

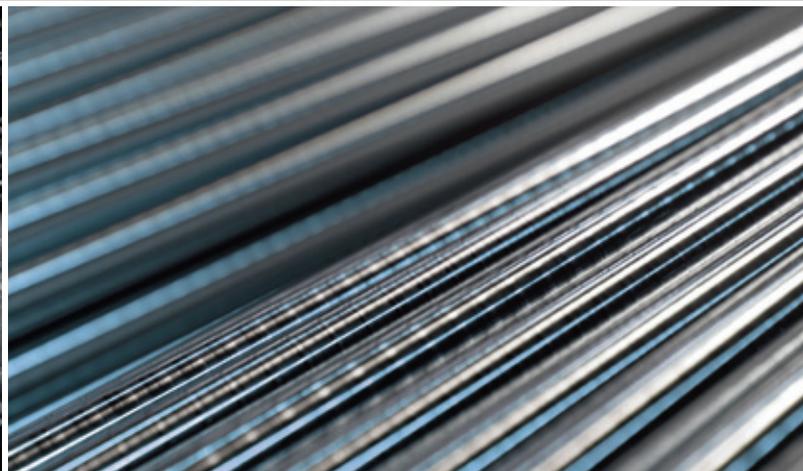


**SAH**  
Stahlwerk Annahütte

# LIVING THE CIRCULAR ECONOMY

## Sustainability Report Stahlwerk Annahütte

### Fiscal Year 2021





Aerial view of Stahlwerk Annahütte.

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# Foreword



## Dear Readers,

**W**e publish this year's Sustainability Report with mixed feelings. On the one hand, a spirit of optimism and inventiveness are leading us towards a more environmental and caring future. On the other, we despair for the victims of Russian aggression in Ukraine.

For us as the Stahlwerk Annahütte, these developments are also having an economic impact – however, the specific extent of these direct and indirect effects is still associated with a high degree of uncertainty for the time being. We support the policy of the German government and stand behind the economic sanctions that have been introduced. But at the same time, we warn against a possible embargo on natural gas from Russia, which would have far-reaching consequences for many branches of industry and also for our production. In the short term, natural gas cannot be substituted in steel manufacture and processing.

These geopolitical tensions were already noticeable in the reporting year through the volatility in energy prices. Nevertheless, we are continuing to push the issue of sustainability. We are convinced that long-term thinking and responsible action will pave the way for a successful future for Stahlwerk Annahütte.

Our two hydropower plants, SAH I and SAH II, enable us to cover almost half of our electricity needs ourselves. With the construction of a photovoltaic plant in the current business year, we are expanding our capacities still

further. In addition, we are completely switching to renewable energies, sourced from German plants, for the electricity we purchase.

That we are entrenching sustainability is also reflected in our product strategy. For instance, we are significantly reducing material usage in various anchor systems while maintaining the same performance characteristics, which is leading to an improved CO<sub>2</sub> balance for the respective products. As of this report, we are also reporting the CO<sub>2</sub> footprint for various product groups (Product Carbon Footprint, PCF) for this purpose.

In addition to environmental progress, this Sustainability Report deals with other aspects of sustainable corporate management. These include, in particular, the concerns of our employees – from health protection and the compatibility of work and family to charitable projects that we are supporting in our region.

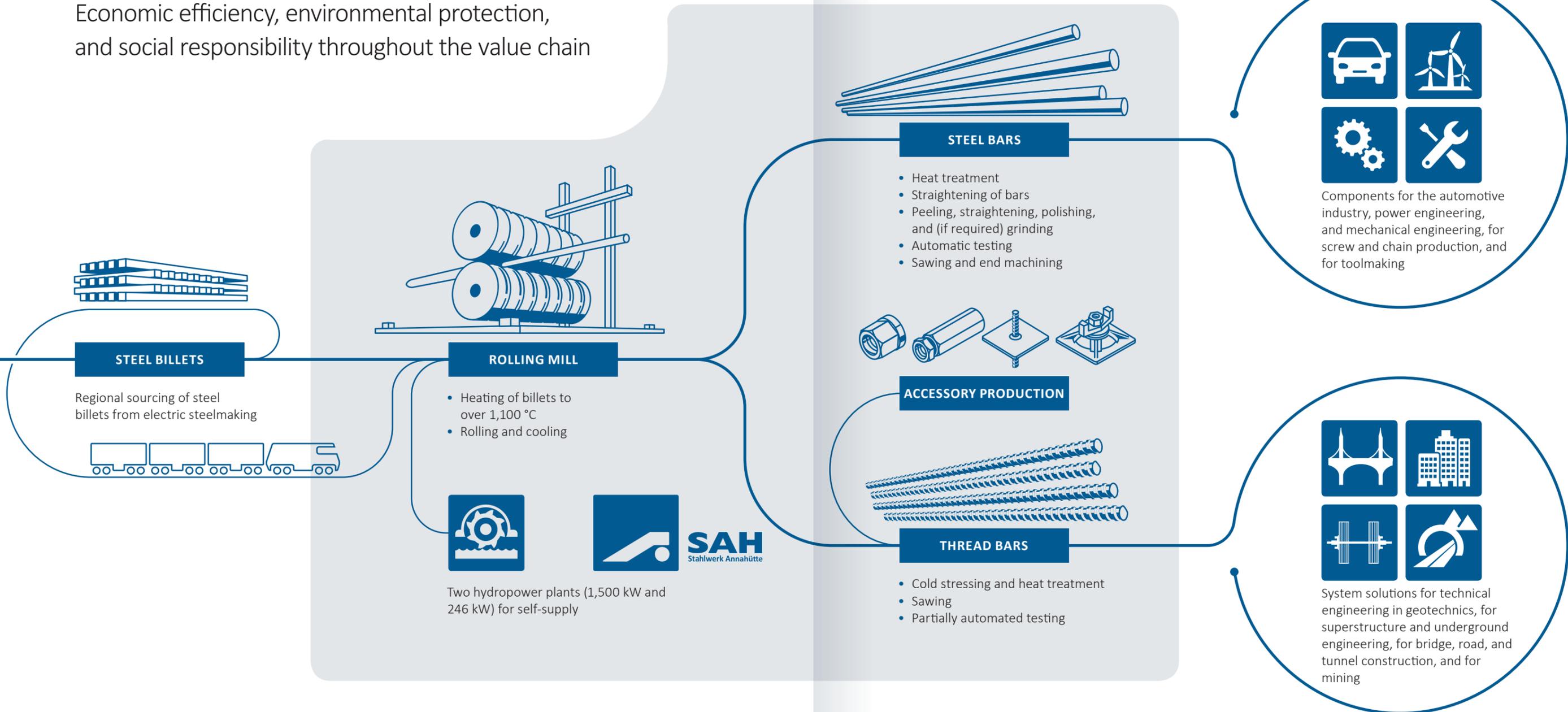
We have documented all of our goals and initiatives in accordance with the Global Reporting Initiative (GRI). We hope you enjoy reading this report.

The management

*Katharina Eisl*     *Ingo Glane*     *Tanja Jursa*

# Stahlwerk Annahütte

Economic efficiency, environmental protection, and social responsibility throughout the value chain



## STEEL BILLETS

Regional sourcing of steel billets from electric steelmaking



## ROLLING MILL

- Heating of billets to over 1,100 °C
- Rolling and cooling



Two hydropower plants (1,500 kW and 246 kW) for self-supply



## STEEL BARS

- Heat treatment
- Straightening of bars
- Peeling, straightening, polishing, and (if required) grinding
- Automatic testing
- Sawing and end machining



## ACCESSORY PRODUCTION

- Cold stressing and heat treatment
- Sawing
- Partially automated testing

## THREAD BARS



Components for the automotive industry, power engineering, and mechanical engineering, for screw and chain production, and for toolmaking



System solutions for technical engineering in geotechnics, for superstructure and underground engineering, for bridge, road, and tunnel construction, and for mining

**100%**  
recycled steel

**240,000 t**  
of steel processed annually

IATF 16949, ISO 9001,  
ISO 14001, ISO 50001  
certified production

**100%**  
of the steel can be reused indefinitely

**100%**  
delivered by rail

**588**  
employees from 30 nations

**100%**  
of steel scrap from  
production is recycled

Up to **50%**  
of our electricity requirements are  
covered by our own hydropower plants



Bright steel bundle

The Company & Value Creation

# Delivering Quality

Stahlwerk Annahütte is a leading manufacturer of quality hot-rolled steel bars and thread bars. A company steeped in tradition, we are firmly embedded in the Berchtesgadener Land region. We attach great importance to responsible corporate management.

## Company Profile

**S**tahlwerk Annahütte is a leading manufacturer in the steel bar and thread bar segment. Our quality steel has proved reliable throughout the world in the automotive, toolmaking, and chain industries, in mechanical engineering, and in energy production. Components made from Annahütte steel bars can be found in almost every European automobile – from engine and chassis components to sliding-gear transmissions for rear-axle steering. In the field of technical engineering, we are the world market leader for hot-rolled threaded steel with our products from the brand SAS Systems.

Stahlwerk Annahütte is part of the Max Aicher Group of Companies, which is encompassed by the Max Aicher Foundation. A company steeped in tradition, Stahlwerk Annahütte is firmly embedded in the Berchtesgadener Land region. With over 580 employees at its Hammerau location, it is an important employer in the region. Its history dates back to the 16th century, when it was founded as an ironworks in the year 1537. Max Aicher acquired the plant in 1975 and renamed it “Stahlwerk Annahütte Max Aicher GmbH & Co. KG”. The management consists of three equal members for the areas of Administration/Finance, Sales/Quality Assurance and Technology. We operate internationally and work in close cooperation with our partners, maintaining subsidiaries and investments in Europe, Asia, and America. With a high export share of around 50 percent of the rolled products from Hammerau, we cater to the requirements of our customers worldwide. Important markets outside Europe include Australia, South Korea, and Mexico.

### Economic performance and business environment

The shortage of semiconductors in the automotive industry led to a drastic cutback in production worldwide and especially in Germany from the second quarter of the reporting year. Production at Stahlwerk Annahütte was also affected, with a recovery of the supply bottleneck not forecast until 2023. In parallel, the transformation in mobility is gaining momentum. We are expecting the shift in drive technology from the combustion engine to the electric drive to lead to a significant decrease in the quantity of steel bars used in the drive train.

Further challenges for us are the national Climate Protection Act and the European “Fit for 55” package. Both regulations are already leading to a high cost burden for the steel industry today, and this burden is rising.

In order to meet the requirements of the sustainability agenda in an entrepreneurial fashion, we are, among other things, stepping up our measures in the area of renewable energies. For example, we commissioned our second in-house hydropower plant in December 2020. In its first year of operation, we already achieved an availability of 99.4 percent; the hydropower plant produced electricity at virtually all times. For 2022, we are planning to build a photovoltaic plant with an output of 435 kW.

# Values and Compliance

## Responsible corporate management

Stahlwerk Annahütte is committed to responsible corporate management. In our business decisions, we take into account the consequences in economic as well as social and environmental terms.

Respect for international human rights is one of our fundamental principles. We also recognize the core labor standards of the International Labor Organization (ILO) without exception. Our corporate goals follow the principles of customer orientation, safety and health at work, highest product quality, environmental protection and resource-saving production.

## Our Mission Statement

The Max Aicher Foundation has defined binding principles and guidelines for the entire group of companies; these also apply to Stahlwerk Annahütte. "Our objectives, our values, our actions" is the motto of this Mission Statement. Among other things, it describes what we stand for. Our actions are guided by universally accepted ethical values – in particular integrity, honesty, respect for human dignity, openness, and non-discrimination on the basis of religion, ideology, gender, or ethnicity. The entire Mission Statement can be read here: <https://www.max-aicher.de/en/home/corporation/max-aicher-philosophy>

## Compliant conduct

We comply with all applicable corporate laws. As well, we adhere to internal guidelines and ethical principles. This includes, among other things, that we reject corruption, bribery and anti-competitive behavior. We promote transparency, integrity, and responsible management and governance within the company. Fair competition is the basis of our business activities.

In addition to the mandatory principles and guidelines, Stahlwerk Annahütte maintains a General Code of Conduct (CoC) that defines the standards for the business, legal, and ethical behavior of employees. We expect every employee to consistently comply with these guidelines – we do not tolerate violations and reserve the right to consequences under labor law up to and including extraordinary termination of the employment contract. The Code of Conduct is included in the information brochure for new employees.

Using eplas training software, every employee concerned is trained on compliance and the General Equal Treatment Act on an annual basis.

The Compliance Officer is responsible for potential risks of corruption. We are not aware of any confirmed cases of corruption, either from the reporting year or from the two previous years. Nor were any sanctions or fines imposed on us for breaches of the social or economic legislation, either in the reporting year or in the two years previously.

## Taxes

For the Max Aicher Foundation, compliance with tax obligations is part of our entrepreneurial self-image. The corporate group does not pursue inappropriate tax avoidance strategies and pays taxes where it creates value. Together with an external tax consultancy, we have developed a strategy that always complies with national and international regulations in full and in a timely manner, as well as follows economic principles at the same time. The Max Aicher Group's tax department is outsourced to the same external tax consultant. The latter submits country-by-country reports for all group companies to the Federal Central Tax Office on behalf of the Group. The tax information is based on the Group's consolidated financial statements, which are audited by an independent auditing company.

## Whistleblower system

In 2020, Stahlwerk Annahütte established a whistleblower system for reporting violations in areas such as antitrust law, corruption and money laundering. It also allows anonymous reports to be made.

## Compliance with data protection regulations

Secure handling of personal data is of crucial importance to our company. Managers are responsible for compliance with data protection provisions in their respective areas, and a Data Protection Officer ensures compliance with the General Data Protection Regulation (GDPR). Data processing procedures are designed to be transparent and traceable. All legal requirements are strictly observed in the processing of personal data. We train and sensitize employees whose work is directly related to data processing. In 2019, 2020 and 2021, there were no complaints from the authorities or customers regarding a breach of data protection.

# Controlling Sustainability

## Our understanding of sustainability

For us, sustainable business means taking equal account of financial, environmental and social aspects in our entrepreneurial decisions. Since we are aware of the impact of our business activities, we therefore assume responsibility in the following areas:

**Conducting business:** We attach great importance to a supply chain that is as sustainable as possible, and to long-term customer and supplier relationships. We take the concerns of our stakeholders seriously and incorporate them into our sustainability strategy as part of our materiality analysis.

**Environment:** We pursue the most resource-efficient production possible. Environmental protection measures and the reduction of energy consumption are important to us. We want to be transparent about our impact and reduce it further.

**Employees and society:** We want to offer our employees an attractive working environment. Team spirit is also very important to us. Beyond our core operations, we assume social responsibility by, for example, supporting charitable projects. We also have our own company childcare facilities.

## Managing sustainability

Decisions relating to economic, environmental, and social issues are made by the management. Employee representatives are also involved in this process. Major investments are coordinated with the Advisory Board and shareholders.

Our corporate strategy is accompanied by a comprehensive, integrated management system (includes DIN EN 1090-2, DIN EN ISO 9001, IAF 16949, DIN EN ISO 14001, ISO 45001 (due in 2022) and DIN EN ISO 50001). It helps us to continuously improve our processes and products. The corporate goals of Stahlwerk Annahütte are defined on an

annual basis. These goals relate both to corporate strategy and to quality, energy, the environment, and occupational health and safety; they are substantiated in a plan of action and measures.

## In dialog with stakeholders

We maintain regular contact with our interest groups. Of key relevance to Stahlwerk Annahütte are employees and customers, the Max Aicher Foundation, the affiliated companies, the Works Council, suppliers, insurance companies, banks, the Employers' Liability Insurance Association, the Trade Supervisory Board, local residents, approval authorities, environmental associations, certification offices, local companies, the municipality, the Berchtesgadener Land district, and the State of Salzburg.

Exchange with our stakeholders takes various forms. These include personal discussions, customer and employee surveys, personal contact at events and memberships of associations.

The focus of this stakeholder dialogue is on business operations per se. In the reporting year, the focus was particularly on the issue of supply security. Throughout the year, we were able to ensure that our customers were supplied with the desired quantities at the agreed time. On matters of occupational health and environment, we cooperate primarily with government departments and authorities. Residents living near our production facilities contact us about noise and traffic concerns or when applying for a place at our childcare facilities.

Through the Max Aicher Foundation, Stahlwerk Annahütte is involved in the Association of German Steel Manufacturers (VDEh) and the German Steel Federation (WV Stahl). In our capacity as a member of WV Stahl, we participate in the national "Hydrogen" and "Green Steel" project groups together with other German steel manufacturers. We are also a member of the bayme employers' association for the metal and electrical industries in Bavaria.

### Materiality topics

As in 2020, Stahlwerk Annahütte carried out a materiality assessment prior to preparing this Sustainability Report together with an external sustainability consultancy. We started by examining relevant sustainability issues, taking into account the sector, our business model, global challenges, as well as legal and social parameters. The result was a list of potentially relevant sustainability topics,

which were then prioritized in a survey and a workshop with specialist departments and with corporate management, taking into account internal and external stakeholder expectations and the impact of our business model on people, the environment, and society. The resulting materiality matrix was then validated once more and confirmed by corporate management.

We have defined the following as material topics:

#### Business & Value Creation:

- Product safety
- Sustainable supplier management
- Compliance and business ethics
- Information and IT security

#### Environment & Energy:

- Energy and emissions
- Water and wastewater
- Sustainable and innovative products for customers
- Material and resource efficiency
- Biodiversity
- Transport and logistics
- Adaptation to climate change/ resilience

#### Employees & Society:

- An attractive working environment
- Education and training
- Health and safety
- Diversity and equal opportunities
- Social commitment



Roundness measurement

## Product Quality and Safety

### Product Quality and Safety

We offer our customers high-quality steel bars and thread bar systems. Compliance with legal regulations and recognized standards is a significant component of our work. In addition, our manufacturing processes are invariably state-of-the-art. Our Integrated Management System

(IMS) is designed to reliably prevent any defects in advance. All products from our company are manufactured in accordance with the IATF 16949 or ISO 9001 standards. Compliance with the specifications of these quality standards is examined in annual external quality audits and in regular internal audits. There have been no product liability cases, recalls, or violations in the past ten years.



Metallography

### Quality assurance measures

Already in the run-up to deliveries, we contractually define extensive measures in Quality Assurance Agreements (QAAs). Like every company in the automotive supply chain, Stahlwerk Annahütte is committed to ensuring product safety and conformity. Our external quality costs amounted to 0.08 percent of the past annual turnover. To safeguard the integrity of our products, we have appointed a Product Safety and Conformity Representative (PSCR), whose task is to determine, minimize and control liability risks throughout the product development and manufacturing processes.

# Responsible Procurement

## Suppliers

Stahlwerk Annahütte relies on regional manufacturers wherever possible. We have two suppliers for our steel billets as a primary material; the main supplier is our affiliated company Lech-Stahlwerke GmbH (LSW), from which we obtain around 98 percent of the steel billets we use.

The purchasing value in Germany amounts to around 93 percent of the overall purchasing value, or 95.8 percent in Germany and Austria combined. The remainder is spread over neighboring European countries, China, and India.

## Supplier Code of Conduct

Stahlwerk Annahütte has maintained a Supplier Code of Conduct since 2020. We expect our suppliers to act in accordance with this ethical code. They should also make reasonable efforts to encourage their own suppliers and subcontractors to comply with these principles. We reserve the right to verify compliance with the Supplier Code of Conduct among existing and new suppliers with regard to relevant certificates, codes or audits.

The key elements of the Supplier Code of Conduct are as follows:

- **Human rights and social standards:** This deals with aspects such as occupational health and safety, prohibition of child, forced, and compulsory labor, and respect for the fundamental rights of employees.

- **Behavior in the business environment:** This area concerns specifications with regard to anti-corruption, fair competition, avoidance of conflicts of interest, measures against money laundering, compliance with trade laws, export controls and sanctions, and protection of information and data.

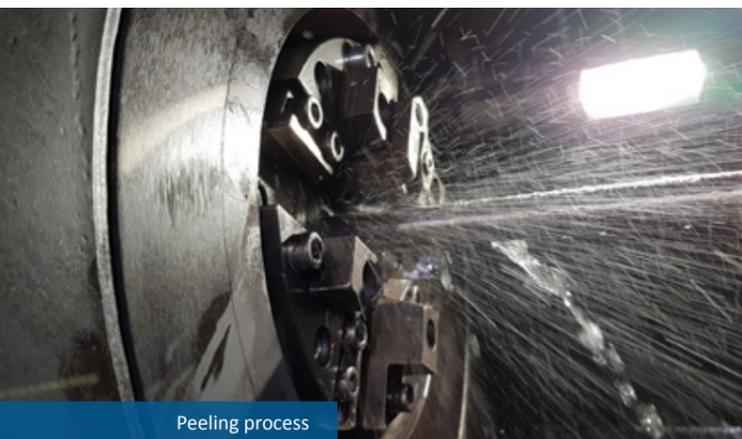
- **Environmental protection:** This area includes the specifications regarding environmental protection and resource conservation, and responsible material procurement.

## Environmental requirements of suppliers

For the product steel bars, we require our suppliers to have a certified QM system in accordance with IATF 16949, or alternatively a certified QM system in accordance with ISO 9001, with the requirement for further development to IATF 16949, along with assessment of conformity with other requirements on QM systems as specified by the customer. A supplier of primary material already certified and approved to ISO 9001 may be classified as an “established supplier” if it fully complies with our requirements and the risk analysis is positively assessed. Alternatively, an assessment from an OEM customer or by a company approved by an OEM customer may be recognized. We require a QM system certified in accordance with ISO 9001 from suppliers of primary materials for thread bar systems.

Our suppliers are expected to provide evidence of a management system in the form of a supplier self-disclosure. The supplier must ensure that all processes, products, and services it provides comply with the relevant legal and regulatory requirements of the exporting country, the importing country, and the country of destination that we specify. Assessment of primary material suppliers is carried in the form of a supplier rating which is recorded monthly. In addition, quality discussions are held with every supplier at regular intervals. Suppliers who repeatedly fail to meet our quality standards are replaced.

In the Quality Assurance Agreements (QAAs), we require our primary material suppliers to have a suitable environmental management system in place in accordance with ISO 14001 and to provide evidence of corresponding certification.



Peeling process



Hydropower station SAH I

Environment & Energy

# Conserving Resources

We want to keep our use of resources and energy as low as possible and continuously reduce waste. In doing so, we want to minimize the impact of our business activities on the environment.

# Environmental Management

**E**nvironmental protection is a high priority for us. Our Environmental Management System is designed both to prevent damage to the environment and to implement all relevant statutory requirements. Stahlwerk Annahütte is certified to the ISO 14001 environmental management standard and the ISO 50001 energy management system – our energy and environmental management is part of our Integrated Management System (IMS). Corporate management is responsible for this environmental management, and the topic is implemented by the Environmental Management Officer. Our employees are regularly instructed on environmentally relevant topics, at least once a year. An example is the careful use of resources.

**ISO 14001  
& ISO 50001**



certified production

In the area of the environment, the goals we pursue include the following:

- Waste reduction
- Reduction in hazardous waste volumes
- A continuous increase in recycling rate
- Further noise reduction measures

No fines or sanctions were imposed on us for failure to comply with environmental protection laws and regulations either in 2021 or in the two previous years.

### Impact on nature in the surrounding area

In its regular operations, Stahlwerk Annahütte has no perceptible impact on biodiversity in the surrounding area. The company is located within the Berchtesgadener Land Biosphere Reserve. We carry out environmental impact assessments prior to implementing construction projects. If construction measures might affect the surrounding habitats, we try to counteract this at an early stage.

Fossil fuels (mainly natural gas) account for 81.2 percent of total energy requirements, while the remaining 18.8 percent is covered by electricity, of which in turn 47.9 percent is generated from renewable sources using the company's own hydropower (reference year 2021).

85 percent of the natural gas we purchase is needed to heat the billets in the walking beam furnace. A further 11 percent of the natural gas is required for heat treatment of the rolled bars in energy-efficient roller hearth furnaces. Natural gas is currently state-of-the-art as the main fossil fuel for the furnaces, however it could conceivably be replaced by electricity and/or hydrogen in the medium to long term. Specific natural gas consumption was significantly reduced thanks to the renovation of the



Renaturalised stream

# Energy

### Controlling energy consumption

Stahlwerk Annahütte has maintained a systematic Energy Management System in accordance with ISO 50001 since 2013. Monitoring is carried out in accordance with the specifications by means of annual external audits, and an internal system audit is carried out during the year with external support. The annually agreed quantitative corporate objectives also take into account the results of the system audit. Operational targets are additionally defined in the area of energy.

### Demand and savings potential

To meet its energy requirements, Stahlwerk Annahütte makes use of natural gas, propane, diesel and electricity – with natural gas accounting for by far the largest share.

walking beam furnace in mid-2019. Absolute consumption in 2020 was lower by reason of the short-time work phase due to the Corona pandemic.

By optimizing the annealing program of a heat treatment furnace, we were able to save around 13,500 m<sup>3</sup> of natural gas in 2021 (equivalent to 1.3 percent of the natural gas volume for heat treatment).



Two-way electric heavy-duty vehicle

Our energy requirements for heating are relatively low, thanks in part to intensive use of heat recovery. In recent years, numerous projects have been implemented that use the waste heat (oil and air) from our large-scale compressor systems. In 2021, another compressor with a waste heat output of 49 kW was converted to heat recovery. Since 2018, a total of 415 MWh of fossil and electrical energy has been saved in heating (corresponds to 0.4 percent of total energy requirements). We also intend to gradually convert our industrial trucks from diesel fuel to electric drives. In addition, a two-way electric heavy-duty vehicle is used.

### FOSSIL FUEL DEMAND (conversion based on calorific value)

in MWh	2019	2020	2021
Natural gas	111,306	96,703	108,222
Propane	115	147	148
Diesel	595	553	571
<b>Total fossil fuel demand</b>	<b>112,016</b>	<b>97,403</b>	<b>108,941</b>

The electricity required is partly purchased from the energy supplier and partly produced in the plant's own hydropower station. A small portion of the electricity purchased or produced is sold to local end users.



SAH I hydropower station generator

In-house production at the plant's own hydropower station is CO<sub>2</sub>-free. The SAH I hydropower station has a nominal power of 1,500 kW. The associated plant sewer system was extensively rehabilitated from March to August 2020, resulting in less energy being produced. The rehabilitation increased the efficiency of hydropower generation by up to 5 percent.

Along with this modernization, we built a further hydropower plant (SAH II) with a 246 kW Pelton turbine at a separate location, which went into operation in December 2020. In its first year of operation, we already achieved an operational readiness of 99.4 percent. Due to regulatory constraints, the energy generated by the SAH II hydropower plant was fed into the local grid in 2021; from spring 2022, it will be fed into the operating grid.

Together, the two hydropower plants produced 12,051 MWh of electricity in 2021. This corresponds to 47.9 percent of our demand. The increased electricity demand compared to 2020 results from our increased production volume.

Initiatives to reduce energy requirements are recorded and systematically evaluated. Thanks to various measures (e.g. optimization of the compressed-air network and modernization of electrical drives), a total of 1,730 MWh of electrical energy has been sustainably saved over the past three years (corresponds to an annual saving of 2.3 percent). In 2021, we focused on converting our hall lighting to LED.

### ELECTRICAL ENERGY CONSUMPTION

in MWh	2019	2020	2021
External procurement	15,771	18,921	16,934
In-house production	10,259	4,682	12,051
Less resale and feed-in	-1,805	-810	-3,818
<b>Total own requirements</b>	<b>24,225</b>	<b>22,793</b>	<b>25,167</b>

# Emissions

With our Environmental and Energy Management System, we aim to steadily reduce energy consumption and thus also CO<sub>2</sub> emissions. One important lever for this is energy efficiency. The most important measure for reducing emissions in the medium term is the complete renewal of our walking beam furnace. We intend to commission the new furnace in January 2024. In line with current objectives, this will enable us to reduce Scope 1 CO<sub>2</sub> emissions by 13 to 17 percent and nitrogen oxide emissions by up to 17 percent for the entire plant.

The above-mentioned initiatives to reduce electrical energy demand have resulted in a calculated CO<sub>2</sub> saving of 438 t over the past three years (based on 253 g/kWh according to the energy supplier E.ON by 10/2021). In calculating our CO<sub>2</sub> emissions, we were guided by the Federal Environment Agency's study "CO<sub>2</sub> Emission Factors for Fossil Fuels" (original title "CO<sub>2</sub>-Emissionsfaktoren für fossile Brennstoffe"). We have calculated the associated CO<sub>2</sub> emissions from our energy requirements. The following proportionality factors were used for the fossil fuels in accordance with this study; these are based on calorific value:

- Natural gas: 50.4 tons CO<sub>2</sub>/TJ
- Propane: 60.3 tons CO<sub>2</sub>/TJ
- Diesel: 69.4 tons CO<sub>2</sub>/TJ

In addition, we consider the indirect emissions resulting from electricity demand. The electricity generated in our own hydropower plants (around 47.9 percent of demand in 2021) is emission-free.

Total CO<sub>2</sub> emissions (Scope 1 and 2) in 2021 amounted to 24,095 tons.

In the fall of 2021, our external power supply was restructured. From 2022, our plants located in Germany will be supplied with 100 percent electricity from renewable sources.

## DIRECT CO<sub>2</sub> EMISSIONS

in t/a	2019	2020	2021
Natural gas	20,195	17,546	19,636
Propane	25	32	32
Diesel	148	138	143
<b>Total in t/year</b>	<b>20,368</b>	<b>17,716</b>	<b>19,811</b>



## INDIRECT CO<sub>2</sub> EMISSIONS

in t/a	2019	2020	2021
Electricity (own generation)	0	0	0
Electricity (electricity supplier) <sup>1</sup>	3,612	4,333	4,206

<sup>1</sup> For this purpose, a CO<sub>2</sub> burden is assumed corresponding to 253 g/kWh (until 10/21) or 225 g/kWh (from 11/21) according to the information provided by the electricity supplier.

For a more progressive analysis, Stahlwerk Annahütte had the so-called Product Carbon Footprint (PCF) calculated for product groups for the first time in the reporting year.

The carbon footprint was prepared in accordance with the requirements of the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). A company-specific calculation tool was created to calculate the PCFs. The aggregated emissions of the company (Corporate Carbon Footprint, CCF) are taken into account.

The calculation is modular, with each module corresponding to a specific process step. Based on suitable allocation methods, the emissions of the individual process steps are distributed to the product categories that pass through this process step, and each is normalized to one ton of product. To determine the specific PCF for each product category, the normalized emissions of the individual process steps are added up accordingly. The following diagram shows the values for selected products in terms of Scope 1 and Scope 2 emissions.

## CO<sub>2</sub>-INTENSITY IN T CO<sub>2</sub>/T STEEL<sup>1</sup>

	2020	2021
Steel billets LSW	0,345	0,347
Hot rolled steel bars	0,107	0,103
Peeled steel bars	0,126	0,121
Thread bars	0,115	0,106

<sup>1</sup> Based on the respective sum of direct and indirect CO<sub>2</sub> emissions, assessment basis: sum of Scope 1 and 2

## Transport and logistics

All steel billets are delivered by rail – both the supplies from Lech-Stahlwerke and the secondary volumes from external steelworks. In terms of volume, rail transportation was used for over 99 percent of the material purchased. This takes place without intermediate storage.

Finished products are normally delivered by truck. Here, rail transport is usually not suitable due to the need to protect the steel from moisture as well as the required just-in-time delivery on the part of our customers. Overseas export volumes are shipped in containers or as general cargo.

Billets are normally delivered in block trains, and the load capacity of the trucks is normally fully utilized. In addition, since 2020 the rail cars have also been used directly for the return transport of the steel scrap. In 2022, it is planned to transport the steel chips from bright steel production back to the steelworks by rail as well. Trial operations have been running since December 2021.

According to the German Environment Agency's publication "Emissions in Freight Transport" (Emissionen im Güterverkehr), greenhouse gas (GHG) emissions of 17 g/t km (grams per ton-kilometer) are generated in freight rail transport and 111 g/t km in truck transport (reference year 2019 in each case). These figures provide a good basis for estimating the Scope 3 GHG emissions from steel billet sourcing. For the total volume sourced in 2021, this yields annual GHG emissions of 870 tons, corresponding to 3.96 kg per ton of steel billets – a value that reflects the short sourcing distances. The corresponding figure for purchases from China, for example, is around 215 kg per ton.

Emissions from the shipment of finished products cannot be reliably estimated due to the wide dispersion of customers and the project business for thread bars.

## Other emissions

Other atmospheric emissions are regularly recorded and evaluated by independent third parties. We strictly comply with the associated regulatory requirements. The annual quantities of nitrogen oxides and dust emitted can be quantitatively determined on the basis of these regular measurements. For the main emitters – the walking beam furnace and the three heat treatment furnaces – the measured average emission values result in an estimated annual emission load of 12.85 tons of nitrogen oxides and around 0.5 tons of dust. There are no relevant emissions of sulfur oxides, dioxins, or furans.

## Adaptation to climate change

As part of the Green Deal, the "Fit for 55" package contains specific proposals from the EU on how to achieve the ambitious climate targets by 2030. The steel industry in Germany faces major challenges in moving towards climate-neutral production processes. The border adjustment mechanism (CBAM) instruments for CO<sub>2</sub>-intensive products and the revision of the European Emissions Trading System (ETS) have serious implications for the international competitiveness of the German steel industry. A globally coordinated CO<sub>2</sub> price would be an effective carbon leakage protection instrument to create a level playing field for the steel industry. This requires a holistic, political approach that harmonizes climate and industrial policy worldwide.

With regard to the shift in mobility towards electric drive, volumes in the product segments of internal combustion engine powertrains will decline in the coming years, which will also affect us. We are facing up to this transformation and are restructuring our product portfolio accordingly.

In Germany, a large proportion of the transport infrastructure need to be rehabilitated. Worldwide, a massive expansion of infrastructure is on the cards, for example to structure the megacities. With its thread bar systems, Stahlwerk Annahütte is a predestined supplier for resource-efficient and sustainable construction.

The same applies to the German and global conversion and expansion of energy infrastructure. Here, too, the steel bar and thread bar products of Stahlwerk Annahütte are used, whether in wind turbines, storage power plants, interim storage facilities or liquefied gas storage facilities.

Hammerau is located in the temperate climate zone, and as such climate change is not expected to have a serious impact on our production site in the next decade. Nevertheless, hot, dry summers are already leading to lower yields from our hydropower plants. Similarly, hot summers make it more difficult to work in the rolling mill due to the temperature. The latter was counteracted in 2021 by installing a very powerful cooling bed ventilation system (800,000 m<sup>3</sup>/h). The increased occurrence of heavy downpours increases the potential risk of flooding. This was one of the reasons for the piping of the entire plant stream, which was initiated in 2020. Our system-relevant suppliers are located within a radius of a few hundred kilometers, so disruptions to the supply chain are comparatively low here.

The return to local supply chains should strengthen the domestic steel industry. The strategic importance of the steel industry has been recognized by the German government, as shown by the “Steel Action Plan”.

As a result of the German and European transformation to a sustainable energy economy, natural gas and electricity are becoming significantly more expensive, which represents a significant disadvantage in international competition. To counter this, at least to some extent, we are successively expanding our in-house supply of energy (hydroelectric and photovoltaic).

In parallel with the restructuring of the energy sector, sustainable products are gaining in importance, as shown by the “Green Steel” issue. It can be assumed that the legislator will promote this trend through regulation via “green lead markets”. With the recycling of scrap via the electric steel route, Lech-Stahlwerke and Stahlwerk Annahütte are already producing sustainably. Added to this, from 2022 Stahlwerk Annahütte will have a CO<sub>2</sub>-free internal

and external power supply. This should represent a competitive advantage. In this context, the Sustainability Award, which was presented to us by PERI SE in October 2021, should be mentioned.

#### Sound protection measures

As there are residential buildings in the immediate vicinity of the plant, noise protection is a high priority, especially at night. In addition to formal compliance with limit values, it is an important concern of ours to reduce to a minimum the subjectively perceptible noise typical of production facilities. We constantly strive to reduce noise pollution. We have implemented a number of measures in recent years – from several sound insulation projects and the extension of the noise barrier, to the time-controlled closing of windows and doors, and the use of an electric two-way vehicle. In order to further improve noise protection, further insulation measures were carried out around the rolling mill in 2021 and loud generators were encased in the finishing shops.

## Material and Resource Efficiency

#### Materials used

Stahlwerk Annahütte strives to use resources as little and as efficiently as possible. Steel billets represent by far the largest volume of material. We purchase over 98 percent of the billets we use from our affiliated plant, Lech-Stahlwerke GmbH (LSW). LSW recycles steel scrap into new steel using electric arc furnaces. Compared with the blast furnace route, this so-called electric steelmaking route consumes around 85 percent less energy and emits 85 percent less CO<sub>2</sub> (based on the German electricity mix Federal Environment Agency). Other input materials are the semi-finished products steel bars, tubes and bright hexagonal bars for the production of accessories.

We need auxiliary and operating materials for our production. Apart from fuels, the following materials are used:

- binding wire, which is fully recycled after use,
- untreated wood, which is reused several times, and
- cooling lubricant, for which we rely on environmentally compatible qualities.

Material efficiency has long been a matter of high priority at Stahlwerk Annahütte, and we regularly initiate optimization projects. Through the following measures, we avoid around 700 tons of rejects or scrap every year:

- Operation of a high-resolution laser profile measuring device in the rolling mill, including the development of algorithms for the early detection of rolling defects
- Pareto analysis of ingot failure in the rolling mill and derivation of optimization measures
- Use of defined billets for setup
- Optimized oxygen regime of the walking beam furnace
- Establishment of a short-length warehouse for thread bars with a corresponding pallet system
- Changeover from solid material to tube in accessory production



Scrap recycling

Another example of greater material efficiency is the minimum quantity lubrication. In 2021, four saws were successively converted. This reduces their total annual oil consumption from 2,200 liters to 60 liters. In addition, there is the drastically reduced exposure of employees to spray mist.

For both our steel bars and thread bars, we make sure to use as little alloying materials as possible. By using appropriate steel grades, we also enable compact lightweight construction in a wide range of applications. Here is an example from the field. For example, we increase the strength of thread bars through the use of a water cooling section in the rolling process. In this way, alloying material such as vanadium can be saved. This process can be used for about 96 percent of the thread bars produced.

#### MATERIALS USED

	2019	2020	2021
Steel bars in t	214,906	190,549	220,277
Bar steel in t	845	894	903
Tubes in t	619	664	701
Hexagonal bars in t	359	411	387
Binding wire in t	196	145	167
Square timber in m <sup>3</sup>	1,069	1,028	971
Cooling lubricant in m <sup>3</sup>	15	15	18

#### Waste and recycling

Waste management is a part of environmental management. Stahlwerk Annahütte strives to keep disposal costs constant in relation to production volume. As disposal costs (per ton) are on the rise, the recycling rate is being steadily increased. We incur disposal costs of no more than € 0.50 per ton of production volume. Our employees receive information on the subject of waste avoidance and reduction from various sources. For instance, topics are depicted on mission statements in a clearly understandable way. In addition, we report on waste avoidance initiatives in our employee magazine “Werksleben”. For example, we have been doing without disposable dishes in our canteen since 2020.

Steel scrap dominates the waste balance sheet with around 81 percent by volume, followed by scale with around 16 percent. These materials are both generated in the production process. The steel scrap is transported by rail. 56 percent by volume is directly returned to Lech-Stahlwerke; the remaining 44 percent are cut at Max Aicher Recycling GmbH before being then delivered to Lech-Stahlwerke, where the steel scrap is completely remelted with practically no loss of quality.



Automated accessory production

Scale, which is produced in the rolling mill during the heating and processing of steel, is supplied as a feedstock to brickworks and the cement industry. In third place in terms of volume is untreated waste wood, at around 0.52 percent; this is used in the form of wood chips in industrial furnaces. Waste that cannot be recycled – such as waste wood, waste emulsion, or mixed municipal waste – is used to generate energy. Furnace linings and floursand-scale mixtures must be sent to landfill, while used chemicals and fats are sent to hazardous waste disposal. As the following table shows, only a relatively small amount of hazardous waste is still generated.

#### UTILIZATION OF WASTE FROM ANNAHÜTTE

in t	2019	2020	2021
<b>Total waste volume</b>	<b>21,215</b>	<b>17,773</b>	<b>24,910</b>
Non-hazardous waste	21,055	17,581	24,782
thereof utilized	20,906	17,561	24,699
Hazardous waste	160	192	128
thereof utilized	131	43	109
<b>Recycling rate in %</b>	<b>99.16</b>	<b>99.05</b>	<b>99.59</b>

### Pollutant leakage

There were no significant spills of noxious substances from 2018 to 2021. Only minor, local spills were recorded, such as oil damage to hydraulic equipment caused by burst hoses. The spilled substances were cleaned up immediately.

### Water and wastewater

Stahlwerk Annahütte ensures that water is used sparingly in its processes. The Water Protection Officer is responsible for ensuring that the limits for the discharge of process water are complied with. The rolling mill's wastewater system is monitored on a daily basis by employees, and water samples are taken on site by an external laboratory several times a month.

Stahlwerk Annahütte is working to gradually renew the drinking water network in Hammerau. Measures include refurbishing the pipelines and minimizing pipeline losses to below 0.10 m<sup>3</sup>/km/h.

As an official drinking water supplier with its own drinking water well, Stahlwerk Annahütte also has a representative for this topic. Apart from our own supply, the main consumers are three local districts of the municipality.

Stahlwerk Annahütte derives freshwater – both drinking water and process water – from its own two wells.

### WELL WATER<sup>1</sup>

in m <sup>3</sup>	2019	2020	2021
External procurement <sup>2</sup>	900	0	0
Output from drinking water wells (flood plains)	99,502	89,711	102,426
Drinking water, own consumption	75,120	64,281	75,976
Delivery to private households and commercial enterprises	15,820	15,710	16,004
Output from process water wells (factory wells)	2,047,790	1,815,400	2,070,785

<sup>1</sup> Delivery incl. pipe losses

<sup>2</sup> The reason for the external purchase was maintenance work on the drinking water well in 2019.

Stahlwerk Annahütte still has a permit to withdraw surface water from the Hammerauer Mühlbach stream. In spring 2021, a digital flow measurement system was installed to precisely determine the volume of stream

water withdrawn. From April to December, the volume withdrawn was 482,000 m<sup>3</sup>. Mathematically, the total withdrawal for the entire year 2021 is 643,000 m<sup>3</sup>. By using the stream water, groundwater withdrawal is reduced. The stream water is used for individual product groups in the water cooling section of the rolling mill. Any additional water withdrawn remains available for the emergency water supply. However, this has never been necessary in recent years.

We use the water from our plant well to cool the walking beam furnace, the rolling drives, the rolls and the fittings. The cooling water first circulates several times in the cooling water circuit before it reaches the open contact surfaces of the rolls and fittings and is thereby contaminated. The water is subjected to an extensive purification process and is then discharged into the Hammerauer Mühlbach stream. We take a water sample every day, and an external laboratory analyzes the treated wastewater several times a month. We remain well below the statutory limits.

### WASTE WATER

in m <sup>3</sup>	2019	2020	2021
Discharge to surface water	1,251,427	1,064,518	1,304,477
Discharge to public sewer system	31,101	21,150	25,447

The cooling water from the Hammerauer Mühlbach is returned to the stream under constant monitoring and after multiple uses. When the water cooling section is in operation, we also take a sample here every day. At least once a month, and if necessary several times a month, we are examined by an external laboratory – here too, we remain well below the officially specified limits. The temperature of the discharged water is monitored every second.

The annual wastewater volumes are significantly lower than the volumes of water withdrawn. This is due to the wells' constant operation. Shutting down the pump of the plant well during production stoppages is not possible due to the complexity of draining and refilling the cooling water lines of the walking beam furnace. In case of repairs that need more time, it is checked whether a shutdown of the pump, combined with draining and filling of the cooling water lines, is purposeful.

If production is at a standstill, the water supplied is not to be declared as waste water.

## Sustainable Products for Customers

Products made from steel are a good example of the circular economy in action, since they can be recycled as often as required with practically no loss of quality. According to our definition, sustainable products are characterized by a low demand for energy as well as primary raw materials during production, further processing and during their use. With a share of 98 percent, we almost exclusively use billets made of electrical steel. With its comparatively good CO<sub>2</sub> and energy balance, this makes a significant contribution to sustainability. Our application technology department is concerned with the ongoing development of products.

One example of this is the development of a high-strength reinforcement system used in the construction of high-rise buildings. High-strength reinforcement is characterized by greater yield strength and tensile strength. This makes for slimmer structural members and thus more resource-efficient construction design. Smaller column and wall dimensions reduce the amount of building mate-

rials such as concrete, cement and building additives by up to 20 percent each. Additional usable or living space is also created. Our high-strength reinforcement system is being used in the Opera Tower in Frankfurt, the Dancing Towers in Hamburg and the One World Trade Center in New York.



Ten Museum Park, Miami



Skyscraper 53W53, Manhattan, New York

Another application of those products that can be classified as sustainable is the development of a high-strength SN anchor. The SN anchor is a fully grouted rock bolt in which the force transmission between the tie rod and the borehole wall takes place via cement grouting. The idea is to substitute a commercial product made of conventional reinforcing steel by a high-strength steel with a higher yield and tensile strength. This results in a material saving of 44 percent for the SN anchor, which leads to at least the same proportionate CO<sub>2</sub> savings.

The optimization of the existing anchor plates is also an innovation in terms of environmental protection and resource conservation. The use of anchor plates to transfer loads to other components is necessary in various thread bar systems. By further developing the corresponding components, it has been possible to reduce the mass of steel of anchor plates in the SAS 670/800 and SAS 835/1035 systems by around 40 to 60 percent while maintaining the same properties in the application. Similarly, it is planned to reduce the anchor plates of the SAS 500/550, SAS 550/620 and SAS 555/700 systems accordingly.



Apprentices of Stahlwerk Annahütte

Employees & Society

# Supporting Employees

We want to support our employees so that they can perform at their best for the company. We are committed to equal opportunities, attach great importance to safety and health care, and constantly invest in training and development. As an important employer in the region, we are actively involved in the community.

# An Attractive Working Environment

**W**e pay performance-related wages and salaries and invest continuously in further qualifications for employees. Through employee questionnaires and the company suggestion scheme, our employees make an active contribution to the company's development.

### Grants and benefits

Stahlwerk Annahütte grants a capital formation allowance, an employer-funded company pension plan, and reduced membership fees for our foundation-owned gym available to all employees. A flexitime model and working time accounts, along with our own company childcare facilities (see description below), enhance the compatibility of work and family life. Stahlwerk Annahütte also has a company canteen.

### Equal opportunity and diversity

In our "Binding Principles and Guidelines" we clearly commit ourselves to equal opportunities and equal treatment of all employees. In our company, the dignity, privacy, and personal rights of each and every individual will be respected. Working together in a spirit of partnership is the basis of a trusting and lasting working relationship. In our dealings with each other, we value honesty and the exchange of knowledge and experience.

We employ people from over 30 nations. Various workshops and team events strengthen cohesion and train social skills. In addition, we focus on aspects of teamwork and mutual respect in special trainee training courses. In order to specifically motivate girls for technical professions, we have been taking part in the "Girls' Day" campaign for several years. With the support of the Integration Agency, we offer assistance to severely disabled

employees and those with an equivalent status. As far as possible, we adapt workstations accordingly. At the end of 2021, 24 severely disabled employees were employed at Stahlwerk Annahütte, corresponding to a proportion of 4.2 percent (2020: 5.0 percent).



On-site childcare facility

### House for Children

With its own childcare facilities, Stahlwerk Annahütte has assumed a pioneering role in the district. The modern building was built in 2018 in cooperation with the municipality of Ainning. The "House for Children" (Haus für Kinder) comprises daycare facilities for infants, preschoolers, and schoolchildren. 97 children are currently cared for (end of 2021). The facility is mainly attended by children of our employees, but it is also used by other families from the neighborhood. The concept provides for vacation care and can also cover off-peak hours. The House for Children is intended as a place of interaction. As a certified inclusion facility, it is also suitable for children with increased support needs. In addition, it houses its own therapeutic practice, which is licensed by a panel doctor and offers speech and occupational therapy.

### Respect for employees' rights

We respect employees' freedom of association, freedom of assembly, and right to collective and wage bargaining. The number of employees that are members of a trade union is not recorded. Most employees are paid according to an in-house collective agreement. Company and individual agreements regulate the rights and obligations of employers and employees on the basis of the relevant legislation.



„Girls' Day“ campaign

We are in constant dialog with the employee representatives. Issues are discussed at the Works Council and other meetings. We communicate operational changes via the employee information portal on the intranet, circular e-mails, and notices posted by the Works Council or management. The employee magazine, info screens and company meetings are also used to provide information.

### Employment structure

In 2021, Stahlwerk Annahütte employed 588 people. With 311 employees, the 30 to 49 age group represents the largest share (without temporary workers). 112 employees are under 30 years of age, and 161 are 50 or older. In 2021, a total of 26 male employees took a total of 37 months of parental leave, and 4 female employees took 34 months. Reporting date values are in the table below.

### EMPLOYEES AT A GLANCE<sup>1</sup> as of December 31

	2019	2020	2021
<b>Employees, total</b>	604	574	588
thereof women	52	47	53
thereof men	552	527	535
<b>Permanent employees, total</b>	542	518	520
thereof women	44	43	46
thereof men	498	475	474
<b>Limited-contract employees, total</b>	29	26	36
thereof women	5	1	3
thereof men	24	25	33
<b>Apprentices</b>	30	29	28
thereof women	3	3	4
thereof men	27	26	24
<b>Temporary workers</b>	3	1	4

<sup>1</sup> All figures in headcount

### FLUCTUATION

	2019	2020	2021
<b>Newly hired employees</b>	36	29	54
thereof women	6	2	7
thereof men	30	27	47
<b>Departure of employees</b>	45	44	43
thereof women	6	6	1
thereof men	39	38	42
<b>Fluctuation rate in %</b>	5.1	4.8	5.3

### EMPLOYEES BY AGE GROUP (excluding temporary workers)

	2019	2020	2021
<b>&lt; 30 years</b>	129	117	112
thereof women	15	12	12
thereof men	114	105	100
<b>30 – 49 years</b>	309	298	311
thereof women	23	20	26
thereof men	286	278	285
<b>≥ 50 years</b>	163	158	161
thereof women	14	15	15
thereof men	149	143	146

### GENDER BALANCE IN MANAGEMENT ROLES

	2019	2020	2021
<b>Persons in corporate management</b>	3	3	3
thereof women	2	2	2
thereof men	1	1	1
<b>Persons in divisional and team management</b>	40	44	45
thereof women	1	0	0
thereof men	39	44	45



New personal protective equipment

# Health and Safety

### Systematic occupational health and safety

We bear a special responsibility for the health and safety of our employees. The basis of the corresponding management system is the Integrated Management Manual of Stahlwerk Annahütte. We aim to have the Occupational Health and Safety Management System (SGA) certified to DIN ISO 45001 in July 2022. Stahlwerk Annahütte has appointed two occupational health and safety specialists, and the respective areas also have their own Safety Officers and first-aiders. We implement the applicable regulations for occupational health and safety. The management system is assessed as part of the quarterly target monitoring process.

We identify potential occupational safety risks through hazard assessments. In doing so, we pursue a preventive approach. All accidents are recorded using the eplas occupational health and safety software, after which specific measures are formulated and communicated to the responsible persons. For preventive health care, all employees receive preventive and fitness examinations by company physicians.

We have established strategic and operational targets for occupational health and safety, with the operational targets reviewed on an annual basis.

### OUR OPERATIONAL OCCUPATIONAL HEALTH AND SAFETY TARGETS FOR 2021–2024 ARE AS FOLLOWS:

Target	KPI
We strive to constantly adapt all workplaces to changing requirements at an early stage.	Number of emergency measures initiated during the year as a result of inspections Target: < 10
By making our workplaces safe, we aim to reduce employee absenteeism.	Number of reportable work-related accidents per 1 million hours worked Target: < 35 Number of days lost due to work-related accidents per 1 million hours worked Target: < 750
We want to work together with our employees to improve occupational health and safety.	Number of improvement suggestions per year that are attributable to the Health and Safety area Target: > 15
We want to certify our Occupational Health and Safety Management System to DIN ISO 45001 and maintain this status.	Certification to DIN ISO 45001

### Protective measures during the Corona pandemic

As a result of the Corona pandemic, we implemented numerous measures at Stahlwerk Annahütte and kept our employees informed of the corresponding rules for behavior. Contacts were limited to a bare minimum. When assigning shifts, for example, we made sure that the same teams always worked together. We hold meetings in virtual form; if this is not feasible due to exceptional circumstances, we reduce the number of participants. Over 30 air filtration units have been purchased for meeting rooms and break rooms. In addition, medical or FFP2 protective facemasks are worn if a minimum distance of 1.5 meters cannot be maintained at all times. We have provided hand hygiene facilities throughout the plant wherever they had not yet been sufficiently available. We have adapted the canteen management system in line with official requirements. Instruction is provided to employees in digital form as far as is reasonable from an occupational health and safety perspective.

We have had our own certified PCR testing device in operation since April 2020; this enables us to test our employees extensively and promptly, for example on return from a holiday. In addition, employees were offered coronavirus vaccinations via the company doctor in the year under review.

### Work-related accidents

There were no fatal work-related accidents in 2021, 2019 or 2018. In 2020, Stahlwerk Annahütte recorded one fatal work-related accident (a traffic accident involving a bicycle); this occurred off-site.

#### WORK-RELATED ACCIDENTS

	2019	2020	2021
Number of reportable work-related accidents	39	29	37
Number of non-reportable work-related accidents (lost time less than 3 days)	23	7	20
Number of sick days after a work-related accident	1,064	805	763

In 2020, we used the eplas software for the first time to record work-related accidents. Accidents without loss of time are now also statistically evaluated. This makes it possible to identify major hazards even earlier.

Likewise, since 2020, the near-misses in which no one was harmed have been recorded. This makes a further contribution to accident prevention. The significant reduction in the number of work-related accidents in 2020 was partly due to the introduction of short-time work for limited periods.

### Continuing education and development

Opportunities for further education are a salient feature of Stahlwerk Annahütte. We provide in-service training to become a master craftsman or technician, for example, as well as a vocational university course. From 2019 to 2021 nine employees benefited from this scheme to complete their training as technicians and master craftsmen, and two employees graduated in part-time university studies.

There are numerous opportunities available for ongoing training in technical, methodological, linguistic, and social skills. The offerings range from seminars and training courses to e-learning and distance learning. In 2020 and 2021, just under 2,000 hours were invested in training and development due to pandemic-related cancellations of training measures. We are aiming for a figure of at least 2,350 hours in 2022.

Our employees take advantage of the ongoing training offered by Akademie Berchtesgadener Land, which belongs to the Max Aicher Foundation. The academy acts as an external training center in cooperation with the Rosenheim Technical University.



## Education and Training



### Training skilled employees

Stahlwerk Annahütte consistently invests in education and training. We train the skilled workers we will need in the future ourselves. In 2021, 12 apprentices completed their training at Stahlwerk Annahütte in a total of six different professions. We generally take on our apprentices. We teach elementary core skills right at the start of their careers. This is why our “power apprentice forge”, including team training sessions that were also carried out in 2021, has become an integral part of our in-house training. The apprentices get to know each other better and learn a lot about their own competencies and those of their fellow apprentices.

#### APPRENTICESHIPS

	2019	2020	2021
Apprentices, in total	30	29	28
thereof female	3	3	4
thereof male	27	26	24

## Social Commitment

### Donations and sponsoring

Stahlwerk Annahütte is also involved in activities beyond its core business and thereby makes a positive contribution to the region. This includes donations and sponsorship activities for social, charitable, and sports associations as well as for institutions, childcare facilities, schools, and events. The focus here is mainly on local campaigns. Among other things, we donate to the Ainring music club, to the mountain rescue service and to projects at local

schools. Other donations go to the Salzburg Festival, local charity events, Paracelsus Medical Private University, and the House for Children. The volume of donations and sponsorships totaled 130,010 euros in 2021.

The pilot project “Humus Build-Up” of the Berchtesgadener Land district, which was launched in September 2021, deserves special mention. Its aim is to build up humus in the sense of regenerative agriculture. This binds CO<sub>2</sub> in the soil and improves its water storage capacity. Annahütte is involved in this project together with four other partners from industry and five farms.

### Educational partnerships with schools

Stahlwerk Annahütte also maintains close networks with local schools. We were the first company in the Berchtesgadener Land region to enter into so-called IHK (Chamber of Industry and Commerce) educational partnerships with three schools. In this way, we provide young people with practical insights into the world of work.



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## About This Report

### Sustainability Report

With this report, Stahlwerk Annahütte is presenting its activities, key figures and targets in the area of sustainability transparently. The figures and data in this Sustainability Report relate exclusively to the central production site in Hammerau, and not to the affiliated companies. The focus is on the 2021 financial year (January 1, 2021 to December 31, 2021); key figures from 2019 and 2020 are also shown for purposes of comparison. There were no relevant changes to the organization or the supply chain compared to previous years. Some of the figures shown have been rounded.

### Reporting standard

This report has been prepared in accordance with the GRI Standards: Core option. An overview of the GRI statements covered in the GRI Content Index is provided on pages 26 to 29. External verification has not been performed.

### Contact

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### Editorial notes

The editorial deadline for this report was May 15, 2022. The 2021 Sustainability Report was published in June 2022.



# Imprint

**Publisher:**

Stahlwerk Annahütte  
Max Aicher GmbH & Co. KG  
Max-Aicher-Allee 1+2  
D-83404 Hammerau  
Germany  
Telephone +49 8654 487-0  
Fax +49 8654 487-968  
[www.annahuette.com](http://www.annahuette.com)

**Concept/Editing/Design:**

akzente kommunikation und  
beratung GmbH, Munich

**Photo credits:**

Stahlwerk Annahütte

Hammerau  
June 2022

**MAX AICHER**  
UNTERNEHMENSGRUPPE

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