

SUSTAINABILITY REPORT

2024



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Introduction

This sustainability report provides a comprehensive overview of the SCHERDELGroup's sustainability activities in the fiscal year 2024. The structure and content of the report are based on the Corporate Sustainability Reporting Directive (CSRD) as well as the European Sustainability Reporting Standards (ESRS).

Even though the SCHERDELGroup was not yet legally required to report on sustainability for the fiscal year 2024, we made a deliberate decision to apply these standards voluntarily. In doing so, we aim to create a high degree of transparency and ensure the comparability of our sustainability performance.



General information



ESRS 2 General information

ESRS 2-BP 1 General principles for preparing sustainability statements

5. a) Consolidated or individual sustainability report

The sustainability statement was prepared on an individual or consolidated basis.	X	Consolidated basis		Individual basis
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5. b) Deviations between the companies consolidated within the scope of our sustainability statements and the companies consolidated within the framework of our annual Group accounts

With few exceptions, the scope of our sustainability report corresponds to the group of companies consolidated within the framework of our Group accounts. Although the companies in India, the Company TOGO Scherdel Clamps Huzhou Co. Ltd. and the Company Zeitsprung Intelligente Prozesse GmbH are not part of our consolidated financial statements, they were included in the data collection for this sustainability report.

Scherdel Togo Co. Ltd. in Japan and companies where we are only minority shareholders are not included in the scope of the sustainability report.

5. c) Coverage of the upstream and downstream value chain

In our sustainability activities and when assessing the sustainability impact of the SCHERDELGroup, we focus on our own business operations as well as the upstream and downstream value chain. Accordingly, we include the upstream and downstream value chain in our sustainability reporting as far as possible. Due to limited information and data availability, this cannot be considered in all reporting standards where it is intended. We make this aspect transparent in the present report for the respective topics.

SCHERDEL is a Company that operates primarily in the automotive industry as well as in machine and system construction. Its headquarters are in Marktredwitz in Northern Bavaria.

SCHERDEL sources products and services from numerous suppliers. The Supply Chain Due Diligence Act applies to the upstream supply chain.

SCHERDEL generates added value through sales, development and manufacture of its products. SCHERDEL has approximately 800 customers worldwide.

5. d) Option to omit certain information about intellectual property

The Company has made use of the option to omit certain information related to intellectual property, know-how or innovative events.		Yes	X	No
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5. e) Exemption from disclosure of forthcoming developments or matters under negotiation

The Company has made use of the exemption under article 19a section 3 and article 29a section 3 of Directive 2013/34/EU regarding exemptions from the disclosure of forthcoming developments or matters under negotiation.		Yes	X	No
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ESRS 2-BP 2 Disclosure of information related to specific circumstances

9. Deviation from medium-term or long-term time horizons in accordance with ESRS 1 section 6.4 for reporting purposes

The Company has deviated from the medium-term or long-term time horizons specified in ESRS 1 section 6.4 for reporting purposes.		Yes	X	No
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10. Estimated data on the upstream and/or downstream value chain

The parameters include data on the upstream and/or downstream value chain that have been estimated using indirect sources.	X	Yes		No
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10. a) Parameters with data on the upstream and/or downstream value chain estimated via indirect sources such as average sector data or other approximate values

Since not all data from the upstream value chain can be collected directly yet, our sustainability report also includes estimates and database values.

We have also requested our suppliers to communicate the values for calculating the scope 3 emissions of our purchased materials. However, not all of our suppliers are yet able to provide us with accurate information. For this reason, we use emission factors from databases such as Gemis, Probas or specified factors from the CBAM procedure or Bafa to fill the gaps.

Other impacts, risks and opportunities along the upstream value chain in the areas of environment, social issues and corporate governance are assessed on the basis of industry-specific indicators.

10. b) Basis for the preparation of estimated data

To calculate scope 3 emissions, we use values from databases such as Gemis, Probas or specified factors from the CBAM procedure or Bafa.

An analysis tool from the Agency for Business and Economic Development (AWE) serves as the basis for assessing the impacts, risks and opportunities. This tool maps country-specific and industry-specific CSR risks based on international studies. It takes into account key topics such as human rights and ethics, environmental issues as well as labor and social standards.

The aggregated results provide an overview assessment of the respective CSR risk profiles for country-specific and industry-specific contexts.

10. c) Degree of accuracy of the estimated data

The emission factors used for the emission calculation are taken from recognized external databases and are based on the average secondary data of the sector. As company-specific primary data are currently not available, the accuracy of the calculated emission values is classified as medium. It is currently not possible to quantify possible deviations due to a lack of comparative values.

The risk analysis along the upstream supply chain is based on industry-specific country data from studies carried out by internationally recognized organizations such as the International Labor Organization (ILO). These data provide a sound basis for assessing social and environmental risks at industrial and country level. They are updated regularly and accurately reflect the general risk situation. However, the extent to which these industry-specific risks apply to our actual supply chain in particular cases cannot be fully assessed at present.

10. d) Planned actions to improve accuracy

We plan to gradually improve the accuracy of our scope 3 data over the next few years. To achieve our target, we will continue to request the relevant data from our suppliers and have also included the requirement for a PCF calculation in the target agreements with strategic suppliers.

11. a) Quantitative parameters and monetary amounts subject to a high degree of measurement uncertainty

The assessment of financial impacts and risks is based primarily on well-founded estimates based on comparative and empirical values. It should be noted that these estimates may be subject to a certain degree of uncertainty.

11. b) i. Specify sources of measurement uncertainty

The measurement uncertainties in the assessment of financial impacts and risks result mainly from the limited availability of reliable data. In particular, the use of estimates, comparative values or empirical values leads to a certain degree of uncertainty in the accuracy of the quantitative assessments.

11. b) ii. Assumptions, approximate values and judgments used in measuring the various quantitative parameters and monetary amounts

The underlying assumptions are detailed in the relevant sections of the topic-specific standards.

13. Changes in the preparation and presentation of sustainability information compared to previous reporting periods

In the fiscal year 2024, a sustainability report is prepared for the first time in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD). As this is the first report prepared in accordance with this standard, there are no changes compared to previous years.

14. Corrections from previous reports

In the fiscal year 2024, a sustainability report will be prepared for the first time in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD). As this is the first report prepared in accordance with this standard, there are no changes compared with previous years.

15. Information based on other legal provisions or generally accepted statements on sustainability reporting

The sustainability report does not contain any content from other legal provisions.

16. Inclusion of information by reference

This section is not relevant. There are no references within the disclosure obligations of the report.

17. Application of the provisions for phased disclosure obligations in accordance with ESRS 1 appendix C

This section is not relevant. As of the balance sheet date, the average number of employees was over 750.

ESRS 2-GOV 1 Role of administrative, management and supervisory bodies

21. a) Executive and non-executive members of the administrative, management and supervisory bodies

	Administrative and management bodies	Supervisory bodies
Number of executive members	4 (managing directors of Scherdel GmbH)	13 shareholders
Number of non-executive members	11 (division managers)	Not applicable
Number of plant group managers	4	Not applicable

21. b) Representation of employees and other workers in administrative, management, and supervisory bodies

There are currently no employee representatives on the administrative, management and supervisory bodies.

21. c) Experience of the administrative, management and supervisory bodies that are relevant to the sectors, products and geographic locations

The members of the General Management have the necessary knowledge and experience to properly manage the business of the SCHERDELGroup.

21. d) Gender diversity of the administrative, management and supervisory bodies

On December 31, 2024, SCHERDEL's General Management consisted of four male members. The Top Team consists of further 11 division managers (non-executive members).

Gender diversity	Shareholders	Executive members	Non-executive members	Plant group managers
Percentage of men	54 %	100 %	82 %	75 %
Percentage of women	46 %	0 %	18 %	25 %

21. e) Percentage of independent committee members

There are no independent members represented in the General Management and the Top Team.

22. a) Names of the administrative, management and supervisory bodies responsible for monitoring the effects, risks and opportunities

The results of risk management or relevant changes in the fiscal year are discussed with the General Management in the annual management review.

22. b) Responsibilities of the individual bodies or persons with regard to impacts, risks and opportunities in the Company's mandates, the management body and other related strategies

In order to achieve the sustainability targets and implement the associated actions, we have established organizational structures that we consider to be appropriate. The responsible managing director has anchored the corresponding responsibilities, tasks and structures in the SCHERDELGroup. The responsibility for the proper structure of sustainability management lies with the entire General Management. In addition, the respective division managers are responsible for the sustainability issues within their areas of responsibility.

SCHERDEL fundamentally understands sustainability as a cross-sectional issue across all areas of the organization. Accordingly, responsibility for implementing sustainability is fundamentally decentralized in the respective areas.

A cross-departmental sustainability team, consisting of executives and employees from relevant areas, is responsible for the networked processing and implementation of sustainability issues. The sustainability team meets regularly. Permanent members include the Quality, Purchasing, Human Resources and Finance departments, among other departments.

Representatives from other departments are integrated as needed. The Quality Division is responsible for coordinating the team.

22. c) i. Transfer of the role of corporate management to a specific position or committee at the management level

The sustainability issue is the responsibility of the Quality Division.

22. c) ii. Information on reporting obligations to members of the administrative, management and supervisory bodies

The Quality Division submits the sustainability report to the General Management.

22. c) iii. Information on whether specific controls and procedures are applied to manage impacts, risks and opportunities and, if so, how they are integrated into other internal functions

The scope of management of impacts, risks and opportunities is described in section GOV-5. There are no other controls or procedures.

22. d) Monitoring of the definition of targets with regard to material impacts, risks and opportunities and of the progress achieved in reaching these targets, by the administrative, management and supervisory bodies and the General Management

A cross-functional sustainability team, consisting of executives and employees from the relevant areas, ensures the coordinated processing and implementation of sustainability issues.

It supports both the further development of our sustainability performance (ESG performance) and the collection of data and information for sustainability reporting. It also networks the work results, supports the preparation of management decisions and assists in dealing with relevant sustainability issues.

23. a) Sustainability-related expertise of the administrative, management and supervisory bodies

The General Management has the necessary expertise with regard to the business strategy and the risk-related sustainability components.

23. b) Connection between this expertise and the major impacts, risks and opportunities

The committee members have sufficient expertise to perform their administrative, management and supervisory functions without restriction.

Thematic disclosure obligations: G1 Business conduct

G1 5. a) Role of the administrative, management and supervisory bodies with regard to the corporate policy

It is the responsibility of the General Management to conduct the SCHERDELGroup. It represents SCHERDEL judicially and extra-judicially. Below the General Management, there are two matrix levels: division managers and plant managers.

G1 5. b) Expertise of the administrative, management and supervisory bodies in relation to aspects of corporate policy

The committee members have sufficient expertise to perform their administrative, management and supervisory functions without restriction.

ESRS 2-GOV 2 Information provided to and sustainability aspects addressed by the Company's administrative, management and supervisory bodies

26. a) Information to the administrative, management and supervisory bodies on material impacts, risks and opportunities

The General Management is informed about the implementation status of the sustainability strategy through a structured, regular reporting system. Reporting covers, in particular, the implementation of actions to achieve the sustainability targets that have been set.

Climate-related targets and key figures are addressed on a quarterly basis in specific reports. In addition, steering committee meetings are held regularly to discuss current developments in climate strategy and prepare strategic decisions.

As part of the annual management reviews, the HSE team reports on significant developments related to environmental protection and occupational safety. In addition, the plants report monthly to the Quality Division, particularly on the topics of occupational safety, environmental protection and energy.

In addition, the ombudsman reports annually on reported compliance incidents.

As part of the business strategy process, sustainability-related aspects were incorporated to an increasing degree into the formulation of our business strategy in the reporting year. Sustainability-related aspects were also taken into account when updating the respective sub-strategies.

26. b) Consideration of impacts, risks and opportunities during the supervision of the strategy, decisions on important transactions and the risk management process by the administrative, management and supervisory bodies

The involvement of the General Management as executive and supervisory body is governed by internal guidelines. These guidelines set out the requirements for involvement, whereby the strategic and economic significance of the respective decision is decisive for the involvement of the bodies.

26. c) List of material impacts

The General Management is primarily concerned with the financial and operational impacts of sustainability issues and with sustainability technologies.

ESRS 2-GOV 3 Integration of sustainability-related performance in incentive schemes

29. Incentive and remuneration systems for administrative, management and supervisory bodies

The Company has strategies in place for sustainability-related incentive and remuneration systems for members of administrative, management and supervisory bodies.	X	Yes		No
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29. a) Main features of sustainability-related incentive and remuneration systems for administrative, management and supervisory bodies

The group-wide remuneration strategy defined by the General Management of the SCHERDELGroup is derived from the six corporate target and forms a binding framework for the remuneration policy of the relevant executives. One of these corporate targets is sustainability.

The target of the SCHERDELGroup's remuneration system is to promote the sustainable development of the Company and ensure long-term economic success. The specific structure of the remuneration system serves to harmonize the interests in particular of the General Management, the employees and the customers.

29. b) Evaluation of the performance of the administrative, management and supervisory bodies based on specific sustainability-related targets and/or impacts

The following sustainability-related targets are also taken into account when setting management targets:

- Fulfilment of the climate strategy
- Compliance with legal requirements

In addition, the relevant division-specific targets also address the further development of useful instruments for recording and managing climate and environmental risks.

29. c) Sustainability-related performance parameters as performance benchmarks or their consideration in the remuneration policy of administrative, management and supervisory bodies

The sustainability target agreed upon in the reporting year for 2025 by the members of the General Management is the implementation of the climate strategy with the reduction of CO2 emissions from business operations.

29. d) Proportion of variable remuneration of administrative, management and supervisory bodies that depends on sustainability-related targets and/or impacts

	2024
Proportion of variable remuneration that depends on sustainability-related targets and/or impacts	Determined individually.

29. e) Level of responsibility for approving and updating the terms and conditions of incentive schemes for administrative, management and supervisory bodies

Responsibility for the definition of remuneration and thus for the terms and conditions of incentive schemes lies with the General Management.

Thematic disclosure obligations: E1 Climate change

13. Involvement of climate-related considerations in the remuneration of members of the administrative, management and supervisory bodies

Climate-related considerations are currently incorporated in the executive remuneration via the Company's sustainability target.

ESRS 2-GOV 4 Statement on due diligence

30. Application of the most important aspects and steps of the due diligence process in the sustainability statement

Core elements of due diligence	Paragraphs in the sustainability statement
a) Integration of due diligence in governance, strategy and business model	ESRS 2-GOV 2 26. a), b), c) ESRS 2-GOV 3 29., a), b), c), d), e) ESRS 2-SBM 3 48. a), b)
b) Involvement of affected stakeholders in all important steps of due diligence	ESRS 2-GOV 2 26. a) ESRS 2-SBM 2 45. a) i.-v., S1 12., S2 9., S3 7., S4 8. ESRS 2-IRO 1, 53. a), b) iii. MDR-P Thematic standards: ESRS E1-2 24., ESRS E2-1 14., ESRS E3-1 11., ESRS E4-2 22., ESRS E5-1 14., 15, ESRS S1-1 19., ESRS S1-2 27, ESRS S2-1 16.
c) Identification and assessment of negative impacts	ESRS 2-IRO 1 53. a), e), g), E1 20. a), b) i. ii, c) i. ii., E2 11. a),, E3 8a, E4 17. a), b) c), E5 11 a), G1 6 a) SBM 3 48. a), b)
d) Measures against these negative impacts	MDR-A Thematic standards: ESRS E1-3 28., ESRS E2-2 18., ESRS E3-2 17., ESRS E5-2 19., ESRS S1-4 37., ESRS S2-4 32.

e) Tracking the effectiveness of these efforts and communication

MDR-M / MDR-T Related standards:

ESRS E1-4 32, ESRS E2-3 20, ESRS E5-3 21, ESRS S1-5 46, ESRS S2-5 39.

ESRS 2-GOV 5 Risk management and internal controls for sustainability reporting

36. a) Scope, main features and components of risk management and internal control with regard to sustainability reporting

Risk management with regard to sustainability reporting is integrated into the central Company-wide risk management system. As part of this process, sustainability risks are identified and assessed by an interdisciplinary team and, if necessary, supported by appropriate actions.

The central risk assessment is reviewed annually and supplemented by the individual plants with regard to their specific circumstances. This ensures that location-specific risks and special features are taken into account appropriately.

For the implementation of sustainability reporting, the topic-specific requirements of the CSRD were assigned to individual central managers from the HSE, Purchasing and Finance areas. These departments are responsible for data collection, verification and preparation in accordance with ESRS requirements.

Data can either be collected centrally or be obtained in cooperation with the relevant contact persons at the plants. This is followed by a central plausibility check. This process serves as an internal control action to ensure the consistency, traceability and quality of the reported information.

In addition, the risk management process is reviewed annually as part of existing internal and external audits, such as those conducted in accordance with IATF 16949, ISO 45001 or ISO 14001.

36. b) Approach to risk assessment, including the method for risk prioritization

Risks in the context of sustainability reporting are assessed on the basis of a standardized assessment model. The identified risks are assessed according to their probability of occurrence and the extent of damage they could cause. The extent of damage is divided into the categories of monetary impact, impact on people, impact on the environment and on image. The most serious category in each case is used for the overall assessment.

Based on the combined assessment, risks are classified as low, medium or high. High-rated risks require counteractions in the form of an emergency plan or a action to be implemented immediately. For medium risks, actions are recommended if they are considered effective and proportionate.

After the actions have been implemented, a second assessment is carried out by the specialist department to check whether the remaining residual risk can be considered acceptable or whether further actions are necessary.

This approach is also applied to risks that may affect sustainability reporting. The assessments are carried out by an interdisciplinary team and are updated as part of the annual management review.

36. c) Major risks identified and the related mitigation strategies as well as the associated controls

A key risk in sustainability reporting is the incorrect or inconsistent collection of data by individual plants. This can arise in particular from different interpretations of reporting categories, incomplete data or a lack of plausibility checks.

To mitigate this risk, clear definitions and uniform guidelines for the content to be reported have been developed and communicated centrally. The central divisions forward the data specifications and reporting instructions to the locations and are available to answer any questions.

A structured exchange process has been established as a control action. In regular coordination meetings between the divisions and the plants, the submitted data is reviewed, any discrepancies, e.g. in comparison with previous year's figures, are identified and resolved together with the locations. The results of these checks are incorporated in the continuous improvement of the data collection process.

36. d) Integration of the results of risk assessment and internal controls in the relevant internal functions and processes related to the sustainability reporting process

The results of risk assessment and internal control mechanisms related to sustainability reporting are systematically integrated into the relevant internal functions and processes.

Findings from the annual risk analysis, such as potential misstatements, are directly incorporated in the further development of internal reporting processes. Identified weaknesses or control gaps are discussed with the responsible departments and, if necessary, lead to adjusted specifications for the plants, for example.

36. e) Regular reporting on the aforementioned results to the administrative, management and supervisory bodies

The results of risk management or relevant changes in the reporting year are discussed with the General Management in the annual management review.

ESRS 2-SBM 1 Strategy, business model and value chain

40. a) i. Significant groups of products and/or services offered

The SCHERDELGroup's product portfolio is divided into various areas:

- Machine and system construction
- Metal forming
- Surface technology
- Plastics technology
- Tooling

40. a) ii. Significant markets and/or customer groups

The focus of our business activities is on the automotive industry.

The SCHERDELGroup's headquarters and main spring manufacturing plants are located in the Marktredwitz area in Germany. However, the Group has 35 locations in 11 countries worldwide.

The SCHERDELGroup has 800 customers worldwide, most of them in Europe, Asia and America, where further SCHERDEL locations are also situated.

40. a) iii. Number of employees by geographic area

At the end of 2024, the SCHERDELGroup had 7,353 employees worldwide. Two-thirds of these are located in Germany.

40. a) iv. Products and services subject to bans in certain markets

There are no bans on SCHERDELGroup products. Due to the current sanctions against Russia, the export of our products to Russia is currently prohibited.

40. b) Breakdown of total revenue by relevant ESRS sectors

	2024
Manufacturing and processing	
Metal processing	771,361,456 €
Machinery and systems	123,308,857
Chemicals and plastics	73,889,471 €

Our main activities concern the "Manufacturing and Processing" sector. Processing of metals, chemicals and plastics, as well as machine and system construction are particularly important in this context.

As central sales unit in the Marktredwitz reporting area, SCHERDEL GmbH handles customer invoicing for our main spring manufacturing plants around Marktredwitz. This means that the majority of the sales reported by SCHERDEL GmbH are not attributable to the professional services sector, but to the manufacturing and processing sector. Upon request, an exact breakdown of SCHERDEL GmbH's sales by sector can be provided. The relevant sectors determined remain unchanged.

40. c) List of other ESRS sectors with significant activities

The SCHERDELGroup has no other significant activities in ESRS sectors not already mentioned.

40. d) i. Activities in the fossil fuel sector

The Company is active in the fossil fuel sector (coal, oil, and gas).	Yes	X	No
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40. d) ii. Activities in the field of chemical manufacturing

The Company is active in the manufacture of chemicals.		Yes	X	No
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40. d) iii. Activities in the field of controversial weapons

The Company is involved in the production of controversial weapons.		Yes	X	No
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40. d) iv. Activities in the field of tobacco cultivation and production

The Company is active in the cultivation and production of tobacco.		Yes	X	No
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40. e) Sustainability targets

Understanding of sustainability

The SCHERDELGroup's corporate targets define sustainability as follows.

"We are aware of our ecological and social responsibility. For this purpose, we maintain an active environmental and energy management system in which everyone in the Company participates. We treat our customers, suppliers, competitors and authorities as partners in a fair manner in accordance with commercial practice. We support social engagement, initiatives and associations in the interests of the overall development of our region and our employees."

The following corporate target was added in the letter to the Executives in 2022: "We raise awareness of sustainability among our employees in such a way that we derive economic and ecological benefits from it."

We have defined our thorough understanding in our sustainability directive. This policy describes the foundation for sustainable development in all organizational units of the SCHERDELGroup. It is made available to all employees and is intended to highlight the basic standards to which we *the* SCHERDELGroup wants to adhere.

Sustainability targets

The General Management has set specific targets that are anchored in the management program and in the annual review with the General Management, that are subject to controlling and are implemented through appropriate actions. These are in detail:

- Climate strategy of the SCHERDELGroup: Our target is to reduce our global emissions by 40% by 2030, 65% of which will be in Europe (based on 2019 figures). We intend to achieve this target by using resources economically, by complying with our energy-saving rules, expanding our self-generation of energy in the form of photovoltaic systems and by purchasing 100% green electricity at all German locations from 2030 onwards.
- No accidents at work
- No environmental damages
- Reduction of sick leave by 20% (relative change) by 2030 compared to the average value of the last 5 years.

The targets apply equally to all customer groups, products and locations.

40. f) Assessment of the most important products, services, markets and customer groups in terms of our own sustainability targets

Social mission and principles of product responsibility

Based on our corporate responsibility and our self-image as an automotive supplier, we are committed to the idea and targets of sustainable development. In accordance with the principles of SCHERDEL and our sustainability directive, we focus on the needs and well-being of current and future generations.

The SCHERDELGroup is committed to actively contributing to the success of the transformation, the achievement of global climate and sustainability targets, the preservation of biodiversity and socially just sustainable development. With our corporate attitude, our products and our diverse social initiatives, we believe that we are constantly providing important future-oriented impetus for sustainable development.

Sustainability in our core business

In 2019, the General Management of the SCHERDELGroup adopted its first sustainability directive, which is binding for all employees and has been continuously revised and adapted ever since. It summarizes fundamental positions, regulations and procedures related to governance, environmental, climate, social and employee issues that are binding for SCHERDEL in the course of its business activities.

Machine, system and tool construction

Sustainability is also a high priority in the project business. Right from the planning and implementation stage, specific attention is paid to the use of resource-saving components in order to minimize material and energy consumption during the service life of machines and systems.

In addition to the construction of new machines, the recycling of existing systems is also becoming increasingly important. At Hamuel Maschinenbau GmbH, for example, used systems are specifically repurchased from the market, technically overhauled and then put back on sale. This approach not only reduces resource requirements but also costs while at the same time extending the life cycle of the products.

Industry-specific exclusions:

Our products are mainly metal products for various industries. Although we recognize the right of democratic governments to protect their citizens and guarantee internal security, we fundamentally exclude the manufacture of products that are supplied exclusively to the defense industry.

40. g) Elements of the Company's strategy

Our family business has developed from its beginnings as a "wire drawing mill for piano string production," founded in 1889 by Sigmund Scherdel in Marktredwitz, into a leading international Company with strong growth.

We have always been committed to providing our employees with a sustainable environment. Growth and job stability are important factors for the success of the SCHERDELGroup. Our business activities are therefore committed to sustainability.

In addition to customer enthusiasm, employee satisfaction, market expansion, innovation success and return on capital, sustainability is therefore one of our six overarching corporate targets.

Our sustainability directive forms the basis of our strategic orientation in the area of sustainability. In it, we strive to harmonize the environmental, economic, and social spheres. The policy is based on the fundamental principles of the ILO, the UN Charter of Human Rights, and the principles of the UN Global Compact.

The guiding principles and fundamentals of management of our Group of Companies are divided into the following four sub-areas.

- General principles
- Behavior toward employees
- Environmental and safety policy
- Conduct toward the market

In order to pass on these principles within the supply chain, the General Management has also adopted a code of conduct for suppliers, which is binding for our suppliers.

With the adoption of our climate strategy, SCHERDEL reaffirms its commitment to sustainability and actively commits itself to climate protection, in particular to achieving the goals of the Paris Agreement and the 17 Sustainable Development Goals of the United Nations.

The climate strategy aims to reduce CO₂ emissions in our own business operations by 40% by 2030. At the same time, it focuses on the responsible use of resources and the promotion of life-cycle management along our supply chain.

41. List of ESRS sectors that are relevant to the Company

ESRS sector group	ESRS sector	Code
Manufacturing and processing	Machines and systems	MME
Manufacturing and processing	Metal processing	MMP
Manufacturing and processing	Chemicals	MCH

42. a) Inputs and approach

Our business model is based on a broad spectrum ranging from forming, assembly and joining technology to surface technology, machinery and tool construction.

When developing new, innovative products, we support our customers as a partner from the briefing stage right through to production.

The main inputs to create added value are:

- Raw materials such as wire, tube material, strip material and plastics
- Energy, especially electricity and gas
- Qualified and motivated personnel
- As well as a modern technological infrastructure (e.g. machinery, production facilities, IT systems)

Procurement is based on established supplier relationships and structured tendering and approval processes.

In the area of energy, we are increasingly focusing on certified green electricity, energy efficiency actions and the identification of potential savings.

To obtain skilled workers, we aim to be a highly attractive employer and to further develop our corporate culture. Numerous actions are in place to achieve this, as described in more detail under ESRS S-1 own workforce.

42. b) Outputs and results

Our product and competence portfolio

Our products cover a wide range of solutions, from stampings and shaped components as well as technical springs to complex assemblies, plastic-metal combinations, functional coatings and assembly systems. This versatile portfolio is primarily used in the automotive industry.

In addition, we have in-depth expertise in machine and system construction as well as in electrical and power engineering, which rounds off our technological competence across all industries.

Social commitment

Our social commitment is also very diverse. We support various projects and associations in the fields of education and social affairs, nature conservation, art and culture, sports, especially where our employees are active.

We are a member of the Bavaria-wide initiative "Familienpakt Bayern" (Bavarian Family Pact). As a fourth-generation family-run Company, family-friendly structures are part of our corporate DNA. Accordingly, the families of our approximately 7,300 employees are very close to our hearts. Our commitment to this is therefore deeply rooted in our corporate culture. We want to build bridges between working and family world! That is why we are proud to be able to offer a range of flexible working time models and remote working options.

42. c) Key features of the upstream and downstream value chain and the Company's position in its value chain, including a description of the key economic actors (such as key suppliers, distribution channels and end users) and their relationship with the Company.

We perform a wide range of tasks for our customers. In addition to product manufacturing, we are involved in material, process and product development, work closely with our suppliers in basic research and also take on logistics tasks as needed. This enables us to offer our customers comprehensive solutions tailored to their requirements.



Series production

As a Company in the metalworking industry, we primarily source various metal materials from our suppliers. Our upstream supply chain ranges from ore mining, pig iron and steel production to the manufacture of wire, strip and tube material. The latter are usually our direct suppliers.

The manufacture of complex assemblies often requires further purchased parts. In this context, our suppliers include manufacturers of complex components.

At some of our locations, plastics are also processed in addition to metals. Our direct suppliers in this area are producers of plastic granulates. The upstream supply chain includes the extraction of the necessary raw materials, usually petroleum, and their processing into granulate through polymerization, extrusion, cooling and comminution.

At our locations, the purchased materials are processed using methods such as casting, stamping, bending, welding or assembly. We deliver the components manufactured in this way to our customers, who are predominantly Tier x suppliers or OEMs (original equipment manufacturers) in the automotive value chain. They integrate our products into various vehicle models, which are sold to the end customers via the OEMs' sales structures. There is no direct contact between us and the end customers.

At the end of a vehicle's life, it is usually handed over to a disposal Company. There, recyclable parts are removed, the remaining material is shredded, separated by type and the metals it contains are returned to the recycling cycle.

Machine and system construction

Due to the complexity of the systems, our upstream supply chain is also very diverse. We purchase mechanical components such as casings, drive components, guide rails, standard parts such as screws and nuts, electronic components such as sensors, control components and operating devices as well as hydraulics and pneumatics, software, assemblies and modules such as robots and grippers.

Our systems are used at various locations of the SCHERDELGroup as well as at external companies. The range of applications is wide: we offer customized solutions for the metalworking industry as well as industry-specific systems for residential and commercial construction, interior design and aircraft construction.

After decommissioning the systems from service, reusable modules are removed and reused; the remaining components are shredded and recycled in accordance with industry standards.

ESRS 2-SBM 2 Interests and views of stakeholders

45. a) i. Key stakeholders

Our most important stakeholders include our customers, suppliers, employees, legislator, and all those in politics, business, and society who are interested in the sustainable actions of the SCHERDELGroup. The definition of our stakeholder groups is based, among other things, on our statutory mission and was determined with the involvement of our General Management.

45. a) ii. Stakeholder involvement and categories

Shareholders

- Shareholders' meetings
- Quarterly reports

Customers

- Customer satisfaction evaluations via customer portals
- Occasional discussions

Suppliers

- Supplier audits
- Self-disclosure questionnaires
- Occasional discussions

Employees

- Employee surveys or event-related surveys
- Works meetings
- Employee appraisals

Legislator/authorities

- Legal database
- Involvement in sustainability initiatives, e.g. "Umweltpakt Bayern" (Bavarian Environmental Pact)

45. a) iii. Organization of involvement

Customer satisfaction evaluations

To make our performance in the area of sustainability visible and measurable, we are represented on various sustainability portals. These include SAQ 5.0, the globally recognized sustainability standard in the automotive industry, the Carbon Disclosure Project, Ecovadis and Integrity Next. By communicating their key issues, target ratings and assessments via these platforms, our customers provide us with feedback on both our strengths and the actions we still need to take to meet their expectations.

The portals are filled and monitored by the Sustainability and HSE Management team. The requirements are thus collected centrally and can be incorporated into internal processes.

Employee surveys:

Employee surveys are conducted regularly at our locations. These surveys provide information about employee satisfaction and motivation, the quality of cooperation and changes in corporate culture. By giving employees the opportunity to provide open feedback in the surveys, we also encourage them to suggest specific improvements, which we then use to develop actions for optimizing our performance as an employer. The results of the employee surveys are evaluated location per location and also serve as a basis for regular dialogue between executives and employees in the individual departments and units of our Company.

Supplier discussions

Through regular and structured information sharing with our suppliers, for example in the context of supplier audits, feedback on standardized questionnaires or ad hoc discussions such as annual target agreements, we ensure that our requirements are communicated transparently along the supply chain.

At the same time, we receive valuable feedback on the expectations, challenges, and development needs on the part of our suppliers. These findings are recorded and evaluated by the central purchasing department and incorporated into the materiality analysis and sustainability reporting.

Commitment to sustainability initiatives

Bavarian Environmental Pact: For many years, we have been an active participant in the Bavarian Environmental and Climate Pact, a voluntary cooperation between the Bavarian state government and industry. The aim of this partnership is to foster an open dialogue on environmental and sustainability issues, within the framework of which joint and practical solutions are developed. We participate through our active environmental management system and the consistent definition and implementation of actions and targets, in order to keep our impact on the environment as low as possible.

Association of the German Spring Industry (VdFI): As spring manufacturing is a central focus of our production, we are an active member of the Association of the German Spring Industry (VdFI). Regular briefings and seminars keep us informed about current developments and changes in the field of sustainability. At the same time, membership offers the opportunity to exchange ideas with the association's management and to discuss our own questions and concerns.

45. a) iv. Purpose of involvement

By involving the interests of stakeholders, we want to learn about their needs with regard to sustainability issues. These insights serve to further develop our sustainability activities in line with requirements and thus, for example, increase the satisfaction of our customers and employees.

45. a) v. Consideration of the results

The results of the stakeholder dialogues are incorporated into our materiality analysis and taken into account in the further development of our sustainability strategy.

In addition, relevant feedback is discussed in interdisciplinary sustainability committees and, if necessary, translated into concrete actions.

45. b) Understanding the interests and views of key interest groups in relation to the Company's strategy and business model

The insights gained from stakeholder dialogues are specifically incorporated into the fulfillment of our due diligence obligations, in particular for the identification and prioritization of risks along the value chain. We also take these perspectives into account in the ongoing review and adjustment of our materiality matrix.

For example, an evaluation of our customers' demands reveals an expectation that we should reduce the GHG footprint of our products and, in the long term, produce in a climate-neutral manner. This demand has been taken into account in the definition of our climate strategy. In addition, there is an increased focus away from combustion engines and toward e-mobility.

45. c) i. Description of how the strategy and/or business model has been or is likely to be changed to take account of the interests and views of stakeholders

Our climate strategy is regularly reviewed and adapted to customer requirements. As one of our customers' priorities is to use green electricity to manufacture their products, we have also adopted this as a cornerstone of our strategy and will purchase 100% green electricity at all our German locations by 2030, as well as purchase electricity on a demand-oriented basis at our global locations.

Changes in legal requirements are also closely monitored and consistently implemented.

45. c) ii. Description of further planned steps and time frame

No further steps are planned.

45. c) iii. Whether these steps are expected to change the relationship with stakeholders and their positions.

The steps we have taken position us as an attractive, sustainable, future-oriented Company in the supply chain.

45. d) Description of how administrative, management and supervisory bodies are informed about the views and interests of affected interest groups with regard to sustainability-related impacts

Our stakeholder analysis was prepared by a multidisciplinary team of representatives from the relevant departments and coordinated with the General Management. It is reviewed annually as part of our management review and updated as necessary.

Our regular meetings in the Climate Strategy Steering Committee with representatives of the General Management and the specialist departments incorporate the current demands of our stakeholders on the subject of climate and energy. If necessary, further actions are defined and integrated into our climate strategy.

The current demands of our stakeholders are also discussed at the weekly management meeting. Among other things, the views and demands of customers and suppliers are incorporated into the discussions by the heads of the Purchasing and Sales Divisions.

In addition, the head of the Quality Division reports to the General Management on a quarterly basis, including current sustainability issues.

Thematic disclosure obligations: S1 Own workforce

S1 12. Interests, views and rights of people in our own workforce

Through various established dialogue formats, the views of employees are incorporated into Scherdel's strategies, decisions, and actions.

- Regular dialogues between employees and their executives (e.g. annual target agreement and target achievement meetings).
- Works meetings: In Germany, for example, the General Management participates as a guest of the works council, as questions from employees to the General Management are an integral part of this works council event.
- Regular exchanges, consultations and negotiations between the General Management, the Central Human Resources Division, the works council and the works council committees take place several times a year or as needed, e.g. for the conclusion of works agreements.
- Employee surveys: Regular employee surveys at the various locations provide information about employee satisfaction and motivation, the quality of cooperation and changes in corporate culture. By allowing employees to provide open answers in the surveys, we also encourage them to give specific suggestions for improvement, from which we derive actions to optimize our performance as an employer. The results of the employee surveys also serve as a basis for regular dialogue between executives and employees in the individual departments and units of our Company.
- Location-specific events

Thematic disclosure obligations: S2 Workers in the value chain

S2 9. Interests, positions and rights of workers in the value chain

Sustainability in purchasing

The purchasing process is based on clearly defined procedures and responsibilities that are firmly anchored in Scherdel's process landscape. In its purchasing process, Scherdel endeavors to take the regional principle into account, according to which we value the sustainability principle and the involvement of local or regional small and medium-sized enterprises or suppliers. Based on its understanding of sustainability, Scherdel takes not only economic but also social, ethical and ecological aspects into account when procuring goods and services.

Annual meetings are held with Scherdel's strategic suppliers. During these meetings, the supplier's annual performance evaluation is discussed and possible or necessary changes, including sustainability aspects, are discussed. The aim is to achieve positive supplier development and maintain a positive rating in the long term. In particular, we note in the meetings that Scherdel's suppliers are on the path to sustainable development or are already implementing it.

Our suppliers must be approved for delivery. As part of the approval process, the supplier receives a self-disclosure questionnaire that outlines the supplier's profile. One part of the questionnaire is a section on sustainability, which asks about current certifications related to environment, energy, occupational safety and social issues. If no certified management systems are in place, a basic level of protection must be ensured through other appropriate actions.

In addition, the supplier must accept our Supplier Policy based on the German Supply Chain Due Diligence Act (LkSG) and the UN guidelines or provide an adequate document of their own.

In order to approve the supplier, a comprehensive risk analysis of geological, economic and technological risks is carried out. Sustainability issues can be taken into account in the supplier-related risk analysis.

We conduct process audits of our suppliers in accordance with VDA 6.3 at regular intervals. These audits also include a sustainability assessment in the form of a questionnaire, in which the information provided in the self-disclosure process

and the compliance with our Supplier Policy are checked on location. If necessary, actions are defined together with the supplier.

Thematic disclosure obligations: S3 Affected communities

S3 7. Interests, positions, and rights of affected communities

The double materiality analysis and risk analysis for our own business area and our suppliers in accordance with the German Supply Chain Due Diligence Act (LkSG) carried out during the reporting period did not reveal any material risks in terms of human rights for affected communities and/or indigenous peoples.

An analysis tool from the Agency for Economy and Development (AWE) serves as the basis for assessing the impacts, risks and opportunities. This tool maps country-specific and industry-specific CSR risks based on international studies. It takes into account key topics such as human rights and ethics, environmental issues and labor and social standards, also in relation to affected communities.

If communities feel that their views, interests and rights are affected by SCHERDEL's business activities, they can use the LkSG complaint procedure, which is accessible via the SCHERDEL website, to submit their concerns.

Thematic disclosure obligations: S4 Consumers and end users

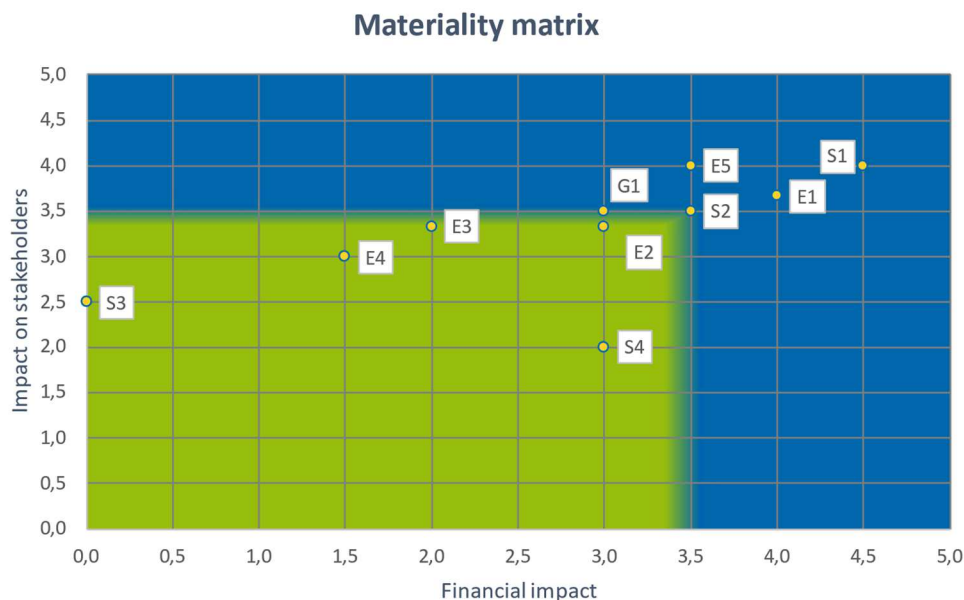
S4 8. Interests, positions and rights of consumers and/or end users

The double materiality analysis carried out during the reporting period did not reveal any material risks for consumers nor end users.

The SCHERDELGroup only supplies assemblies or parts that are installed in our customers' products, before being delivered to consumers or end users, i.e. SCHERDEL has no direct contact with consumers nor end users.

ESRS 2-SBM 3 Material impacts, risks and opportunities and their interaction with strategy and business model

Based on our double materiality analysis, all issues whose impact on stakeholders or financial impact on SCHERDEL exceeds the threshold of 3.5 were considered material. The methodology for identifying material issues is explained in more detail under IRO 1.



48. a) Explanation of material impacts, risks and opportunities and where they are concentrated in the business model and value chain

Environment

Our environmental impacts, risks and opportunities (IROs) focus on climate change and the circular economy.

The emissions generated by our own energy consumption as well as by the energy consumption of our suppliers in the production of materials such as wire and strip material contribute to the climate change in our upstream supply chain.

At the same time, increasing demands from legislators and customers to reduce greenhouse gas emissions represent a potential cost risk. However, with early and strategic positioning, these requirements can also be used as an opportunity and offer a clear competitive advantage.

In the area of circular economy, our focus is on responsible waste management. Due to our production processes and the use of hazardous substances, various types of hazardous waste are generated that must be properly recycled or disposed of. This waste can have a negative impact on the environment.

In addition, legal requirements for disposal are constantly increasing, leading to rising disposal costs. To counteract these developments and achieve ecological and economic improvements, we are continuously implementing actions to reduce waste generation.

Social

Our IROs' focus in the social sphere is on our own workforce and workers in the value chain.

Through actions such as fair remuneration, transparent internal communication with regular exchange formats, continuous training opportunities and comprehensive health and safety management, we strengthen the satisfaction and motivation of our employees.

This targeted promotion of the working environment not only has a positive effect on the working atmosphere, but also opens up opportunities for our Company, for example through higher retention, increased motivation and improved employer attractiveness.

Globally networked supply chains and differing legal and social standards in the respective countries increase the risk of suppliers violating fundamental labor and human rights, such as the core labor standards of the International Labor Organization (ILO) or our own sustainability standards.

As part of the risk analysis anchored in the German Supply Chain Due Diligence Act (LkSG), priority countries were identified in which there is an increased risk of human rights violations such as child or forced labor. The exact priorities are explained under topic area S2.

Governance

The focus in the area of governance is on our relationships with our suppliers. Through our guidelines in the area of supplier management, we can achieve a positive impact on our supply chain.

Internally, too, a positive corporate culture leads to greater employee loyalty and opportunities for SCHERDEL.

48. b) Current and expected influence of material IROs on business model, value chain, strategy and decision-making process, as well as the way in which this influence is being or will be addressed

Environment

The SCHERDEL climate strategy was launched in response to changing requirements in the area of climate change. This strategy and the associated actions are supposed to reduce our impact and that of our supply chain, while at the same time meeting customer and legislative requirements. This strategy is adapted at regular intervals and in response to changing conditions.

Waste was identified early on as a material environmental impact and is an integral part of our sustainability directive. Its reclassification as material confirms our efforts to date and motivates us to continue pursuing them consistently. These include actions such as the continuous search for reduction potential, the testing of substitute materials to use less hazardous materials, and the regular auditing of our waste disposal service providers to ensure legally compliant and environmentally friendly disposal.

Social / Governance

The importance of employee satisfaction for our business model is already evident in its anchoring within our six corporate targets. Leadership culture in particular plays a central role here. The fundamental expectations of our executives are set out in binding leadership principles and form the basis for value-oriented employee management.

The protection of health and safety is an integral part of our HSE policy. As part of our established management systems, specific targets and actions are regularly defined in order to achieve continuous improvement and ensure that our high standards are maintained in the long term.

The potential risks and opportunities along the supply chain confirm our current risk management for our suppliers and the associated preventive actions, such as our Supplier Policy and the consideration of sustainability issues in supplier approval, evaluation and auditing.

48. c. i) Impact of the Company's material negative and positive effects on people or the environment

Environment

The energy consumption in our processes leads to the release of emissions that exacerbate the greenhouse effect and thus accelerate climate change. Further emissions are generated during the thermal recycling of our waste. In addition, the landfilling of non-recyclable waste leads to the creation of contaminated locations, which can pose a long-term burden on the environment and soil.

Social

Through the continuous implementation of actions in the areas of fair pay, social dialogue, further training and occupational health and safety, the SCHERDELGroup actively contributes to the physical well-being of its employees. These actions not only promote satisfaction and motivation, but also strengthen financial stability and long-term loyalty to the Company.

Governance

By integrating sustainability requirements into our supplier management, the SCHERDELGroup can have a positive impact on the environment, employees and affected communities along the supply chain. Compliance with basic requirements in the areas of environmental protection, human rights and occupational health and safety helps to reduce environmental pollution, promote humane working conditions and strengthen the well-being of local communities.

48. c. ii) whether and how the impacts arise from or are linked to the Company's strategy and business model

The impacts are related to the SCHERDELGroup's business model as a manufacturing Company. Both our own activities and those of our upstream supply chain have an impact on the environment and our employees.

These issues are anchored in our Company-wide strategies and are specifically addressed in order to minimize risks and actively promote sustainable development.

48. c. iii) Expected time horizons for the impacts

Most of the impacts of our actions unfold over a long-term time horizon. Environmental pollution from emissions or waste often has an impact for years before changes occur. Positive effects on employees, such as better working conditions or training opportunities, do not arise in the short term, but are the result of continuous development processes.

48. c. iv) Share of material impacts through activities or business relationships

As a medium-sized group of companies, the SCHERDELGroup contributes to environmental and social impacts through its business activities. Although our share of global environmental impacts, such as emissions, waste or supply chain processes, can be classified as rather low overall, we take our responsibility in these areas seriously. Our influence in the social sphere is significantly greater: as an employer, we can actively shape the satisfaction and well-being of our employees and thus contribute significantly to positive social impacts.

48. d) Current financial impact of material risks and opportunities

Many of the identified risks and opportunities represent a potential financial impact, but did not have any material economic relevance in the current reporting period.

Concrete financial impacts currently arise primarily from transition risks related to climate change. Actions such as the switch to green electricity through adjusted energy contracts, the expansion of photovoltaic systems and the increase in personnel in the area of sustainability led to additional costs.

In terms of our own workforce, absenteeism due to illness or accidents in particular leads to additional financial burdens.

48. e) Expected financial impact of material risks and opportunities

Additional financial expenses in connection with climate change are also to be expected in the future, particularly due to increasing customer demands and stricter legal requirements. The implementation of these requirements, for example with regard to reporting obligations, transparency of emissions throughout the product life cycle and actions to reduce emissions will lead to additional costs and an increased need for human resources. At the same time, we see consistent compliance with these requirements as an opportunity to position ourselves at an early stage and achieve long-term competitive advantages through a sustainable and responsible business model.

In terms of our own workforce, we continue to expect high expenses due to absences due to illness and other reasons. Nevertheless, we also see opportunities here: through actions already implemented and planned to promote employee satisfaction and health, we aim to actively address these challenges and achieve positive effects in the long term.

48. f) Resilience of the Company's strategy and business model in terms of its ability to manage its material impacts and risks and capitalize on its material opportunities

A resilience analysis was conducted for the s material impacts, risks and opportunities of our Company. The focus was particularly on the topics of climate change, environmental pollution, circular economy, own workforce, working conditions in the value chain and corporate policy.

The analysis was carried out in collaboration with the persons responsible for the respective subject areas and is methodologically based on the results of the double materiality analysis. The methodology used, the time horizons considered (short, medium and long term), the supply chain segments analyzed and the underlying assumptions and evaluations correspond to those of the materiality analysis.

Overall, the analysis shows that our business model has medium to high resilience to the identified risks. This is supported in particular by:

- the consistent implementation of our climate strategy,
- the calculation of product-specific carbon footprints (PCFs),
- our occupational health and safety actions, and
- the implementation of human rights due diligence along our supply chain.

48. g) Changes to the key IROs compared to the previous reporting period

This is the first report prepared in accordance with CSRD requirements, which is why there are no changes compared to previous reporting periods.

48. h) Detailed description of the IROs that fall under the ESRS disclosure obligations, as opposed to additional Company-specific disclosure

The material IROs disclosed all fall under the thematic disclosure obligations. No additional impacts, risks or opportunities have been identified.

Thematic disclosure obligations: E1 Climate change

E1 18. For each material climate-related risk identified, the Company must explain whether the risk is a climate-related physical risk or a climate-related transition risk.

The following risks were identified as material climate-related risks in the double materiality analysis:

Price increases due to climate-related availability of materials on the market pose a financial risk to Scherdel, as the price increase cannot usually be passed on to customers in full. (E1-1f)

- Extreme weather events caused by climate change, such as floods, storms or fires, can disrupt our supply chains and therefore pose a physical risk to our Company.

The increase in costs resulting from customer demands for greater use of green electricity in production poses a financial risk. In most cases, the price increase cannot be passed on in full to customers who demand green electricity. (E1-2c)

- The switch to green electricity as part of the transition to a lower-emission economy leads to increased energy costs and thus represents a transition risk for us. Investments in the implementation of our energy-saving rules also represent a short-term financial burden. Compared to the conventional electricity mix, these additional costs have a negative impact on our profitability in the short to medium term.

Increased and constantly changing legal requirements in energy and climate protection law necessitate the increased use of resources and employees to ensure compliance. (E1-2d)

- This is a transition risk, as the transformation to a more sustainable and climate-friendly economy is leading to the introduction of more and more legal requirements and regulations. These are aimed at reducing emissions, promoting sustainable technologies, and ensuring uniform reporting on emissions.

E1 19. a) Scope of the resilience analysis

The resilience analysis covers all SCHERDELGroup locations worldwide as well as the upstream supply chain.

The analysis took into account all impacts, risks and opportunities identified as material, both physical risks (e.g., climate-related extreme weather events) and transition risks (e.g. regulatory or market-related changes in the course of decarbonization).

The time frame was differentiated in accordance with ESRS 1 into short-term (current reporting period), medium-term (1–5 years) and long-term (> 5 years) periods.

The results of the analysis are directly incorporated into strategic action planning.

E1 19. b) Timing and nature of the resilience analysis, including the use of climate scenario analysis

The resilience analysis of our corporate strategy with regard to climate-related impacts, risks and opportunities was carried out following the materiality analysis in the first quarter of 2025 in preparation for the 2024 reporting. All topics identified as material were systematically evaluated.

For these topics, we compiled existing actions and reviewed their effectiveness, both in terms of limiting material risks and exploiting potential opportunities. Where existing actions were insufficient, additional action was identified. These are incorporated into the action planning in accordance with ESRS E1-3.

E1 19. c) Results of the resilience analysis

Many of the material impacts, risks and opportunities identified in the materiality analysis have already been recognized in the general risk management process and in ongoing business operations and addressed with appropriate actions. In numerous cases, established protective mechanisms or contingency plans are already in place and are considered appropriate and effective. Therefore, no additional actions are currently necessary or appropriate in these areas. An optimization of CO₂ emissions calculation at the product level is already in development in order to make the best possible use of the potential for differentiated and transparent communication with customers.

Potential for improvement has been identified in particular in the area of compliance with constantly changing requirements of energy and climate protection law. In addition, there are opportunities in the use of available subsidy programs. In both areas, bottlenecks in human resources have been identified, which are to be remedied in the future through targeted capacity development.

Thematic disclosure obligations: E4 Biodiversity and ecosystems

E4 16. a) i. Activities with negative impacts on biodiversity areas in need of protection

The double materiality analysis did not identify any activities that are located in biodiversity areas in need of protection or that have a negative impact on biodiversity.

E4 16. a) ii. Breakdown of locations

The headquarters are located in Marktredwitz. There are 35 production locations, logistics centers and development locations worldwide. A current overview can be found on our website.

None of these locations has any material impacts nor dependencies in relation to biodiversity.

E4 16. a) iii. Affected biodiversity areas in need of protection

No biodiversity areas in need of protection are affected by SCHERDEL locations.

E4 16. b) Material negative impacts in terms of land degradation, desertification or soil sealing

The Company has identified material negative impacts in relation to land degradation, desertification or soil sealing.		Yes	X	No
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E4 16. c) Activities affecting endangered species

The Company carries out activities that impact endangered species.		Yes	X	No
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Thematic disclosure obligations: S1 Own workforce

S1 13. a) Impacts on own workforce are aligned with strategy and business model or contribute to their adaptation

The impacts identified as material are consistent with the targets and targets of our corporate strategy. For example, appropriate remuneration for our employees worldwide is firmly anchored in our sustainability directive and forms a central principle of our business activities.

As part of the HSE (Health, Safety & Environment) policy contained therein, we are committed to maintaining the health of our employees and ensuring safe, ergonomic and healthy working conditions. Trust-based cooperation with the Company doctor plays an important role here, he is available to employees as a contact person for all questions related to health in the workplace.

Social dialogue within the Company is also a significant part of our corporate culture. Regular, appreciative employee appraisals and an open and transparent information culture promote mutual trust and strengthen teamwork. The relevant guidelines are laid down in our management principles, which serve as a binding framework for all executives.

Our strategies are subject to regular review and are adapted to changing conditions as necessary. Findings from the assessment of material impacts are incorporated into the adaptation process in a targeted manner, where necessary.

S1 13. b) Relationship between material risks and opportunities and the strategy and business model

The risks and opportunities also lie in the areas of fair remuneration, social dialogue, and health and safety. These are systematically incorporated into our strategic considerations and taken into account accordingly, as are the material impacts.

Additional potential lies in the continuous training and skills development of our specialist workers. In our sustainability directive, our guiding principles and fundamentals of management as well as our corporate targets, we attach great importance to training and development, both in terms of the individual advancement of our employees and in terms of targeted adaptation to changing operational requirements.

S1 14. a) Type of employees and nonemployees affected by material impacts.

All employees of the SCHERDELGroup may be affected by the impacts identified as material. This also includes persons who are provided by third-party companies in the course of temporary employment or who work as service providers at our locations.

S1 14. b) Are material negative impacts in the Company's areas of activity systemic or individual?

No material negative impacts have been identified.

S1 14. c) Description of activities that lead to material positive impacts and the types of employees who may be positively affected.

Location-specific, appropriate remuneration contributes significantly to employee satisfaction. This is promoted by transparent remuneration models that are developed and reviewed with the involvement of the HR division and the executives.

Open and structured internal communication is particularly important to us. Regular exchange between employees and executives is systematically promoted through standardized employee appraisals. The results of these appraisals are directly incorporated into the individual work organization and personal development of employees.

In addition, regular information about current Company-wide developments contributes significantly to transparency and identification with the Company. This is achieved through plant meetings, departmental meetings, intranet posts and video messages from the General Management, actions that strengthen employee loyalty and satisfaction.

Close cooperation with our Company doctor also makes a valuable contribution to health, motivation and job satisfaction. Regular, needs-based examinations and ergonomic reviews of workstations promote physical well-being and benefit the concerned employees.

S1 14. d) All material risks and opportunities.

A competitive and attractive salary level contributes significantly to increasing employee satisfaction. This has a positive effect on employee retention, reduces fluctuation and improves our position in attracting qualified specialists. In the long term, this strengthens the competitiveness of the Company. (S1-1i)

The opportunity for employees to submit suggestions for improvement via the idea management system can lead to process optimization and cost savings. (S1-1j)

An increased number of days lost due to illness or accidents, especially if these are attributable to workplace-related risks or illnesses, leads to considerable financial burdens for the Company. In addition, reduced performance and motivation of the employees affected due to illness impair operational efficiency and the general working atmosphere. (S1-1aa)

Consistent implementation of actions to ensure safe workplaces, for example through regular risk assessments, targeted initiatives as part of occupational health management and, in Germany, close cooperation with health insurance companies and the "German Social Accident Insurance Institution for the woodworking and metalworking industries" (BGHM), contributes effectively to reducing absenteeism due to illness or accidents. This also reduces costs and strengthens the operational performance. (S1-1ag)

SCHERDEL promotes the continuous development of its employees' skills by providing a wide range of training and further education opportunities. The aim is to train skilled workers at an early stage, enable internal promotion opportunities, and actively counteract the existing shortage of skilled workers. These actions contribute to securing long-term expertise within the Company and to strengthen the Company's competitiveness. (S1-1am)

S1 14 e) Any material impacts on its own workforce that may result from transition plans with the target to reduce negative impacts on the environment and to achieve more environmentally friendly and climate-neutral operations

No material impacts on the Company's own workforce have been identified based on a transition with the target to reduce negative environmental impacts.

S1 14 f) Activities that pose a material risk of incidents of forced labor, including the nature of the activity and the geographic areas.

There is no material risk of forced labor for our own workforce. Our employees are free to terminate their employment at any time in accordance with the applicable contractual and legal regulations. We do not retain any identification documents such as passports or identity cards.

In addition, all plant managers sign our sustainability directive, committing themselves to our compliance principles, including the unconditional rejection of forced or compulsory labor. Compliance with these requirements is regularly monitored through internal audits.

S1 14 g) Activities that pose a material risk of child labor incidents, including the type of activity and the geographic areas.

There is no material risk of child labor for our own workforce. As part of the recruitment process, the personnel documents of all applicants are carefully checked to ensure that they meet the minimum age requirement for employment as stipulated by law. Children below this age limit are not hired under any circumstances.

In addition, all plant managers sign our sustainability directive, committing themselves to our compliance principles, including the unconditional rejection of forced or compulsory labor. Compliance with these requirements is regularly monitored through internal audits.

S1 15) Disclosure of whether and how an understanding has been developed of the extent to which individuals with certain characteristics and those working in certain environments or performing certain activities may be at greater risk

As part of our materiality analysis, we systematically identified the impacts, risks and opportunities associated with our own workforce. The workforce was considered as a whole, both in terms of personal characteristics and the type of work performed.

Our assessment is based on the results of employee surveys and discussions with relevant departments and stakeholders.

S1 16) Disclosure of which material risks and opportunities relate to specific groups of people and not to the entire workforce.

There is no difference between different groups within the workforce in terms of the identified risks and opportunities.

Thematic disclosure obligations: S2 Workers in the value chain

S2 10. a) Influence and adaptation of strategy and business model in relation to actual and potential impacts on workforce in the value chain

The double materiality analysis identified potential material adverse impacts on workers, particularly in relation to violations of occupational health and safety regulations, which can have a material impact on the health of individual workers.

These potential impacts influence our purchasing strategy. We require our suppliers to comply with applicable laws and verify this in supplier audits. The results of audits and the existence of an occupational health and safety management system are incorporated into the supplier evaluation and risk analysis.

S2 10. b) Relationship between material risks and opportunities as well as strategy and business model in relation to actual and potential impacts on workers in the value chain

The double materiality analysis identified potential material risks related to incidents of child and forced labor and their negative impact on the SCHERDELGroup.

These risks were also taken into account in our purchasing strategy. All suppliers must commit to prohibiting child and forced labor in their supply chain and pass this on to their own suppliers. Compliance is checked during our supplier audits. The result influences the supplier evaluation and risk analysis.

S2 11. All workers in the value chain who are likely to be affected by material impacts are covered by the disclosure under ESRS 2

All workers in the value chain who may be affected by material impacts are covered by the disclosure under ESRS 2.	X	Yes		No
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S2 11. a) i. Workers who work at the Company's locations but are not part of its own workforce, who are primarily engaged in the placement and supply of workers

Workers who work at the Company's locations but are not part of its own workforce may be materially affected.		Yes	X	No
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S2 11. a) ii. Workers employed by companies in the Company's upstream value chain

Workers who work for companies in the Company's upstream value chain may be materially affected.	X	Yes		No
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S2 11. a) iii. Workers employed by companies in the Company's downstream value chain

Workers employed by companies in the Company's downstream value chain may be materially affected.		Yes	X	No
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S2 11. a) iv. Workers employed by a joint venture or special purpose vehicle in which the reporting Company has a stake

Workers employed in a joint venture or special purpose acquisition Company in which the reporting Company has a stake may be materially affected.		Yes	X	No
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S2 11. a) v. Workers in the value chain who are particularly vulnerable to negative impacts due to inherent characteristics or specific circumstances

Workers who are particularly vulnerable to adverse impacts due to their inherent characteristics or specific circumstances may be materially affected.		Yes	X	No
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S2 11. b) Geographic areas or raw materials with a material risk of child labor or forced labor for workers in the value chain

Country-specific human rights risks for workers in the value chain were also systematically taken into account in the materiality analysis.

The basis for risk identification was internationally recognized sources, including reports from the International Labor Organization (ILO), UNICEF and WHH.

Increased risks of child labor were identified, particularly in India, Brazil and China, where our Company also has supply relationships. There is also an increased risk of forced labor in these countries.

S2 11. c) i. Widespread or systemic material negative impacts on workers in the value chain in the contexts in which the Company operates or has procurement or other business relationships

According to information from ILO, AWE and UNICEF, the identified material negative impacts on working conditions occur in various countries, e.g. Brazil, India, China and Turkey. They do not occur nationwide, but repeatedly.

There is currently no systemic impact, which is why the negative impacts have been assessed as potential. However, there are also increased industry-specific risks in metal processing.

S2 11. c) ii. Material negative impacts on workers in the value chain in connection with individual incidents or specific business relationships

The identified material negative impacts on violations of occupational health and safety legislation are not based on actual incidents, which is why they have only been assessed as potential. These are theoretically possible negative exceptions.

S2 11. d) Description of activities that lead to positive impacts and of the types of workers in the value chain that are or could be positively affected

The SCHERDEL Group has integrated a variety of preventive actions into its purchasing processes to promote the implementation of environmental and social practices among its suppliers. These include our Supplier Policy, the consideration of sustainability aspects in supplier approval, and the implementation of sustainability audits.

S2 11. e) Material risks and opportunities related to workforce in the value chain

Unfair remuneration of parents, cost pressure, and labor shortages can lead to child labor at suppliers. Such incidents would not only violate human rights standards, but could also lead to losses in sales and market share, damage to SCHERDEL's image, and financial penalties. (S2-3a)

Cost pressure and labor shortages can lead to forced labor at suppliers. Such incidents would not only violate human rights standards, but could also result in losses in sales and market share, damage to SCHERDEL's image, and financial penalties. (S2-3c)

S2 12. Processes to determine whether and how an understanding has been developed of the extent to which workers with certain characteristics and workers who work in a particular environment or perform certain activities may be more vulnerable to negative impacts

Our assessment of the risks of negative impacts such as poor working conditions or non-compliance with occupational health and safety rights in the supply chain is based primarily on studies and reports by the International Labor Organization (ILO) and other international organizations.

Countries with weak labor law structures or poor enforcement of existing laws are particularly affected. In addition, employees in high-risk sections of the supply chain, especially in mining, are particularly exposed.

The groups at risk include, above all, informal or precarious workers, for example those in temporary work, fixed-term employment, domestic work, migrant work, or forms of false self-employment. Young, older, and low-skilled workers are also disproportionately affected by labor law violations.

S2 13. Impact of material risks and opportunities on specific groups (e.g. specific age groups, workers in a specific plant or country) or impact on all workers in the value chain

The identified risks related to child labor and forced labor are concentrated in certain regions and do not affect all employees along the entire value chain equally.

There is an increased risk of child labor, particularly in countries such as India and Brazil, especially in the informal sector and in raw material extraction. Risks have also been identified in individual regions and sectors in China.

Children aged 5 to 14 from low-income families, members of ethnic minorities, and non-native or migrant workers, who often have less legal protection and limited access to labor rights, are particularly at risk.

Thematic disclosure obligations: S3 Affected communities

The double materiality analysis and risk analysis for our own business area and suppliers in accordance with the German Supply Chain Due Diligence Act (LkSG) carried out during the reporting period did not reveal any material human rights-related risks for affected communities and/or indigenous peoples.

If communities feel that their views, interests and rights are affected by SCHERDEL's business activities, they can use the LkSG complaint procedure, which is accessible via the SCHERDEL website, to submit their concerns.

Thematic disclosure obligations: S4 Consumers and end users

The double materiality analysis conducted during the reporting period did not reveal any material human rights-related risks for consumers and end users.

If they feel that their views, interests, and rights are affected by SCHERDEL's business activities, they can use the LkSG complaint procedure, which is accessible via the SCHERDEL website, to submit their concerns.

ESRS 2-IRO 1 Description of the procedures for identifying and assessing material impacts, risks and opportunities

53. a) Methods and assumptions

The material impacts, risks and opportunities were systematically identified as part of a double materiality analysis. Depending on the level of detail of the respective topic standards, the relevant (sub)topics were assigned to appropriate technical contacts. These contacts either had specific operational knowledge or acted as representatives of relevant stakeholder groups and were thus able to make a well-founded and practical assessment.

Interdisciplinary teams then held brainstorming sessions to identify impacts and associated risks and opportunities. The discussions and assessments were based on the results of the stakeholder analyses described under SBM-2, so that both internal perspectives and external expectations were incorporated into the analysis.

The assessment was based on the extent, scope, reversibility and probability of occurrence over a short-term, medium-term or long-term time horizon. The issue was assessed as material if it exceeded a defined threshold for material or financial significance.

The assessment assumed that the relevance of the defined impacts, risks and opportunities is increased if there is a close connection to our core business.

53. b) Overview of the process for identifying, assessing, prioritizing and monitoring the potential and actual impacts of the Company

53. b) i. Focus on specific activities, business relationships, geographic factors or other factors

Our business activities are focused on Germany, Slovakia, Czech Republic, France, Portugal, USA, Mexico, Brazil, India, China and Japan. All impacts of our activities and business relationships in these areas and geographic features, such as the location in water protection areas, which may have a material impact, are included in the process.

53. b) ii. Consideration of the impacts in which the Company is involved through its own activities or business relationships

As part of the materiality analysis, we systematically determined the extent to which our own business activities, particularly in the areas of production and procurement, cause potential or actual impacts on the environment and society. All associated potential and actual impacts on people and the environment are recorded and assessed within the framework of the respective thematic priorities.

In addition, we also analyze impacts in which we are indirectly involved through our business relationships, particularly in the upstream part of our supply chain.

We need various metal materials for our products, especially steel. In order to adequately consider the environmental and social impacts along the value chain, from ore mining to steel production, we specifically include these aspects in our materiality analysis.

As part of our implementation of the Supply Chain Due Diligence Act, we conduct a structured risk analysis of our suppliers. The findings from this analysis are also incorporated into our assessment of material sustainability issues in accordance with the CSRD.

53. b) iii. Description of how the process includes consultation with affected interest groups and external experts to understand how they may be affected

As part of the materiality analysis, relevant stakeholders were systematically involved in the identification and assessment of material impacts, risks and opportunities.

Customer participation

We regularly receive feedback from our customers on the sustainability issues that are particularly relevant to them via various sustainability portals and standardized questionnaires. We take these requirements and prioritized issues, including the minimum standards formulated therein, into account when determining and assessing our impacts, risks and opportunities.

Employee participation

Employee surveys at our locations give us an impression of the issues that concern our employees. Some aspects are already covered by the questionnaire. However, there is also the option of providing open-ended information and setting your own priorities.

There are also various other dialogue formats in which employees can express their concerns. These include works meetings, employee appraisals, and discussions between the General Management, the HR department, and the works council. The results of the evaluation are primarily taken into account in topic area S1, own workforce.

Supplier participation

To take into account the interests and perspectives of our suppliers, we rely on various dialogue formats that enable us to systematically record relevant sustainability issues. Our supplier management is based on our Supplier Policy, in which we clearly formulate and communicate our requirements in the area of sustainability. In addition, we use a standardized self-disclosure questionnaire.

In addition, we conduct regular process audits of our suppliers, which also include a sustainability assessment.

Feedback from suppliers, both via questionnaires and direct communication, provides important insights into which issues are perceived as particularly relevant in the supply chain.

To supplement our assessments, we also incorporate external analyses and studies on human rights and environmental risks in global raw material supply chains. These are incorporated into our risk analysis and the continuous development of our due diligence processes.

Representatives of the stakeholder group assessed as relevant are present during the materiality analysis for the individual topics. They either belong to the stakeholder group themselves or are able to represent the views and interests of the stakeholders through regular, intensive communication with the latter.

53. b) iv. Description of the process for prioritizing negative and positive impacts and for determining which sustainability issues are material for reporting

The assessment was carried out using a scale in each case.

Extent/severity	
0	No impact
1	Very low
2	Low
3	Medium
4	High
5	Very high

Scope		
0	No impact	
1	Limited / local	Individual persons in a specific country or location
2	Concentrated	A larger number of people
3	Medium / national	All employees in a country or location.
4	Cross-functional	Multiple locations, multiple countries, or a large portion of the workforce.
5	Global / comprehensive	All locations, the entire world, or all people

Irreversibility	
0	No impact
1	Very easy to resolve
2	Can be resolved with a certain effort
3	Difficult to resolve
4	Can only be resolved to a limited extent
5	Cannot be resolved / irreversible

Probability of occurrence		
1	Very unlikely to occur	0–20
2	Unlikely to occur	20–40
3	Realistic occurrence	40–60%
4	Likely to occur	60–80%
5	Assumed to occur	80–100%

The overall assessment of the respective impact is calculated from these individual assessments, with the calculation differing between the individual identified impacts.

Identified impacts	Severity			Probability of occurrence
	Extent	Scope	Irreversibility	
Actual positive impact	50	50	-	-
Actual negative impact	33	33	33	-
Potentially positive impact	25	25	-	50
Potentially negative impact	17	17	17	50

An impact is considered material if the value is 3.5 or higher. The threshold was set at 3.5 because this is the limit for a medium or average rating. In addition, impacts are also considered material regardless of the final score if they are assessed as material based on the Company's internal self-image.

53. c) i. Description of how the relationships between the impacts and dependencies and the risks and opportunities that may arise from these impacts and dependencies were taken into account

Both the assessment of impacts and the assessment of risks and opportunities are carried out on a topic-specific basis with the same participants. If the impacts give rise to risks or opportunities that need to be included in the assessment, these are taken into account.

53. c) ii. Description of how the probability, the extent and the nature of the impacts of the identified risks and opportunities were assessed

The assessment was carried out using a scale in each case. The categorization is based on opportunity or risk.

Probability of occurrence		
1	Very unlikely to occur	0–20
2	Unlikely to occur	20–40
3	Realistic occurrence	40–60%
4	Likely to occur	60–80%
5	Assumed to occur	80–100%

Extent		
1	Non-material impact on business development	< €1,000
2	Minimal impact, possibly noticeable in business development	€1,000–9,999
3	Temporarily impairs business development	€10,000–99,999
4	Threatening/noticeable impact on business development	€100,000–999,999
5	Existential/transformational for the Company	> € 1,000,000

A risk or opportunity is considered material if the value is 3.5 or higher. The threshold was set at 3.5 because this is the limit for a medium or average rating. In addition, risks and opportunities are also considered material regardless of the final score if they are assessed as material based on the Company's internal self-image.

53. c) iii. Description of how sustainability-related risks were prioritized compared to other types of risks

Sustainability-related risks are integrated into the SCHERDELGroup's risk management. There are no differences in prioritization between the individual risk types.

53. d) Description of the decision-making process and the associated internal control procedures

The assessment and definition of material issues is carried out by the respective specialist department on the basis of internal and external information and stakeholder interests. The assessment is then presented to the General Management. Control is carried out annually through internal audits. Among other things, the traceability of the assessments and the implementation of decided actions are checked. If deviations or potential for improvement are identified, appropriate actions are defined and implemented.

53. e) Inclusion in the risk management process

As part of our materiality analysis, we regularly identify issues of particular importance to the SCHERDELGroup that pose potential risks or negative impacts on the environment, society or our Company itself. The risks are systematically assessed based on their probability of occurrence and the expected extent of damage.

The sustainability risks identified in the materiality analysis are systematically integrated into Company-wide risk management. To this end, there is a close link with the central risk and opportunity assessment, in which sustainability aspects are managed and regularly evaluated.

Strategic priorities are set based on the identified risks and opportunities. The results have a direct impact on our business decisions and the orientation of our management systems.

Risks that are subject to dynamic development are continuously monitored, assessed and, if necessary, addressed with additional actions. For example, climate risks are discussed in a regular steering committee consisting of the General Management and the climate strategy team, current developments are assessed, and actions are taken if necessary.

Risks in the area of health, safety and the environment (HSE) are indicated in our integrated management systems. Central and location-specific targets and actions are defined annually. The implementation and effectiveness of these actions are regularly reviewed in internal and external audits.

We also identify risks in our upstream supply chain, e.g. in connection with labor and human rights or environmental standards. This assessment is carried out, among other things, within the framework of the requirements of the German Supply Chain Due Diligence Act (LkSG). Based on this, preventive actions have been defined for our suppliers. If necessary, we apply defined corrective actions. The effectiveness of these actions is checked on a random basis.

53. f) Description of the extent to which and how the process for identifying, evaluating and managing opportunities is integrated into the General Management process

Similar to risk management, the procedure is added to the SCHERDELGroup's integrated management system.

53. g) Input parameters used

The SCHERDELGroup uses both internal and external data sources for its internal analyses. Internal sources include, in particular, consumption, personnel and general location data, as well as information about relevant events during the reporting period.

External data is also incorporated into our assessments, particularly in the supply chain analysis. We rely on scientific studies and public databases, for example to calculate greenhouse gas emissions (GHG).

The analyses cover the entire SCHERDELGroup, with a particular focus on our own locations and the upstream supply chain. The downstream supply chain is also taken into account, but plays a subordinate role. Our products are predominantly supplier parts for the automotive industry, which explains why the control options lie largely with our customers. There is no contact with end customers.

The level of detail of the underlying assumptions varies depending on the data source. Where possible, we work with location-specific actual data, which we regularly collect centrally using established reporting formats. When it comes to information from the supply chain, data collection can be challenging in some cases, as many of our business partners are not required to report. In such cases, we use industry averages or approximate values.

53. h) Description of how the process for identifying, assessing and managing impacts, risks and opportunities has changed compared to the previous reporting period

There is no previous report.

Thematic disclosure obligations: E1 Climate change

E1 20. Description of the process for identifying and assessing climate-related impacts, risks and opportunities.

E1 20. a) Impacts on climate change

To assess the impact on climate change, GHG emissions in scope 1, 2 and 3 were determined in the SCHERDELGroup's business operations.

When recording emission sources (especially in scope 3), we follow the procedure set out in the GHG Protocol so that additional emission sources that appear to be material for the SCHERDELGroup are gradually included and reported in the carbon footprint.

Ultimately, all GHG emissions from business operations reported in the climate balance sheet are "harmful" to the climate and the environment.

For many years, energy management systems in accordance with DIN EN ISO 50001 have been established at various locations, identifying the main energy consumers and implementing annual improvement actions. The savings actions achieved in this way have a positive effect on our GHG emissions.

As part of our climate strategy, we have also set ourselves the target of reducing our emissions by 40% by 2030 in order to make a positive contribution.

However, since the majority of emissions throughout the life cycle of our products are generated in our upstream supply chain, e.g. during ore mining, melting or wire production, this stage of the life cycle was also included in the assessment.

Since our products themselves do not release any emissions during use, the downstream supply chain was omitted from the assessment.

E1 20. b) Climate-related physical risks in our own operations and within the upstream and downstream value chain

E1 20. b) i. Identification of climate-related hazards, taking into account at least high-emission climate scenarios

To identify climate-related physical risks, we assessed the extent to which our locations could be threatened by climate hazards. Both chronic hazards such as changes in temperature and acute hazards such as fires, floods or storms were included in the assessment.

Our supply chain was also analyzed with regard to climate-related risks. In the past, for example, flooding events at individual suppliers have led to restrictions in delivery capacity. These findings were included in the assessment.

E1 20. b) ii. Assessment of the extent to which assets and business activities could be vulnerable to these climate-related hazards in terms of the emergence of gross physical risks

As part of our analysis, we assessed the physical risks to our Company, taking into account our business model and the geographic location of our business area. This revealed that neither our assets nor our own business activities are materially vulnerable to climate-related hazards.

The situation is different with regard to our supply chains. Due to the large number of suppliers involved, some of them are located in regions with an increased risk of natural disasters. This external vulnerability was identified as a material risk in the assessment.

E1 20. c) Climate-related transition risks and opportunities within our own operations and within the upstream and downstream value chain

E1 20. c) i. Identification of climate-related transition events, using at least one climate scenario that considers limiting global warming to 1.5 °C with no or limited overshoot

Current developments from a legal, industry-specific and market-related perspective were used to assess transition risks and opportunities.

One focus was on analyzing changes in legal requirements, particularly in the area of emissions and energy recording. In this context, we identified those regulatory adjustments that have been particularly relevant for our Company in recent years and have already had a concrete impact on our processes and reporting.

Industry-specific developments were also taken into account. As a Company with a focus on the automotive industry, the increased requirements of car manufacturers for CO₂ reduction and transparent reporting of the emissions of our products had a material influence on the assessment.

Changes in market conditions were also included in the analysis. The ongoing transformation of the automotive industry toward electromobility, changing consumer behavior and the associated uncertainties regarding future market developments were also assessed as relevant influencing factors.

E1 20. c) ii. Assessment of the extent to which the Company's assets and business activities may be exposed to gross transition risks or opportunities arising from these climate-related transition events

The increasing focus of the automotive supply chain on CO₂ reduction and climate neutrality represents a material opportunity for our Company. By taking these requirements into account at an early stage and specifically adapting internal processes and products, we can strengthen our market position and potentially gain a competitive advantage.

At the same time, this transformation also entails risks. The implementation of CO₂ reduction actions requires investments, for example in the procurement of green electricity, which must be carefully evaluated in terms of economic efficiency. In addition, it is necessary to identify regulatory developments at an early stage and to provide the appropriate human and financial resources to ensure compliance with new requirements.

Thematic disclosure obligations: E2 Environmental pollution

E2 11. a) Review of locations and business activities in relation to environmental pollution

The environmental assessment identified the locations that, due to their processes, may have an increased environmental relevance and impact on the environment. These locations have a certified environmental management system in accordance with ISO 14001 in order to continuously improve their environmental impact. The locations are reviewed through regular internal and external audits.

In addition, the geographic conditions of the locations, such as adjacent bodies of water or protected areas, were taken into account. Environmental events that have occurred at our locations in the past and their consequences were also included in the assessment.

Information from the risk assessment for iron and steel products from the CSR Risk Check of the Agency for Economic and Development and the Material Change Study of the Drive Sustainability Org. was used to evaluate the supply chain.

E2 11.b) Whether and how consultations, in particular with affected communities, were conducted

The legal requirements of legislation are incorporated into the assessment through our legal directory in the area of environment or the environmental management officers and the respective plant officers.

Affected communities, such as residents or neighbors of our locations, can submit complaints or comments to us either directly or via our whistleblower system. Where available, these were included in the assessment.

Affected communities along the supply chain also have this option to contact us.

Thematic disclosure obligations: E3 Water and marine resources

E3 8. a) Review of assets and business activities related to water and marine resources

During the assessment of environmental aspects, locations with increased environmental relevance in the area of water were identified, including water consumption, extraction or discharge.

These locations have a certified environmental management system in accordance with ISO 14001.

In addition, consideration was given to whether the locations are located in special water protection or water stress areas or are particularly close to seas or oceans.

Water consumption per employee is to be reduced by raising employee awareness. Water consumption is also to be reduced by installing water-saving devices.

E3 8.b) Whether and how consultations, in particular with affected communities, were conducted

With few exceptions, water is sourced exclusively from the public drinking water supply and discharged via the municipal sewage system. Due to these circumstances, there are currently no material water-related risks to the environment or local communities.

Compliance with all relevant legal requirements in the area of water management is regularly checked and ensured by the environmental officers at our respective locations.

The Water Risk Atlas of the World Resources Institute was used to assess the relevance of water stress at our production locations.

As no material impact on water-related resources or affected interest groups was identified, no specific consultation with local communities was necessary during the reporting period. Nevertheless, SCHERDEL ensures that potentially affected stakeholders have the opportunity to communicate concerns or provide information at any time via established communication channels, in particular the whistleblower protection system. No relevant reports were recorded in this context during the reporting period.

Thematic disclosure obligations: E4 Biodiversity and ecosystems

E4 17. a) Process for identifying actual and potential impacts on biodiversity and ecosystems

The legal requirements of legislation are incorporated into the assessment through our legal directory in the area of the environment.

In addition, our locations were analyzed with regard to their surroundings. These are located in designated industrial areas, without direct proximity to sensitive ecosystems or areas with high biodiversity.

Information from risk assessment for iron and steel products according to the CSR Risk Check of the Agency for Economic and Development and the Material Change Study of the Drive Sustainability Org. was used to assess the supply chain.

E4 17. b) Process for identifying dependencies on biodiversity and ecosystems, including the assessment criteria used, and whether this assessment took into account ecosystem services that are or are likely to be affected by disruptions

The SCHERDELGroup's business model and product portfolio were analyzed to determine dependencies. Our products consist almost exclusively of various metals, most of which are reused within the recycling cycle. Renewable raw materials such as natural rubber, which are directly dependent on existing ecosystems, are not used.

To determine dependencies on ecosystem services, potential services were considered and evaluated with regard to the extent to which they could influence the activities of *the* SCHERDELGroup. The location of the locations was also analyzed to determine the extent to which there are interactions with regulatory ecosystem services such as flood protection.

E4 17. c) Identification and assessment of transition risks, physical risks and opportunities

According to the Federal Ministry of Education and Research (BMBF), the loss of biological diversity is also noticeable in Germany: almost a third of all animal and plant species are considered endangered. Alongside climate change, preservation of biodiversity is regarded as one of the greatest challenges of our time.

Nevertheless, internal investigations conducted as part of the materiality assessment show that no material threats or opportunities resulting from this risk driver are relevant to the SCHERDELGroup in the short, medium or long term.

E4 17. d) Procedures for identifying systemic risks

The loss of biodiversity is not a locally limited problem, but a global risk that can destabilize entire systems and also exacerbate other global risks such as climate change. Biodiversity is therefore the economic basis of entire countries and sectors that are directly dependent on it, such as agriculture and tourism.

In our metalworking industry, however, we do not directly use natural resources, neither in our products nor elsewhere in our business model. For this reason, according to our materiality assessment, systemic biodiversity risks are not material to us in the short, medium or long term.

E4 17. e) Processes for consulting with affected communities on sustainability assessments of shared biological resources and ecosystems

The materiality analysis did not identify any Company locations that have a negative impact on biodiversity or ecosystem services. Against this background, no specific consultation with affected communities took place during the reporting period.

Regardless of this, affected interest groups are always welcome to contact the Company with concerns or comments via public communication channels, in particular via the SCHERDELGroup's whistleblower protection system. No relevant reports were received during the reporting period.

E4 19. a) Locations in or near areas with biodiversity in need of protection

The Company has locations in or near areas with biodiversity in need of protection.		Yes	X	No
Activities related to these locations have a negative impact on these areas.		Yes	X	No

E4 19. b) Corrective actions in relation to biodiversity

The Company has concluded that corrective actions related to biodiversity must be taken.		Yes	X	No
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Topic-specific disclosure obligations: E5 Resource use and circular economy

E5 11. a) Review of assets and business activities related to resource use and circular economy

The environmental assessment identified the locations that, due to their processes, may have an increased environmental relevance and impact. These locations have a certified environmental management system in accordance with ISO 14001 in order to continuously improve their environmental impact. The locations are reviewed through regular internal and external audits.

Information from the risk assessment for iron and steel products according to the CSR Risk Check of the Agency for Economic and Development and the Material Change Study of Drive Sustainability Org. was used to assess the supply chain.

E2 11.b) Whether and how consultations, in particular with affected communities, were conducted

The legal requirements of legislation are incorporated into the assessment through our legal directory in the area of environment or the environmental management officers and the respective plant officers.

Affected communities, such as residents or neighbors of our locations, can submit complaints or comments to us either directly or via our whistleblower system. Where available, these were included in the assessment.

Affected communities along the supply chain also have this option for contacting us.

Thematic disclosure obligations: G1 Business Conduct

G1 6.) Description of the process for identifying material impacts, risks and opportunities related to corporate policy

To identify material impacts, risks and opportunities related to our corporate policy, we use the procedure described under IRO-1. In addition, various context-related criteria are included in the assessment.

For example, the legal framework as well as the environmental and social risks vary depending on the country in which the Group operates. These country-specific differences are systematically taken into account. In addition, industry-specific developments and requirements in the automotive industry, particularly with regard to regulatory trends, sustainability

risks, and market changes, are also taken into account both in the assessment of our own activities and in supplier management.

ESRS 2-IRO 2 Disclosure obligations contained in ESRS and covered by the Company's sustainability statement

56. List of disclosure obligations followed

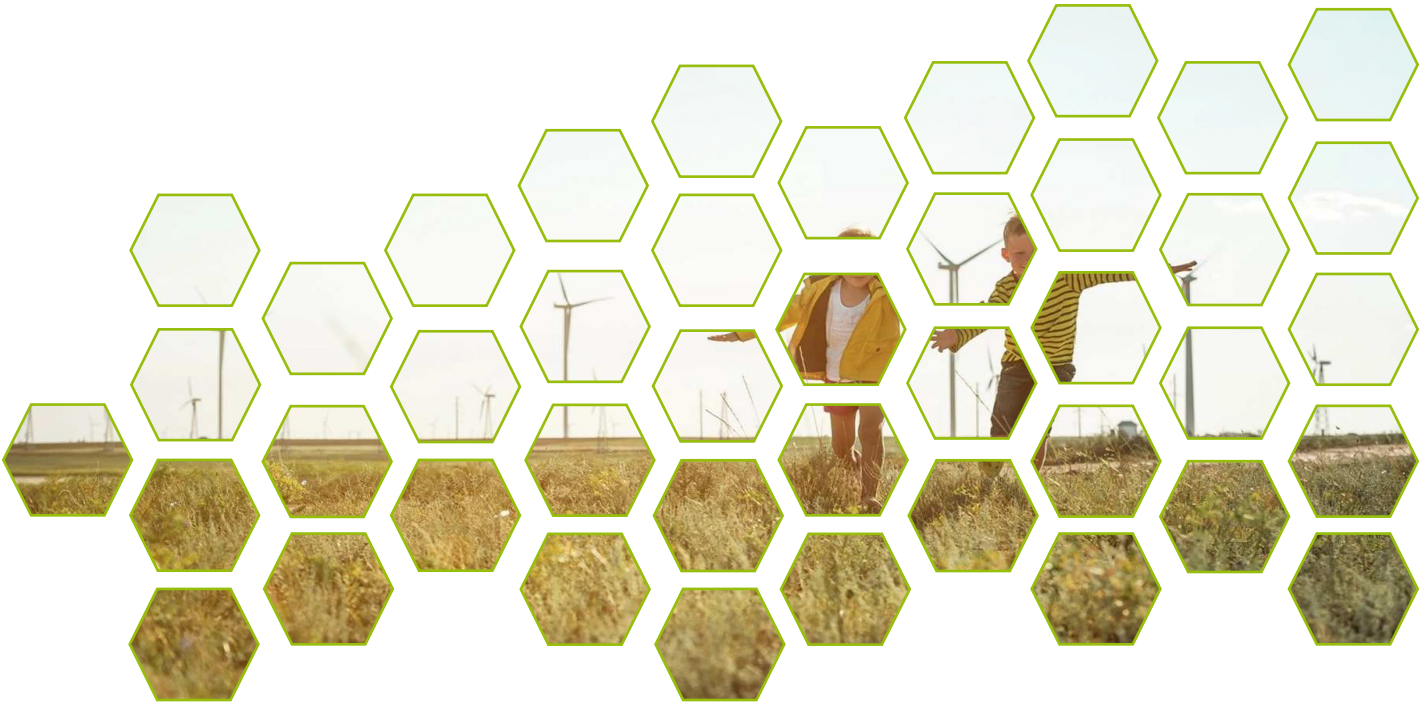
An overview of the disclosure obligations and data points in accordance with EU legislation is provided in Appendices 1 and 2.

59. Explanation of how material information related to material IROs was determined

The information relevant to the material impacts, risks and opportunities was collected in close cooperation with the specialist departments, which were also involved in the materiality assessment process. Both qualitative and quantitative data were collected. Information at Group level was collected and evaluated centrally. Cooperation of the individual plants was required for specific key figures and operational data.

Information at plant level was particularly necessary for the key figures. This data was recorded in monthly meetings with the individual plants and then evaluated. If necessary, queries could also be discussed in this context. The collection methods, evaluation approaches and any thresholds used are described in detail in the respective topic-specific ESRS standards.

Environmental information



ESRS E1 Climate Change

ESRS E1-1 Transition plan for climate change mitigation

16. a) Compatibility of targets with limiting global warming to 1.5 °C in line with the Paris Agreement

Climate change is one of the key challenges of our time. SCHERDEL is actively committed to achieving the targets of the Paris Climate Agreement for the entire economy. The agreement aims to help transform the economy with the target of better climate protection. Against this backdrop, SCHERDEL has set out to promote GHG reduction, among other things. SCHERDEL is committed to the 17 United Nations Sustainable Development Goals and the targets of the Paris Climate Agreement.

In order to ensure consistent and uniform development and implementation of GHG reduction at the individual locations, the General Management has defined an overarching target.

The overarching target of the SCHERDELGroup is as follows.

"We want to reduce our emissions by 40% by 2030." In the event of changing conditions, the overall target will be reviewed and adjusted if necessary.

16. b) Explanation of the decarbonization levers identified and of the actions planned

Based on the SCHERDELGroup's overarching GHG reduction targets, actions for GHG reduction are being gradually and iteratively operationalized and developed, and integrated into the relevant processes.

Accordingly, the initial focus was on identifying GHG sources, actions for achieving the targets, the specific design of KPIs for measuring target achievement, and the integration into the relevant processes were then defined. Among other things, these specific aspects are required for the climate strategy to be published and for integration into sustainability reporting.

The corresponding positioning, content design and implementation speed depend on the existing data and the methods available on the market, and will therefore vary in terms of content and timing.

16. c) Explanation and quantification of the Company's investments and financial resources to support the implementation of its transition plan

To implement our climate strategy, the additional costs for purchasing green electricity were approved by the General Management and investments were made in the installation of our own photovoltaic systems with an installed capacity of approximately 9 MWp.

16. d) Explanation of the potential greenhouse gas emissions associated with the most important assets and products

Assessment has not yet been carried out.

16. e) Explanation of any targets or plans (CapEx, CapEx plans, OpEx) to align economic activities (revenue, CapEx, OpEx) with the criteria set out in Commission Delegated Regulation 2021/2139

Calculation has not yet been performed.

16. f) Material investment expenditure for coal-related economic activities

No coal-related economic activities.

16. f) Material investment expenditure for oil-related economic activities

We have our own fleet of vehicles at our disposal for appointments with customers and suppliers as well as for plant visits.

In 2024, the first electric vehicles were also integrated into the fleet for shorter journeys, particularly in the Marktredwitz area, in order to reduce local emissions and promote more sustainable mobility solutions.

16. f) Material investment expenditure for gas-related economic activities

Gas heating systems are currently still in use at many of our locations. As part of our efforts to reduce direct emissions and switch to more environmentally friendly heating solutions, our headquarters was connected to the local district heating network in the reporting year. The necessary investments were made.

16. g) Exemption from the EU reference values agreed in Paris

The Company is exempt from the EU reference values agreed in Paris.		Yes	X	No
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16. h) Explanation of how the transition plan is embedded in and aligned with the business strategy and financial planning

Following the decision on the overall GHG reduction target, the latter was anchored in the business strategy during the regular meetings of the Climate Strategy Steering Committee. The investments necessary to achieve the target are discussed regularly in the steering committees.

16. i) The transition plan is approved by administrative, management and supervisory authorities

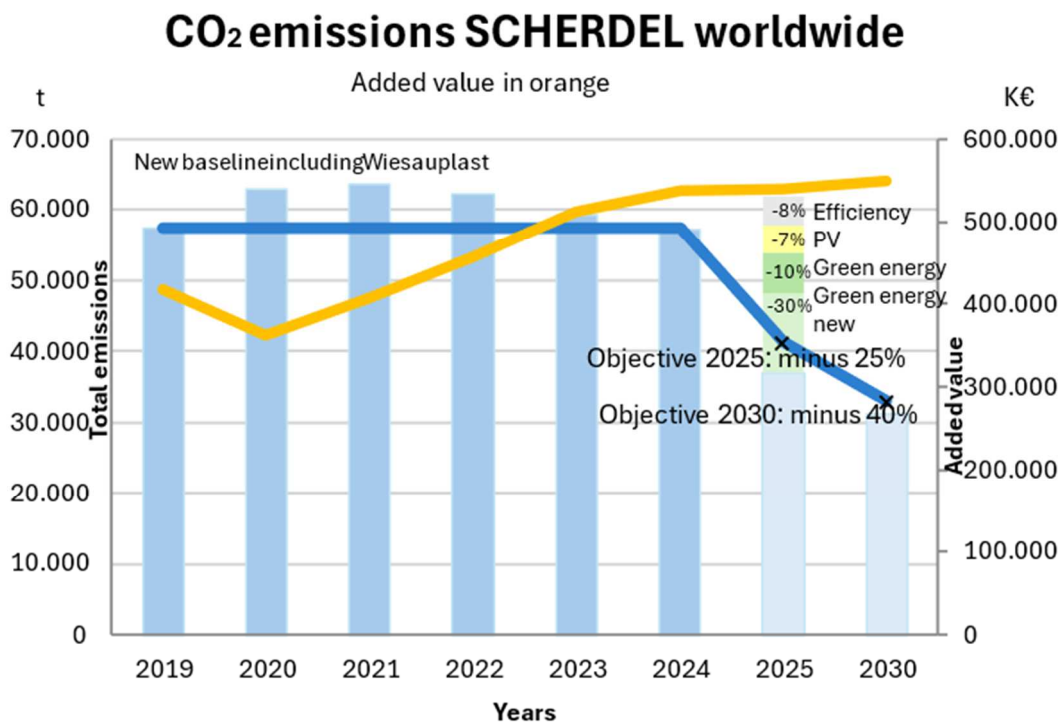
The target and actions of our climate strategy were developed by our climate team and subsequently confirmed and approved by our General Management.

16. j) Explanation of progress in implementing the transition plan

As a first step, SCHERDEL has set itself the target of reducing its emissions by 25% by 2025 compared to 2019 as part of its climate strategy. By implementing savings actions within the framework of existing energy management systems, installing PV systems at a number of SCHERDEL locations, and switching to 100% green electricity at our locations in the Marktredwitz district, we will achieve this target by the end of 2025.

On this basis, we want to reduce our GHG emissions by 40% by 2030. For this purpose, we plan to further utilize and expand our own energy generation at our locations. In addition, basic energy-saving rules have been defined for all locations worldwide in order to promote energy savings even in non-certified plants. Furthermore, from 2030 onwards, we will use 100% green electricity at all our German locations as a minimum.

This strategy will be continuously adapted and expanded in line with current circumstances and requirements.



ESRS E1-2 Policies related to climate change mitigation and adaptation

24. Policies for managing material impacts, risks and opportunities related to climate protection and adaptation to climate change

The sustainability directive also includes statements on our core business in relation to climate protection and adaptation to climate change.

Policies	Sustainability directive
<p>Key content</p>	<p>In addition to our guiding principles and fundamentals of management as well as our corporate targets, the sustainability directive describes the foundation for sustainable development of all organizational units of the SCHERDELGroup. It is intended to highlight the fundamental standards to which we as the SCHERDELGroup aspire to adhere.</p> <p>It is divided into the following topics</p> <ul style="list-style-type: none"> • General principles • Behavior toward employees • Environmental and safety policy <ul style="list-style-type: none"> ○ Part of the HSE policy is the target of reducing our environmental impact, including energy consumption and emissions. • Conduct toward the market <p>The contents of this directive are also communicated to our suppliers in the form of our Supplier Policy.</p> <p>Violation of this directive can be reported by our own employees as well as by external stakeholders via our whistleblower system.</p>
<p>General targets</p>	<p>We are aware of our environmental and social responsibility. For this purpose, we maintain an active environmental and energy management system in which everyone in the Company participates. We treat our customers, suppliers, competitors and authorities as partners in accordance with commercial practices. We support social engagement, initiatives and associations in the interest of the overall development of our region and our employees.</p>
<p>Material impacts, risks and opportunities to which the strategy relates</p>	<p>Customers are increasingly requesting information about the GHG emissions of our products. The collection and transmission of data can lead to an advantage over competitors. (E1-1a)</p> <p>Price increases due to climate-related availability of materials on the market pose a financial risk for SCHERDEL, as the price increase cannot usually be passed on to customers in full. (E1-1f)</p> <p>Through actions such as our climate strategy to reduce our emissions, compliance with our established principles in the sustainability directive, and activities within the framework of sustainability reporting, SCHERDEL contributes to the preservation of a livable environment. (E1-2a)</p> <p>Cost increases due to customer demands for increased use of green electricity for production pose a financial risk. In most cases, the price increase cannot be passed on in full to customers who demand green electricity. (E1-2c)</p> <p>Increased and constantly changing legal requirements in energy and climate protection law necessitate the increased use of resources and employees to ensure compliance. (E1-2d)</p> <p>The high political priority given to climate protection actions in Germany and Europe gives the Company the opportunity to benefit from public subsidy programs through targeted investments in emission-reducing actions, while at the same time gaining competitive advantages in the context of the green transformation. (E1-2e)</p> <p>Energy consumption can be permanently reduced through the implementation of location-specific efficiency actions and the use of efficient building technology. (E1-3a)</p> <p>Our parts are largely made of metal materials. Mining and extraction facilities emit various hazardous pollutants into the atmosphere through massive blasting and drilling operations, the transport of rock masses, the processing of raw materials, and other activities. Most GHG emissions with negative effects on the climate are generated during the further processing of raw materials extracted from mining, e.g. during melting and in refineries. (E1-2f)</p>

Monitoring process	Compliance with the guideline is monitored by both internal and external HSE audits. The internal audits also include a sustainability questionnaire that examines the individual topics.
Scope	The sustainability directive applies to all SCHERDEL locations and employees worldwide.
Responsible organizational level	In March 2023, the General Management approved the current version of our "Sustainability Directive" which is binding for all employees. The Quality Division reviews customers' sustainability requirements, incorporates them into the directive where appropriate, and implements them in internal processes.
Reference to third-party standards or initiatives	<ul style="list-style-type: none"> Paris Climate Agreement 17 United Nations Sustainable Development Goals
Consideration of stakeholder interests	Stakeholder interests were taken into account in stakeholder dialogues.
Availability of the strategy to stakeholders	The policy is available on the SCHERDELGroup website.

25. a) Consideration of climate protection in the strategy

Climate protection is taken into account in the Company's strategy.	X	Yes		No
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25. b) Consideration of "adaptation to climate change" in the strategy

Adaptation to climate change is taken into account in the Company's strategy.	X	Yes		No
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25. c) Consideration of "energy efficiency" in the strategy

Energy efficiency is taken into account in the Company's strategy.	X	Yes		No
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25. d) Consideration of "use of renewable energies" in the strategy

Use of renewable energies is taken into account in the Company's strategy.	X	Yes		No
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25. e) Other areas that are taken into account in the strategy

Other areas are taken into account in the Company's strategy.		Yes	X	No
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ESRS E1-3 Actions and resources related to climate strategies

28. Actions and resources related to climate protection and adaptation to climate change, implementation of the SCHERDELGroup's climate strategy (see ESRS E1-1, 16. a)

	Actions in the field of climate strategy
Actions taken in the reporting year or planned for the future	<p>We use our resources sparingly and have set ourselves qualitative energy-saving rules. These include:</p> <ul style="list-style-type: none"> -Establishment of an energy dashboard to display consumption, analyze data and derive actions -Control optimization for large consumers -Optimization of compressed air levels and systematic implementation of leakage measurements -Organizational embedding of energy responsibility

	<p>-Conversion of lighting to LED and, where appropriate, intelligent control using motion detectors, for example</p> <p>We plan to further utilize and expand our own energy generation in the form of PV systems on SCHERDEL roofs or open spaces.</p> <p>From 2025, 100% green electricity will be used at all locations in the Marktredwitz area. By 2030, this will be extended to at least all German locations.</p> <p>We will achieve transparency regarding our suppliers' emissions by requesting the GHG values of our top suppliers. From 2025, this requirement will be included in the target agreement of the suppliers concerned. In addition, a Sustamize license has been purchased to access database values where no information is available from suppliers.</p> <p>In order to be able to report emissions per part and highlight improvements, we are working on a corresponding software solution via our calculation program.</p>
Reduction achieved	In 2024, there was no absolute reduction compared to 2019, but the emissions that would have been additionally generated with the determined growth of almost 20% (value added) were compensated.
Expected reduction	25% planned absolute reduction in 2025 compared to 2019 30%-40% expected absolute reduction in 2025 compared to 2019
Contribution to the realization of the strategic requirements and targets	The actions in the climate strategy field support the targets set out in the sustainability directive to continuously reduce emissions and energy consumption.
Scope (activity, geography, interest groups)	The actions in the climate strategy field apply to the entire SCHERDELGroup.
Time horizon	The actions will be implemented gradually by 2030.
Progress	Progress by mid-2025: 7% GHG savings through PV, 8% GHG savings through resource efficiency, 3% GHG savings through green electricity (based on 2019). Total GHG savings of 18%, which were compensated by the growth of the Group (increase in added value also 18%).
Decarbonization levers	Reduction, substitution
Material amounts of money required to implement the actions taken or planned	Not relevant
Explanation of the extent to which the ability to implement the actions depends on the availability of funds	<p>The energy saving rules are conceived in such a way that every plant can implement them without having to plan for large investments. For the majority of actions, such as leak measurements, all that is required is the creation of a personnel responsibility. Actions such as switching to LED pay for themselves after only a short period of time.</p> <p>The purchase of green electricity depends largely on the provision of the necessary additional costs, as these cannot be passed on in full to customers with green electricity requirements, for example, and there is no amortization. The necessary funds have been approved by the General Management.</p> <p>Although the installation of photovoltaic systems requires a higher initial investment, it is an economically reasonable action in the long term. It offers the possibility of an attractive return on investment through savings in electricity costs.</p> <p>Investments were necessary to acquire the Sustamize license. The personnel costs for supplier management have increased due to the retrieval and evaluation of supplier data.</p>

ESRS E1-4 Targets related to climate protection and adaptation to climate change

32. Targets related to climate protection and adaptation to climate change

Based on its climate strategy, the SCHERDELGroup aims to reduce its own emissions by 40% by 2030. For this purpose, the relevant divisions and plants are contributing to the decarbonization of the SCHERDELGroup through appropriate operational actions. If the framework conditions change, the overarching GHG reduction target will be reviewed and adjusted if necessary.

This target is to be achieved through appropriate reduction actions that are reviewed as part of the annual climate assessment. Nevertheless, the target must be reviewed in the event of changing conditions and adjusted if necessary.

33. Disclosure of whether and how targets for reducing greenhouse gas emissions and/or other targets have been set to address material climate-related impacts, risks and opportunities

The defined climate strategy should contribute to minimizing business risks from climate-related impacts and represent our participation in the 1.5° target.

Relationship to the strategy's targets	In our sustainability directive, we commit to reducing our energy consumption and emissions. The target of our climate strategy supports this endeavor.
Target level	We will reduce our global emissions by 40% by 2030. We want to achieve transparency for our suppliers regarding scope 3 emissions for our top purchased products.
Scope (activity, geography, interest groups)	The target applies to the total scope 1 and 2 emissions of the SCHERDELGroup.
Reference value and reference year	2019
Timeframe, including stages and interim targets	2025: Reduction of our emissions by 25% 2030: Reduction of our emissions by 40%
Stakeholder involvement	Our customers' demands for a reduction in GHG emissions during the manufacture of products have been taken into account in our target planning. The exact targets vary depending on the customer, which is why we have defined targets that are realistic for us to achieve.
Description of possible changes	As the target is expected to be achieved by the end of 2025, a further target has already been defined for 2030. Initially, the target of a 25% reduction in our scope 3 emissions was part of the strategy. Due to the limited influence we have on our suppliers and the need to create a database, this target has been updated.
Performance compared to the stated targets	We are highly confident that we will achieve our target for 2025. We currently see no obstacles to achieving the target for 2030 either.
Scope breakdown (see 34. b)	The target refers to the sum of scope 1 and 2 emissions.
Method for calculating scope 2 emissions (see 34. b)	Location-based and market-based
Consistency of GHG emission target and GHG emissions according to E1-6 (see 34. b)	100
Representativeness of the reference year (see 34. c)	The year 2019 was deliberately chosen as a year with "normal" economic conditions, as the last year before the economic upheaval caused by the coronavirus pandemic. Adjustment for external factors, e.g. temperature, is not relevant.
Changes in the reference year and base value (see 34. c)	The base value has been adjusted over the years through the purchase of new locations. However, the target value has not been changed.
Reference to scientific findings and compatibility with the 1.5°C target (see 34. e)	Germany has committed to greenhouse gas neutrality by 2045 under the Paris Climate Agreement. As interim targets, emissions are to be reduced by at least 65 percent by 2030 and 88 percent by 2040 compared to 1990 levels. The long-term target is to achieve greenhouse gas neutrality to a great extent by 2050. The SCHERDELGroup is also guided by this target. With the target of sourcing 100% green electricity in Germany by 2030, 65% of greenhouse gas emissions in Europe would likely be reduced. With the realistic prospect of 100% green electricity worldwide by 2030, scope 1 & 2 emissions would be reduced to 80% compared to 2019. However, there are no calculations of the SCHERDELGroup's emissions in 1990. The system for breaking down national targets (NAPCC = national action plan on climate change) into Company targets is also not yet known. By purchasing green electricity, the SCHERDELGroup has the opportunity to adapt its targets to requirements and circumstances in the short term so that they are as consistent as possible with the targets of the Paris Climate Agreement.

Consideration of guidelines (see 34. e), e.g. -sector-specific decarbonization path -climate and policy scenarios -external verification of targets	Germany's approach within the framework of the Paris Climate Agreement was taken into account with regard to greenhouse gas neutrality. A list of customer targets and competitor targets was drawn up. Surveys on supplier targets were conducted. Based on this, the Company's own economically feasible targets were set.
Consideration of future developments and their effects (see 34. e)	Specific future developments were not taken into account. However, it is planned to compensate possible CO ₂ increases with a correspondingly higher green electricity quota. We are already applying this approach to our targets for 2025: in order to compensate for the additional emissions that may arise as a result of the Company's growth, a larger quota of green electricity has been procured. This ensures that there is no deviation from the absolute reduction target.
Decarbonization levers (see 34. f)	Green electricity procurement, resource efficiency and self-generation

No explicit targets have yet been defined for some of the other material climate-related impacts, risks and opportunities (IROs). Aspects such as maintaining our ability to deliver despite climate-related risks in the supply chain, ensuring regulatory compliance, and the targeted use of government subsidy programs are integral parts of our business activities. These are taken into account as part of our continuous risk management and strategic corporate management, even if they are not reflected in the form of concrete, quantified targets.

ESRS E1-5 Energy consumption and energy mix

37. Total energy consumption related to our own operations

	2023	2024
Total energy consumption related to our own operations in MWh	169,737.2	172,577,443

37. a) Total energy consumption from renewable sources

	2023	2024
Total energy consumption from renewable sources in MWh	17,048.6	5,712

37. b) Total energy consumption from nuclear sources

The share of energy consumption from nuclear sources cannot be reported separately.

37. c) Total energy consumption from renewable sources

	2023	2024
Fuel consumption for renewable sources, including biomass, biofuels, biogas, hydrogen from renewable sources in MWh	0	0
Consumption of purchased and received electricity, heat, steam and cooling from renewable sources in MWh	15,903.6	3,875
Consumption of self-generated renewable energy that is not fuel in MWh	1,145	1,837

38. Information for companies in climate-intensive sectors

As a metalworking Company, we fall within the scope of climate-intensive sectors as defined in enclosure I, Sections A to H and Section L of Regulation (EC) No. 1893/2006 of the European Parliament and of the Council.

38. a) Fuel consumption from coal and coal products

	2023	2024
Fuel consumption from coal and coal products, in MWh	Not available	Not available

38. b) Fuel consumption from crude oil and petroleum products

	2023	2024
Fuel consumption from crude oil and petroleum products in MWh	7,785	6,396

38. c) Fuel consumption from natural gas

	2023	2024
Fuel consumption from natural gas in MWh	43,231	43,582

38. d) Fuel consumption from other fossil sources

	2023	2024
Fuel consumption from propane gas in MWh	1,715	1,663

38. e) Consumption of purchased or received electricity, heat, steam, or cooling from renewable sources

Consumption from purchased or received electricity, heat, steam or cooling from renewable sources cannot be reported separately.

39. Self-generation of renewable and non-renewable energy

	2023	2024
Generation of energy from renewable sources in MWh	1,488.5	2,388
Generation of non-renewable energy in MWh	Not relevant	Not relevant

40. Energy intensity related to activities in climate-intensive sectors

	2024
Total GHG emissions per net revenue	57.30 kg CO ₂ / T€

42. Climate-intensive sectors considered when determining energy intensity

Section C 22 Manufacture of rubber and plastic products

Section C 25: Manufacture of metal products

- 25.5 Manufacture of forged, pressed, drawn and stamped parts, rolled rings, and powder metallurgical products
- 25.6 Surface finishing and heat treatment; mechanical engineering n.e.c.
- 25.7 Manufacture of cutlery, tools, locks and fittings from non-precious metals
- 25.9 Manufacture of other metal products

Section C 28 Mechanical engineering

Section C 29 Manufacture of motor vehicles and motor vehicle parts

- 29.32 Manufacture of other parts and accessories for motor vehicles

ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

47. Material changes to definitions

The report is being published for the first time this year, so there have been no changes to the definitions used in previous years.

48. a) Scope 1 gross GHG emissions

	2023	2024
Scope 1 GHG gross emissions in tons of CO ₂ equivalent	11,129	11,769
Of which consolidated companies	11,129	11,769
Of which not fully consolidated companies	0	0

48. b) Percentage share of scope 1 greenhouse gas emissions from regulated emissions trading systems

No emissions originate from regulated emissions trading systems

49. a) Location-related scope 2 GHG emissions

	2023	2024
Scope 2 GHG gross emissions in tons of CO ₂ equivalent	50,197	51,642
Of which consolidated companies in tons of CO ₂ equivalent	49,777	51,125
Of which non-fully consolidated companies in tons of CO ₂ equivalent	420	517

49. b) Market-related scope 2 GHG gross emissions

	2023	2024
Scope 2 GHG gross emissions in tons of CO ₂ equivalent in tons of CO ₂ equivalent	55,786	45,432
Of which consolidated companies in tons of CO ₂ equivalent	55,366	44,915
Of which non-fully consolidated companies in tons of CO ₂ equivalent	420	517

51. Scope 3 GHG gross emissions, broken down by scope 3 categories

	2023	2024
Scope 3 GHG gross emissions in tons of CO ₂ equivalent	286,794	-

Scope 3 emissions were not yet available at the time of reporting.

52. a) Total GHG emissions measured using the location-based method

	2023	2024
Total GHG emissions in tons of CO ₂ equivalent, location-based	61,326	63,158

52. b) Total GHG emissions measured using the market-based methodology

	2023	2024
Total GHG emissions in tons of CO ₂ equivalent, market-based	66,915	57,201

Only scope 1 and 2 emissions were taken into account for the calculation.

53. Intensity of GHG emissions

	2024
Total GHG emissions per net revenue	37.18 kg CO ₂ / T€

Emissions determined using the market-based method were used for the calculation.

55. Comparison of net income with the corresponding item in the annual financial statements

100% of annual sales were used for the calculation. As SCHERDEL India Private Limited and SCHERDEL PERFECT SPRINGS PRIVATE LIMITED had not yet provided final figures for the reporting year at the time of reporting, the figures for 2023 were used. The impact on the final result is negligible.

ESRS E1-7: Greenhouse gas removal and storage

Not applicable to the SCHERDELGroup.

ESRS E1-8: Internal carbon pricing

Not applicable to the SCHERDELGroup.

ESRS E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

We have assessed the following climate-related physical risks as material:

Price increases due to climate-related availability of materials on the market pose a financial risk for SCHERDEL, as the price increase cannot usually be passed on to customers in full.

- As a globally acting Company with worldwide supply chains, we are increasingly exposed to the effects of extreme weather events. Natural events such as floods, storms or fires jeopardize the operational capability of our suppliers' locations and impair the stability of supply chains. In the past, weather-related disruptions have led to delivery delays and made it necessary to establish alternative sources of supply at short notice. This resulted in additional costs in the mid six-figure range.

We have assessed the following climate-related transition risks as material:

The cost increase resulting from customer demands for increased use of green electricity in production represents a financial risk. In most cases, the price increase cannot be passed on in full to customers who demand green electricity.

- In order to meet customer expectations for low-emission products, it is necessary to purchase more green electricity. In the short to medium term, this will result in additional costs compared to the conventional electricity mix. In the long term, green electricity prices are also expected to remain higher.
- As part of our climate strategy, we are pursuing the target of switching completely to electricity from renewable sources at all our German locations. In addition, depending on specific customer requirements, we are also aiming to purchase green electricity at other locations. The associated additional costs are in the six-figure range.

Increased and constantly changing legal requirements in energy and climate protection law necessitate the increased use of resources and employees to ensure compliance.

- Growing demands, both from customers and legislators, especially in the field of emissions calculation and reporting, represent a challenge for us in the short and medium term. In order to meet these requirements, we must invest in data collection for energy consumption at all locations. We are investing in hardware that records consumption on location, as well as in a software solution that automatically evaluates this data and enables it to be assigned to specific products or product groups. The database of our purchased products also needs to be improved in this regard. We record our Scope 3 GHG values, starting with our largest suppliers. However, as we do not have sufficient values available for all products and materials, we have also purchased access to a Sustainize database in order to fill gaps in our records with database values.
- We have expanded our personnel capacities to collect and evaluate the relevant data and implement the necessary processes. During the reporting period, additional capacity was created in Purchasing, particularly for recording scope 3 emissions in connection with our suppliers, in the area of technology/process development to

support the introduction of actions in line with the climate strategy, and in the sustainability area. From 2025, an increase in hours is also planned in central Energy Management.

We have identified the following climate-related opportunities as material:

Customers are increasingly requesting information on the GHG emissions of our products. The collection and transmission of data can give us an advantage over our competitors.

- Our customers are increasingly demanding the disclosure of product-specific CO₂ emissions. In some cases, this information is directly relevant to the awarding of contracts. The ability to provide reliable and transparent emissions data and to reduce this calculated PCF in the long term is thus becoming a competitive factor and has financial significance.

In the long term, this transparency not only contributes to meeting regulatory and market requirements, but is also of material financial importance for securing and strengthening our market position. The high political priority of climate protection actions in Germany and Europe opens up the opportunity for the Company to benefit from public subsidy programs through targeted investments in emission-reducing actions, while at the same time gaining competitive advantages in the context of green transformation. (E1-2e)

- The SCHERDELGroup makes use of funding opportunities. Through forward-looking action planning and targeted competence building, in particular through the regular participation of plant representatives in training courses, this funding volume can be systematically exploited.
- In addition, we continuously monitor other relevant funding programs at the national and regional level. In this way, we are able to systematically increase the originally planned minimum funding volume over the course of the year and tap into additional financial resources for sustainable actions.

ESRS E2 Environmental pollution

ESRS E2-1 Policies related to pollution

14. Policies for managing material impacts, risks, and opportunities related to environmental pollution

The sustainability directive, including the HSE policy, also includes statements related to environmental pollution.

Policies	Sustainability directive
Key content	<p>In addition to our guiding principles and fundamentals of management as well as our corporate targets, the sustainability directive describes the foundation for sustainable development of all organizational units of the SCHERDELGroup. It is intended to highlight the basic standards to which we as the SCHERDELGroup want to adhere.</p> <p>Our environmental and safety policy is also part of this directive.</p> <p>In this directive, we commit ourselves to eliminating hazards as part of our emergency precaution concept, among other things through preventive fire protection and the safe handling of chemicals.</p> <p>The contents of this directive are also communicated to our suppliers in the form of our Supplier Policy.</p> <p>Violations of this directive can be reported by our own employees as well as by external stakeholders via our whistleblower system.</p>
General targets	<p>We are aware of our environmental and social responsibility. For this purpose, we maintain an active environmental and energy management system in which everyone in the Company participates. We treat our customers, suppliers, competitors and authorities as partners in a fair manner in accordance with commercial practices. We support social engagement, initiatives and associations in the interests of the overall development of the region and our employees.</p>
Material impacts, risks, and opportunities to which the strategy relates	<p>Negative impacts on the environment caused by an emergency event can result in costs for SCHERDEL, e.g. costs for emergency services, remediation of damage, increased insurance premiums, loss of image or special audits by the certifier. (E2-2c)</p>

Monitoring process	Compliance with the directive is monitored by both internal and external HSE audits. The internal audits also include a sustainability questionnaire, which examines the individual topics.
Scope	The sustainability directive applies to all SCHERDEL locations and employees worldwide.
Responsible organizational level	In March 2023, the General Management approved the current version of our "Sustainability Directive," which is binding for all employees. The Quality Division reviews customers' sustainability requirements, incorporates them into the directive where appropriate, and implements them in internal processes.
Reference to third-party standards or initiatives	<ul style="list-style-type: none"> • Paris Climate Agreement • 17 United Nations Sustainable Development Goals • REACH Regulation
Consideration of stakeholder interests	Stakeholder interests were taken into account through stakeholder dialogues.
Availability of the strategy to stakeholders	The policy is available on the SCHERDELGroup website.

15. a Disclosure of whether and how the strategy mitigates the negative effects of air, water and soil pollution, if these are material

No material negative impacts related to air, water or soil pollution were assessed as material.

Nevertheless, in our HSE policy, we are committed to continuously improving our production processes and to continuously monitoring and evaluating energy use, water consumption, raw material use, chemical use, emissions and waste. We do this to prevent, reduce or monitor the creation, emission or release of any kind of environmentally harmful substances or waste, with the target of reducing negative environmental impacts.

We also communicate the contents of our policy to our suppliers in the form of our Supplier Policy, which they must confirm their compliance with.

15. b Disclosure of whether and how the policy aims to substitute and minimize the use of substances of concern and phase out substances of very high concern, if these are material

The use of substances of concern has not been assessed as material.

Nevertheless, we are committed to reducing risks in the workplace, including testing for the substitution of hazardous substances, in order to prevent work-related illnesses and maintain the safety and health of our employees.

15. c Disclosure of whether and how the policy aims to prevent incidents and emergency situations and, if they occur, to control and limit their impact on people and the environment, if they are material

An emergency event can not only have a negative impact on the environment, but also entail risks for us as a Company due to high follow-up costs.

For this reason, we are committed in our strategy to comprehensive emergency precaution, including actions for preventive fire protection and the safe handling of chemicals.

ESRS E2-2 Actions and resources related to pollution

18. Action plans and resources related to pollution

	Actions to prevent environmental incidents
Actions taken in the reporting year or planned for the future	-We have detailed emergency plans in place at our locations with defined immediate actions to be taken in the event of an emergency. These are regularly evaluated and

	<p>optimized in order to improve, among other things, the reporting chain for pre-alarms.</p> <p>-In order to ensure that immediate actions are carried out optimally in an emergency, regular drills are held at our locations. These include evacuation drills in the event of a fire, but also drills for other emergency scenarios, such as a hazardous substance leak. The drills are evaluated. If improvements to procedures or equipment are necessary, appropriate actions are taken.</p> <p>-Environmental incidents that occur at our locations are reported to the central Environmental Management Department using a form that describes the incident, the immediate actions taken, and a cause analysis. The evaluation is distributed throughout the Group to prevent similar incidents from occurring at other locations.</p> <p>-Fire protection concepts are created for our locations in cooperation with the fire department and fire safety officers, and employees are trained in this regard.</p> <p>-To prevent our wastewater from seeping into the ground, we have our sewer system inspected by TV at regular intervals, especially at our German locations. Any leaks found are sealed.</p> <p>-Supplier audits include actions for preventive fire protection and the safe storage of environmentally hazardous substances, as well as regular emergency drills, in the sustainability assessment.</p>
Results	A positive trend can be seen in the related target of reducing environmental incidents.
Contribution to the realization of the strategic requirements and targets	The actions help to prevent the release of any environmentally harmful substances at our locations.
Scope (activity, geography, interest groups)	The actions will be implemented at our various locations.
Time frame	The actions were planned for the reporting year. At the beginning of the following year, implementation will be monitored and new actions will be defined.
Progress	The planned actions were implemented during the reporting period.
Level in the hierarchy of actions (19)	The planned and implemented actions serve to prevent environmental pollution and reduce the associated impacts.

ESRS E2-3 Targets related to pollution

20. Targets related to environmental pollution

Relationship to the strategy's targets	In our policy, we commit to reducing negative environmental impacts and preventing emergencies. This target supports our policy in that emergencies should be minimized and the resulting environmental impacts reduced.
Target level set	0 environmental incidents Absolute number of environmental incidents in all categories A, B, and C
Scope (activity, geography, interest groups)	The target applies to all SCHERDEL plants worldwide.
Reference value and reference year	Not relevant
Time frame, including stages and interim targets	The annual target should always be zero environmental incidents.
Method used to set the target and key assumptions	Establishment of a globally applicable KPI that supports the environmental management system
Reference to scientific findings	The environmental aspect assessment also considers emergency events that lead to environmental incidents.
Involvement of stakeholders	Our stakeholders, such as neighbors, expect us not to cause any damage to their environment. Category A events must also be reported to the certifier DQS.
Description of possible changes	Targets and metrics have not been changed since they were set in order to ensure comparability.

Performance compared to the specified targets	There has been a demonstrable positive trend over recent years.
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23. The Company's targets in terms of prevention and reduction relate to

23. a) Air pollutants and the respective specific freight values.

We comply with the legal requirements for air limits. Non-compliance is included in the KPI as an environmental event.

23. b) Emissions into water and the respective specific freight values

We comply with the legal requirements for water limits. Non-compliance is included in the KPI as an environmental event.

23. c) Soil pollution and the respective specific freight values

We comply with the legal requirements for soil limits. In the event of non-compliance, this is included in the KPI as an environmental event.

23. d) Substances of concern and substances of very high concern.

We comply with the legal requirements for the use of (particularly) substances of high concern. Non-compliance is included in the KPI as an environmental event.

25. Indication of whether the targets set are binding or voluntary.

The targets set are binding for the individual plants. The data is requested in monthly calls with the plants and within the certifications.

ESRS E2-4 Air, water and soil pollution

28. a) Pollutants released into the air, water and soil, excluding greenhouse gas emissions

Our business activities do not release any pollutants into the soil, as we take effective protective actions. Dense floor coverings and collection trays reliably prevent chemicals from coming into contact with the soil. In addition, our employees are regularly trained in the safe handling of the chemicals used.

At our locations, sanitary wastewater is primarily disposed of via the designated disposal routes (sewer system). At our two production locations with surface treatment, wastewater is treated in accordance with the approval regulations and then discharged into the sewer system. Regular sampling and documentation is carried out to ensure compliance with limit values and to prevent the release of pollutants into the sewer system. There is no direct discharge of wastewater into water bodies. This means that no pollutants are released into water bodies.

Our surface coating systems generate dust and solvent emissions. By using efficient exhaust air purification techniques such as post-combustion and regular emission measurements, we ensure that no pollutants exceeding the legally permissible limits are released into the air. The thresholds specified in Regulation (EC) No. 166/2006, enclosure II, are consistently adhered to.

28. b) Microplastics produced or used by the Company

At our locations where plastic parts are manufactured via injection molding, we use plastic granulate, i.e. small plastic particles that are technically considered microplastics due to their size of less than 5 mm. This granulate is delivered in sealed packaging, then melted down in a closed system and processed into new, stable products.

During the process, the granulate is almost completely melted down into larger plastic components. Only a minimal amount remains as fine plastic dust. This is reliably collected and disposed of properly as waste.

Through our controlled processes and responsible handling, we ensure that no microplastics are released into the environment.

	2024
Microplastics used in tons	4,457.949
Microplastics produced in tons	6,344

30 a) Description of changes over time (air, water and soil pollution)

The data is reported in the first year. It is therefore not yet possible to assess any changes over time.

30 b) Description of measurement methods (air, water and soil pollution)

The information on the microplastics used is recorded in the accounts. The dust generated was calculated by extrapolating the amount produced during a representative period. As this is not disposed of as a separate waste fraction, it is not possible to record the amount disposed of on an annual basis.

The fact that the threshold values for solvent emissions and dust, for example, are not exceeded is assessed by means of measurements or approved calculation methods.

30 c) Description of the procedure(s) for collecting data for environmental accounting and reporting

Environmental data is collected on a location-specific basis by the respective environmental management system. Specialized companies with the necessary equipment and expertise are usually commissioned to carry out measurements. The frequency of collection is based on legal requirements and licensing requirements and is regularly monitored by the competent authorities.

ESRS E2-5 Substances of high and very high concern

34) Information on the manufacture, use, distribution, marketing and import/export of substances of high and very high concern in pure form, in mixtures or in products

As part of our materiality analysis, the use of substances of high concern (e.g. SVHCs according to REACH) was classified as not material to our environmental impact. Nevertheless, we would like to provide an overview of our hazardous substance management here.

As a Company in the metalworking industry, we use various chemical auxiliaries and operating supplies in our production processes. We do not manufacture, distribute, import or export these substances ourselves.

Before new substances are used, a comprehensive risk assessment is carried out. We systematically check whether alternative substances with a lower risk potential are available and can be used. In few cases, substances or mixtures are used that are of high concern or contain substances of very high concern. This is either due to customer specifications or because no suitable alternative substances with comparable functional properties are available for certain processes.

These substances are used during our production processes. Appropriate technical, organizational and personal protective actions are taken to minimize health and environmental risks. After use, they are disposed of as waste in accordance with applicable laws.

In individual cases, these substances are also contained in end products. In these cases, the substances are chemically bound and no longer pose a risk to humans or the environment.

The chemical composition of our products is communicated transparently to our customers via the International Material Data System (IMDS). Products that fall within the scope of the EU and contain substances of very high concern in relevant quantities are also entered in the SCIP database in accordance with the REACH Regulation.

ESRS E2-6 Anticipated financial impact of material risks and opportunities related to environmental pollution

39 Disclosure of information on the expected financial impact of material risks and opportunities arising from environmental impacts

Emergency events with potentially negative environmental impacts can pose a material financial risk for us.

In the short term, costs may be incurred for the emergency services involved, such as the fire department, emergency medical services, or, in some regions, units specializing in hazardous material emergencies.

At our ISO 14001 certified locations, we are obliged to immediately inform the responsible certification body about serious incidents, especially those that attract media attention, require reporting to authorities or necessitate remediation. This may result in an additional audit required to verify the effectiveness of the corrective actions we have implemented.

In the long term, public perception of such events, for example through media coverage in the local or national press or through dissemination on social networks, can lead to a material reputational risk. In addition to possible effects on customer relationships and social acceptance, such a loss of reputation also affects our attractiveness as an employer. Qualified professionals in particular are increasingly valuing sustainability and responsible corporate behavior. Negative environmental events can therefore undermine the trust of potential applicants and make it more difficult to recruit new employees.

In the most serious case, an environmentally relevant damaging event could occur that we would be required to remediate according to the polluter pays principle. The associated financial burdens are difficult to quantify in advance and underscore the relevance of an effective environmental and risk management within the Group.

40 a) Percentage of net sales generated by products and services that are or contain substances of high concern and substances of very high concern

Sales of substances of high or very high concern do not represent a material risk for us.

40 b) Operating expenses (OpEx) related to major incidents and deposits (pollution)

During the reporting period, there were no incidents that required operating or capital expenditures.

40 c) Provisions for environmental protection and remediation costs (pollution)

There were no provisions for environmental protection or remediation costs during the reporting period.

ESRS E3 Water and marine resources

ESRS E3-1 Policies related to water and marine resources

11. Policies for managing material impacts, risks and opportunities related to water and marine resources

Our locations mainly generate sanitary wastewater. Only two production locations with surface treatment also treat wastewater from industrial processes. All wastewater is disposed of via the designated disposal routes (sewer system).

For this reason, water and marine resources were not assessed as material in our materiality analysis. Nevertheless, we are committed to the responsible use of water and have incorporated this into our strategy.

Policy	Sustainability directive
Key content	<p>In addition to our guiding principles and fundamentals of management as well as our corporate targets, the sustainability directive describes the foundation for sustainable development of all organizational units of the SCHERDELGroup. It is intended to highlight the basic standards to which we as the SCHERDELGroup want to adhere.</p> <p>Our environmental and safety policy is also part of this directive.</p> <p>In this directive, we commit ourselves to continuously developing our production processes and to continuously measuring, evaluating and optimizing our water consumption. The generation of emissions that enter our wastewater is to be avoided with the aim of reducing adverse environmental impacts.</p> <p>The contents of this directive are also communicated to our suppliers in the form of our Supplier Policy.</p> <p>Violations of this directive can be reported by our own employees as well as by external stakeholders via our whistleblower system.</p>
General targets	We want to act in a socially and environmentally responsible manner in order to protect water resources.
Material impacts, risks and opportunities to which the strategy relates	In the course of our materiality analysis, we did not identify any material impacts, risks or opportunities. Nevertheless, we encourage our suppliers to protect water and marine resources through our Supplier Policy.
Monitoring process	Compliance with the directive is monitored through both internal and external HSE audits. The internal audits also include a sustainability questionnaire that examines the individual topics.
Scope	The sustainability directive applies to all SCHERDEL locations and employees worldwide.
Responsible organizational level	<p>In March 2023, the General Management approved the current version of our "Sustainability Directive," which is binding for all employees.</p> <p>The Quality Division reviews customers' sustainability requirements, incorporates them into the directive where appropriate, and implements them in internal processes.</p>

Reference to third-party standards or initiatives	<ul style="list-style-type: none"> • Paris Climate Agreement • 17 United Nations Sustainable Development Goals • Environmental and occupational health and safety certification (ISO 14001, ISO 45001) • Local initiatives (e.g., Bavarian Environmental Pact)
Consideration of stakeholder interests	The interests of stakeholders were taken into account in stakeholder dialogues.
Availability of the strategy for stakeholders	The directive is available on the SCHERDELGroup website.

ESRS E3-2 Actions and resources related to water and marine resources

17. Actions and resources related to water and marine resources

Water consumption is reduced as much as possible through the use of modern water-saving technologies, such as economy buttons and sensor-controlled fittings.

At the two production locations with surface treatment processes, wastewater is treated in accordance with the applicable approval regulations. The wastewater is discharged into the public sewer system only after appropriate treatment. Compliance with the requirements is ensured through regular sampling and careful documentation.

ESRS E3-3 Targets related to water and marine resources

The topic of water and marine resources was not assessed as material in our materiality analysis.

Nevertheless, water consumption is recorded in monthly conferences with the plants and developments are monitored.

ESRS E3-4 Water consumption

	2024
Fresh water volume in m ³	66,757
Wastewater volume in m ³	49,715
Total water consumption in areas affected by water risks	
Fresh water in m ³	561
Wastewater in m ³	305
Total volume of water recycled and reused in m ³	0
Total volume of stored water in m ³	0

Our locations in Mexico and India are located in areas that are potentially affected by water risks. This is due in particular to drought and an unfavorable ratio between the region's water demand and its groundwater and surface water resources. However, these locations do not require water for manufacturing processes, but only for sanitary facilities, and some of the water is recycled. For this reason, both our impact on potential local water shortages and our dependence on water as a resource are very low.

ESRS E3-5 Anticipated financial impact of risks and opportunities related to water and marine resources

The materiality analysis did not identify any material risks or opportunities for the area of water and marine resources.

ESRS E4 Biodiversity and ecosystems

ESRS E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

The materiality analysis did not identify the area of biodiversity and ecosystems as material.

ESRS E4-2 Policies related to biodiversity and ecosystems

22. Policies for managing material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems

In the course of our materiality analysis, we did not identify any material impacts, risks, or opportunities. Nevertheless, we are committed to reducing our environmental impact in our sustainability directive. Our supplier policy also requires our suppliers to promote environmental awareness and species protection.

Policy	Sustainability Directive
Key content	<p>In addition to our guiding principles and fundamentals of management as well as our corporate targets, the sustainability directive describes the foundation for sustainable development of all organizational units of the SCHERDELGroup. It is intended to highlight the basic standards to which we as the SCHERDELGroup want to adhere</p> <p>Our environmental and safety policy is also part of this directive.</p> <p>In this directive, we commit ourselves to continuously developing our production processes and to continuously measuring, evaluating, and optimizing our water consumption. The generation of emissions that enter our wastewater is to be avoided with the aim of reducing adverse environmental impacts.</p> <p>Violations of this directive can be reported by our own employees as well as by external stakeholders via our whistleblower system.</p>
General targets	We want to act in a socially and environmentally responsible manner in order to protect water resources.
Material impacts, risks and opportunities to which the strategy relates	In the course of our materiality analysis, we did not identify any material impacts, risks or opportunities. Nevertheless, we encourage our suppliers to promote biodiversity and species protection through our Supplier Policy.
Monitoring process	Compliance with the directive is monitored through both internal and external HSE audits. The internal audits also include a sustainability questionnaire that examines the individual topics.
Scope	The sustainability directive applies to all locations and employees of the SCHERDEL Group worldwide.
Responsible Organizational level	<p>In March 2023, the General Management approved the current version of our "Sustainability Directive," which is binding for all employees.</p> <p>The Quality Division reviews customers' sustainability requirements, incorporates them into the directive where appropriate, and implements them in internal processes.</p>
Reference to standards or third-party initiatives	<ul style="list-style-type: none"> • Paris Climate Agreement • 17 United Nations Sustainable Development Goals • Environmental and occupational health and safety certification (ISO 14001, ISO 45001) • Local initiatives (e.g. Bavarian Environmental Pact)
Consideration of stakeholder interests	The interests of stakeholders were taken into account in stakeholder dialogues.
Availability of the strategy for stakeholders	The policy is available on the SCHERDELGroup website.

Policy	Supplier Policy – Code of Conduct for Suppliers
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Key content	<p>Our Supplier Policy forms the basis of a reliable partnership between SCHERDEL and its suppliers. For this purpose, fundamental agreements are concluded on lawful conduct, behavior toward employees, environment and safety, careful use of resources and behavior toward the market.</p> <p>The supplier undertakes to pursue a sustainable corporate policy and to minimize its risks with regard to biodiversity, land use and deforestation. We do not work with suppliers whose business practices are not in line with these requirements. This includes</p> <ul style="list-style-type: none"> • Companies that are known to contribute to massive destruction of biodiversity without simultaneously providing ecological added value. This applies in particular to projects in areas with international protection status and to projects that affect endangered species. • Threats to animal and species protection in the form of negative impacts on populations or the number of plant and animal species, according to the IUCN Red List of Threatened Species. • Controversial business practices involving protected animals, plants or products derived from them (in accordance with CITES/Washington Convention on International Trade in Endangered Species).
General targets	We want to act in a socially and environmentally responsible manner in order to protect water resources.
Material impacts, risks, and opportunities to which the strategy relates	No material issues were identified in the materiality analysis.
Monitoring process	Upon inclusion in the SCHERDEL supplier list, the supplier confirms compliance with the Supplier Policy. Compliance is then monitored in the course of supplier audits.
Scope	The Supplier Policy applies to all suppliers of the SCHERDEL Group worldwide.
Responsible organizational level	The current version of the Supplier Policy was published in October 2023. It was approved by the Purchasing and Logistics Division Management.
Reference to third-party standards or initiatives	<ul style="list-style-type: none"> • Paris Climate Agreement • 17 United Nations Sustainable Development Goals • Environmental and occupational safety certification (ISO 14001, ISO 45001) • Local initiatives (e.g., Bavarian Environmental Pact)
Consideration of stakeholder interests	The interests of stakeholders were taken into account in stakeholder dialogues.
Availability of the strategy for stakeholders	The policy is available on the SCHERDELGroup website.

23. Additional information on the strategy in relation to biodiversity and ecosystems

Although none of the topics included in the materiality assessment were identified as material, our strategy specifically targets factors influencing biodiversity loss, such as climate change and environmental pollution.

24.) Additional information on the strategy

SCHERDEL does not operate any locations in areas with biodiversity in need of protection. Likewise, there are no points of contact with agriculture, oceans or deforestation.

ESRS E4-3 Actions and resources related to biodiversity and ecosystems

Biodiversity and ecosystems were not assessed as material, so no actions were implemented or planned.

ESRS E4-4 Targets related to biodiversity and ecosystems

Our target is to avoid establishing locations in areas of particular ecological value and to minimize our impact on biodiversity and ecosystems, including along the supply chain.

There are currently no material environmental impacts, risks or opportunities in this area. For this reason, no specific targets have been defined to date.

ESRS E4-5 Impact metrics related to biodiversity and ecosystems change

As we do not build in areas with biodiversity in need of protection and have not identified this topic as material, there are no material impact parameters related to biodiversity.

ESRS E4-6 Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities

As we do not build in areas with biodiversity in need of protection and have not identified this topic as material, there are no material financial impacts related to biodiversity.

ESRS E5 Resource use and circular economy

ESRS E5-1 Policies related to resource use and circular economy

14. / 15. Policies related to the resource use and circular economy, including renunciation of the use of primary raw materials, sustainable procurement and use of renewable resources

Policy	Sustainability directive
Key content	<p>In addition to our guiding principles and fundamentals of management as well as our corporate targets, the sustainability directive describes the foundation for sustainable development of all organizational units of the SCHERDELGroup. It is intended to highlight the basic standards to which we as the SCHERDELGroup want to adhere.</p> <p>Our environmental and safety policy is also part of this directive.</p> <p>In this directive, we commit ourselves to continuously developing our production processes. Our waste volumes are continuously measured and evaluated in order to avoid or reduce the waste we produce wherever possible, or to monitor it if reduction is not possible.</p> <p>The contents of this directive are also communicated to our suppliers in the form of our Supplier Policy.</p> <p>Violations of this policy can be reported by our own employees as well as by external stakeholders via our whistleblower system.</p>
General targets	<p>We are aware of our environmental and social responsibility. To this end, we maintain an active environmental and energy management system in which everyone in the Company participates. We treat our customers, suppliers, competitors, and authorities as partners in a fair manner in accordance with commercial practices. We support social engagement, initiatives, and associations in the interests of the overall development of the region and our employees.</p>
Material impacts, risks, and opportunities to which the strategy relates	<p>Hazardous waste is generated in the production processes. In most cases, this waste cannot be recycled but must be disposed of, thermally recycled, or landfilled under special conditions and in compliance with the law. (E5-3b)</p> <p>Increased resource efficiency reduces waste during production, which contributes to reducing harmful environmental impacts. (E5-3c)</p> <p>Waste disposal companies are facing rising costs due to increased energy prices and regulations for the disposal of hazardous waste. These costs are passed on to SCHERDEL, which also leads to rising prices for us as a customer. (E5-3d)</p>

Monitoring process	Compliance with the directive is monitored by both internal and external HSE audits. The internal audits also include a sustainability questionnaire, which examines the individual topics.
Scope	The sustainability directive applies to all locations and employees of the SCHERDEL Group worldwide.
Responsible organizational level	In March 2023, the General Management approved the current version of our "Sustainability directive," which is binding for all employees. The Quality Division reviews customers' sustainability requirements, incorporates them into the directive where appropriate, and implements them in internal processes.
Reference to third-party standards or initiatives	<ul style="list-style-type: none"> • Paris Climate Agreement • 17 United Nations Sustainable Development Goals • Basel Convention • Environmental and occupational health and safety standards (ISO 14001, ISO 45001)
Consideration of stakeholder interests	Waste legislation clearly regulates the disposal of waste in order to minimize the impact on the environment through thermal recycling or landfill. The legislator has a keen interest in ensuring that the existing requirements are complied with. For SCHERDEL, the positive effects of reducing waste generation are paramount, such as lower costs and longer service life.
Availability of the policy for stakeholders	The policy is available on the SCHERDELGroup website.

Policy	Supplier Policy – Code of Conduct for Suppliers
Key content	Our Supplier Policy forms the basis of a reliable partnership between SCHERDEL and its suppliers. For this purpose, fundamental agreements are concluded on lawful conduct, behavior towards employees, environmental and safety issues, careful use of resources and behavior towards the market. The supplier undertakes to reduce the consumption of primary raw materials and, as far as possible, to promote the use of secondary raw materials, e.g. scrap and recycling.
General targets	The SCHERDELGroup wants to be a reliable partner for its suppliers, develop together with them, and leverage the competitive advantages achieved in the market. We therefore expect our suppliers to offer technical development potential, competitive prices, reliable quality and compliance with applicable standards and regulations.
Material impacts, risks, and opportunities to which the strategy relates	The use of secondary materials in steel and plastics conserves natural resources, reduces the need for mining activities, and lowers GHG emissions. (E5-1a)
Monitoring process	Upon inclusion in the SCHERDEL supplier list, the supplier confirms compliance with the Supplier Policy. Compliance is then monitored in the course of supplier audits.
Scope	The Supplier Policy applies to all suppliers of the SCHERDELGroup worldwide.
Responsible organizational level	The current version of the Supplier Policy was published in October 2023. It was approved by the Purchasing and Logistics Division Management.
Reference to third-party standards or initiatives	<ul style="list-style-type: none"> • Paris Climate Agreement • 17 United Nations Sustainable Development Goals • Basel Convention

	<ul style="list-style-type: none"> Environmental and occupational health and safety standards (ISO 14001, ISO 45001)
Consideration of stakeholder interests	<p>Our customers attach great importance to reducing GHG emissions throughout the life cycle of their products. The use of secondary materials is an important factor in achieving this reduction. Customers therefore particularly value transparency regarding the proportion of secondary materials used. In a second step, this proportion is to be increased to specified target values.</p> <p>This is also an important issue for legislators, especially with regard to conserving our resources. The current draft of the revised End-of-Life Vehicles Directive therefore includes a disclosure requirement for the proportion of secondary materials used.</p>
Availability of the strategy for stakeholders	The policy is available on the SCHERDELGroup website.

ESRS E5-2 Actions and resources related to resource use and circular economy

19. Actions and resources related to resource use and circular economy

The actions related to resource use are implemented in the HSE management program at headquarters and at the individual plants.

	Actions for resource efficiency and circular economy
Actions taken in the reporting year or planned for the future	<p>As a first step, we want to gain an overview of the secondary material content in our materials. To this end, from 2024 at the first locations and from 2025 for all our suppliers, it will be mandatory to send us an IMDS entry specifying the recycled content when submitting samples. To increase the relevance of this requirement, it is also included in the target agreements for 2025.</p> <p>The recycling content was specified according to the following scheme:</p> <div style="text-align: center;"> <pre> graph TD A[Recycled content] --> B[thereof mechanical material] A --> C[thereof chemical material] B --> D[thereof production waste] B --> E[thereof used materials] </pre> </div> <p>In order to continuously reduce the amount of waste generated, our plant environment and waste officers regularly review various optimization potentials at our locations. As part of our environmental management, location-specific actions are identified and implemented annually. These include, among other things:</p> <ul style="list-style-type: none"> A filtration system for lubricating oil was implemented at the Berlin location, which enables the oil used to be partially reused. This closed cycle reduces lubricating oil consumption by around 44%. In the past, grinding dust was sent to landfill as waste. As part of our ongoing efforts to prevent waste, our plant in Leutendorf has identified an alternative recycling option.

	<p>In addition, we are constantly reviewing ways to reduce our scrap quantities through optimized manufacturing processes, monitoring the separate collection of waste categories, and creating operating instructions to support waste reduction.</p> <p>To ensure that our waste is disposed of in accordance with regulations by the waste disposal companies we commission, we are implementing a fixed process for conducting regular waste disposal audits.</p>
Results	<p>It is not yet possible to make a comprehensive statement on the results, as the waste figures will be collected group-wide for the first time in 2024.</p> <p>The recording of recycling rates also only began in the reporting year. The transmission of data is tracked via the evaluations in the IMDS.</p>
Contribution to the realization of the strategic requirements and targets	<p>The actions contribute to the continuous reduction of the amount of waste we generate and ensure that it is disposed of in accordance with the law.</p> <p>The transparency of the recycling rates in our products promotes the starting point for a long-term expansion of the circular economy with our suppliers.</p>
Scope (activity, geography, interest groups)	<p>The actions are implemented at our various locations.</p> <p>The requirements for reporting secondary material content via the IMDS entry currently only apply to our European plants, but refer to all of our suppliers' locations. An expansion to other locations is being considered for 2026. In addition, the requirements only apply to our supply chains in the automotive and medical technology industries.</p>
Time frame	<p>The actions were planned for the reporting year. At the beginning of the following year, implementation will be monitored and new actions will be defined.</p>
Progress	<p>The planned actions were implemented during the reporting period.</p> <p>The planned inclusion of the requirement for recycling information in the target agreements will be implemented in 2025.</p>

ESRS E5-3 Targets related to resource use and circular economy

21. Targets related to resource use and circular economy

Relationship to the strategic targets (see 24)	<p>In our Supplier Policy, we have set ourselves the target of reducing the consumption of primary raw materials. Creating transparency about the proportions of primary and secondary raw materials used is a first step toward gaining an overview of our current status and making potential improvements measurable.</p>
Defined target level	<p>Disclosure of the recycled content for all samples from 2025 onwards and on request for all series parts.</p>
Scope (activity, geography, interest groups)	<p>The requirements for reporting secondary material content via the IMDS entry currently only apply to our European plants, but refer to all of our suppliers' locations. An extension to other locations is being considered for 2026. In addition, the requirements only apply to our supply chains in the automotive and medical technology industries.</p>
Reference value and reference year	<p>None</p>
Period, including stages and interim targets	<p>2024: Communication of requirements to suppliers</p> <p>2025: Inclusion in the target agreement</p>
Method used to set the target and key assumptions	<p>Not relevant</p>
Reference to scientific findings	<p>Not relevant</p>
Involvement of stakeholders	<p>We request secondary material content from our suppliers based on customer requirements from the automotive industry to disclose this information in the parts we produce. Since we have to disclose this information for each specific part via the IMDS, we also request this information from our suppliers via the IMDS.</p>
Description of possible changes	<p>Not relevant</p>
Performance compared to the specified targets	<p>The existence of an IMDS entry with secondary material content is taken into account when reviewing each supplier sample.</p>

Level of waste hierarchy (see 25.)	The target refers to waste recycling.
Consideration of ecological thresholds (see 26)	No ecological thresholds were taken into account when setting the target.
Binding nature of the target in accordance with legal provisions (see 27)	The target was set voluntarily in response to customer demands and in preparation for possible future legislative changes to the End-of-Life Vehicles Directive.

We identified waste both as a material environmental impact and a material financial risk in our materiality analysis. In our sustainability directive, we are therefore committed to the responsible use of resources and the continuous avoidance or reduction of waste.

Although we have not currently defined a fixed target for waste reduction, we are actively working to optimize our waste processes. The reasons for the lack of a quantified target are primarily the heterogeneity of our locations, different production conditions and fluctuating external factors (e.g. packaging materials from suppliers) that influence waste volumes and currently make it difficult to set a uniform, location-wide target.

Regardless of this, we are implementing actions for waste prevention, separation and recycling at all locations and are continuously developing them further, as described in E5-2.

ESRS E5-4 Resource inflows

30. Description of material resource inputs of products and materials

We mainly use metallic materials in the form of wire and strip as well as various plastic granulates to manufacture our products.

Since we also manufacture complex assemblies, we are dependent on purchasing components that we cannot manufacture ourselves. These include plastic parts, stampings and shaped components, electronic components and prefabricated assemblies.

Our surface technology plants mainly use various coating materials.

31. a) Quantities of resource inflow

	2024
Total weight of raw materials used	77,123,350 kg
• Of which wire	65
• Of which strip	31
• Of which plastic granulate	3
• Of which non-ferrous metal	1
	2024
Quantity of purchased parts used	332,991,369
• Of which plastic parts	35
• Of which stampings/shaped components	24
• Of which electrical components	8
• Of which external stamping	6
• Of which assemblies (assembly/welding)	6%
• Other purchased parts (e.g. tubes, springs, castings)	21

31.b) Percentage of biological materials

The use of biological materials is currently not relevant for us.

31. c) Weight of secondary components, products and materials used in the manufacture of products

Our raw materials and purchased parts made of steel and iron generally contain a proportion of recycled scrap. However, the exact amount of this proportion cannot be evaluated, as it depends heavily on the respective manufacturing route.

For example, scrap content of up to 90% can be achieved in electric arc furnace production, while the proportion in blast furnace production is usually around 20%. In addition, our suppliers sometimes source the same material through different production routes, which leads to significant fluctuations between individual batches.

Nevertheless, we are continuously committed to improving transparency along our supply chain. We work closely with our suppliers and require them to specify the recycled content via the IMDS for each new sample.

Currently, the plastics and coating materials we use do not contain any recycled components. The reason for this is that there are currently no materials available that both meet our high technical requirements and are approved by our customers.

However, we are closely monitoring developments on the market and regularly reviewing the extent to which the use of recycled materials will be feasible in the future while complying with all quality and approval criteria.

32. Calculation methods

The evaluation of the resource inflow considers the quantities from January 1 to December 31, 2025.

The information on purchased raw materials, coatings and parts is taken from our internal ERP system. Purchased parts are only stored as quantities in our system, so it is not possible to evaluate their weights.

Information on the secondary components in our materials, products and components comes from the data records that our suppliers send us via IMDS entries.

As this requirement has only been introduced in our Group this year, comprehensive data is not yet available.

ESRS E5-5 Resource outflows

35. Major products and materials originating from the Company's production processes and designed according to circular economy principles

Our products consist mainly of various metals, in assembly and joining technology as well as in metal forming, machinery and tooling. After use, the metals are separated by type and returned to the recycling cycle via scrap sales.

Some components are additionally overmolded with plastic or made entirely of plastic. Their recycling depends on the type of material and sortability: they are either recycled or thermally recycled. In individual cases and depending on regional disposal conditions, landfill may be used, but this is increasingly uncommon or restricted by law.

36. a) Expected durability of the products placed on the market by the Company in relation to the industry average for each product group

As durability depends on the use of the products and is specified by the customer (e.g. load cycles), no statements related to specific product groups can be made here.

36. b) Repairability of products, using an established rating system where possible

Our products are not delivered directly to end customers, but are mainly integrated as components in assemblies that are ultimately used in vehicles by automobile manufacturers.

Repair is generally not intended for these series parts and is usually not feasible for technical reasons; in the event of damage, the parts are replaced. For larger assemblies, such as welded assemblies, repair is possible in principle. However, the responsibility lies with our direct customers, who deliver the finished products to end customers and act as contacts in the event of defects.

In mechanical and system construction, we do not rely exclusively on new components, but also integrate used system parts in special cases. These parts are purchased on the market, professionally reconditioned and installed in new systems.

36. c) Recyclable content in products and their packaging.

Our products are mainly used in vehicle construction. At the end of their service life, reusable components, such as electronic components, are removed. The remaining vehicles are then usually shredded, separating the various material fractions such as metals and plastics. The recycled raw materials are then fed back into the production cycle.

Since our products consist almost exclusively of various metals, these are returned to the recycling circuit through the sale of scrap metal. The plastics used are also recyclable in principle, e.g. by melting. However, whether and to what extent this actually happens depends on various technical and economic conditions on which we have no direct influence.

The recycling process for our machines and systems follows similar principles. In general, non-recyclable materials represent only a negligible proportion of our products.

Our packaging consists mainly of paper and cardboard, reusable load carriers or films. These can be recycled in Germany via the "Green dot" label or the "blue paper bin", on an international scale the procedure to be applied depends on local legal requirements and infrastructure.

37. a) Total amount of waste generated

	2024
Total amount of waste generated in tons	6,484
• Of which hazardous waste in tons	1,262
• Of which non-hazardous waste in tons	5,222

37. b) Waste transferred for recycling

	2024
Total amount of recycled waste in tons	4,410

37. c) Waste disposal

	2024
Total amount of waste disposed of in tons	2,073

38. a) Relevant waste streams

The metalworking industry generates various waste-relevant material flows, which vary depending on the location. Typical production waste includes, in particular, residues from metalworking, such as oils, greases, cooling lubricants and other machining emulsions, as well as various auxiliary and operating materials.

At locations where surface treatment is carried out, residues from coating materials and waste from chemical pretreatment are also generated.

Plastic waste, such as injection molding residues, is also generated in plants with plastic injection molding processes.

Regardless of the manufacturing focus, all locations also generate general waste such as paper, cardboard, residual waste, wood and packaging materials, both from administrative areas and from production and logistics.

38. b) Materials contained in the waste

The composition of the waste is described in 38 a. Biomass, critical raw materials or rare earths are not included.

39. Total amount of hazardous and radioactive waste

	2024
Total amount of hazardous waste in tons	1,262
Total amount of radioactive waste in tons	0

40. Calculation methods

The data on waste streams comes from our waste disposal companies. They send us invoices showing the amount of waste disposed of and the corresponding costs.

ESRS E5-6 Anticipated financial effects from material resource use and circular economy-related risks and opportunities

The increased costs of waste disposal represent a material financial risk. At German and European locations in particular, special and additional costs for transport, diesel, tolls, personnel, the requirements of the Fuel Emissions Trading Act and preparatory work for the authorities are also increasing the costs for waste disposal companies, which they pass on to us as customers.

We currently estimate the cost increases in the reporting period to be in the five-digit euro range. As things stand at present, this trend is likely to continue in the coming years.

Social information



ESRS S1 Own workforce

ESRS S1-1 Policies related to own workforce

19. Policies regarding own workforce

Policy	Sustainability directive
Key content	<p>In addition to our guiding principles and fundamentals of management as well as our corporate targets, the sustainability directive describes the foundation for sustainable development of all organizational units of the SCHERDELGroup. It is intended to highlight the fundamental standards to which we as the SCHERDELGroup want to adhere.</p> <p>These include, among other things:</p> <ul style="list-style-type: none"> • Equal treatment, promotion of equal opportunities, prohibition of discriminatory behavior • Fundamental rights of all employees to freedom of association • Global guidelines on working hours, remuneration and performance • Provision of safe, healthy and ergonomic working conditions • Emergency precaution concept to prevent and reduce hazards in the workplace • Compliance with data protection • Training and further education • Whistleblower system
General targets	<p>The sustainability directive describes the foundation for sustainable development in all organizational units of the SCHERDELGroup. It is intended to highlight the basic standards to which we as the SCHERDELGroup want to adhere.</p>
Material impacts, risks or opportunities to which the directive relates	<p>The directive refers to the material IROs of the sub-topics of fair remuneration, health and safety, training and skills development.</p> <p>Scherdel ensures that all employees worldwide are paid at least the respective country-specific or statutory minimum wage. In this way, the Company guarantees appropriate and fair remuneration for its employees in accordance with international labor law standards. (S1-1g)</p> <p>A competitive and attractive wage level contributes significantly to increasing employee satisfaction. This has a positive effect on employee retention, reduces the employee turnover rate and improves our position in attracting qualified specialists. In the long term, this strengthens the Company's competitiveness. (S1-1i)</p> <p>An increased number of days lost due to illness or accidents, especially if these are attributable to workplace-related risks or illnesses, leads to considerable financial burdens for the Company. In addition, reduced performance and motivation of the employees affected due to illness impair operational efficiency and the general working atmosphere. (S1-1aa)</p> <p>We are committed to open, fair and respectful cooperation with the Company doctor, comply with all legal requirements in the area of occupational health and safety (compliance) and carry out regular preventive medical checkups. These actions contribute materially to the early detection, prevention and treatment of work-related illnesses and have a positive effect on the health, motivation and satisfaction of our employees. (S1-1ae)</p> <p>The consistent implementation of actions to ensure safe workplaces, such as regular risk assessments, target-oriented initiatives as part of occupational health management and, in Germany, close cooperation with health insurance companies and the Wood and Metal Trade Association (BGHM), effectively contributes to reducing absences due to illness or accidents. This also reduces costs and strengthens operational performance. (S1-1ag)</p>

Monitoring process	Compliance with the directive is monitored by both internal and external HSE audits. The internal audits also include a sustainability questionnaire that examines the individual topics.
Scope	The sustainability directive applies to all locations and employees of the SCHERDEL Group worldwide.
Responsible organizational level	In March 2023, the General Management approved the current version of our "Sustainability directive" which is binding for all employees. The Quality Division reviews customers' sustainability requirements, incorporates them into the directive where appropriate, and implements them in internal processes.
Reference to third-party standards or initiatives	<ul style="list-style-type: none"> • International Labor Organization (ILO) • UN Global Compact • United Nations Universal Declaration of Human Rights (UDHR)
Consideration of stakeholder interests	The interests of stakeholders, in particular our own employees and cooperation partners in the respective regions, such as schools, training partners, etc. were taken into account during the preparation process and are represented by the Central Human Resources Division.
Availability of the directive for stakeholders	The directive is available on the SCHERDELGroup website.

Policy	Management principles
Key content	<p>Our leadership principles clearly define the tasks of executives. The focus is on open and transparent communication, a cooperative management style and exemplifying corporate values by setting a strong example. Trust-based cooperation both with employees and with one's own superiors forms the basis of successful leadership.</p> <p>In addition, target-oriented management plays a central role: executives actively support their teams in achieving the Company's targets. This is achieved, among other things, through regular employee appraisals and individual needs-based training actions that promote personal and professional development.</p>
General targets	The leadership principles are intended to describe SCHERDEL's guiding principle, "Each employee is their own entrepreneur in the workplace," in a way that is easier to understand for both employees and executives.
Material impacts, risks, or opportunities to which the directive relates	<p>The directive refers to the material IROs of the sub-topic on social dialogue within the Company.</p> <p>The opportunity for employees to submit suggestions for improvement via the idea management system can lead to process optimization and cost savings. (S1-1j)</p> <p>Regular employee appraisals with supervisors can promote the personal and professional development of individuals. (S1-1m).</p> <p>Regular information to employees about current operational processes as well as expression of appreciation for employees can promote satisfaction. (S1-1n)</p>
Monitoring process	Compliance with the directive is monitored by both internal and external HSE audits. The internal audits also include a sustainability questionnaire that examines individual topics. In addition, surveys are conducted at the locations via the central Central Human Resources Division.
Scope	The management principles apply to all locations and employees of the SCHERDEL Group worldwide.
Responsible organizational level	In May 2019, the General Management approved the current version of our management principles, which are binding for all employees, especially executives.
Reference to third-party standards or initiatives	None

Consideration of stakeholder interests	The interests of stakeholders, in this case particularly our own employees, were taken into account during the drafting process and are represented by the Central Human Resources Division.
Availability of the strategy for stakeholders	The principles are available to all SCHERDELGroup employees via the intranet.
Policy	Human resources strategy
Key content	<p>In our human resources strategy we derive key human resources topics from the Company's targets.</p> <p>The focus is on the following topics.</p> <ul style="list-style-type: none"> • Decentralization and individualization • Competence orientation • Data excellence • Globalization • Health
General targets	<p>We promote employee orientation and strengthen employee responsibility in order to enable continuous growth and development. Our human resources strategy is consistently derived from our corporate guidelines, our corporate culture and our strategic corporate targets. It sets the direction for the coming years and focuses on three clear priorities:</p> <p>our employees, the group concept and our future viability.</p> <p>In concrete terms, this means:</p> <p>We focus on competence orientation, promote health and individuality and strengthen our ability to act as a global HR unit through data excellence, needs-based decentralization and target-oriented globalization.</p> <p>At the same time, we are creating an environment that prioritizes safety and health while integrating global talent and embracing cultural diversity.</p> <p>We optimize transparency and efficiency through the use of advanced technologies and precise data management.</p>
Material impacts, risks, or opportunities to which the directive relates	<p>The directive refers to the key IROs of the sub-topic on social dialogue within the Company.</p> <p>SCHERDEL promotes the continuous development of its employees' skills by providing a wide range of training and further education opportunities. The aim is to train workers at an early stage, enable internal promotion opportunities and actively counteract the existing shortage of skilled workers. These actions contribute to securing long-term expertise within the Company and strengthen its competitiveness. (S1-1am)</p>
Monitoring process	The strategic orientation is reviewed as needed and adopted as part of the decision on SCHERDEL's business strategy. Compliance with personnel strategy targets and the effectiveness of procedures and actions are also monitored by the central Central Human Resources Division in regular consultation with international colleagues and through the target-oriented development of key performance indicators for monitoring purposes.
Scope	The personnel strategy applies to all employees of the SCHERDELGroup worldwide.
Responsible organizational level	Central Human Resources Division and the respective local human resources managers

Reference to third-party standards or initiatives	None
Consideration of stakeholder interests	The interests of stakeholders were taken into account by the central HR Division when developing the HR strategy.
Availability of the strategy to stakeholders	The human resources strategy has been published to General Management and human resources managers.

20. a) Respect for human rights, including the rights of employees and members of the Company's own workforce

The SCHERDELGroup respects internationally recognized human and labor rights. We comply with all relevant requirements in this area that have been transposed into national law and take them into account in our business processes. These include requirements related to occupational safety, freedom of pricing and association, equal treatment and co-determination rights, work-life balance and the promotion of the physical and mental health of employees. We create good working conditions and promote diversity and equal opportunities in the spirit of a sustainable and inclusive community.

In addition to complying with all legal requirements regarding respect for human rights, the SCHERDELGroup bases its actions on international standards and conventions. These include the principles of the UN Global Compact and the declarations and conventions of the International Labor Organization on fundamental principles and rights at work (ILO core labor standards). Furthermore, the SCHERDELGroup is guided by the German implementation of the United Nations Global Sustainability Goals (SDGs).

With the adoption of the "Sustainability Directive" by the SCHERDELGroup, the General Management has created a framework to ensure the protection of human rights, including with regard to its own workforce. This policy describes and summarizes regulations that also affect employees, such as equal treatment and non-discrimination, promotion of diversity and equal opportunities, health protection, protection of personal rights and freedom of association and pricing. The Sustainability directive is publicly available at scherdel.com.

20. b) Involvement of individuals in the Company's own workforce

The procedures outlined in ESRS S1-2 for involving the Company's own workforce and employee representatives with regard to impacts can also be used by employees to address and discuss human rights issues with the SCHERDELGroup.

20. c) General approach with regard to actions taken to remedy and/or enable the remediation of human rights impacts

The procedures for remedying negative impacts and channels through which the Company's own workforce can express concerns, as outlined in ESRS S1-3, can also be used, if necessary, to remedy impacts on the human rights of employees.

21. Extent to which the strategies are consistent with relevant internationally recognized instruments, including the United Nations Guiding Principles on Business and Human Rights

In order to respect human rights, the SCHERDELGroup adheres to international standards and conventions, including the principles of the UN Global Compact, the declarations and conventions of the International Labor Organization on fundamental principles and rights at work (ILO core labor standards), and the implementation of the United Nations Global Sustainability Goals (SDGs).

In our opinion, our sustainability directive and our approach to human rights are consistent with the United Nations Guiding Principles on Business and Human Rights.

22. Consideration of trafficking in human beings, forced labor and child labor in the strategies

The Company's strategies regarding its own workforce cover the issues of trafficking in human beings, forced labor and child labor.	X	Yes		No
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23. Strategies or management systems related to the prevention of occupational accidents

The Company has a strategy or management system in place to prevent workplace accidents.	X	Yes		No
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24. a) Specific policies to eliminate discrimination, promote equal opportunities or other ways to promote diversity and inclusion

The Company has a strategy aimed at eliminating discrimination (including harassment), promoting equal opportunities and other ways of promoting diversity and inclusion.	X	Yes		No
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24. b) Collection of the reasons for discrimination

The following reasons for discrimination are covered by the strategies: race and ethnic origin, skin color, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national origin or social background, and other forms of discrimination covered by EU and national law.	X	Yes		No
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24. c) Specific political commitments regarding inclusion or support actions

In accordance with Section 154 of SGB IX in Germany, the SCHERDELGroup is obliged to employ at least 5 percent of its workforce as severely disabled employees. The latter must have the opportunity to elect a person representing their interests.

The rehabilitation and participation of disabled people is an important concern for us. We support severely disabled persons, persons of equal status and employees who are at risk of disability due to illness.

The SCHERDELGroup's quota for severely disabled persons in Germany was 6.3 percent in the reporting year. This means that the proportion of severely disabled persons exceeded the statutory quota of 5 percent.

24. d) Implementation of strategies within the framework of specific procedures to ensure that discrimination is prevented, reduced and combated

In our opinion, an important procedure for preventing, reducing and combating discrimination is raising awareness and providing further training for employees.

Training courses on SCHERDEL's principles, such as the sustainability directive and management principles, are held regularly.

ESRS S1-2 Processes for engaging with own workforce and workers' representatives about impacts

27. a) Involvement of own workforce or workforce representatives

Involvement of our own workforce takes place directly or indirectly.	X	Direct involvement	X	Involvement through employee representatives
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27. b) Phases, type and frequency of involvement

Through various well-established dialogue formats, the views of employees are incorporated into the Scherdel Group's decisions and actions related to employee issues, both directly and through the involvement of employee representatives.

- Employee appraisals: Regular dialogues between employees and their executives (e.g. annual meetings on target agreement and achievement)
- Exchange formats between General Management and employees (e.g. internal Company magazine, intranet, and video messages from the Managing Director) several times a year.
- Works meetings: General Management participates as a guest of the works council, as questions from employees to the Managing Director are an integral part of this works council event; employees are given time off to attend works meetings and receive reimbursement for travel expenses.
- Regular exchanges, consultations and negotiations between the General Management, the Central Human Resources Division, the works council and the works council committees, as well as the youth and trainee representatives and the representatives of disabled employees, several times a year or as needed, e.g. for the conclusion of works agreements.
- Employee surveys: These surveys provide information about employee satisfaction and motivation, the quality of cooperation and changes in corporate culture. By allowing employees to provide open-ended responses in the surveys, we also encourage them to give specific suggestions for improvement, from which we derive actions to

optimize our performance as an employer. The results of the survey also serve as a basis for regular dialogue between executives and employees in the individual departments and units of our Company.

- In the local units, there are also other formats, such as monthly meetings, joint shift meetings, etc.

27. c) Function and most-senior position with operational responsibility for inclusion

The results of the communication formats are collated by the General Management and the head of the central Human Resources Division. They integrate the results into the corporate concept as necessary.

27. d) Agreements with employee representatives

The SCHERDELGroup has established a company-wide sustainability directive as a global framework for action. This policy defines the basic principles for the responsible treatment of our employees and, in particular, includes a commitment to respect and compliance with human rights. Together with the international community, SCHERDEL recognizes that certain human rights should be considered fundamental and universally valid.

The contents of this directive are binding for all employees of the SCHERDELGroup.

In addition, specific agreements are made at the individual locations between the Plant Management or General Management and the elected employee representatives. The concerns and requirements of the employees are incorporated into these agreements via their representatives and are taken into account in the final regulations.

27. e) Assessment of the effectiveness of involvement

In our opinion and experience, the dialogue formats mentioned in 27 b) are effective instruments for incorporating the views of our own workforce into decisions and activities. For example, actions are developed in the different areas based on the discussion of the survey results.

28. Steps taken to gain insight into the views of particularly vulnerable/at-risk/disadvantaged people in the Company's own workforce

The rehabilitation and participation of disabled people is important to the SCHERDELGroup. That is why there is a representative for severely disabled employees at all German locations to represent their interests. Access to the representative body for severely disabled persons is open to all employees. There is regular communication between the General Management and the representative body for severely disabled persons, for example within the framework of the Company's reintegration management. Where legal requirements apply at the respective locations, these are complied with by the local human resources and location managers.

A particularly noteworthy example is the medical department at the location in Silao in Mexico, where medical care is provided within the plant by a permanently employed general practitioner and another medical professional. They also offer various preventive care programs for particularly vulnerable groups such as pregnant women, as well as regular cancer screening. In addition, the team provides information on cardiovascular diseases and ensures that the canteen menu is regularly updated with regular nutrition courses.

ESRS S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

32. a) General approach and procedures for implementing or participating in remedial actions

In our opinion and experience, the dialogue formats mentioned under 27 b) are effective procedures for identifying possible negative effects on members of our own workforce and initiating remedial actions. Regular dialogues between employees and their executives, in which remedial actions can be agreed upon, are of particular importance here. If necessary, experts from the Central Human Resources Division (in Germany, additional members of the works council, the youth and trainee representatives and the representatives of disabled employees) can be involved. In addition, there are regular employee surveys that provide information about potential for improvement. We use the results of these surveys to derive actions for optimizing our performance as an employer.

If there are any negative effects, our employees can contact their local representatives (e.g. in Germany, the works council, the youth and trainee representatives, the representatives of disabled employees and the complaints office under the General Equal Treatment Act) to initiate corrective actions.

As part of the Company's suggestion scheme, every employee can also submit ideas, optimization and improvement suggestions related to employee issues, which are reviewed by Scherdel and implemented if suitable.

Our publicly accessible complaint management system on the Scherdel website also accepts and processes reports of possible negative effects on members of our own workforce. In accordance with the requirements of the German Supply Chain Due Diligence Act (LkSG), the Scherdel website also provides access to a complaint procedure that allows (internal

and external) reports of human rights and environmental risks or violations. Reports can be submitted by name or anonymously and will be treated confidentially. The relevant rules of procedure are published on the website.

32. b) Specific channels through which the Company's own workforce can express their concerns or needs and have them reviewed

There are several channels through which employees can express their concerns or needs to the Company and have them reviewed:

- Discussions with one's own superior
- Submission to the Central Human Resources Division
- Participation in employee surveys
- Submission via the Company's suggestion scheme
- Submission to the works council, the youth and trainee representative, or the representative of disabled employees
- Submission via the ombudsman's complaint procedure
- Submission to the local representative

32. c) Procedure for handling complaints related to employee issues

The Company has a procedure for handling complaints related to employee concerns.	X	Yes		No
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32. d) Procedures used by the Company to support the availability of such channels in the workplace for its own employees

Information about the procedures and channels mentioned in 32. a) and b) is available to all employees on the intranet. This also includes the contact details of the respective contact persons.

32 e) Tracking and monitoring of the issues addressed and effectiveness of the channels

In our opinion, the channels through which employees can express their concerns and needs are effective because they are well established and well known, and dialogues with executives and employee surveys take place at regular intervals. Due to the regular intervals of dialogue and survey formats, actions taken to improve employee concerns are monitored regularly, taking employee interests into account. In addition, the Central Human Resources Division is responsible for monitoring actions in the area of human resources.

33. Trust of the Company's own workforce in the structures or procedures, knowledge of the procedures

The Company has strategies in place to protect individuals against retaliation.	X	Yes		No
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ESRS S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

37. Summary description of action plans and resources related to the management of material impacts, risks and opportunities for its own workforce

We see increasing our attractiveness as an employer as an opportunity to ensure a qualitatively and quantitatively competitive long-term personnel structure that allows the SCHERDELGroup to adapt to changing customer requirements and market conditions and to stand out positively from its competitors. The actions outlined in the following points on social dialogue, health and safety, fair pay, training and development are intended to increase our attractiveness as an employer.

38 a) Actions to prevent, mitigate or remedy material negative impacts on own workforce

No material negative impacts on our own workforce have been identified.

38. b) Actions taken to remedy material negative impacts

No material negative impacts on our own workforce have been identified.

38. c) Additional actions or initiatives to achieve positive impacts on own workforce

	Health and safety actions
Actions taken in the reporting year or planned for the future	<ul style="list-style-type: none"> -A test phase was conducted at five main spring manufacturing plants in the Marktredwitz area with regard to an attendance bonus for employees. -Exchange with other companies on the topic of health management was intensified. -Executives at certain spring manufacturing plants are trained in appreciative return-to-work interviews according to a step-by-step plan. -International mission statement on health as part of the global human resources strategy. -Our SCHERDEL Academy offers various training courses on the topic of health. These are maintained and regularly updated. -Test phase at SCHERDEL GmbH to introduce an improved preventive care file in M365. -All legally required health and safety actions are offered and implemented. In addition, voluntary preventive actions are offered. As a matter of principle, work-related illnesses and accidents are centrally recorded, evaluated, and actions are taken if necessary. -We have a certified occupational safety and health management system at many of our locations. Our employees' workplaces are regularly analyzed as part of a risk assessment, potential hazards are identified, and improvement actions are initiated if necessary. The defined processes are also to be extended to non-certified locations in the future.
Results	<p>The attendance bonus trial did not prove successful and was terminated on March 31, 2025.</p> <p>Return-to-work interviews: The training content is reinforced after approximately six months by means of a review appointment.</p>
Contribution to the realization of the strategic requirements and targets	The health and safety actions contribute to the requirements of our sustainability directive, in which we commit to healthy working conditions and a reduction in workplace hazards.
Scope (activity, geography, stakeholders)	The processes from the SGA management system are to be gradually expanded to all our locations worldwide by the end of 2028.
Time frame	The majority of the actions are short-term, either for the reporting period or the following year, in order to be able to react flexibly to necessary changes, and are reviewed annually for their effectiveness and possible opportunities for improvement. These are overridden by strategic targets based on the sustainability directive.
Progress	The verification of the targets and actions takes place in the annual management review.
	Actions related to fair remuneration
Actions taken in the reporting year or planned for the future	<ul style="list-style-type: none"> -All our locations were surveyed to determine the extent to which they pay fair wages. -The statutory minimum wage is paid at all our locations. Remuneration is additionally based on classification and collective agreements. -In the future, we plan to record the reasons for fluctuation as a key figure for an appropriate remuneration system.
Results	All locations reported that appropriate wages are paid.
Contribution to the realization of the strategic requirements and targets	These actions contribute to employee satisfaction.
Scope (activity, geography, interest groups)	The actions are being implemented at all SCHERDEL locations.

Time frame	The recording of reasons for employee fluctuations is planned for 2026.
Progress	These are currently being recorded throughout Germany.
	Social dialogue actions
Actions taken in the reporting year or planned for the future	<p>-We regularly report on current topics from our headquarters or individual plants in our internal reporting formats, such as the internal company magazine or our Sigi intranet.</p> <p>-In each plant, there are daily, weekly and monthly meetings between different departments and management levels to ensure a constant exchange of information both horizontally and across all levels.</p> <p>-Our employees can submit their suggestions for improvement via our internal idea management system.</p> <p>-At all our locations, employees have the opportunity to form employee representative committees. The latter represent the interests of employees vis-à-vis the General Management and the Plant Managers, and must not be hindered in the performance of their duties.</p> <p>- It is of particular importance for us to strengthen the team spirit within the workforce at our locations and towards the SCHERDELGroup as an employer. To this end, regular celebrations are held at our various locations, to which our employees' family members are also invited. We also congratulate employees at the occasion of religious festivities.</p>
Results	In our opinion, these actions contribute to promoting the satisfaction of our employees.
Contribution to the realization of the strategic requirements and targets	In our opinion, the social dialogue actions contribute to promoting our attractiveness as an employer.
Scope (activity, geography, interest groups)	The internal reporting formats and the idea management system are available to all employees via the intranet. Meetings generally take place at all locations, but the exact implementation and frequency varies locally.
Time frame	The social dialogue actions are planned for the long term. Changes may arise as a result of changing needs and employee usage behavior.
Progress	The actions are analyzed, reviewed and, if necessary, adjusted by the central HR Division or by the plants, in the context of meeting formats, as part of regular processes.
	Actions related to work-life balance
Actions taken in the reporting year or planned for the future	<p>-Flexible working time arrangements and part-time work enable our employees to organize their working hours flexibly according to their individual family needs, taking into account operational requirements and in consultation with their executives.</p> <p>-Mobile working: In accordance with various works agreements on mobile working, a certain portion of working hours can be spent working remotely, provided that the work tasks allow this. In these cases, employees are equipped with mobile devices.</p> <p>-In accordance with the provisions of the Care Leave Act and the Family Care Leave Act, we allow all employees to take unpaid leave to care for close relatives if necessary.</p> <p>-These regulations are based on local legislation and are implemented accordingly.</p>
Results	In our opinion, these actions help employees to balance the different demands of work and family life.
Contribution to the realization of the strategic requirements and targets	In our opinion, the actions to improve work-life balance contribute to enhancing our attractiveness as an employer, to promoting diversity and to increasing the proportion of women in management positions.
Scope (activity, geography, interest groups)	The actions to promote work-life balance are available to all employees of the SCHERDELGroup.

Time frame	The actions to improve work-life balance are planned for the long term and are partly regulated by law or collective agreements. Changes may arise due to modifications in legislation, collective agreements and the environment, as well as due to changing needs and the usage behavior of employees.
Progress	The actions to promote work-life balance are analyzed, reviewed and, if necessary, adjusted by the central Central Human Resources Division as part of regular processes.

38 d) Evaluation of the effectiveness of these actions

The effectiveness of health and safety actions is assessed annually with the General Management as part of the management system.

39. Procedure for determining actions for specific actual or potential negative impacts on own workforce

The actions to promote health and safety are determined jointly by the General Management and the management representative as part of the annual management review. In the course of this review, the actions implemented in the previous year and the progress made in achieving the targets are systematically analyzed. On this basis, new actions are defined and prioritized as needed to ensure continuous improvement in the area of occupational safety and employee well-being.

40 a) Actions to mitigate the material risks arising from the impacts and dependencies related to own workforce

The material risks identified relate to health and safety. The actions taken in this area are described in section 38. C and are also applicable here.

40. b) Actions to take advantage of material opportunities in relation to own workforce

The actions related to the material opportunities identified in the areas of health and safety, social dialogue and fair remuneration were described in section 38. C and are also applicable here.

	Actions for further training and skills development
Actions taken in the reporting year or planned for the future	<p>Training:</p> <ul style="list-style-type: none"> -Training in commercial and technical areas. -With our "Top Trainee Model" support program, we offer particularly high-performing and committed trainees additional training opportunities and career prospects. This allows the best trainees to benefit from internships at our international locations. - Trainees who are hired by the Company receive intensive support even after their training period as part of the "Young Professional Program," which continues to provide young colleagues with networking opportunities and regular further training. <p>Further training:</p> <ul style="list-style-type: none"> -All Scherdel employees have at least one feedback meeting per year to assess their performance and professional development. These firmly established dialogue formats also serve to discuss further training needs and development opportunities, as well as to plan specific training actions. -The central and local Human Resources departments analyze the qualification needs of employees against the backdrop of changing requirements resulting, for example, from digitalization, changes in the range of products and services, regulatory requirements or changes in IT. This results in specific training targets for individual employees, teams or even the entire Company, which are met through internal and external training actions. -With its in-house SCHERDEL Academy, the central Human Resources Division offers an international program of internal and external training courses in various formats. We believe that this provides our employees with a comprehensive and diverse range of training opportunities that promote talent, develop professional and personal skills, and intensify leadership development and training actions. There are continuing education programs for employees and executives to develop

	<p>professional and personal skills, continuing education formats for developing digital skills and promoting the transformation of corporate culture, training on regulatory issues and sustainability, and programs for identifying and developing potential.</p> <p>-In our opinion, Scherdel's clearly structured training architecture enables all employees to obtain comprehensive information about our training offerings and to plan their personal careers based on the perspectives presented.</p> <p>-All employees can find out about continuing education opportunities and development paths on the intranet.</p>
Results	The results are assessed by executives in employee appraisals and in mutual collaboration.
Contribution to the realization of the strategic requirements and targets	Training and continuing education actions contribute to employer attractiveness, recruitment, development and retention of employees and are part of personnel planning and personnel management.
Scope (activity, geography, interest groups)	Training and development actions are available to all employees of the Scherdel Group. Specific training actions are agreed between employees and their executives.
Time frame	Training and continuing education actions are carried out on an ongoing basis, with the content, scope and frequency determined by the individual needs of employees, regulatory requirements and the Scherdel Group's personnel development targets.
Progress	Training and continuing education actions are analyzed, reviewed, and, if necessary, adjusted by the Central Human Resources Division as part of regular processes.

	Actions to increase the proportion of women in management positions
Actions taken in the reporting year or planned for the future	<p>Circle of young future executives</p> <p>-The "circle of young future executives" is a three-year development program based on the pillars of promotion, creation and networking. It offers talented young professionals an exclusive platform to further develop their personal and professional skills in a targeted manner and to actively contribute to the strategic development of the SCHERDEL Group.</p> <p>-The proportion of female members in this group is currently 25%.</p>
Results	The results are assessed by executives in employee appraisals and in mutual collaboration.
Contribution to the realization of the strategic requirements and targets	Overview of one's own area of responsibility and the global business situation.
Scope (activity, geography, interest groups)	Germany
Time horizon	2 years
Progress	Regular discussions with General Management and central Human Resources Division.

ESRS S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Targets for managing material impacts, risks and opportunities for our own workforce

In line with our human resources strategy, our overarching target is to ensure a human resources structure that is competitive in terms of both quality and quantity in the long term. This will enable the SCHERDELGroup to continue to meet changing customer requirements and stand out positively from its competitors. Against this backdrop, being a highly attractive employer is one of the SCHERDELGroup's overarching targets. We report on general targets in ESRS S1-1 Strategies related to our own workforce.

The topics of health and safety, appropriate remuneration, social dialogue, further training and skills development were identified as material. We report on the measurable, results-oriented and time-bound targets set for this purpose in the following section.

Relationship to the strategic targets	The target is in line with our sustainability directive, according to which we want to reduce the hazards in our workplaces as a cause of occupational accidents.
Target level	No work-related accidents in categories A, B, and C.
Scope (activities, geographic boundaries)	The target applies to all locations that are certified according to ISO 45001.
Reference value and reference year	Not relevant.
Time frame, including interim targets	In addition, in order to communicate the target to our relevant locations, target values for the 1,000-man quota were set for the locations.
Method used to set the target and key assumptions	The target is to avoid accidents at work as a matter of principle. As a preventive action, all near accidents are reported and centrally recorded, evaluated and communicated.
Reference to scientific findings	Bird's study on occupational safety.
Involvement of stakeholders	Our employees and their representatives have a legitimate interest in not suffering any health problems as a result of their work. The target was defined on this basis.
Description of possible changes	No changes.
Performance compared to stated targets	The target has been largely achieved.

Relationship to the strategy targets	The target is in line with our sustainability directive, according to which we want to create healthy working conditions for our employees.
Target level set	Reduction of sick leave by 20% (relative change).
Scope (activities, geographic boundaries)	The target applies only to all German locations.
Reference value and reference year	The reduction refers to the locations' respective values in 2019, before sick leave was distorted by the coronavirus pandemic.
Time frame, including interim targets	The target is to be achieved by March 2025.
Methods and material assumptions for setting the targets	A realistic target was developed by evaluating the sick leave rates of the various plants in previous years.
Reference to scientific findings	Benchmarking of sick leave within our industrial branch as a basis for effective health promotion actions and for setting the target value.
Involvement of stakeholders	Consideration of social security institutions.
Description of possible changes	No change.
Performance compared to the specified targets	The medium-term target could not be achieved. However, a positive trend emerged.

Relationship to the strategic requirements	The target is in line with our sustainability directive. Unless there are any legal or collective agreements in place, we base our remuneration and benefits on industry-specific, customary, collectively agreed rates that ensure an adequate standard of living for employees and their families.
Target level	Complete feedback from all international locations on the wage levels paid.
Scope (activities, geographic boundaries)	The target applies to all plants of the SCHERDELGroup worldwide.
Reference value and reference year	Not relevant.
Time frame, including interim targets	2026: Feedback from 5 plant groups. 2028: Feedback from all plant groups.

Methods and material assumptions used to set the targets	Not relevant.
Reference to scientific findings	Not relevant.
Involvement of stakeholders	The interests of employees in fair remuneration are taken into account.
Description of possible changes	No changes.
Performance compared to stated targets	Not relevant.
Relationship to the strategic requirements	The target promotes both our commitment to continuously improving our management systems, as defined in our sustainability directive, and our aspiration to incorporate all ideas and suggestions from our employees into our idea management system according to our management principles.
Specified target level	Restructuring of idea management to improve throughput time and better processing of submitted ideas.
Scope (activities, geographic boundaries)	The target applies to all plants of the SCHERDEL Group worldwide.
Reference value and reference year	Not relevant.
Time frame, including interim targets	The definition of interim targets is currently being prepared; the time frame will be determined in the next reporting period.
Methods and material assumptions used to set the targets	Not relevant.
Reference to scientific findings	Not relevant.
Involvement of stakeholders	<p>The continuous optimization of our processes and the associated cost savings are an integral part of our corporate targets. On-location evaluation and timely implementation play a decisive role in this.</p> <p>Our employees also expect their suggestions for improvement to be reviewed, implemented and valued within a reasonable period of time. This is very important for their motivation and willingness to continue actively contributing ideas in the future.</p>
Description of possible changes	No changes.
Performance compared to the specified targets	Performance can be evaluated starting in the next reporting period.
Relationship to strategic requirements	The target is consistent with our management principles for target-oriented management.
Specified target level	Conducting employee appraisals with 100% coverage in the first three levels of the plants and headquarters.
Scope (activities, geographic boundaries)	The target applies to all locations worldwide.
Reference value and reference year	Not relevant.
Time frame, including interim targets	The target is to be achieved by 2028.
Methods and material assumptions used to set the targets	Not relevant.
Reference to scientific findings	Not relevant.
Involvement of stakeholders	The interests of our employees in regular exchanges with their superiors about their current activities, the achievement of targets, and their career prospects are taken into account.

Description of possible changes	No changes.
Performance compared to stated targets	Employee appraisals are already carried out systematically at various locations.
Relationship to the tagrets of the strategy	The target is consistent with our leadership principles for target-oriented management.
Defined target level	Standardization of employee appraisals
Scope (activities, geographic boundaries)	The target applies to all locations worldwide.
Reference value and reference year	Not relevant.
Time frame, including interim targets	The target is to be achieved by 2028.
Methods and material assumptions used to set the targets	Not relevant.
Reference to scientific findings	Not relevant.
Involvement of stakeholders	Our employees' demand for fair, transparent and comparable evaluation is taken into account through standardization.
Description of possible changes	No changes.
Performance compared to the stated targets	The standardized specifications have already been created, and their transfer to the human resources management system and extension to all locations is in progress.

47 a) Cooperation with our own workforce in setting targets

See ESRS S1-2 Procedure for involving own workforce and employee representatives with regard to impacts.

47. b) Cooperation with our own workforce in tracking performance in relation to the achievement of these targets

See ESRS S1-2 Procedure for involving our own workforce and employee representatives with regard to impacts.

47. c) Cooperation with our own workforce in identifying findings or opportunities for improvement

Suggestions for improvement can be submitted via the idea management system. Our employees are involved in LEAN projects for organizational and process improvements.

ESRS S1-6 Characteristics of the Company's employees

50. a) Total number of employees

Employees by gender	2024
Male	5,116
Female	2,237
Diverse	0
Total	7,353

Employees by country (number > 10% of total employees)	2024
Germany	64 %

50. b) i. Permanent employees

Permanent employees by gender	2024
Male	4,886
Female	2,048
Diverse	0
Total	6,934

50. b) ii. Temporary employees

Temporary employees by gender	2024
Male	230
Female	189
Diverse	0
Total	419

50. b) iii. Employees without guaranteed working hours

Employees without guaranteed working hours by gender	2024
Male	0
Female	0
Diverse	0
Total	0

50. c) Employee turnover rate

	2024
Total number of employees who left the Company during the reporting period	10
Employee turnover rate	1.7 %

50. d) Description of the methods and assumptions used to compile the data.

The data is collected as the number of persons or full-time equivalents.	X	Number of persons		Full-time equivalents
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d) ii. Compilation of data as an average or by using another method

Data collection methodology		Average	X	Other methodology
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50. e) Background information necessary for understanding the data.

The various types of employee fluctuation are used to calculate the employee turnover rate. This takes into account fluctuations initiated by employers and employees as well as natural fluctuations, e.g. due to retirement.

ESRS S1-7 Characteristics of nonemployees in the Company's own workforce

55. a) Nonemployees in the Company's own workforce

	2024
Number of "self-employed"	0
Number of persons provided by enterprises principally engaged in "employment placement and supply" (NACE code N78)	41
Total number of nonemployees	41

55. b) i. Data in number of persons or full-time equivalents

The data is collected as numbers of persons or full-time equivalents.	X	Number of persons		Full-time equivalents
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55. b) ii. Information as an average for the reporting period or by using another method

Data collection methodology		Average	X	Other methodology
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b) iii. Background information necessary to understand the data

Self-employed workers have not yet been included for the reporting year. Work is underway to include them for the next reporting period.

Description of the most common types of nonemployees

Most nonemployees are temporary workers supplied by employment agencies.

ESRS S1-8 Collective bargaining coverage and social dialogue60. a) Employees with collective bargaining agreements

Data on collective bargaining agreements coverage is not yet recorded.

60. b) Percentage and scope of collective bargaining agreements in the European Economic Area (information per country with a significant number of employees)

The SCHERDELGroup has a works council that was elected by the employees in accordance with the provisions of the German Works Constitution Act. In principle, however, our employees at all locations are permitted to form employee representative bodies.

60. c) Percentage and scope of collective agreements outside the European Economic Area by region

Collective bargaining agreements abroad have not yet been recorded.

ESRS S1-9 Diversity parameters66. a) Gender distribution at the highest management level

	Number	Percentage
Male	16	84 %
Female	3	16 %
Diverse	0	0 %
Total	19	100 %

Our top management level includes our executive board, our division managers and the plant group managers.

ESRS S1-10 Adequate wages69. Adequate wages for all employees

All employees receive adequate wages in line with applicable benchmarks.	X	Yes		No
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70. If not all employees receive adequate wages in line with applicable benchmarks, the countries concerned must be specified

Not relevant.

ESRS S1-11 Social protection

74. a) Social protection against loss of earnings due to illness (explanation, if not see 75)

All employees have social protection against loss of earnings due to illness through public or Company-provided benefits:

Germany	X	Yes		No
Other European countries	X	Yes		No
Non-European countries	X	Yes		No

74. b) Social protection against loss of earnings due to unemployment (explanation, if not see 75)

All employees have social protection against loss of earnings due to unemployment through public or Company-provided benefits from the moment they start working for the Company.

Germany	X	Yes		No
Other European countries	X	Yes		No
Non-European countries	X	Yes		No

74. c) Social protection against loss of earnings due to occupational accidents and incapacity for work (explanation, if not see 75)

All employees have social protection against loss of earnings due to occupational accidents and incapacity for work through public or Company-provided benefits.

Germany	X	Yes		No
Other European countries	X	Yes		No
Non-European countries	X	Yes		No

74. d) Social protection against loss of earnings due to parental leave (explanation, if not see 75)

All employees have social protection against loss of earnings due to parental leave through public or Company-provided benefits.

Germany	X	Yes		No
Other European countries	X	Yes		No
Non-European countries	X	Yes		No

74. e) Social protection against loss of earnings due to retirement (explanation, if not see 75)

All employees have social protection against loss of earnings due to retirement through public or Company-provided benefits.

Germany	X	Yes		No
Other European countries	X	Yes		No
Non-European countries	X	Yes		No

75. Indication of countries in which employees do not enjoy social protection

Not relevant.

ESRS S1-12 Persons with disabilities

Not material.

ESRS S1-13 Training and skills development metrics

83.) Employees who participated in regular performance and career assessments

	2024
Percentage of employees who participated in regular performance and career assessments	20 %

ESRS S1-14 Health and safety metrics

88. a) Percentage of individuals covered by the Company's health and safety management system

	2024
Percentage of people covered by the Company's health and safety management system	43 %

88. b) Number of fatalities due to work-related injuries and illnesses

There were no fatalities due to work-related injuries or illnesses during the reporting period.

88. c) Reportable workplace accidents

	Number	Rate per 1,000
Reportable accidents at plants certified according to ISO 45001	42	31.3

88. d) Number of reportable work-related illnesses

There were no reportable work-related illnesses during the reporting period.

88. e) Number of days lost due to work-related injuries and fatalities resulting from occupational accidents, work-related illnesses and fatalities resulting from illnesses.

An evaluation is not yet available at this time due to system limitations. However, the development of appropriate evaluation options is currently in progress.

ESRS S1-15 Work-life balance metrics

Not material.

ESRS S1-16 Remuneration metrics (pay gap and total remuneration)

97. a) Gender pay gap, i.e. the difference between the average income of female and male employees, expressed as a percentage of the average income of male employees

Data on the pay gap has not yet been collected.

97. b) Ratio of the total annual remuneration of the highest-paid individual to the median total annual remuneration of all employees (excluding the highest-paid individual)

Data on the pay gap has not yet been collected.

97. c) Background information necessary to understand the data

Not necessary.

ESRS S1-17 Incidents, complaints and severe human rights impacts

103. a) Reported cases of discrimination, including harassment

No cases of discrimination or harassment were reported during the reporting period.

	2024
Number of reported cases of discrimination	0

103. b) Number of complaints

	2024
Number of complaints submitted through channels that allow individuals within the workforce to raise concerns (including grievance mechanisms)	0
Number of complaints submitted to the OECD National Contact Points for Multinational Enterprises	0

103. c) Significant fines, penalties and damages

	2024
Total amount of significant fines, penalties and damages related to the incidents and complaints described	0
Reconciliation of the amounts stated with the most meaningful amount indicated in the financial statements	0

103. d) Background information necessary for understanding the data

Not relevant

104. a) Serious incidents related to human rights

	2024
Number of serious incidents related to human rights involving the workforce	0
Of which	
Number of serious incidents that violate the United Nations Guiding Principles on Business and Human Rights	0
Number of serious incidents that violate the ILO Declaration on Fundamental Principles and Rights at Work	0
Number of serious incidents that violate the OECD Guidelines for Multinational Enterprises	0
Number of serious incidents in which the Company played a role in ensuring remedial action for those affected	0

104. b) Fines, penalties and damages paid in connection with serious human rights incidents

	2024
Total amount of fines, penalties and damages paid in serious incidents related to human rights	0
Reconciliation of the amounts disclosed with the most meaningful amount indicates+d in the financial statements	0

ESRS S2 Workers in the value chain

ESRS S2-1 Policies related to workers in the value chain

16. Policies for workers in the value chain

The policy covers specific groups or all workers in the value chain.		Specific groups	X	All workers in the value chain
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Policy	Supplier Policy – Code of Conduct for Suppliers
Key content	<p>Our Supplier Policy forms the basis of a reliable partnership between Scherdel and its suppliers. To this end, fundamental agreements are concluded on lawful conduct, behavior toward employees, environmental and safety issues, careful use of resources and behavior toward the market.</p> <p>The supplier undertakes to comply with all applicable laws and regulations, including the due diligence obligations under the German Supply Chain Due Diligence Act (LkSG).</p>
General targets	The SCHERDELGroup wants to be a reliable partner for its suppliers, progress together with them, and leverage the competitive advantages achieved in the market. We therefore expect our suppliers to offer technical development potential, competitive prices, reliable quality and compliance with applicable standards and rules.
Material impacts, risks, and opportunities to which the strategy relates	<p>Violations of applicable occupational health and safety laws can lead to negative health effects and employee dissatisfaction. (S2-1a)</p> <p>Unfair remuneration of parents, cost pressure and labor shortages can lead to child labor at suppliers. Such incidents would not only violate human rights standards, but could also lead to losses in sales and market share, damage to SCHERDEL's image and financial penalties. (S2-3a)</p> <p>Cost pressures and labor shortages can lead to forced labor at suppliers. Such incidents would not only violate human rights standards, but could also lead to losses in sales and market share, damage to SCHERDEL's image and financial penalties. (S2-3c)</p>
Monitoring process	Upon inclusion in the SCHERDEL supplier list, the supplier confirms compliance with the Supplier Policy. Compliance is then monitored in the course of supplier audits.
Scope	The Supplier Policy applies to all suppliers of the SCHERDELGroup worldwide.
Responsible organizational level	The current version of the Supplier Policy was published in October 2023. It was approved by the Purchasing and Logistics Division Management.
Reference to third-party standards or initiatives	<ul style="list-style-type: none"> • UN Charter of Human Rights • Principles of the International Labor Organization (ILO) • UN Global Compact • German Supply Chain Due Diligence Act (LkSG)
Consideration of stakeholder interests	The policy statement serves to protect the human rights and environmental legal positions of stakeholders in our own business area and in the supply chain, and thus directly serves the interests of these stakeholders. Findings on stakeholder interests from risk analysis or from the processing of reports from the LkSG complaint management system are taken into account.
Availability of the strategy for stakeholders	The Supplier Policy is available on the SCHERDELGroup website.

17. a) Respect for human rights, including labor rights

We expect our suppliers and service providers to feel obliged to meet the social, ethical and environmental standards of society, as does the SCHERDELGroup, and to take these targets into account in the manufacture and production of their products and in the provision of their services.

Supplier management makes an important contribution to the observance of human rights and human rights due diligence. This has been disclosed in the Supplier Policy / Code of Conduct for Suppliers on our website.

Respect for human and labor rights in accordance with these principles is integrated into the SCHERDELGroup's supplier management through contractual agreements. We have set out our expectations for a good business relationship in our Supplier Policy. This also sets out our expectations of our business partners with regard to compliance with internationally recognized human and labor rights and all applicable legal regulations.

The content of the Supplier Policy, with its regulations on respect for human and labor rights, is an integral part of every supplier approval and commissioning of service providers to the SCHERDELGroup. Within the framework of supplier management, regulations and standards for the respect of human rights, including labor rights, are therefore applied to workers in the value chain. The agreements also contain regulations on climate, environment and sustainability.

With the application and implementation of the German Supply Chain Due Diligence Act (LkSG) since January 1, 2023, respect for human rights, including labor rights and rights, of workers in the value chain is also subject to the due diligence obligations in accordance with the LkSG and is therefore included in LkSG risk management and regular risk analyses, in our Supplier Policy, and in the LkSG complaint procedure, among other things.

During the reporting period, a risk analysis was carried out for our own business area and suppliers in accordance with the requirements of the LkSG, and this did not reveal any specific material human rights-related risks within the meaning of the LkSG for workers in our own business area and at the suppliers of the SCHERDELGroup. If workers in the value chain feel that their rights have been affected, they can use the LkSG complaint procedure, which is accessible via the SCHERDEL website, to report their concerns.

17. b) Involvement of workers in the value chain

Annual meetings are held with the most important suppliers to the SCHERDELGroup. During these meetings, the internal evaluation of the supplier as well as possible or necessary changes, including in the area of sustainability, are discussed. The aim is to achieve positive supplier development and to maintain a positive evaluation in the long term.

Workers in the value chain are included in the due diligence obligations in terms of human rights and environmental under the German Supply Chain Due Diligence Act (LkSG): During the reporting period, a risk analysis was carried out for our own business area and suppliers in accordance with the requirements of the LkSG, and this did not reveal any specific material human rights-related risks within the meaning of the LkSG for workers in our own business area and at the suppliers of the SCHERDELGroup.

If workers in the value chain feel that their rights have been affected, they can use the LkSG complaint procedure available on the SCHERDEL website to report their concerns.

17. c) Actions to remedy and/or enable the remediation of human rights impacts

Wherever the SCHERDELGroup identifies potential or actual human rights violations in the course of its activities or business relationships, it immediately takes appropriate actions to mitigate these within the scope of its possibilities or, if possible, to prevent them entirely. In order to systematically prevent or counteract violations, SCHERDEL has established a channel (ombudsmann@scherdel.com) through which customers, business partners and employees in the supply chains, as well as all other stakeholders, can report irregular behavior, problems, suspected cases or other concerns.

SCHERDEL reserves the right to check compliance with the agreements made on the observance of internationally recognized human and labor rights by its suppliers and service providers by means of random checks or in cases of justified suspicion. If suppliers or service providers violate agreements or legal requirements, SCHERDEL gives them the opportunity to remedy the weaknesses, for example in the form of concrete, jointly developed action plans. In the event of a permanent violation of the obligations imposed in the agreement on respect for human and labor rights, the SCHERDELGroup reserves the right to terminate the business relationship.

During the reporting period, a risk analysis was carried out for our own business area and suppliers in accordance with the German Supply Chain Due Diligence Act (LkSG). This did not reveal any specific material human rights-related risks within the meaning of the LkSG for employees in our own business area or at suppliers to the SCHERDELGroup. Actions to remedy and/or enable the remediation of human rights impacts were therefore not necessary during the reporting period. If workers in the value chain feel that their rights are affected by actual or potential impacts, they can use the LkSG complaint procedure available on the SCHERDEL website to report their concerns.

18. Consideration of trafficking in human beings, forced labor, and child labor in the strategies

The strategy related to workers in the value chain explicitly covers the issues of trafficking in human beings, forced labor, and child labor.	X	Yes		No
The Company has a code of conduct for suppliers.	X	Yes		No

19. Compliance with internationally recognized standards

In addition to complying with all legal requirements regarding respect for human rights, the SCHERDEL Group also bases its actions on international standards and conventions. These include the United Nations Sustainable Development Goals (SDGs), the principles of the UN Global Compact, and the declarations and conventions of the International Labor Organization on fundamental principles and rights at work (ILO core labor standards). We are not aware of any violations of these principles along our value chain.

ESRS S2-2 Processes for engaging with value chain workers about impacts

24. No general procedure for cooperation with workforce in place

Beyond the LkSG complaint procedure accessible via the SCHERDEL website, SCHERDEL has no general procedure for cooperation with the workforce in the value chain.

As the risk analysis carried out during the reporting period for our own business area and suppliers in accordance with the German Supply Chain Due Diligence Act (LkSG), no specific material human rights-related risks and thus no material actual and potential impacts within the meaning of the LkSG for workers in its own business area and at the suppliers of the SCHERDELGroup, the introduction of such a procedure is not currently planned. The risk analysis is updated annually or as required, and the results are incorporated into the SCHERDELGroup's sustainability directive.

If workers in the value chain believe that their rights are affected by actual and potential impacts, they can use the LkSG complaint procedure available on the SCHERDEL website to report their concerns.

ESRS S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

27. a) General approach and procedures for implementing remedial actions or participating in the latter

During the reporting period, no indications of actual material adverse impacts on workers in the value chain were received. The double materiality analysis and risk analysis carried out in accordance with the German Supply Chain Due Diligence Act (LkSG) for our own business area and suppliers during the reporting period did not reveal any specific actual material human rights-related risks for workers in the supply chain caused by SCHERDEL. Remedial actions were therefore not necessary during the reporting period.

As part of the implementation of the LkSG, a complaint procedure accessible via the SCHERDEL website was established. The procedure following a report is described in a set of rules of procedure in accordance with the requirements of the LkSG. Workers in the value chain who believe their rights have been affected can also use this procedure to submit information for the purpose of implementing remedial actions. The relevant facts and any remedial actions to be taken are discussed with the whistleblowers.

27. b) Specific channels through which workers in the value chain can express their concerns or needs and have them reviewed

As part of the implementation of the LkSG, an internal Company complaint procedure with rules of procedure in accordance with the requirements of the LkSG was set up and is accessible via the SCHERDEL website. The complaints procedure enables all persons, including workers in the value chain, to report human rights and environmental risks as well as violations of human rights or environmental obligations that have arisen as a result of the economic activities of the SCHERDELGroup in its own business area or that of a direct supplier.

27. c) Procedures to support or require the availability of such channels at the workplaces of workers in the value chain

Information on the LkSG complaint procedure is publicly available on the SCHERDEL website and can be passed on via suppliers along the supply chain if necessary.

27 d) Tracking and monitoring of issues addressed and effectiveness of channels

During the reporting period, no issues related to workers in the value chain were raised or became known within the scope of LkSG risk management.

28. Awareness and trust of workers in the value chain in the structures or procedures

The Company has strategies in place to protect individuals against retaliation.	X	Yes	No
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In accordance with the provisions of the German Supply Chain Due Diligence Act (LkSG) and the rules of procedure for the LkSG complaint procedure, the LkSG complaint procedure maintains the confidentiality of identity and ensures effective protection against discrimination or punishment on the basis of a complaint.

ESRS S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

32. a) Actions to prevent, mitigate or remedy material adverse impacts on workers in the value chain

Supplier management makes an important contribution to compliance with human rights and human rights due diligence obligations. This is disclosed in the Supplier Policy on the website. Compliance with human and labor rights in accordance with these principles is integrated into the SCHERDELGroup's supplier management through contractual agreements. In its Supplier Policy, the SCHERDELGroup has set out its expectations for a good business relationship. This also includes the expectations of business partners with regard to compliance with internationally recognized human and labor rights and all applicable legal regulations.

Actions in contracting

The content requirements of the Supplier Policy, with its regulations on respect for human and labor rights, are an integral part of every contractual agreement of the SCHERDELGroup. Within the framework of supplier management, regulations and standards for the respect of human rights, including labor rights, are therefore applied to workers in the value chain. The agreements also contain regulations on climate, environment and sustainability.

Actions within the framework of LkSG risk management

With the application and implementation of the German Supply Chain Due Diligence Act (LkSG) since January 1, 2023, respect for human rights, including labor rights, as well as rights of workers in the value chain is also subject to due diligence obligations in terms of human rights under the LKSG and is therefore included in LkSG risk management and regular risk analyses, in the Supplier Policy, and in the LkSG complaint procedure, among other things.

	Actions related to working conditions
Actions taken in the reporting year or planned for the future	-All our suppliers must confirm that they comply with the contents of our Supplier Policy and pass it on to their own suppliers. -A risk assessment is carried out when suppliers are approved for our supplier list. This is updated annually or as required. -We conduct sustainability assessments in which we check for compliance with legal requirements at the supplier's premises. The results are included in the supplier's evaluation. -We train our supplier auditors on the topic of sustainability. -We require suppliers of conflict minerals to submit a completed CMRT with only compliant, approved melting companies.
Results	The actions are part of an ongoing process.
Contribution to the realization of the strategic requirements and targets	The actions help to ensure compliance with laws along the supply chain and to fulfill due diligence obligations under the LkSG.
Scope (activity, geography, stakeholders)	The Supplier Policy and the compliance obligation apply to all suppliers of the SCHERDELGroup.
Time frame	Implementation is monitored continuously. An annual supplier assessment is carried out.
Progress	The actions are continuously developed and adapted to the circumstances, e.g. by regularly reviewing our supply chain depending on the status of the melting companies specified in the CMRT.

32 b) Whether and how actions have been taken to remedy or enable remediation in relation to an actual material impact

The double materiality analysis carried out during the reporting period for our own business area and suppliers did not reveal any actual material impacts. Remedial actions were therefore not necessary during the reporting period. If workers in the value chain believe that their rights have been affected by actual or potential impacts, they can use the LkSG complaint procedure available on the SCHERDEL website and ombudsmann@scherdel.com to report their concerns.

32 c) Any additional actions or initiatives that are primarily implemented to achieve positive impacts on workers in the value chain

Through partnership-based cooperation with our suppliers, we promote safe, fair and inclusive working conditions with the aim of achieving positive impacts on the living and working conditions of employees.

The actions we have implemented are described in 32.a.

32. d) How the effectiveness of these actions and initiatives in achieving the desired results for workforce in the value chain is tracked and evaluated

Some of our suppliers have a certified occupational health and safety management system in accordance with ISO 45001.

Compliance with standard requirements and the effectiveness of actions to minimize work-related health and safety risks are regularly checked by independent certification bodies. Proof is provided by submitting valid certificates.

Even for non-certified suppliers, we review relevant health, safety and human rights aspects as part of our sustainability assessment during supplier audits.

Among other things, we evaluate the implementation of accident analyses and the handling of documented human rights or environmental violations. The results are included in the overall assessment of the audit.

If deviations are identified, concrete improvement actions are defined together with the suppliers and their implementation is systematically tracked.

33 a) The procedures used to determine what actions are necessary and appropriate to respond to specific actual or potential adverse impacts on workforce in the value chain

The necessary actions in the supply chain are determined by a risk analysis according to the German Supply Chain Due Diligence Act (LkSG).

SCHERDEL analyzes the severity, irreversibility and causal contribution. Based on this, a prioritization is carried out. Remedial actions are based on our conventional escalation process:

1. Joint definition of remedial actions
2. Discussions with General Management and threat of NBH
3. Termination of business relationship

For larger, globally active companies, support can be sought from industry initiatives.

33. b) The approach to taking actions in relation to certain material adverse impacts on workforce in the value chain

Currently, there is no need for action based on the risk analysis according to LkSG and feedback from the complaint procedure.

In order to reduce or prevent negative impacts in the supply chain, we communicate our requirements regarding human rights, the environment, and occupational safety to our suppliers via our Supplier Policy. All of our approved suppliers must ensure compliance with the policy and pass it on to their own suppliers.

Compliance with these principles is verified via our sustainability questionnaire during supplier audits. In the event of violations, corrective actions are defined jointly.

33. c) The approach to ensure that procedures for implementing or enabling corrective actions in the event of material negative impacts are available and effective in terms of their implementation and results

Actions and schedules are defined with the supplier. Progress is reviewed and incorporated into the supplier evaluation.

34. a) With regard to material risks and opportunities, the Company describes what actions are planned or have been taken to mitigate material risks to the Company arising from its impacts and dependencies in relation to workforce in the value chain, and how it tracks effectiveness in practice

The actions described in 32.a also apply to the mitigation of material risks.

34. b) What actions are planned or have been taken to take advantage of material opportunities for the Company in connection with workforce in the value chain

No material opportunities were identified in the double materiality analysis.

Nevertheless, in order to strengthen social sustainability in the value chain, we prefer to work with suppliers who invest specifically in their employees, have recognized management systems (e.g. ISO 45001) in place, and reliably meet our sustainability requirements.

In doing so, we pay particular attention to the implementation of labor and human rights standards, as well as actions for occupational safety and employee participation.

We strive to establish long-term supply relationships with these strategically relevant partners and conclude corresponding framework agreements to promote stability, planning security and joint development prospects.

This approach helps to minimize risks, strengthen positive social impacts and make our supply chain more resilient and sustainable.

35. Actions to avoid that our suppliers have a material negative impact on workforce in the value chain through their own practices, or that they contribute to such an impact

We provide our suppliers with our Supplier Policy. Compliance with the guidelines is checked by means of a sustainability questionnaire during supplier audits.

36. Serious human rights issues and incidents within its upstream and downstream value chain

In the reporting year, there were no incidents related to human rights within our upstream and downstream value chain that were reported internally or externally through the grievance procedure.

38. Resources allocated to managing material impacts

A person responsible for the risk management process has been appointed.

ESRS S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

39. The Company shall disclose any time-limited and results-oriented targets it may have set in relation to the following:

Relationship to the strategic targets	In our Supplier Policy, we set out our basic requirements for our suppliers in terms of environment, occupational health and safety, and human rights. We require our suppliers to confirm their compliance with these requirements.
Target level	100% of our suppliers at all locations must confirm our Supplier Policy or have their own equivalent document.
Scope (activity, geography, stakeholders)	The requirements apply to all suppliers of the SCHERDELGroup. The documents are issued by the responsible purchaser and evaluated annually by the central purchasing department.
Reference value and reference year	Not relevant
Period, including stages and interim targets	The target is to be achieved by December 31, 2027. A review will take place annually as part of sustainability reporting.
Method used to set the target and key assumptions	Not relevant
Reference to scientific findings	Not relevant
Stakeholder involvement	In setting our target, we took into account the expectations of our key stakeholders. We, our customers, and external stakeholders along the supply chain expect high social and environmental standards to be upheld not only in our own Company, but

	also by our suppliers and their subcontractors. This requirement is reflected in our target and is an integral part of our responsible supply chain management.
Description of possible changes	Not relevant
Performance compared to stated targets	As of the reporting year, 97% of the suppliers covered have signed the Supplier Policy or a document of their own that meets our requirements and standards. Coverage of all suppliers of the SCHERDELGroup is still pending.

	2024
Percentage of recorded suppliers who have signed our Supplier Policy	94
Percentage of recorded suppliers with their own equivalent document	3

Relationship to the strategic targets	In our Supplier Policy, we set out our basic requirements for our suppliers in terms of the environment, occupational safety, and human rights. We require our suppliers to confirm their compliance with these requirements. We also want to verify actual compliance with these requirements on location.
Target level	100% of planned audits at suppliers with a medium to high risk include an on-location audit on the topic of sustainability .
Scope (activity, geography, interest groups)	The specifications apply to all supplier audits conducted by the SCHERDELGroup. They are carried out by the supplier development in coordination with our central purchasing division.
Reference value and reference year	None
Period, including stages and interim targets	The target is to be achieved by December 31, 2030. A review takes place annually as part of sustainability reporting.
Method used to set the target and key assumptions	Not relevant
Reference to scientific findings	Not relevant
Stakeholder involvement	In setting our target, we took into account the expectations of our key stakeholders. We, our customers, and external stakeholders along the supply chain expect high social and environmental standards to be upheld not only in our own Company, but also by our suppliers and their subcontractors. To ensure this, we have implemented on-location audits of suppliers.
Description of possible changes	Not relevant
Performance compared to stated targets	In the reporting year, four suppliers underwent an on-location audit.

	2024
Number of suppliers that underwent a sustainability audit	4

ESRS S3 Affected communities

ESRS S3-1 Policies related to affected communities

In the course of our double materiality analysis, we did not identify any material impacts, risks, or opportunities. Nevertheless, we are committed to respecting the rights of local populations in our sustainability directive.

12. The Company should explain its strategies for managing its material impacts on affected communities and the associated material risks and opportunities.

Policy	Sustainability directive
Key content	<p>In addition to our guiding principles and fundamentals of management as well as our corporate targets, the sustainability directive describes the foundation for sustainable development of all organizational units of the SCHERDELGroup. It is intended to highlight the basic standards to which we as the SCHERDELGroup want to adhere.</p> <p>Our environmental and safety policy is also part of this policy.</p> <p>In this policy, we commit ourselves to respecting the land, forest and water rights of the local population and to distancing ourselves from forced evictions.</p> <p>In addition, we respect the customs, traditions and social values of the countries and cultures in which we operate in our supply chain.</p> <p>The contents of this policy are also communicated to our suppliers in the form of our Supplier Policy.</p> <p>Violations of this policy can be reported by our own employees as well as by external stakeholders via our complaint procedure.</p>
General targets	<p>We are aware of our environmental and social responsibility. To this end, we maintain an active environmental and energy management system in which everyone in the Company participates. We treat our customers, suppliers, competitors, and authorities as partners in a fair manner in accordance with commercial practices. We support social engagement, initiatives and associations in the interests of the overall development of the region and our employees.</p>
Material impacts, risks and opportunities to which the strategy relates	<p>In the course of our materiality analysis, we did not identify any material impacts, risks, or opportunities. Nevertheless, we are committed to respecting the rights of local populations in our sustainability directive.</p>
Monitoring process	<p>Compliance with the policy is monitored through both internal and external HSE audits. The internal audits also include a sustainability questionnaire that examines the individual topics.</p>
Scope	<p>The sustainability directive applies to all SCHERDELGroup locations and employees worldwide.</p>
Responsible organizational level	<p>In March 2023, the current version of our "Sustainability directive" was adopted, which is binding for all employees.</p> <p>The Quality Division reviews customers' sustainability requirements, incorporates them into the directive where appropriate, and implements them in internal processes.</p>
Reference to third-party standards or initiatives	<ul style="list-style-type: none"> • International Labor Organization (ILO) • UN Global Compact • United Nations Universal Declaration of Human Rights (UDHR)
Consideration of stakeholder interests	<p>The interests of stakeholders were taken into account in stakeholder dialogues.</p>

Availability of the strategy for stakeholders	The policy is available on the SCHERDELGroup website.
Policy	Supplier Policy – Code of Conduct for Suppliers
Key content	<p>Our Supplier Policy forms the basis of a reliable partnership between SCHERDEL and its suppliers. To this end, fundamental agreements are concluded on lawful conduct, behavior towards employees, environment and safety, careful use of resources, and behavior towards the market.</p> <p>The supplier undertakes to comply with all applicable laws and regulations, including the due diligence obligations under the German LkSG Act.</p>
General targets	The SCHERDELGroup wants to be a reliable partner for its suppliers, develop together with them, and leverage the competitive advantages achieved in the market. We therefore expect our suppliers to offer technical development potential, competitive prices, reliable quality and compliance with applicable standards and rules.
Material impacts, risks, and opportunities to which the strategy relates	In the course of our materiality analysis, we did not identify any material impacts, risks, or opportunities. Nevertheless, we require our suppliers to respect local rights, including those related to affected local communities.
Monitoring process	Upon inclusion in the SCHERDEL supplier list, the supplier confirms compliance with the Supplier Policy. Compliance is then monitored in the course of supplier audits.
Scope	The Supplier Policy applies to all suppliers of the SCHERDELGroup worldwide.
Responsible organizational level	The current version of the Supplier Policy was published in October 2023. It was approved by the Purchasing and Logistics Division Management.
Reference to third-party standards or initiatives	<ul style="list-style-type: none"> • UN Charter of Human Rights • Principles of the International Labor Organization (ILO) • UN Global Compact • German Supply Chain Due Diligence Act (LkSG)
Consideration of stakeholder interests	The policy statement serves to protect the human rights and environmental legal positions of stakeholders in our own business area and in the supply chain, and thus directly serves the interests of these stakeholders. Findings on stakeholder interests from risk analysis or from the processing of reports from the LkSG complaint management system are taken into account.
Availability of the strategy for stakeholders	The Supplier Policy is available on the SCHERDELGroup website.

14. Coverage of specific or all affected communities by the strategy

The strategies cover certain or all affected communities.		Specific groups	X	All workers in the value chain
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15. The Company discloses any specific policy provisions to prevent and address impacts on indigenous peoples

Currently, no specific policy provisions regarding impacts on indigenous peoples apply. With the application and implementation of the German Supply Chain Due Diligence Act (LkSG), impacts on indigenous peoples will also be considered.

16. The Company describes its commitments in terms of human rights policy that are relevant for affected communities in relation to:

16. a) Respect for the human rights of communities and, in particular, indigenous peoples

With the application and implementation of the German Supply Chain Due Diligence Act (LkSG) since January 1, 2023, respect for the human rights of communities and, in particular, indigenous peoples in the supply chain within the meaning of the LkSG is also subject to due diligence obligations in accordance with the LKSG. This means that they are included in LkSG risk management and regular risk analyses, in the sustainability directive, and in the LkSG complaints procedure, among other things.

During the reporting period, a risk analysis was carried out for our own business area and suppliers in accordance with the requirements of the LkSG. This did not reveal any material human rights-related risks for the communities and/or indigenous peoples affected.

If communities feel that their rights are affected by the business activities of the SCHERDELGroup, they can use the LkSG complaints procedure, which is accessible via the SCHERDEL website, to report their concerns.

16. b) Involvement of affected communities

With the application and implementation of the German Supply Chain Due Diligence Act (LkSG) since January 1, 2023, respect for the human rights of communities and, in particular, indigenous peoples in the supply chain within the meaning of the LkSG is also subject to due diligence obligations in accordance with the LKSG. This means that they are included in LkSG risk management and regular risk analyses, in the sustainability directive, and in the LkSG complaints procedure, among other things.

During the reporting period, a risk analysis was carried out for our own business area and suppliers in accordance with the requirements of the LkSG. This did not reveal any material human rights-related risks for the communities and/or indigenous peoples affected.

If communities feel that their rights are affected by the business activities of the SCHERDELGroup, they can use the LkSG complaints procedure, which is accessible via the SCHERDEL website, to report their concerns.

However, we generally attach great importance to cooperative partnerships and close coordination with local communities and their representatives at our locations.

16. c) Actions to remedy and/or enable the remediation of human rights impacts

Neither the double materiality analysis conducted for the reporting period nor the risk analysis according to the LkSG act identified any material human rights-related risks for affected communities and/or indigenous peoples.

If communities feel that their rights are affected by the business activities of the SCHERDELGroup, they can use the LkSG complaint procedure, which is accessible via the SCHERDEL website, to report their concerns.

17. Compliance with internationally recognized standards

In principle, the Sustainability directive and the Supplier Policy also apply to potentially affected communities. The policies are in line with the UN Human Rights Charter, the principles of the ILO, and the Global Compact.

If communities feel that their rights have been affected by the business activities of the SCHERDELGroup, they can use the LkSG complaint procedure accessible via the SCHERDEL website to submit their concerns.

No cases of non-compliance with the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving affected communities have been reported in connection with the Company's own activities or in the upstream and downstream value chain, either through this channel or by other means.

18. Type of strategy in relation to communities, cross-reference to relevant aspects in a code of ethics or general sustainability strategy, if applicable

Our strategy with regard to affected communities is not a separate document, but is integrated into our sustainability directive. The HSE policy section of this directive stipulates that we work together with our stakeholders in a spirit of trust and respect the land, forest and water rights of the local population. We also distance ourselves from forced evictions. In the supply chain, too, we want to respect the customs, traditions and social values of the countries and cultures in which we operate.

ESRS S3-2 Process for engaging with affected communities regarding impacts

24. No general procedure for cooperation with affected communities in place

Beyond the LkSG complaint procedure accessible via the SCHERDEL website, the SCHERDELGroup does not have a general procedure for cooperation with affected communities in the supply chain.

As the initial risk analysis carried out during the reporting period for our own business area and suppliers in accordance with the LkSG did not reveal any specific material human rights-related risks for affected communities and indigenous peoples, there are currently no plans to introduce such a procedure. The risk analysis is updated annually or as required, and the results are incorporated into the SCHERDELGroup's sustainability directive.

However, we generally attach great importance to cooperative partnerships and close coordination with local communities and their representatives at our locations.

If affected communities feel that their rights have been infringed, they can use the LkSG complaint procedure, which is accessible via the SCHERDEL website, to report their concerns.

ESRS S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns

27. a) General approach and processes for undertaking or participating in remedial actions

As part of the implementation of the LkSG act, a complaint procedure accessible via the SCHERDEL website was set up in accordance with the requirements of the LkSG. This can also be used by communities that feel their rights have been affected to submit reports for the purpose of implementing remedial actions.

No reports were received from affected communities during the reporting period, and the initial risk analysis carried out during the reporting period for our own business area and suppliers in accordance with the LkSG did not reveal any specific material human rights-related risks for affected communities and indigenous peoples. Remedial actions were therefore not necessary during the reporting period.

27. b) Specific channels through which affected communities can express their concerns or needs and have them reviewed

Beyond the LkSG complaint procedure accessible via the SCHERDEL website, the SCHERDELGroup does not have any specific channels through which affected communities can express their concerns or needs and have them reviewed.

As the risk analysis carried out during the reporting period for its own business area and suppliers in accordance with the LkSG did not reveal any specific material human rights-related risks for affected communities and indigenous peoples, there are currently no plans to introduce such specific channels. The risk analysis is updated annually or as needed, and the results are incorporated into the SCHERDELGroup's sustainability directive. If affected communities believe their rights have been violated, they can use the LkSG complaint procedure available on the SCHERDEL website to report their concerns.

27. c) Process used by the Company to support the availability of such channels within the framework of its business relationships

Information on the LkSG complaint procedure is publicly available on the SCHERDEL website and can be passed on via suppliers along the supply chain if necessary. As the risk analysis carried out during the reporting period for our own business area and suppliers in accordance with the LkSG did not reveal any specific material human rights-related risks for affected communities and indigenous peoples, such support actions were not considered a priority during the reporting period.

27 d) Monitoring and tracking of issues addressed and effectiveness of channels

During the reporting period, no issues related to affected communities became known within the scope of LkSG risk management.

Complaints received are processed in accordance with a defined procedure, including a review of the effectiveness of the actions taken, in accordance with the requirements of the LkSG.

28. Strategies to protect individuals against retaliation, including their disclosure to affected groups

The Company has strategies in place to protect individuals against retaliation	X	Yes		No
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In accordance with the provisions of the LkSG and the rules of procedure for the LkSG complaint procedure, the LkSG complaint procedure maintains the confidentiality of identity and ensures effective protection against discrimination or punishment on the basis of a complaint.

The complaint procedure is publicly available on the SCHERDELGroup's website.

ESRS S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

32. - 35. Actions to prevent, mitigate or remedy material adverse impacts on affected communities or in relation to risks and opportunities

Neither our double materiality analysis nor the risk analysis according to LkSG identified any material impacts, risks or opportunities for our own business area and suppliers.

For this reason, no actions to prevent, mitigate or remedy material negative impacts or risks, or to take advantage of opportunities, were necessary during the reporting period. The risk analysis is updated annually or as needed, and the results are incorporated into the SCHERDELGroup's sustainability directive. If affected communities feel that their rights have been infringed upon, they can use the LkSG complaint procedure, which is accessible via the SCHERDEL website, to report their concerns.

36. Serious human rights issues and incidents involving affected communities

In the reporting year, no serious problems or incidents related to human rights within our upstream and downstream value chain were reported to the SCHERDELGroup.

ESRS S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

41. Targets for managing material impacts, risks and opportunities related to affected communities

Neither our double materiality analysis nor the risk analysis according to LkSG identified any material impacts, risks or opportunities for our own business area and suppliers.

For this reason, no targets for managing material impacts, risks and opportunities were necessary during the reporting period. The risk analysis is updated annually or as needed, and the results are incorporated into the SCHERDELGroup's sustainability directive. If affected communities feel that their rights have been infringed upon, they can use the LkSG complaint procedure, which is accessible via the SCHERDEL website, to submit their concerns.

ESRS S4 Consumers and end users

The topic of consumers and end users is not material for us.

Governance



ESRS G1 Business conduct

ESRS G1-1 Corporate culture and Business conduct policies and corporate culture

9. Justification, development, promotion and evaluation of corporate culture

Basic governance information about the SCHERDELGroup can be found in our guiding principles.

Strategies

The Sustainability Directive, version 4.2 of March 2023, was adopted by the General Management. It provides a framework of guidance that all employees should use to guide their actions. The individual sections summarize the most important rules and standards of conduct. Topics include, in particular, compliance with legal and regulatory requirements as well as ethical behavior toward the market and in internal cooperation.

The Sustainability Directive provides a comprehensive overview of

- our general principles
- our conduct toward employees
- our policy with regard to environment and safety
- our conduct toward the market.

The guideline is intended to serve as a framework for executives and employees in order to integrate sustainability into their own areas of responsibility and fields of activity, with the objective to support the SCHERDELGroup in becoming more and more sustainable.

Framework for action

Key principles of action and operational processes are regulated in our process management system (OPAL).

Code of ethics

In accordance with the sustainability directive, employees are required to act in a sincere, ethical, sustainable, reliable and fair manner in all business activities. The SCHERDELGroup also expects this behavior from its customers and business partners. Employees should act in good faith, responsibly and carefully, as well as with prudence, expertise and commitment.

The SCHERDELGroup and its employees are committed to general equality (AGG) and mutual respect in their cooperation, without discrimination or disadvantage based on, for example, origin, skin color, gender, nationality, age, ideology, religion, disability, marital status, sexual orientation or any other characteristics.

Facts must not be misrepresented, and personal judgments or decisions must not be subordinated to irrelevant considerations. Legal regulations and requirements, as well as other requirements of the SCHERDELGroup, must be complied with without exception; conflicts of interest must be avoided. Where unavoidable conflicts of interest exist, these must be taken into account appropriately. Conflicts of interest and corruption must be prevented through an appropriate and transparent handling of gifts and benefits. In this way, employees actively contribute to compliance within the SCHERDELGroup.

Employees are obliged to maintain confidentiality, in particular to protect trade secrets, to exercise discretion, and to observe data protection regulations. The regulations apply to the handling of all personal data. The internal organization is conceived to meet the special requirements of data protection.

The SCHERDELGroup and its employees must always perform their duties with such care and diligence that the risks arising from their area of responsibility are adequately taken into account.

10. a) Identification, reporting and investigation of concerns regarding illegal conduct or conduct that violates the Code of Conduct or similar internal rules

Assessment of risks in the area of combating corruption and bribery

Executives and HSE officers shall ensure that the SCHERDELGroup acts in accordance with legal requirements.

Tools for combating corruption and bribery

We expect our employees to always act in compliance with the rules, i.e. to follow both external and internal rules and laws.

Regular review and assessment of legal regulations and requirements enables the identification of potential compliance risks (e.g. Vistra legal database). The departments are notified of new legal developments.

The compliance functions (HSE officers and ombudsman) report to the General Management both annually and on an ad hoc basis. We cultivate a culture of compliance in our Company.

All affected employees are made aware of the legal requirements and the preventive actions specified by SCHERDEL in the above-mentioned areas during regular training sessions on the sustainability directive.

To avoid compliance violations, all employees are encouraged to contact their executives, specialist departments or compliance functions with any questions or concerns. To ensure that irregularities can be identified at an early stage, we give our employees the opportunity to report them confidentially (via a whistleblower system).

Dealing with conflicts of interest

In situations where potential conflicts of interest may arise, these are handled appropriately through organizational precautions. Where conflicts of interest are unavoidable, we ensure openness and transparency.

We have implemented binding rules and processes for dealing with conflicts of interest in a professional manner. These must be observed in order to protect customer interests and the Company's tangible and intangible assets. All employees are required to disclose potential conflicts of interest immediately before making a decision.

In connection with work activities, personal gain is prohibited.

Secondary activities and shareholdings must be reported in accordance with clearly defined procedures and may only be pursued if they do not conflict with the interests of the SCHERDELGroup or with the obligations of the employment contract.

10. b) No strategies to combat corruption or bribery in line with the United Nations Convention against Corruption

The Company has a strategy for combating corruption or bribery that is consistent with the United Nations Convention against Corruption.	X	Yes		No
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The strategy is included in the sustainability directive.

10. c) i. Internal reporting channels for whistleblowers

To prevent compliance violations, all employees are encouraged to contact their executives, specialist departments or the ombudsman with any questions or concerns. To enable irregularities to be detected at an early stage, we give our employees the opportunity to report them confidentially (known as the whistleblower system).

Employees are informed about the whistleblower system in regular training sessions.

10. c) ii. Actions to protect whistleblowers from retaliation

The intranet information on the whistleblower system, which is accessible to all employees, also points out the possibility that information can be provided while maintaining the confidentiality of the identity and names various possible contact channels for this purpose, including those that can be used anonymously.

This serves to protect whistleblowers from retaliation and harassment in the workplace:

In accordance with internal regulations for processing whistleblowing reports, the latter must be used for further processing, investigation and resolution of the reported issues in an anonymized and, as far as possible, generalized form. Provided that they do not misuse the whistleblower system, whistleblowers shall not face any consequences under labor law as a result of their report and must also be protected from any negative influences (including bullying, public humiliation, etc.).

10. d) No strategies for protecting whistleblowers

The Company has strategies in place to protect whistleblowers.	X	Yes		No
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The process for handling reports and the information in the internal information system on the whistleblower process contain guidelines for protecting whistleblowers.

10. e) Procedures for following up on reports from whistleblowers and investigating incidents related to the corporate policy

The Company has procedures in place to investigate incidents related to corporate policy, including cases of corruption and bribery, in a prompt, independent and impartial manner.	X	Yes		No
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10. f) Animal welfare strategies

The Company has strategies in place regarding animal welfare.	X	Yes		No
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10. g) Strategy for internal training on corporate policy and compliance management

The SCHERDELGroup regularly informs and sensitizes all employees about its directive, in particular regarding appropriate behavior in the workplace and compliance with laws and regulations. Training courses on the implementation of and compliance with the SCHERDELGroup's code of conduct are held for employees. Employees in specific areas, such as purchasing and procurement, are sensitized separately by their executives to the specific requirements in their field of work.

The SCHERDELGroup expects its employees to always act in accordance with the rules and to comply with both external and internal rules and laws.

We continuously analyze the training needs of our employees, also with regard to changing regulatory requirements, and develop our internal and external training actions accordingly.

10. h) The internal function most at risk in terms of corruption and bribery

Experience shows that departments with regular external contact, for example with suppliers, service providers or customers, tend to be exposed to a higher risk of conflicts of interest.

11. Compliance with directive (EU) 2019/1937 or equivalent legal requirements

The Company is subject to the requirements of national law concerning the implementation of Directive (EU) 2019/1937 or equivalent legal requirements related to the protection of whistleblowers.	X	Yes		No
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ESRS G1-2 Management of relationships with suppliers

14. Policy to prevent late payments, especially to SMEs

In order to avoid insolvency, a credit check is carried out at the same time as suppliers are approved for our supplier list.

15. a) Relationships with suppliers, taking into account the risks associated with the supply chain and the impact on sustainability aspects

Human rights and environmental due diligence – suppliers and service providers

The SCHERDELGroup expects its suppliers and service providers to take social, ethical and environmental aspects into account in their business activities.

The Supplier Policy defines the specific sustainability requirements that the SCHERDELGroup imposes on its suppliers. These include compliance with internationally recognized human and labor rights, prohibition of child labor and forced labor, compliance with legal standards and environmental guidelines, and the observance and promotion of ethical behavior. The Supplier Policy has become a mandatory part of the supplier approval process and is therefore integrated into the purchasing process. Our suppliers and service providers are required to pass on guidelines to all parties involved in their supply chain that reflect these requirements and promote and maintain compliance with the standards.

As part of the implementation of the LkSG requirements, a risk analysis was carried out for all suppliers in 2024, assessing the human rights and environmental risks in our supplier structure. Country-specific and industry-specific risks as well as negative information within the meaning of the LkSG were evaluated for the suppliers. As a result, no specific material human rights risks within the meaning of the LkSG were identified for suppliers and service providers. The risk analysis is repeated annually and is integrated into the existing purchasing process so that new suppliers are also checked in accordance with the LkSG.

The SCHERDELGroup reserves the right to check compliance with the agreements made on the observance of internationally recognized human and labor rights by its suppliers and service providers by means of random checks or in justified cases of suspicion. If suppliers or service providers violate agreements or legal requirements, the SCHERDELGroup gives them the opportunity to remedy the weaknesses, for example in the form of concrete, jointly developed action plans. In the event of a permanent violation of the obligations imposed in the agreement on respect for human and labor rights, the SCHERDELGroup reserves the right to terminate the business relationship for extraordinary reasons.

Sustainability in purchasing and procurement

The purchasing and procurement process is based on clearly defined procedures and responsibilities that are firmly anchored in the SCHERDELGroup's process map. Based on its understanding of sustainability, the SCHERDELGroup takes not only economic but also social, ethical and ecological aspects into account when procuring products and services.

Annual meetings are held with the most important suppliers to the SCHERDELGroup. During these meetings, the internal evaluation of the supplier and possible or necessary changes, including in the area of sustainability, are discussed. The aim is to achieve positive supplier development and maintain a positive rating in the long term. In particular, we note in the meetings that SCHERDELGroup suppliers are on the path to or already implementing sustainable development, for example in the areas of recycling or moving towards GHG neutrality.

Overview of key requirements for purchasing and procurement

Sustainability is integrated into our supplier management and is therefore systematically incorporated into the evaluation of suppliers. Employees in purchasing are trained on supplier standards through on-the-job training and exchanges in regular team meetings. In addition, purchasing employees have the opportunity to further their education on sustainable procurement through external and internal seminars.

Appropriate actions are taken when violations become known. These range from addressing and clarifying the facts to initiating further steps, reporting to authorities and/or terminating the business relationship. The standardized SCHERDEL Group contact channels can be used for (confidential) reports of violations.

15. b) Consideration of social and environmental criteria in the selection of suppliers

We expect our suppliers and service providers to be as committed to meeting the social, ethical and environmental standards of society as is the SCHERDEL Group, and to take these targets into account in the manufacture and production of their products and in the provision of their services.

The purchasing and procurement process is based on clearly defined procedures and responsibilities that are firmly anchored in the SCHERDELGroup's process map.

Our suppliers must be approved for delivery. This process specifies certain mandatory documents that must be confirmed by the supplier in order to be approved. These include confirmation of compliance with applicable environmental legislation and regulations on prohibited and declarable ingredients. In addition, all our suppliers and service providers must confirm our Supplier Policy or have a comparable document that complies with the principles of our Supplier Policy.

The suppliers and service providers of the SCHERDELGroup are also required to pass on guidelines to all parties involved in their own supply chain that reflect these requirements and promote and maintain compliance with the standards. The following applies to the employees of the SCHERDELGroup: purchase and procurement of goods and services is only permitted at market conditions and market prices; payments to contractual partners may not exceed the market level for comparable services.

ESRS G1-3 Prevention and detection of corruption and bribery

18. a) Prevention, detection and combating of allegations or incidents of corruption or bribery

A culture of compliance is fostered within the SCHERDELGroup. All affected employees are made aware of the legal requirements and the preventive actions established by the SCHERDELGroup in the above-mentioned areas through regular compliance training.

Health, Safety and Environment

Regular review and evaluation of legal regulations and requirements enables the identification of potential compliance risks, e.g. through the Vistra legal database in Germany.

Compliance with legal regulations on the environment, energy and occupational safety is checked annually in random samples during internal HSE audits. If deviations are found, actions are initiated.

Ombudsman

To avoid compliance violations, all employees are encouraged to contact their executives, specialist departments or compliance functions with their questions and comments. To ensure that irregularities can be detected early, we give our employees the opportunity to report them confidentially (via a whistleblower system).

SCHERDEL expects its employees to always act in accordance with the law and to comply with both external and internal rules and regulations. This is also made clear in the sustainability directive signed by the General Management, which is available to all employees and is binding.

18. b) Investigators or investigation committee

The investigators or investigation committee are separated from the management chain involved in the matter.		Yes	X	No
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18. c) Procedure for communicating the results to the members of the administrative, management and supervisory bodies

The compliance functions, HSE officers and ombudsman report to the General Management both annually (HSE management review) and on an ad hoc basis.

19. If the Company does not have such procedures in place, it shall disclose this and, if applicable, present its plans for introducing them.

Not applicable.

20. Accessibility of strategies

The sustainability directive is described and accessible to every employee of the SCHERDEL Group via the intranet and the SCHERDELGroup website.

21. a) Nature, scope and depth of training programs to combat corruption and bribery

None.

21. b) Percentage of risk-prone functions covered by training programs

None

21. c) The extent to which members of the administrative, management and supervisory bodies are trained

None.

ESRS G1-4 Incidents of corruption or bribery

24. a) Number of convictions and amount of fines

	2024
Number of convictions for violation of corruption and bribery regulations	0
Amount of fines for violation of corruption and bribery regulations	0

24. b) Actions taken to address violations of anti-corruption and anti-bribery procedures and standards

In the 2024 reporting year, there were no reported violations related to corruption and bribery. For this reason, no counteractions were initiated.

The guidelines on corruption and bribery are included in our sustainability directive and are regularly covered in training sessions. There are written rules of procedure for handling reports submitted via the whistleblower procedure.

ESRS G1-5 Political influence and lobbying activities

29. a) Information about representatives responsible for monitoring political influence and lobbying activities in administrative, management and supervisory bodies

There is no dedicated position within the Group for monitoring political influence and lobbying activities.

However, numerous aspects of the corporate philosophy are oriented toward preventing political influence and lobbying activities.

29. b) With regard to financial or in-kind political contributions

During the reporting period, donations were made to political parties to promote the democratic process.

§ 29 b ii) Disclosure of how the monetary value of contributions in kind is estimated

For tax reasons, receipts for in-kind contributions or comparable benefits to employees, suppliers, customers, etc. must always be submitted to the financial accounting department so that the corresponding monetary value is made transparent.

Monetary contributions are generally not made to suppliers or customers. In exceptional cases (anniversaries, bonuses, etc.), employees receive financial contributions, which can be made transparent via the corresponding payroll accounting.

No monetary benefits were received from customers or suppliers during the reporting period.

29. c) Key topics that are the subject of lobbying activities

The SCHERDELGroup does not engage in lobbying or comparable forms of influencing political interest groups or decision-makers, neither in the reporting period nor in the past.

Instead, interests are represented to political decision-makers through industry associations such as the German Spring Association. In addition to lobbying, these associations provide information and data.

29. d) Registration in the EU Transparency Register or in an equivalent transparency register in a member state

The companies of the SCHERDELGroup are registered in the EU Transparency Register and fully comply with their reporting obligations in this area.

30. Information on the appointment of members of administrative, management and supervisory bodies who held a comparable position in public administration in the two years prior to this appointment

During the reporting period, there were no members of administrative, management or supervisory bodies who had held a comparable position in public administration in the two years prior to their appointment.

ESRS G1-6 Payment practices

33. a) The average time (in days) taken by the Company to settle an invoice from the start of the contractual or statutory payment period

The SCHERDELGroup adheres to the agreed and legally prescribed payment terms. Fair and reliable payment practices are a central component of responsible business relationships for us.

33. b) Description of the Company's standard payment terms in days by main supplier category

The following list shows the most common payment terms in the Group across all suppliers. There are no significant deviations in payment terms within individual supplier groups.

The most common payment terms are:

- immediately due
- 8 days net
- 10 days net
- 14 days net
- 30 days net

- 8 days 2% discount / 30 days net
- 8 days 3% discount / 30 days net
- 10 days 2% discount / 30 days net
- 10 days 3% discount / 30 days net
- 14 days 2% discount / 30 days net
- 14 days 3% discount / 30 days net

With very few exceptions, all payment terms correspond to the payment terms stated.

33. c) Number of court proceedings for late payment

	2024
Number of currently pending legal proceedings for late payment	0

33. d) Disclosure of contextual information on payment practices

In principle, invoices are paid within the agreed payment terms.

Marktredwitz, August 2025

The General Management of the SCHERDELGroup

Appendix

List of abbreviations

BAFA	Federal Office for Economic Affairs and Export Control
CBAM	Carbon Border Adjustment Mechanism
CSRD	Corporate Sustainability Reporting Directive
ESRS	European Sustainability Reporting Standards
Gemis	Global Emission Model of Integrated Systems
HR	Human Resources
IRO	Impact, Risk, Opportunity
LkSG	German Supply Chain Due Diligence Act
MWp	Megawatt peak
OEM	Original Equipment Manufacturers
PCF	Product Carbon Footprint
Probas	Process-oriented basic data for environmental management tools
SAQ / NQC	Self Assessment Questionnaire / Sustainability Quota Check by Drive Sustainability
GHG	Greenhouse gas emissions, expressed in CO ₂ equivalents
VdFI	Association of the German Spring Industry

Enclosure 1

Table of disclosure obligations

The following table provides an overview of the key disclosure obligations and their position in the report. As the names of the disclosure obligations correspond to the sections in this report, page numbers have not been included.

Some topics that were not formally identified as material under the double materiality principle were nevertheless reported on. This decision was made on the basis of increased stakeholder interest, regulatory developments or strategic relevance for the Company.

Disclosure requirement	Title	Material
ESRS 2 BP 1	General principles for the preparation of sustainability statements	Mandatory
ESRS 2 BP 2	Disclosures related to specific circumstances	Mandatory
ESRS 2 GOV 1	The role of administrative, management and supervisory bodies	Mandatory
ESRS 2 GOV 2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Mandatory
ESRS 2 GOV 3	Integration of sustainability-related performance in incentive schemes	Mandatory
ESRS 2 GOV 4	Statement on due diligence	Mandatory
ESRS 2 GOV 5	Risk management and internal controls over sustainability reporting	Mandatory
ESRS 2 SBM 1	Strategy, business model and value chain	Mandatory
ESRS 2 SBM 2	Interests and views of stakeholders	Mandatory
ESRS 2 SBM 3	Material impacts, risks and opportunities and their interaction with strategy and business model	Mandatory
ESRS 2 IRO 1	Description of the processes to identify and assess material impacts, risks and opportunities	Mandatory
ESRS 2 IRO 2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Mandatory
ESRS E1-1	Transition plan for climate change mitigation	Material
ESRS E1-2	Policies related to climate change mitigation and adaptation	Material
ESRS E1-3	Actions and resources in relation to climate change policies	Material
ESRS E1-4	Targets related to climate change mitigation and adaptation	Material
ESRS E1-5	Energy consumption and mix	Material
ESRS E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Material
ESRS E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Not material
ESRS E1-8	Internal carbon pricing	Not material
ESRS E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Material
ESRS E2-1	Policies related to pollution	Material
ESRS E2-2	Actions and resources related to pollution	Material
ESRS E2-3	Targets related to pollution	Material
ESRS E2-4	Pollution of air, water and soil	Not material
ESRS E2-5	Substances of concern and substances of very high concern	Not material

Disclosure requirement	Title	Material
ESRS E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Material
ESRS E3	Water and marine resources	Not material
ESRS E4	Biodiversity and ecosystems	Not material
ESRS E5-1	Policies related to resource use and circular economy	Material
ESRS E5-2	Actions and resources related to resource use and circular economy	Material
ESRS E5-3	Targets related to resource use and circular economy	Material
ESRS E5-4	Resource inflows	Material
ESRS E5-5	Resource outflows	Material
ESRS E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Material
ESRS S1-1	Policies related to own workforce	Material
ESRS S1-2	Processes for engaging with own workers and workers' representatives about impacts	Material
ESRS S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Material
ESRS S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Material
ESRS S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Material
ESRS S1-6	Characteristics of the undertaking's employees	Material
ESRS S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Material
ESRS S1-8	Collective bargaining coverage and social dialogue	Not material
ESRS S1-9	Diversity metrics	Not material
ESRS S1-10	Adequate wages	Material
ESRS S1-11	Social protection	Not material
ESRS S1-12	People with disabilities	Not material
ESRS S1-13	Training and skills development metrics	Material
ESRS S1-14	Health and safety metrics	Material
ESRS S1-15	Work-life balance metrics	Not material
ESRS S1-16	Compensation metrics (pay gap and total compensation)	Not material
ESRS S1-17	Incidents, complaints and severe human rights impacts	Not material
ESRS S2-1	Policies related to value chain workers	Material
ESRS S2-2	Processes for engaging with value chain workers about impacts	Material
ESRS S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Material
ESRS S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	Material
ESRS S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Material
ESRS S3	Affected communities	Not material

Disclosure requirement	Title	Material
ESRS S4	Consumers and end users	Not material
ESRS G1-1	Corporate culture and Business conduct policies and corporate culture	Material
ESRS G1-2	Management of relationships with suppliers	Material
ESRS G1-3	Prevention and detection of corruption and bribery	Not material
ESRS G1-4	Confirmed incidents of corruption or bribery	Not material
ESRS G1-5	Political influence and lobbying activities	Not material
ESRS G1-6	Payment practices	Not material

Enclosure 2

Table of data points in accordance with EU legislation (enclosure B to ESRS 2)

Disclosure requirement	Data point	Content of data point	Page
ESRS 2 GOV-1	Paragraph 21(d)	Board's gender diversity	9
ESRS 2 GOV-1	Paragraph 21(e)	Percentage of board members who are independent	9
ESRS 2 GOV-4	Paragraph 30	Statement on due diligence	12 - 13
ESRS 2 SBM-1	Paragraph 40(d)(i)	Participation in activities related to fossil fuels	14
ESRS 2 SBM-1	Paragraph 40(d)(ii)	Involvement in activities related to chemical	15
ESRS 2 SBM-1	Paragraph 40(d)(iii)	Involvement in activities related to controversial weapons	15
ESRS 2 SBM-1	Paragraph 40(d)(iv)	Involvement in activities related to cultivation and production of tobacco	15
ESRS E1-1	Paragraph 14	Transition plan to reach climate neutrality by 2050	41
ESRS E1-1	Paragraph 16(g)	Undertakings excluded from Paris-aligned Benchmarks	42
ESRS E1-4	Paragraph 34	GHG emission reduction targets	45 - 47
ESRS E1-5	Paragraph 38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	48
ESRS E1-5	Paragraph 37	Energy consumption and mix	47
ESRS E1-5	Paragraphs 40 to 43	Energy intensity associated with activities in high climate impact sectors	48
ESRS E1-6	Paragraph 44	Gross Scope 1, 2, 3 and Total GHG emissions	49
ESRS E1-6	Paragraphs 53 to 55	Gross GHG emissions intensity	50
ESRS E1-7	Not material	GHG removals and carbon credits	Not material
ESRS E1-9	Paragraph 66	Exposure of the benchmark portfolio to climate-related physical risks	50 – 51 In the development stage
ESRS E1-9	Paragraph 66(a)	Disaggregation of monetary amounts by acute and chronic physical risk	50 – 51 In the development stage
ESRS E1-9	Paragraph 66(c)	Location of significant assets at material physical risk	50 – 51 In the development stage
ESRS E1-9	Paragraph 67(c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	50 – 51 In the development stage
ESRS E1-9	Paragraph 69	Degree of exposure of the portfolio to climate-related opportunities	50 – 51 In the development stage
ESRS E2-4	Paragraph 28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Not material
ESRS E3-1	Paragraph 9	Water and marine resources	Not material
ESRS E3-1	Paragraph 13	Dedicated policy	Not material
ESRS E3-1	Paragraph 14	Sustainable oceans and seas	Not material

Disclosure requirement	Data point	Content of data point	Page
ESRS E3-4	Paragraph 28(c)	Total water recycled and reused	Not material
ESRS E3-4	Paragraph 29	Total water consumption in m3 per net revenue on own operations	Not material
ESRS 2 – IRO-1 – E4	Paragraph 16(a)(i)	Activities that have a negative impact on areas with biodiversity in need of protection	37 - 38
ESRS 2 – IRO-1 – E4	Paragraph 16(b)	Material negative impacts in terms of land degradation, desertification or soil sealing	37 - 38
ESRS 2 – IRO-1 – E4	Paragraph 16(c)	Impacts on naturally occurring species and protected areas	37 - 38
ESRS E4-2	Paragraph 24(b)	Sustainable land / agriculture practices or policies	Not material
ESRS E4-2	Paragraph 24(c)	Sustainable oceans / seas practices or policies	Not material
ESRS E4-2	Paragraph 24(d)	Policies to address deforestation	Not material
ESRS E5-5	Paragraph 37(d)	Non-recycled waste	66
ESRS E5-5	Paragraph 39	Hazardous waste and radioactive waste	66
ESRS 2 SBM3 – S1	Paragraph 14(f)	Risk of incidents of forced labour	28
ESRS 2 SBM3 – S1	Paragraph 14(g)	Risk of incidents of child labour	28
ESRS S1-1	Paragraph 20	Human rights policy commitments	72
ESRS S1-1	Paragraph 21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	72
ESRS S1-1	Paragraph 22	processes and measures for preventing trafficking in human beings	72
ESRS S1-1	Paragraph 23	workplace accident prevention policy or management system	72
ESRS S1-3	Paragraph 32(c)	grievance/complaints handling mechanisms	75
ESRS S1-14	Paragraph 88(b) and (c)	Number of fatalities and number and rate of work- related accidents	86
ESRS S1-14	Paragraph 88(e)	Number of days lost to injuries, accidents, fatalities or illness	86
ESRS S1-16	Paragraph 97(a)	Unadjusted gender pay gap	86
ESRS S1-16	Paragraph 97(b)	Excessive CEO pay ratio	Not material
ESRS S1-17	Paragraph 103(a)	Incidents of discrimination	86 – 87
ESRS S1-17	Paragraph 104(a)	Non-respect of UNGPs on Business and Human Rights and OECD	87
ESRS 2 SBM3 – S2	Paragraph 11(b)	Significant risk of child labour or forced labour in the value chain	29 - 30
ESRS S2-1	Paragraph 17	Human rights policy commitments	89
ESRS S2-1	Paragraph 18	Policies related to value chain workers	90
ESRS S2-1	Paragraph 19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	90
ESRS S2-1	Paragraph 19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	90
ESRS S2-4	Paragraph 36	Human rights issues and incidents connected to its upstream and downstream value chain	93
ESRS S3-1	Paragraph 16	Human rights policy commitments	Not material

Disclosure requirement	Data point	Content of data point	Page
ESRS S3-1	Paragraph 17	non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	Not material
ESRS S3-4	Paragraph 36	Human rights issues and incidents	Not material
ESRS S4-1	Paragraph 16	Policies related to consumers and end-users	Not material
ESRS S4-1	Paragraph 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Not material
ESRS S4-4	Paragraph 35	Human rights issues and incidents	Not material
ESRS G1-1	Paragraph 10(b)	United Nations Convention against Corruption	102
ESRS G1-1	Paragraph 10(d)	Protection of whistle- blowers	102
ESRS G1-4	Paragraph 24(a)	Fines for violation of anti- corruption and anti-bribery laws	105
ESRS G1-4	Paragraph 24(b)	Standards of anti- corruption and anti- bribery	105