 1/procurement: Favouring local suppliers carbon efficiency in the production of, intermediate goods sourcing of secondary raw materials.

- Approach 2/products: Promoting production that conserves materials, enhancing vertical integration, improving energy efficiency during product use and fostering repairability, durability, recyclability, as well as the principles of a circular economy.

In addition to the company's considerable willingness to invest, implementing the reduction targets also requires the support and cooperation of business partners, energy suppliers and grid operators, municipalities and public authorities, as well as investors. This is illustrated by the following two strategic projects:

Sustainable transformation through hydrogen

BUTTING is actively engaging with hydrogen as a key technology for the future and, together with a partner company, is exploring the feasibility of building an electrolyser to produce green hydrogen from renewable energy sources. Plans also include constructing a hydrogen refuelling station for both trucks and cars. The electricity needed for hydrogen production could come from a local wind farm as well as future photovoltaic projects.

In the initial project phase, decentralised hydrogen production with a capacity of 6 MW and an output of around 600 metric tons per year is being considered – enough to refuel about 30 buses or trucks each day. Thanks to a modular design, the system could be expanded in the future. We are also considering converting our own logistics fleet to hydrogen-powered vehicles. Additionally, the waste heat generated during electrolysis could be used to heat our production halls as part of a local heating concept. In the long term, we are also evaluating whether hydrogen can be used in our manufacturing processes.

This initiative aligns with our sustainability goals, which call for a 30% reduction in emissions by 2030 and a 60% reduction by 2040. The project will be further developed in 2025. Through these efforts, we aim to become a regional leader in hydrogen technology.

From truck to train

In an effort to make transportation as efficient and sustainable as possible, BUTTING is planning to expand the railway tracks on its company grounds. This expansion aims to accommodate entire block trains as well as to provide greater flexibility in the supply of wagons. The regional rail network is primarily used for passenger transport. As such, freight transport can only use the network during off-peak times. With a track extension to two lines, incoming goods and dispatch would be possible independently of each other at the company site. The planning contract was awarded in 2023. We currently use the existing track system primarily for downstream transportation. We anticipate that our suppliers will be increasingly willing to deliver by rail in the years ahead as a result of CO_2 activities. Planning, approval and execution steps for the construction work have a long lead time. The final decision is expected in 2025/2026 once planning and approval are ready to be granted and the costs have been estimated.

Shared responsibility: partnerships for climate protection

The challenge of achieving climate neutrality demands more than just internal efforts by a company. Cooperation with a wide range of business partners and public authorities is becoming a critical factor for the speed and success of this corporate mission. Partnership-based relationships with suppliers play a key role in the continuous improvement of technologies in relation to plant, machinery and vehicle fleets, but above all in the production of our raw material, the largest emitter of our carbon footprint.

Sustainability is at the centre of our collaboration with a new customer: In addition to developing joint measures and targets, we are working specifically on reducing the CO_2 footprint of nuclear storage rack production. Together, we will seek innovative solutions to make the production and use of these products more environmentally friendly.

Continuous dialogue and progress: key to success

The road to climate neutrality is an ongoing process based on dialogue and cooperation. BUTTING underscores the importance of transparent communication and regular progress reports. It also strives for positive change by sharing ideas and best practices between employees, customers, suppliers and other stakeholders, and by setting shared goals. Overall, determining the carbon footprint not only demonstrates BUTTING's responsibility towards the environment, but also marks the beginning of a sustainable journey. The company is committed to transparency and concrete measures to make an effective contribution to tackling the global climate crisis.

Energy intensity

BUTTING has implemented an energy management system in accordance with DIN EN ISO 50001:2018, which was last externally audited and recertified in November 2023. The foremost objective of energy management remains the continuous improvement of energy efficiency. In the long term, the aim is to achieve a 20% improvement in energy efficiency by 2035 compared to the 2022 reference year.

Continuous increase of energy efficiency

We are firmly committed to continuously improving our energy efficiency. In close collaboration between our energy team and the various departments, we regularly identify opportunities for savings and implement targeted measures.

In 2024, a particular focus was once again that of optimising our Significant Energy Users (SEU). Through regular SEU meetings, we assessed progress and developed existing initiatives. Another key objective was to reduce our weekend base load, which was also set as a company-wide annual goal. While our average base load in 2022 was still over 700 kW, we were able to reduce it to 648 kW by the end of 2024. Although we did not quite reach our target of a maximum of 630 kW, we remain committed to further reducing our base load in 2025.

A major project in 2024 was the replacement of the existing lighting in one of our hall complexes with modern LED technology. The old 58-watt fluorescent tubes were replaced with a uniform, efficient LED lighting system. Two of the halls already had LED technology, but it did not fit the new lighting concept. This existing LED system was successfully dismantled and reinstalled in another area of the complex that had not yet been upgraded to LED technology. In addition, motion sensors were installed that dim the lights after 30 minutes of inactivity and switch them off completely after another 15 minutes. Thanks to these measures, we were able to reduce the energy consumption for lighting in the hall complex by around two-thirds, saving approximately 770,000 kWh per year. Further optimisations to the lighting systems in our hall complexes are planned for 2025.

We also continued planning for the construction of another new hall. A key feature will be the installation of a photovoltaic system on the roof in 2025 (see "Waste" section). This system, with an installed capacity of around 137 kWp, will feed electricity directly into our company's own power grid. Other energy efficiency measures in 2024 included replacing a heating boiler in one of the hall complexes and installing a centralised compressor control system.

Transparency, communication and raising awareness

In order to make energy consumption more transparent, we have continued to press ahead with the expansion of energy measuring points. In 2024, 16 new measuring points were installed. Energy reports were also expanded and regular information on energy consumption was provided. This enables us to actively involve our staff in energy management and make them aware of potential savings. For example, in 2024 we distributed two information notices to our employees about compressed air consumption and efficient heating, as well as further information on the topic of energy (consumption).

Energy consumption

	2022	2023	2024
Electricity [MWh]	26.951	29.670	29.220
Gas [MWh]	27.713	28.874	27.728
Diesel [MWh]	2.819	2.701	2.876
Total energy [MWh]	57.483	61.245	59.824

Results and outlook

Thanks to the measures we have implemented and a continuously increasing output, we were able to improve our energy efficiency by more than 10% compared to the reference year 2022. This keeps us on track to achieve our long-term goal of a 20% improvement by 2035.

Total energy consumption in 2024 fell by 2.3% to 59,824 MWh (previous year: 61,245 MWh). Although absolute energy use is still about 4% higher than in 2022 (57,483 MWh), when set against the 18% increase in output, the improvement in energy efficiency of more than 10% compared to 2022 is clearly confirmed. To further drive our ambitious energy targets, we will continue to pursue innovative measures in 2025 to reduce energy consumption and sustainably optimise our processes.

By implementing these goals, BUTTING aims to further increase its energy efficiency and contribute to climate protection, as every unit of energy saved directly supports our vision of achieving carbon neutrality.

Waste

Waste management is a key component of our environmental management system. Our aim is to handle waste efficiently, continuously minimise environmental impacts and comply with all legal regulations. Our annual target for 2024 was to reduce paper and residual waste by 2% compared to the previous year. Our goals were to be achieved through the following steps:

- Waste avoidance and minimisation: We actively strive to reduce waste by implementing technical and organisational measures. Raising awareness among our employees plays a key role here. Identifying substitute materials with a lower negative impact on the environment is another important approach for us in our efforts.

- Waste separation and sorting: Our support for the circular economy (recycling) is clearly demonstrated by waste segregation particularly in the case of production-related metal waste. This initiative actively contributes to conserving resources in the procurement of our raw material. The production of raw material from scrap metal is significantly more environmentally friendly compared to steel production from primary raw materials.

- Optimisation of waste routes: Identifying recycling opportunities and ensuring the proper disposal of waste are front and centre of our efforts. We optimise waste routes and ensure compliance with all relevant environmental standards. The corresponding documentation and reporting obligations are fulfilled conscientiously. We verify proper disposal by our external waste dispo providers annually by requesting specialist company certificates. We also obtain information on disposal methods.

Types of waste

	2022	2023	2024
Hazardous waste [t]	768**	629**	773
Non-hazardous waste [t]	4.751**	6.658**	5.463*
Total waste [t]	**5.520**	**7.287**	**6.237***
Of which non-hazardous scrap metal (for recycling) [%]	72	75	74

*including wood and bio-waste for the first time

**Retroactively amended data, see description below

Although we have included wood and bio-waste in the statistics for the first time this year, we were able to reduce the total amount of waste by around 15% compared to 2023. This can be explained by the significant decrease in the proportion of scrap.

The proportion of scrap metal that is fully recycled is still around 74% of the total amount of waste. The amount of hazardous waste increased by approximately 19% in 2024. Glass beads were reclassified for 2024, so they are no longer classified as non-hazardous waste, but are considered hazardous. In order to ensure better comparability of the data, we have also reclassified the data for 2022 and 2023 retrospectively within this report. The target for 2025 is a further 2% reduction in total waste.

In 2024, we also replaced all employees' old reusable sable plastic bottles with new, longer-lasting stainless steel water bottles. This avoids the yearly re-ordering of around 500 plastic water bottles and significantly reduces plastic waste (see also the "Conservation of resources" section).

In general, we try to raise awareness among all employees about the issue of resource conservation, and in 2024 we prepared information for employees that includes topics such as paper saving and a collection campaign for hazardous substances.

Our new hazardous materials facility

To make the storage of hazardous materials and residual waste on the factory premises safer and more efficient, a new hazardous materials storage facility with an integrated catslide roof is being constructed. This will allow for centralised storage, protected from the elements, while enhancing workplace safety and environmental protection. At the same time, transport routes are being optimised and disposal processes made more efficient.

A fire in 2018 destroyed the previous hazardous materials store, which meant that hazardous substances had to be stored temporarily at various locations across the site. This led to challenges concerning both safety regulations and logistics. The new building will now provide a centralised, modern storage solution with high safety standards. The new facility will house all chemicals required for pickling processes, as well as other hazardous substances, under optimal conditions. A dedicated ventilation system, automatic fire suppression equipment and a firewater retention system will ensure that all statutory safety requirements are met and risks are minimised.

In addition to safer storage, the concept will also improve waste management. Special waste, such as metal shavings and lime sludge, will in future be stored centrally and protected from the weather, simplifying disposal and reducing environmental impact. The improved organisation will also make it easier to recycle materials.

A photovoltaic system with an expected total output of 137 kWp will be installed on the roof of the hazardous materials store, helping to meet the facility's energy needs and reduce CO_2 emissions. The building will also be heated using local heat from the company's own combined heat and power plant, further increasing energy efficiency and conserving resources.

In addition to storage space, the new facility will include a workshop, offices and a laboratory for the analysis of operating supplies. Modern workstations and recreation rooms will improve working conditions for employees.

Completion is scheduled for October 2025. With this project, we are creating a sustainable solution that combines safety, environmental protection and operational efficiency, and will contribute in the long term to reducing risks and emissions.

Water/Waste water

Our water and effluent management is an integral part of our environmental management system. In manufacturing, water is primarily used for cooling, such as in production plants, as well as for the surface treatment of products. Additional water consumption arises from providing for the needs of employees and the use of sanitary facilities. We use targeted measures to minimise water consumption, to protect water quality and to ensure efficient effluent treatment.

- Water efficiency and minimised consumption:
  We rely on innovative technologies and processes to, reduce water consumption. We also use continuous monitoring to identify opportunities for increased efficiency in our operational workflows. Employees receive training to raise awareness of water-saving measures. All new and modernised sanitary facilities are fitted with water efficient fixtures.

- Conserving resources through water recycling We explore ways to reuse water in our processes (watercycle). Water recycling not only helps to conserve resources, but it also reduces the need for fresh water.

- Water quality protection:
  Our production processes take into account the protection of water quality. We invest in technologies, to prevent harmful wastewater discharges and rely on environmentally friendly chemicals to maintain water quality in our environment

- Effluent management and continuous monitoring:
  Effluent treatment is carried out in accordance with strict environmental standards. At Knesebeck we use several neutralisation plants (water treatment plants) to ensure that the treated effluents meet the legal requirements before being released into the environ ment.

At 37,806 cubic metres, H. Butting GmbH & Co. KG's fresh water consumption in 2024 was around 1.3% above the previous year's level, but still well below the reference level from 2022. This slight increase can be explained by the higher output quantity. We were able to increase the volume of treated wastewater by nearly 4% compared to the previous year.

Water quantities

	2022	2023	2024
Consumed fresh water [m^3]	40.069	37.315	37.806
Treated effluents [m^3]	20.353	25.300	26.284

Biodiversity

BUTTING is committed to the responsible use of natural resources and is actively involved in the preservation of biodiversity. The main focus is on the maintenance and reforestation of native wooded areas. Sustainable practices in BUTTING's forested areas ensure that these forests serve as important carbon sinks and that their diverse flora and fauna is preserved.

An important aspect of our efforts to protect biodiversity is the preservation and improvement of the bodies of water on the BUTTING site. The Knesebeck site is situated in the Schönewörde water protection area, zone IIIB. As a concrete measure for water protection, the company regularly carries out extensive water sampling. This affects both the company pond and the Kieken-bruchsrönne stream, which crosses the company premises.

These activities are aimed at both monitoring water quality and ensuring the identification and elimination of potential sources of hazard.

BUTTING attaches great importance to transparency and cooperation with the relevant authorities. Comprehensive monitoring has been established in order to document the measures that have been implemented and to ensure continuous improvement. Regular dialogue with the authorities ensures that activities comply with applicable environmental regulations and that the highest standards for water protection and biodiversity are met.

06

Appendix

Carbon footprint: Methodology and emission factors

The presentation of greenhouse gas emissions from BUTTING in Knesebeck was carried out in full for the first time for the year 2022 with the support and advice of AGIMUS GmbH Umweltgutachterorganisation & Beratungsgesellschaft from Braunschweig in accordance with DIN EN ISO 14064-1:2019. We have also aligned ourselves to the requirements of the internationally recognised Greenhouse Gas Protocol (GHG). The calculation of Scopes 1, 2 and 3 of the corporate carbon footprint is based on the operational control approach of the GHG Protocol. This means that all facilities over which the organisation has operational control are included. AGIMUS has certified that our calculation of greenhouse gas emissions for the year 2022 complies with the standards. By completing the first calculation of our carbon footprint including all relevant Scope 3 emissions in 2022, we have established this year the reference and base year for our future milestone targets on the road to carbon neutrality.

The emissions for the 2024 reporting year were determined using the same calculation method. The reporting period for the presented carbon footprint is our financial year, which ran from 1 January to 31 December 2024.

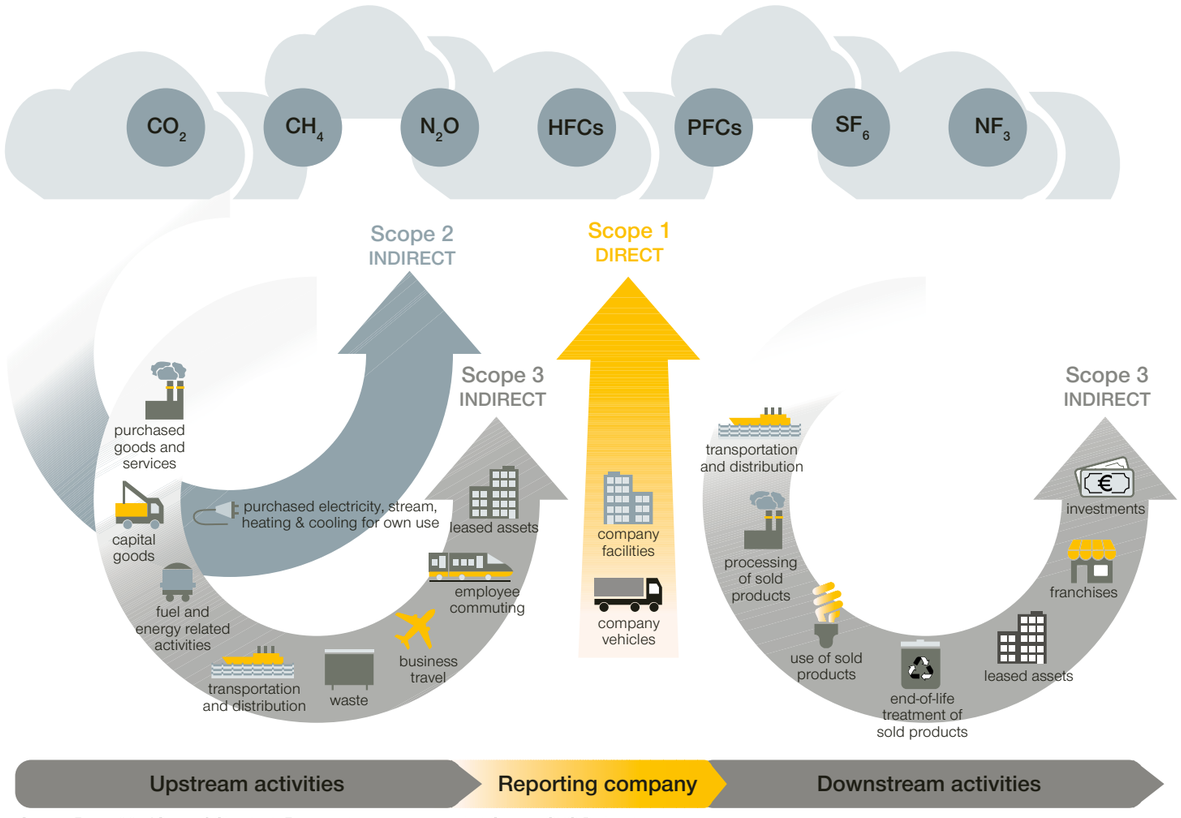
In accordance with the GHG requirements, BUTTING differentiates the greenhouse gas emissions into three categories (Scopes):

Scope 1 includes all direct emissions caused by the organisation itself, for example through combustion for the generation of electricity and heat.

Scope 2 includes indirect emissions from energy purchased from external suppliers, such as electricity and heat.

Scope 3 includes all indirect emissions that occur as a result of the company's business activities.

Overview of GHG Protocol Scopes and emissions across the value chain



Source: Figure 1.1 of Scope 3 Standard. Errors and omissions excepted. Source: GHG Protocol

In the initial approach, BUTTING carried out a high-level screening and identified the categories in the Scope 3 assessment with a high impact for which more precise data is required. In addition to establishing relevance, the next step was to determine data availability and estimate the calculation effort.

The following Scope 3 categories were selected and determined as part of this materiality analysis in terms of their relevance and data availability for BUTTING's carbon footprint:

3.1 Purchased goods and services
3.3 Fuel and energy-related emissions
3.4 Upstream transportation and distribution
3.5 Waste generated in operations
3.6 Business travel
3.7 Employee commuting
3.9 Downstream transportation and distribution

The following categories were not determined due to lack of applicability or relevance, unavailability of data or disproportionate effort required to determine the data:

3.2 Capital goods
3.8 Upstream leased assets
3.10 Processing of sold products
3.11 Use of sold products
3.12 End-of-life treatment of sold products (waste management, recovery of materials for recycling)
3.13 Downstream leased assets, operation of buildings, machinery, vehicles
3.14 Franchise: Scope 1 and 2 of franchise
3.15 Investments: proportionate share of Scope 1 and Scope 2 emissions of equity investments, debt investments, project finance

All categories currently categorised as not relevant are reviewed annually and their significance is re-evaluated. Additional categories are added in the event of amendments. BUTTING is in continuous dialogue with suppliers and is looking for publicly available data in order to gradually develop robust inventories and improve data quality for categories with a high environmental impact, i.e. to collect primary data.

Data sources used in Scope 3

Various sources were used to calculate the CO_2 equivalents in Scope 3. The purchase of steel raw material plays a key role in the goods purchased. The quantities used in production in the respective year were taken into account in order to minimise the time lag between delivery and the actual start of production. Direct contact was made with the TOP suppliers in order to obtain the most accurate CO_2 values. Further data was partly obtained from the suppliers' websites (CO_2/ESG reports). Where plausible supplier values were available, these were used. Only a small number of our raw material suppliers have published their own carbon footprint for all Scopes. If no values could be specified or determined, the standard value for stainless steel from the " Information Sheet CO_2 Factors" as published by the German Federal Office for Economic Affairs and Export Control was used (e.g. stainless steel sheet 5.18 CO_2e/t).

Another source of CO_2 factors is the "Climate Protection Tool" from AGIMUS, which provides standard values for various categories. Values from this database were used to determine fuel and energy-related emissions, waste (recycling, incineration, landfill), fresh water and copy paper. The value determined by statista.de for German freight transport between 2019 and 2021 was used to determine the carbon impact of upstream and downstream transportation (truck, inland navigation, freight train) The data for business travel includes all flights for the repective year. The CO_2 data was transmitted directly by the travel partner. Employee commuting was divided into three categories depending on how staff travelled to work. Attendance days were determined and statistically extrapolated with the average travel behaviour (on foot, by bike, car, carpooling, train). Reference and conversion factors for the respective means of passenger transport were taken from the AGIMUS calculation tool.

The following table shows the absolute emissions in Scopes 1, 2 and 3 as well as the percentage shares in detail.

Overview of emissions per Scope						
	2022	Share	2023	Share	2024	Share
	[t CO_2e]	[%]	[t CO_2e]	[%]	[t CO_2e]	[%]
Scope 1						
Gas consumption natural gas	5,578	4.4	5,716	3.0	5,580	3.2
Fuels (diesel, propane gas)	679	0.5	670	0.4	745	0.4
Other gases	149	0.1	122	0.1	41	0.0
Total	**6,406**		**6,508**		**6,367**	
Scope 2						
Power consumption**	7,626	6.0	10,287*	5.4	10,140	5.8
District heating	12	0.0	12	0.0	12	0.0
Total	**7,638**		**10,299**		**10,151**	
Scope 1 and Scope 2 Total	**14,044**	**11.1**	**16,807**	**8.8**	**16,518**	**9.4**
Scope 3						
Purchased goods and services	106,568	83.9	165,659*	87.1	150,129	85.8
Fuel and energy-related emissions	1,382	1.1	1,435*	0.8	1,394	0.8
Upstream and downstream transportation	2,050	1.6	1,913	1.0	2,755	1.6
Waste	1,531	1.2	2,326*	1.2	2,209	1.3
Business trips	153	0.1	368	0.2	216	0.1
Employee commuting	1,232	1.0	1,780*	0.9	1,826	1.0
Fresh water	9	0.0	8	0.0	8	0.0
Scope 3	**112,925**	**88.9**	**173,489***	**91.2**	**158,537**	**90.6**
Scope 1 – 3 Total Amount	**126,970**	**100.0**	**190,297***	**100.0**	**175,055**	**100.0**
Processed outgoing goods tonnage [t]	*48,570*		*67,877**		*81,252*	
Emissions per processed outgoing good tonnage	*2.6*		*2.8**		*2.2*	

* see "About the report"
** The market-based method was used to determine the carbon emissions from externally purchased electricity. The electricity supplier specified the electricity mix from 2023 as the most recent value, which is valid until a new publication. The current value is 384 g CO2/kWh. A subsequent amendment with more up-to-date values is possible and will be adopted or implemented in subsequent reports in the event of significant deviations.

Bescheinigung

Die AGIMUS GmbH Umweltgutachterorganisation & Beratungsgesellschaft bescheinigt, dass für die

H. Butting GmbH & Co. KG

eine Eigenberechnung der Scopes 1, 2 und 3 des Corporate Carbon Footprints gemäß DIN EN ISO 14064-1:2019 in einem durch die AGIMUS GmbH beratend begleiteten Coachingprozess durchgeführt wurde. Zusätzlich haben wir uns an den Anforderungen des international anerkannten Greenhouse Gas Protocol orientiert.

Die normkonform berechneten **Treibhausgasemissionen im Jahr 2022** waren wie folgt:

Scope 1 (direkte Emissionen):	**6.407,2 t $CO_{2eq.}$**
Scope 2 (indirekte Emissionen durch Sekundärenergieträger):	**7.637,5 t $CO_{2eq.}$**
Scope 3 (andere indirekte Emissionen wie vorgelagerte Prozesse, Herstellung, Einsatzmaterial etc.):	**112.925,6 t CO_{2eq}**

Basierend auf unseren Berechnungen der Treibhausgasemissionen bescheinigen wir, dass der CCF normkonform berechnet wurde und wir eine Plausibilitätskontrolle, aber keine Datenkontrolle oder -evaluierung vorgenommen haben.

Der guten Ordnung halber unterstreichen wir, dass dieses Testat eine Bescheinigung über die normkonforme Berechnung des CCF durch uns darstellt und keine unabhängige Third-Party Evaluierung gemäß DIN EN ISO 14064-3:2020 ist.

Braunschweig, den 27.11.2023

Dr. Ralf Utermöhlen, Umweltgutachter, DE-V-0080

AGIMUS GmbH Umweltgutachterorganisation & Beratungsgesellschaft
Am Alten Bahnhof 6 | 38122 Braunschweig | Tel. 0531 - 2 56 76 0 | Fax 0531 - 2 56 76 66 | info@agimus.de | www.agimus.de
Geschäftsführung: Dr. Ralf Utermöhlen, Dipl.-Ing. Matthias Precht | Sitz Braunschweig | HRB 3214 | Ust.-ID: DE 114878018

About the report

H. Butting GmbH & Co. KG pursues an ethical, value-based sustainability strategy, which is manifested in the first publication of the 2023 Sustainability Report with reference to and application of the Global Reporting Initiative (GRI) Standard. Sustainability reporting provides a comprehensive insight into our company's activities, performance and goals, which are crucial for our sustainable progress. The report also enables our stakeholders to understand our sustainability efforts. At the same time, it illustrates how BUTTING takes responsibility for ecological, social and economic affairs.

Reporting period, frequency of reporting and contact point

This sustainability report relates to the reporting period from 1 January 2024 to 31 December 2024. The report also uses and takes into account comparative and reference variables from previous years to illustrate developments. The reporting period is identical to the financial year for financial reporting purposes.

The sustainability report is only available as a digital version. It is aimed at our employees, our business partners and all interested stakeholders.

Contact details: ESG@butting.com
A. Kiel – Head of Marketing and Communication
D. Meinecke – Management Board of H. Butting GmbH & Co. KG/CPO of the BUTTING Group

Restatements of information

With the Corporate Sustainability Reporting Directive (CSRD) having come into force, BUTTING in Germany will face increased sustainability reporting requirements in the years ahead. In order to fulfil these new requirements, we are continuously adapting our internal and external reporting processes. As a first step, we have aligned our reporting with the Global Reporting Initiative (GRI) framework and have applied the relevant principles

Our sustainability management and reporting system is continuously being expanded and improved. For example, we are constantly working with our business partners to refine the methods used to assess greenhouse gas emissions and improve data quality. We do not receive the actual emission factors from the local electricity supplier for the location-based method for calculating Scope 2 until the fourth quarter of the following year. In the event of significant changes, such circumstances or similar situations may require us to correct or restate information in subsequent reports. The editorial deadline for the report was 20 March 2025.

As part of the review of data quality, we have checked the figures for the year 2023 and updated a few values. This is mainly due to updates from our suppliers. We have marked the respective values in the report with "*See 'About the report'".

This primarily concerns emission values and reclassifications of the following categories:

- Electricity (adaptation of real emission factors of the local electricity supplier)
- Raw material coil and plate
- Employee commuting
- Waste

We have included "Mobile working" in the calculation for the first time in 2024. We also carried out a data revision for 2023, which has resulted in another change to the emissions value for "Employee commuting and mobile working".

We have also updated a key personnel figure for 2023. In 2023, a total of 1,605 rather than 1,603 people were employed at BUTTING in Knesebeck. During a data review, it was found that the exit date of two employees was not 31 December 2023 – as initially assumed – but officially in the following year. The persons concerned were therefore subsequently included in the statistics in order to correct the data and ensure a complete and accurate picture. In addition, the volume of outgoing goods tonnage has decreased by approximately 1,300 metric tons due to a change in the timing of year-end accruals for 2023. Due to these adjustments, the calculated "CO_2 per outgoing goods tonnage" has increased from 2.6 to 2.8 metric tons of CO_2e per metric ton of outgoing goods in 2023. This underlines the importance of continuously developing our data foundation and measures for emission reduction.

A central lever for this is close collaboration with our suppliers to record the CO_2 footprint along the entire supply chain even more transparently and to reduce it in a targeted manner. Through regular dialogue and the exchange of information about potential for optimisation, we work together on solutions to reduce emissions in the long term. At the same time, we are constantly evaluating internal measures to further increase efficiency and conserve resources in order to continuously improve our ecological footprint.

External audit

The information provided has been reviewed by the top management of H. Butting GmbH & Co. KG. Data preparation and reporting of the sustainability indicators was carried out by the Controlling team in line with the controlling processes in the Integrated Management System and financial reporting.

No external audit has taken place to date. Random checks are carried out as part of internal audits as well as in the internal compliance process under the direction of the Compliance Officer.

The management of H. Butting GmbH & Co KG, 31 March 2025

Hermann Butting

Norbert Heinzle

Dirk Meinecke

07

Index

GRI-Index

Statement of use: H. Butting GmbH & Co. KG has reported for the year 2024 with reference to the GRI Standard

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Industry Standard: none applicable

GRI Disclosure	Name	Page	Comments / References
1	**Foundation 2021**		
2	**General Disclosures 2021**		
1. The organization and its reporting practices			
2-1	Organizational details	8-10	
2-2	Entities included in the organisation's sustainability-reporting	2, 11	
2-3	Reporting period, frequency and contact point	98-99	
2-4	Restatements of Information	98-99	
2-5	External audit	99	
2. Activities and workers			
2-6	Activities, value chain and other business relationships	8-10, 23	
2-7	Employees	11	
3. Governance			
2-9	Governance structure and composition	8-9, 22, 98	
2-11	Chair of the highest governance body	8	Hermann Butting
2-12	Role of the highest governance body in overseeing the management of impacts	10, 23, 98	
2-13	Delegation of responsibility for managing impact	9-10, 25	
2-14	Role of the highest governance body in sustainability reporting	10, 23-26, 98	
4.Strategy, policies and practices			
2-22	Statement on sustainable development strategy	10, 22, 25, 98	
2-23	Policy commitment on principles and norms of behaviour	22, 32-33, 72-73	Code of Conduct available on the website
2-24	Embedding policy commitments on principles and norms of behaviour	6-7, 22, 98	
2-25	Processes to remediate negative impacts	33, 38, 67, 72-73	Whistleblower system accessible via website
2-27	Compliance with laws and regulations	22, 72-73	
5. Stakeholder engagement			
2-29	Approach to stakeholder engagement	23, 70	

cont. >

3	**Material Topics in 2021**		
3-1	Process to determine material topics	23	
3-2	List of material topics	24	
3-3	Management of material topics	6-7, 10, 23, 25-27, 40-43, 60-62, 64-65, 67, 72-73, 83-89	
201	**Economic Performance 2016**		
201-1	Direct economic value generated and distributed	8, 12	
205	**Anti-corruption 2016**		
205-2	Communication and training about anti-corruption policies and procedures	72-73	
205-3	Confirmed incidents of corruption and actions taken	72-73	No confirmed incidents in 2024
206	**Anti-competitive Behaviour 2016**		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	72-73	There were no legal actions in 2024
207	**Tax 2019**		
207-2	Tax governance, control and risk management	64-65, 72-73	
301	**Materials 2016**		
301-2	Recycled input materials used	82, 88-89	
302	**Energy 2016**		
302-3	Energy intensity	86-87	
302-4	Reduction of energy consumption	84-85, 89	
303	**Water and Effluents 2018**		
303-1	Interactions with water as a shared resource	90	
303-5	Water consumption	90	
304	**Biodiversity 2016**		
304-3	Habitats protected or restored	91	
305	**Emissions 2016**		
305-1	Direct (Scope 1) GHG emissions	83-85, 94-96	
305-2	Energy indirect (Scope 2) GHG emissions	83-85, 94-96	
305-3	Other indirect (Scope 3) GHG emissions	83-85, 94-96	
305-2	Reduction of GHG emissions	83-85	

cont. >

306	Waste 2020		
306-2	Management of significant waste-related impacts	82, 88-89	
306-3	Waste generated	88-89	

401	Employment 2016		
401-3	Parental leave	46, 55	

403	Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	9	ISO 45001
403-3	Occupational health services	38-39	
403-4	Worker participation, consultation, and communication on occupational health and safety	40-44	
403-5	Worker training on occupational health and safety	40-44	
403-6	Promotion of worker health	38-44	
403-8	Workers covered by an occupational health and safety management system		All employees are covered
403-9	Work-related injuries/accident frequency and injury rate	39	

404	Training and Education 2016		
404-2	Programs for upgrading employee skills and transition assistance programs	34-37, 60-62	

405	Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	54-56	

406	Non-discrimination 2016		
406-1	Incidents of discrimination and corrective action taken	32-33, 72-73	

408	Child labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labour	64-65, 70-71	No known incidents in 2024. Suppliers at significant risk could not be identified

409	Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	64-65, 70-71	No known incidents in 2024. Suppliers at significant risk could not be identified

cont. >

SDG		Ziel	Chapter	Page
1		End poverty in all its forms everywhere	2; 3; 4	17-25, 46-47, 72-73
2		End hunger, achieve food security and improved nutrition and promote sustainable agriculture	2; 3	17-25, 50-53
3		Ensure healthy lives and promote well-being for all at all ages	2; 3	17-25, 38-39
4		Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	2; 3	17-25, 34-37
5		Achieve gender equality and empower all women and girls	2; 3	17-25, 54-55
6		Ensure availability and sustainable management of water and sanitation for all	2; 5	17-25, 90
7		Ensure access to affordable, reliable, sustainable and modern energy for all	2; 5	17-25, 86-87
8		Promote sustained, inclusive and sustainable economic growth, full and production employment and decent work for all	2; 3; 4	17-25, 32-33, 60-62, 64-73
9		Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	2; 4	17-25, 64-71
10		Reduce inequality within and among countries	2; 3	17-25, 54-56
11		Making cities and human settlements inclusive, safe, resilient and sustainable	2; 4	17-25, 74-76
12		Ensuring sustainable consumption and production patterns	2; 4; 5	17-25, 64-71, 82-88
13		Take urgent action to combat climate change and its impacts	2; 4; 5	17-25, 66-70, 82-91
14		Conserve and sustainably use the oceans, seas and marine resources for sustainable development	2; 5	17-25, 90
15		Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	2; 5	17-25, 91
16		Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	2; 4	17-25, 72-73
17		Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	2; 4	17-25, 67-70

cont. >

List of abbreviations	
NC	Number of courses conducted
No.	Number
BAGU	Betrieblicher Arbeits-, Gesundheits- und Umweltschutz (Occupational Health and Safety and Environmental Protection)
bAV	Betriebliche Altersversorgung (company pension scheme)
OHM	Occupational Health Management
CBAM	Carbon Border Adjustment Mechanism
CO_2	Carbon dioxide
CoC	Code of Conduct
CPB	Christlich-Psychologischer Beratungsdienst (Christian Psychological Counselling Service)
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
DNA	Deoxyribonucleic acid
DVS	Deutscher Verband für Schweißen und verwandte Verfahren (German Welding Society)
ERP	Enterprise Resource Planning
ESG	Environment Social Governance
ESM	European Service Module
ESRS	European Sustainability Reporting Standards
Mngr.	Manager
BU	Business unit
GHG	Greenhouse Gas Protocol
GRI	Global Reporting Initiative
HSE	Health, Safety and Environment
ILS	Integrated Leadership System
IT	Information technology
IHK	Chamber of Commerce and Industry
IMS	Integrated Management System
ISO	International Organization for Standardization
YTR	Youth and trainee Representation
KIM	Kooperationsinitiative Maschinenbau e. V. (German Mechanical Engineering Cooperation Initiative)
KPI	Key Performance Indicators
CIP	Continuous improvement Process
LED	Light-emitting diode
LGRTV	Lohn- und Gehaltsrahmentarifvertrag (Collective Wage Agreement)
LkSG	Lieferkettensorgfaltspflichtengesetz (German Act on Corporate Due Diligence Obligations in Supply Chains)
LTIFR	Lost Time Injury Frequency Rate
Empl.	Employees
STEM	Science, Technology, Engineering and Mathematics
m	million
Pot.	Potential
NADCAP	National Aerospace and Defense Contractors
NASA	National Aeronautics and Space Administration
OHSAS	Occupational Health and Safety Assessment Series

cont. >

List of abbreviations	
PDCA	Plan-Do-Check-Act cycle
RoW	Rest of the World
SBV	Schwerbehindertenvertretung (representative body for disabled employees)
SDGs	Sustainable Development Goals
SEU	Significant Energy Use
SO	Safety officers
GHG	Greenhouse gas
Ps	Participants
UNGC	United Nations Global Compact
USMCA	USA, Mexiko, Canada
NDT	Non-destructive testing

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